



2026

Budget Deliberations

November 18, 20, 25 and 27, 2025



Message from the CAO

We are pleased to present the proposed 2026 Budget for Council's review, reflecting our commitment to community growth, service excellence, and infrastructure sustainability.

Key investments include wastewater upgrades, intersection improvements, sidewalk and street renewal, and equipment and technology enhancements to improve efficiency and safety. Economic development initiatives, including the NRED Grant and Made in Redwater programs, remain a priority.

The budget also addresses rising costs in policing and construction, with ongoing evaluation of utility fees to ensure fairness while maintaining services. We look forward to working with Council to balance these priorities and support a thriving community.





2026 Budget Overview

PRIORITIES

- Investment in growth infrastructure
- Renewed investment for infrastructure sustainability
- Promote service excellence
- Support for economic development
- Reduce tax support to public utilities
- Program specific pressure

INVESTMENT IN GROWTH INFRASTRUCTURE

GROWTH INFRASTRUCTURE

- Wastewater collection and treatment
 - CHIF Funding and AMWWP
- Intersection upgrades at Ochre park Road and Hwy 38



RENEWED INVESTMENT FOR INFRASTRUCTURE SUSTAINABILITY

Investing in Infrastructure Renewal

- Sidewalks: concrete (residential) and paving stones (downtown)
- Street Overlays 44 street and 52nd Ave.
- Residential water and wastewater line renewal 47Ave. Year 1 of 4-year project.
- Spot repairs on significant failures in underground utilities



PROMOTE SERVICE EXCELLENCE

Service Excellence

- Invest in technology and equipment upgrades to assist in service level enhancements
- Attachments for existing skid steer and tool cat
 - Soil conditioner and V-Blade
- Upgrade snow blower to increase efficiency of winter snow removal
- Enhancements to internal technology to support safety and efficiency programs and services



SUPPORT FOR ECONOMIC DEVELOPMENT

Economic Development

- NRED Grant
 - Economic development plan
 - Retail and industrial Gap Analysis
 - Economic development micro site
 - Economic development training for staff.
- Continued development of made in redwater programs to enhance business development and Investment (re-imagine Redwater)



REDUCE TAX SUPPORT TO PUBLIC UTILITIES

REDUCE TAX SUPPORT TO PUBLIC UTILITIES

- Utilities as a non-tax-supported service
- To reduce utility costs means reducing utility spending.
- Not all Utility users pay property tax.



PROGRAM SPECIFIC PRESSURE

PROGRAM PRESSURES

- Policing
 - Expect policing costs to increase by 30% (\$39,000) from previous year
- Capital construction and purchases increases have historically been 15% to 20% annually; this is again expected in 2026





