



# 2025

## 3 Year Financial Plan

November 19, 20 + 28, 2024



# Legislated Requirements

## Section 283.1 of the MGA

1. Annual budget requirements for operating and capital budgets are unchanged.
2. At a minimum a “written” three year financial plan and a “written” five year capital plan must be prepared.
3. Multi-year plans do not include the year in which they are prepared
4. Council must review and update these plans annually

# Long Term Financial Planning Benefits & Drivers

## Primary Benefit:

- Identifies future financial challenges and opportunities, allowing the leadership team to plan ahead and develop a “roadmap” to minimize/eliminate challenges and take full advantage of opportunities.
- Over the past year we have been focusing on developing reserve strategies for anticipated future costs in both operating and capital to help mitigate the impact on taxation in the year the expense is incurred and normalize the expense year over year.



# Financial Plan – Minimum Standards

1. In addition to section 283.1 of the MGA, the Municipal Corporate Planning Regulation establishes a minimum standard for the content of financial and capital plans.
2. The regulation provides that the three-year financial plan must include, at a minimum:
  - Anticipated total revenues and total expenses by major category
  - Anticipated annual surplus or deficit
  - Anticipated accumulated surplus or deficit
3. To meet the minimum legislated requirement, a 3-year forecast must be completed.
4. The intent is to develop a plan, not a multi-year budget.

# Forecast Drivers

2025 Budget	Inflation	Growth	Service Changes	2026 Plan
2026 Plan	Inflation	Growth	Service Changes	2027 Plan
2027 Plan	Inflation	Growth	Service Changes	2028 Plan

Budget approved in the 2025 Calendar Year (November/December 2024) – includes  
2025 Budget + Operating Plan for 2026, 2027 and 2028

# Three Year Plan Assumptions

- Although inflation is sitting around the Bank of Canada target rate of 2%, inflation projected remains at 3% for 2026, 2027, and 2028 due to current economic uncertainties, geopolitical factors and ongoing environmental challenges particularly as we enter an election year.
- Growth at 2% per year for certain items such as wages on top of inflation.
- Operating Federal and Provincial Grant funding assumptions for 2025 budget carried forward for 2026, 2027 and 2028.
- Policing costs predicted to rise 36% effective April 1, 2025, with a potential deferral of one year.
- Borrowing complete between 2026-2028 but remain in budget as balance will be allocated to reserves and more debt incurred per Capital Borrowing Plan.
- Fortis Franchise Fee remains at 10%, potential future increase to offset increasing Policing costs
- Continued recreational funding from County rising with inflation
- Increases in assessment in 2026 tied to balances provided from Tanmar Consulting for 2025 development
- No major changes predicted in service levels

# Three Year Plan: Budget Change Summary



2026

- Increase \$499,076
- 13.58%

2027

- Decrease \$26,387 \*
- -0.63%

2028

- Increase \$187,938
- 4.53%

*Note: decrease forecasted in 2027 due to significant increase forecasted in 2026. Items from 2026 will be moved to 2027.*

# 2026 Major Annual Service Changes

## Removed Items – Completed in 2025 Budget

- Council election costs
- Council electronic devices
- Council training costs
- ESRI system to track linear infrastructure conditions

## Added Items for 2026

- \$25,000 GAP Analysis (Ec Dev)
- \$70,000 electrical bays, wash bay upgrades, epoxy coating (Fire)
- \$150,000 Master Service Plan (Transportation)
- \$80,000 Reservoir Engineering (Water)