Agenda

Budget Overview

2.0

Division Budgets

3.0

Council

Corporate Services

Operations

Office of the CAO

Capital & Long Term Plans

4.0

2026 Proposed Capital Budget

5 Year Capital Plan

3 Year Operating Budget

Reserves & Grants

5.0

Fees & Charges

6.0

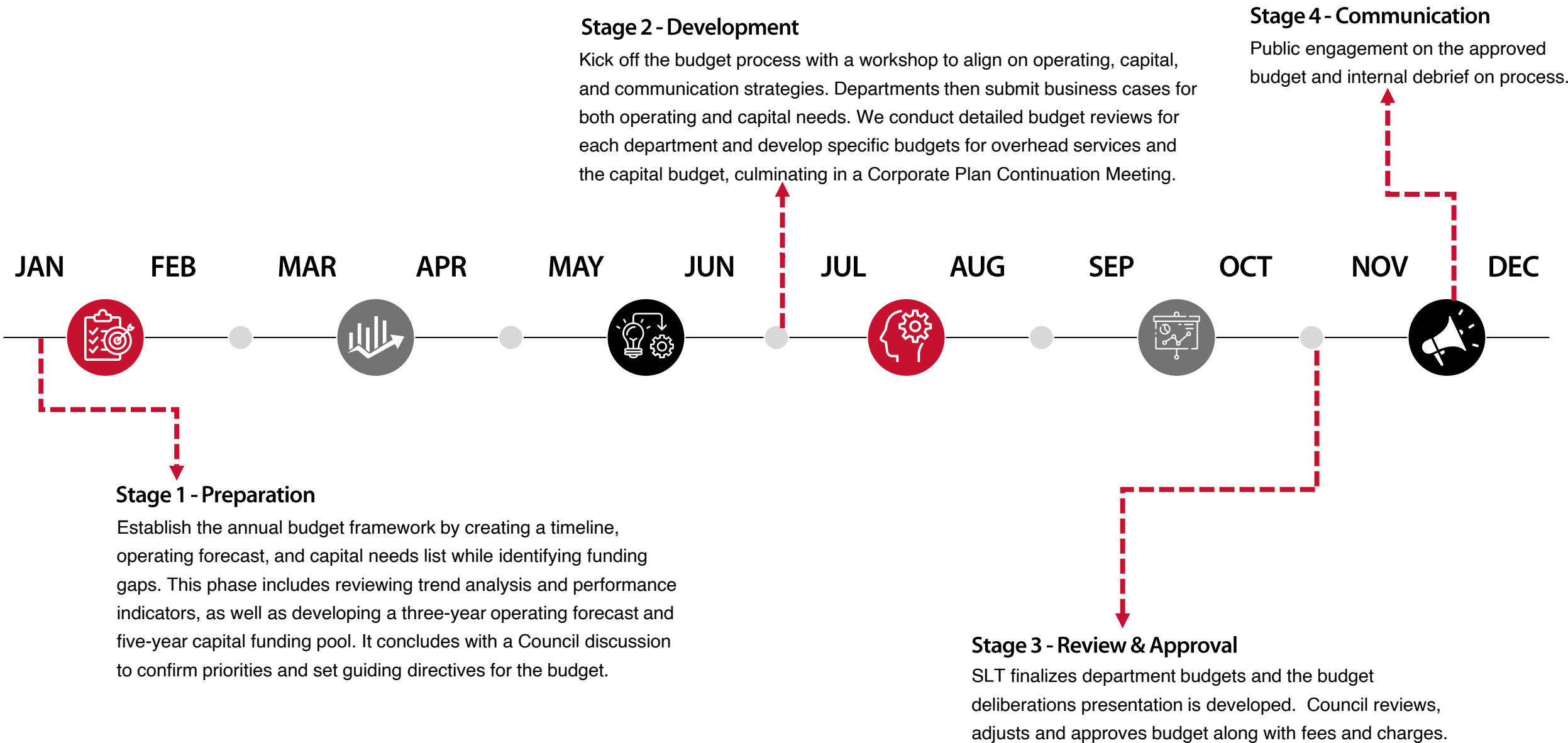


2026

Budget Overview



The Budget Process



A vertical photograph on the left side of the page shows a sunset with a bright orange and yellow sky. A dark silhouette of a forest is visible on the horizon, and a single oil rig is visible on the left side of the horizon. The water in the foreground reflects the colors of the sky.

Our Mission:

Building a safe, beautiful and sustainable community.

Our Values:

Integrity

The Town of Redwater approaches governance with transparency, honesty and consideration of community values.

Responsibility

The Town of Redwater provides high quality, efficient and effective service through commitment to ongoing improvement.

Cooperation

The Town of Redwater works well with community groups, regional neighbors, and other levels of government.

Community

The Town of Redwater strives toward having a safe, beautiful and sustainable home fostering a sense of community.

Municipal Service Equation

- Municipalities are in the “quality of life” business providing value for taxes, rates, fees and charges.
- Hundreds of critical and quality of life services are delivered each day and are supported by capital assets.



Building a Resilient Town

- **Shaping a sustainable future:** Today's budget decisions strengthen fiscal health and keep taxes steady.
- **Meeting economic challenges:** Responsible choices ensure long-term stability despite high inflation and reduced assessment revenue.
- **Balancing service and costs:** Modest tax adjustments help maintain service levels for residents and businesses.
- **Smart budget management:** By updating policies like our reserves, we balance rising costs with gradual tax changes, easing the financial impact on residents while funding essential services.



Budget Opportunities and Challenges



External Pressures

- Inflationary/deflationary pressures
- Cost sharing pressures
- Lack of assessment growth
- Provincial downloading of policing costs



Internal Pressures / Opportunities

- Emerging capital projects
- Department capacity
- Aging infrastructure

Funding Assumptions Included in the 2026 Budget

Grants

- LGFF operating funding for 2026 has not been confirmed at this time, assumed funding at the same level as LGFF in 2025– allocated towards Fire, Disaster Services & Administration
- FCSS grants remain at current level
- Federal Summer Jobs – included for seasonal positions in Public Works, Parks & Summer Programs

Fortis Franchise Fee / Utilities

- Allocated to offset Pembina Place Debenture and balance to offset increasing Police expenses from Province & Sewer liners project reserves – current increase included in budget of 2% to 12%
- The following proposed utility rate increases have been included in the 2026 Proposed Budget:
 - Water variable rate increase from \$1.65/m³ to \$2.00/m³
 - Gas variable rate increase from \$2.15/GJ to \$2.35/GJ

2026 Asset Management Strategies

- \$1,550 to reserve for future replacement of fire equipment
- \$100,000 asset management strategy fund for streets from taxes, ongoing long-term goal as Provincial grants are at risk of reduction
- \$334,151 utility capital investment collected from monthly utility bills, including dividend to municipality from garbage rate restructure and utility infrastructure reinvestment rider
- \$100,000 from ongoing Recreation agreement (\$50,000 County / \$50,000 Town)
- \$35,000 reserve transfer for technology reserve initiatives





2026

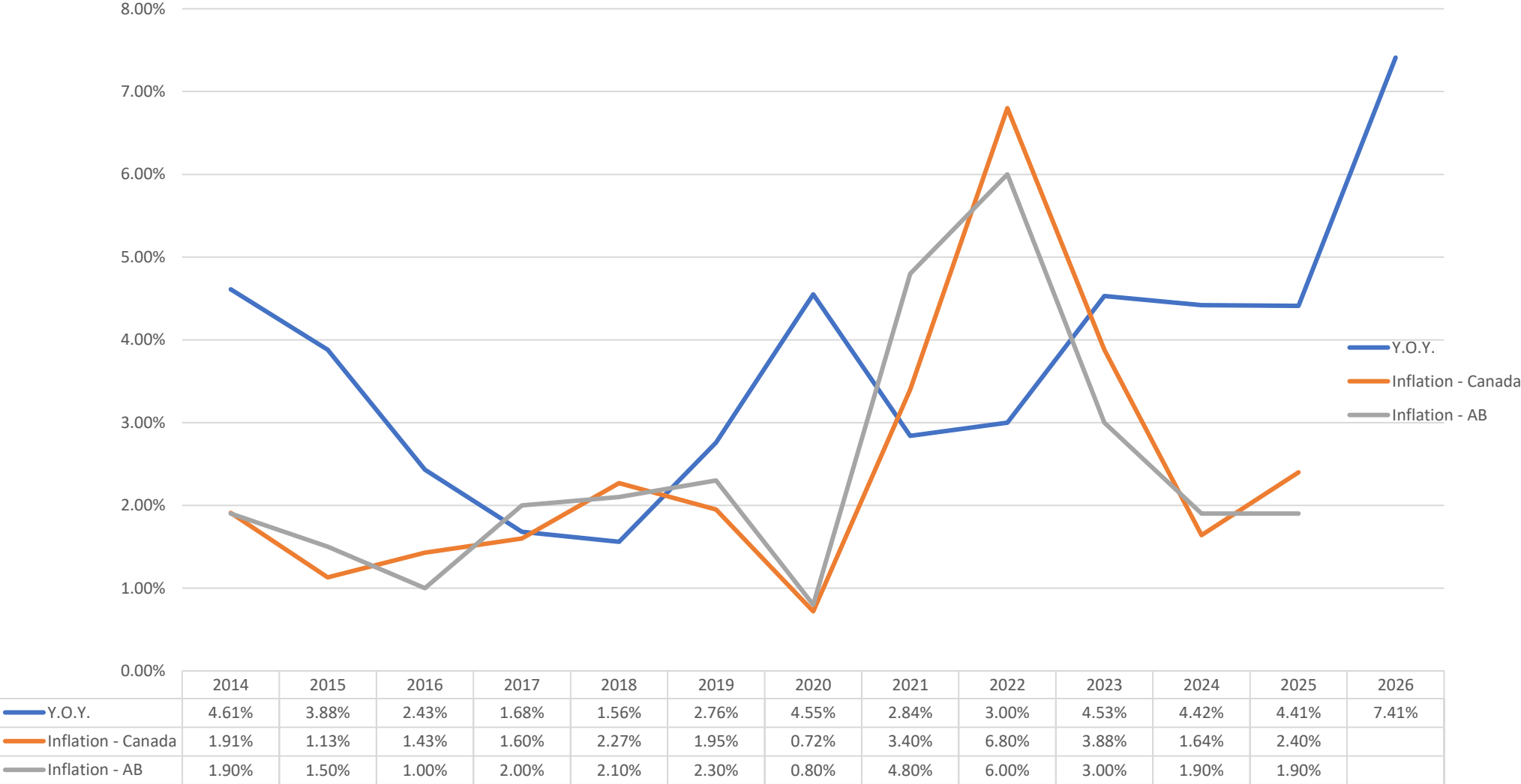
- Budgeted Operating Revenue: \$9,359,239
- Budgeted Operating Expense: \$9,359,239
- Municipal Taxation: **\$3,839,049**