# 3 Year Plan By Object: 2026

Inflation & Growth		3.0%	2.0%		
	Budget			Service	Budget
	Operating 2025	Inflation \$	Growth \$	Changes \$	Operating 2026
<b>Revenue:</b>					
TAXATION (EXCLUDING REQUISITIONS)	3,674,133	-	-	499,076	4,173,209
USER FEES	4,074,643	114,899	3,228	-	4,192,770
RESERVE TRANSFER	96,351	105	-	7,708	88,748
GRANTS	526,975	13,046	-	-	540,021
<b>Total Revenue</b>	<b>8,372,102</b>	<b>128,050</b>	<b>3,228</b>	<b>491,368</b>	<b>8,994,748</b>
<b>Expenses:</b>					
TAXATION (REBATES & CONTINGENCY)	19,000	-	-	-	19,000
STAFFING - WAGES & CONTRIBUTIONS	3,131,077	93,932	62,622	-	3,287,631
STAFFING COSTS - TRAINING & OTHER	173,176	5,195	-	3,000	175,371
PROFESSIONAL FEES	914,060	62,986	20	226,500	1,203,566
LEASES	16,767	503	-	-	17,270
INSURANCE	225,760	6,773	-	-	232,533
GOODS & SUPPLIES	300,596	9,018	-	3,178	306,436
POSTAGE & COPIES	27,178	815	-	-	27,993
REPAIRS & MAINTENANCE	604,502	18,135	-	70,000	692,637
VEHICLE EXPENSE	125,500	3,765	-	1,500	127,765
UTILITIES	570,125	17,104	-	-	587,229
OTHER - FINANCE CHARGES / DEBENTURES	562,493	5,350	-	-	567,843
OTHER - PROGRAMS / EVENTS	115,131	3,454	-	200	118,385
OTHER - UTILITY SUPPLY PURCHASE	800,911	24,027	-	-	824,938
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	78,919	2,368	-	-	81,286
RESERVE TRANSFERS	706,907	7,910	-	10,047	724,864
AMORTIZATION	1,368,504	-	-	13,708	1,395,351
<b>Total Expenses</b>	<b>9,740,606</b>	<b>261,335</b>	<b>62,642</b>	<b>312,377</b>	<b>10,390,098</b>
<b>Balance after adjustments</b>	<b>- 1,368,504</b>	<b>- 133,286</b>	<b>- 59,413</b>	<b>178,992</b>	<b>- 1,395,351</b>

# 2027 Major Annual Service Changes

## Removed Items

- \$25,000 GAP Analysis (Ec Dev)
- \$70,000 electrical bays, wash bay upgrades, epoxy coating (Fire)
- \$150,000 Master Service Plan (Transportation)
- \$80,000 Reservoir Engineering (Water)

## Added Items

- \$40,000 Communications contract (Admin)

## Note

- 2026 plan includes several large items, resulting in a projected tax increase of 13.58%. During the development of the 2026 budget, administration will identify items that will be moved to 2027 to reduce the significant tax increase. Balances included in the plan for 2027 are on the lighter side to accommodate this.





# 3 Year Plan By Object: 2027

Inflation & Growth		3.0%	2.0%		
	Budget			Service	Budget
	Operating 2026	Inflation \$	Growth \$	Changes \$	Operating 2027
<b>Revenue:</b>					
TAXATION (EXCLUDING REQUISITIONS)	4,173,209	-	-	- 26,387	4,146,822
USER FEES	4,192,770	118,443	3,390	-	4,314,603
RESERVE TRANSFER	88,748	2,662	-	-	91,410
GRANTS	540,021	13,437	-	-	553,457
<b>Total Revenue</b>	<b>8,994,748</b>	<b>134,542</b>	<b>3,390</b>	<b>- 26,387</b>	<b>9,106,293</b>
<b>Expenses:</b>					
TAXATION (REBATES & CONTINGENCY)	19,000	-	-	-	19,000
STAFFING - WAGES & CONTRIBUTIONS	3,287,631	98,629	65,753	-	3,452,012
STAFFING COSTS - TRAINING & OTHER	175,371	5,261	-	-	180,632
PROFESSIONAL FEES	1,203,566	36,107	21	- 134,000	1,105,694
LEASES	17,270	518	-	-	17,788
INSURANCE	232,533	6,976	-	-	239,509
GOODS & SUPPLIES	306,436	9,193	-	- 7,470	308,159
POSTAGE & COPIES	27,993	840	-	-	28,833
REPAIRS & MAINTENANCE	692,637	20,779	-	- 67,000	646,416
VEHICLE EXPENSE	127,765	3,833	-	-	131,598
UTILITIES	587,229	17,617	-	-	604,846
OTHER - FINANCE CHARGES / DEBENTURES	567,843	5,510	-	-	573,353
OTHER - PROGRAMS / EVENTS	118,385	3,552	-	-	121,936
OTHER - UTILITY SUPPLY PURCHASE	824,938	24,748	-	-	849,686
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	81,286	2,439	-	-	83,725
RESERVE TRANSFERS	724,864	8,148	-	10,093	743,104
AMORTIZATION	1,395,351	-	-	46,373	1,441,724
<b>Total Expenses</b>	<b>10,390,098</b>	<b>244,149</b>	<b>65,774</b>	<b>- 152,004</b>	<b>10,548,017</b>
<b>Balance after adjustments</b>	<b>- 1,395,351</b>	<b>- 109,607</b>	<b>- 62,384</b>	<b>125,617</b>	<b>- 1,441,724</b>