2025

- Budgeted Operating Revenue: \$9,203,651
- Budgeted Operating Expense: \$9,203,651
- Municipal Taxation: \$3,574,207

\$264,842 (7.41%) increase over 2025 budget

Town of Redwater Historical Budget Increases



2026 Estimated Municipal Tax Dollar

Comparison of Value for the Average 2025 Assessment \$223,381

Municipal Services \$200/month

(compared to \$177/month in 2025)

- Arena & Curling facilities
- Bylaw Services
- Community Beautification
- Community Cultural Centre
- Community & Family Programs
- Economic Development & Promotion
- Emergency & Disaster Recovery
- Family & Community Support Services
- Fire Response & Prevention
- Museum & Library Facilities
- Pool, Parks & Recreation Facilities
- Road & Sidewalk Maintenance
- Street Lights
- Street Sweeping & Snow Removal

In Comparison – Other Services Monthly

(Statistics Canada 2023 * most recent data)

- Transportation \$1,008
- Clothing and accessories \$228
- Personal care \$155
- Health care \$257
- Recreation \$436
- Food purchased from stores \$722

Monthly tax increase for average ratepayer \$23 / month

Tax Rebate

2024 – Eligibility

- Eligible Residential Assessment \$450,000 - \$500,000
- Total Municipal Rebate Eligible \$4,721 - \$5,245

2025 – Eligibility

- Eligible Residential Assessment \$1,500,000 - \$2,000,000
- Total Municipal Rebate Eligible \$15,000 – \$20,100

2026 – Projected Eligibility

- Eligible Residential Assessment \$400,000 - \$500,000
- Total Municipal Rebate Eligible \$4,300 – \$5,400



Cost of Living Comparables

	2026 Budget	2025	2024
Redwater Staff	1.7%	2%	2%
Redwater Council	1.7%	0%	0%
Bon Accord	2%	2%	2.5%
Gibbons	?%	2%	3%
Legal	2.5%	2.5%	3%
Morinville	3.5%	2-3%	2.25%
Sturgeon	?%*	2.5%*	1.5%*

* Using AWE instead of CPI

Wages & Contributions

For 2026, projected wages will represent 25.5% of total operating expenses, which is on par with wages as a 26% of total operating expenses in 2025.