# 2028 Major Annual Service Changes

## Removed Items

- \$40,000 Communications contract (Admin)

## Added Items

- No significant additions to the 2028 plan

## Note

- Focus during 2025 fiscal year will be to review recurring operating expenses in conjunction with the reserve policy review and updates with the intention of creating long-term plans for recurring costs relating to major infrastructure, specifically surrounding utilities (gas and water meter change outs), recurring expenses (election costs) and upcoming significant expenditures (DMS end of life planning).





# 3 Year Plan By Object: 2028

Inflation & Growth		3.0%	2.0%		
	Budget Operating 2027	Inflation \$	Growth \$	Service Changes \$	Budget Operating 2028
<b>Revenue:</b>					
TAXATION (EXCLUDING REQUISITIONS)	4,146,822	-	-	187,938	4,334,760
USER FEES	4,314,603	122,098	3,559	-	4,440,260
RESERVE TRANSFER	91,410	2,742	-	-	94,153
GRANTS	553,457	13,840	-	-	567,297
<b>Total Revenue</b>	<b>9,106,293</b>	<b>138,680</b>	<b>3,559</b>	<b>187,938</b>	<b>9,436,470</b>
<b>Expenses:</b>					
TAXATION (REBATES & CONTINGENCY)	19,000	-	-	-	19,000
STAFFING - WAGES & CONTRIBUTIONS	3,452,012	103,560	69,040	-	3,624,613
STAFFING COSTS - TRAINING & OTHER	180,632	5,419	-	-	186,051
PROFESSIONAL FEES	1,105,694	33,171	22	1,000	1,139,887
LEASES	17,788	534	-	-	18,322
INSURANCE	239,509	7,185	-	-	246,694
GOODS & SUPPLIES	308,159	9,245	-	1,030	318,434
POSTAGE & COPIES	28,833	865	-	-	29,698
REPAIRS & MAINTENANCE	646,416	19,392	-	-	665,809
VEHICLE EXPENSE	131,598	3,948	-	1,500	137,046
UTILITIES	604,846	18,145	-	-	622,991
OTHER - FINANCE CHARGES / DEBENTURES	573,353	5,972	-	-	579,325
OTHER - PROGRAMS / EVENTS	121,936	3,658	-	-	125,595
OTHER - UTILITY SUPPLY PURCHASE	849,686	25,491	-	-	875,177
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	83,725	2,512	-	-	86,236
RESERVE TRANSFERS	743,104	8,392	-	10,096	761,592
AMORTIZATION	1,441,724	-	-	30,000	1,471,724
<b>Total Expenses</b>	<b>10,548,017</b>	<b>247,489</b>	<b>69,062</b>	<b>43,626</b>	<b>10,908,194</b>
<b>Balance after adjustments</b>	<b>- 1,441,724</b>	<b>- 108,809</b>	<b>- 65,503</b>	<b>144,312</b>	<b>- 1,471,724</b>

# Reserve Objectives

- Plan for future operating and capital needs
- Plan for contingencies
- Minimize debt and interest on capital projects
- Generate investment income
- Support strategic cash management
- Risk Management Planning



# Reserve Stabilization

- **Administration** – continue with \$35,000 annual transfer for future technology expenditures
- Fire – continue annual allocation per policy of sales less vehicle expenses for future equipment – approximately \$1,550
- **Streets** – \$10,000 increase not included in current proposed budget, holding at the same amount as 2024 budget of \$90,000
- **Utilities** – continue with capital investment charge at the same amount as prior year and proposed increase to utility infrastructure reinvestment rider. Garbage dividend strategy to continue to increase reserves.
- **Pembina Place** – continuation of \$100,000 transferred to reserves annually per recreation agreement (50/50 cost share Town & County)
- **Fortis Franchise Fee** – no increase proposed in 2025, currently at 10%, potential increase in future years to be considered based on increased policing costs.
- Continuing to develop reserve strategy that works towards normalizing recurring costs over a longer period and reduces the Town's reliance on grants to maintain critical infrastructure.

# Questions