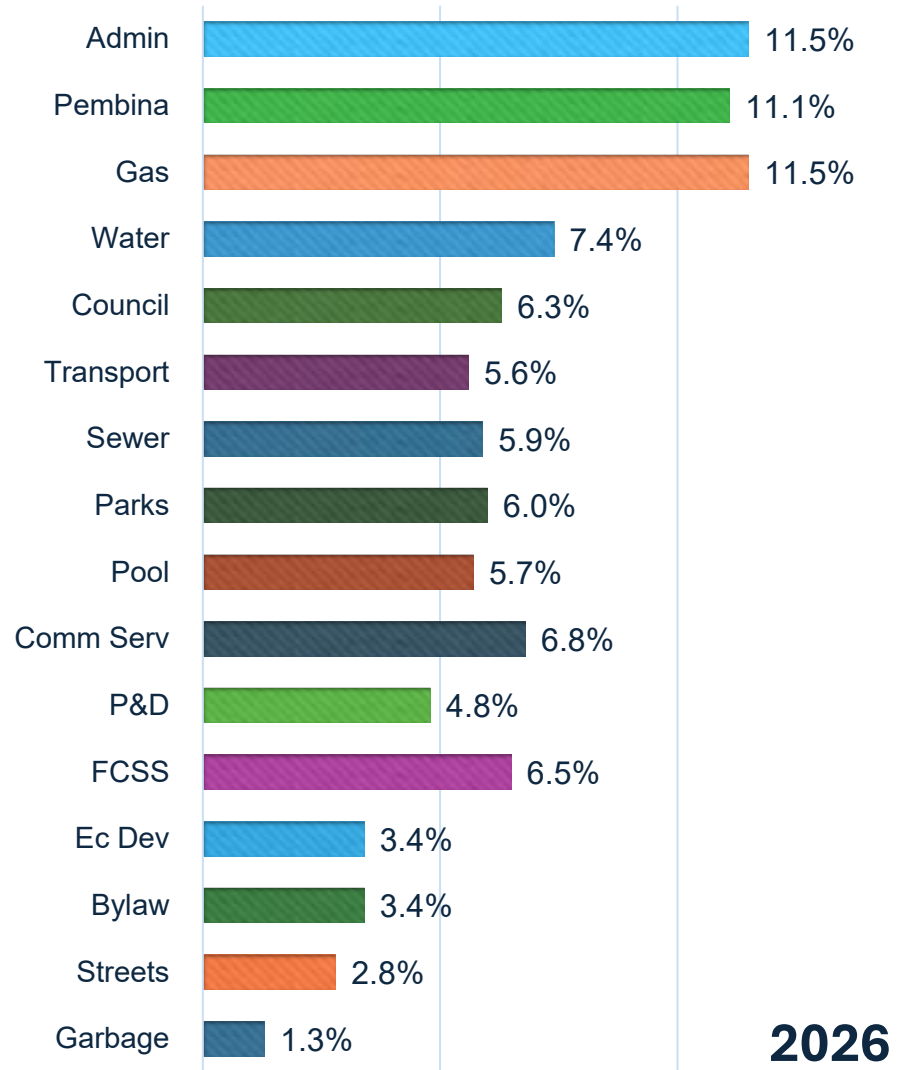
- Projected total wages \$2,390,387 (not including mayor and council)
- 2025 Budgeted Wages:
 - 2025 final budgeted total wages \$2,363,805, increase of \$26,582
- Structural changes going into 2026:
 - Pilot project to contract out the Finance Manager position, with the addition of 0.6FTE Corporate Services Assistant and the creation of an Occupational Health and Safety Coordinator.
- Based on Cost of Living comparables, the following is included in the budget:
 - Employee cost of living adjustment of 1.7% (per Policy 326)
 - Employee compensation adjustments related to service excellence
 - Council cost of living adjustment of 1.7% (per Policy 326)

Wages & Contributions

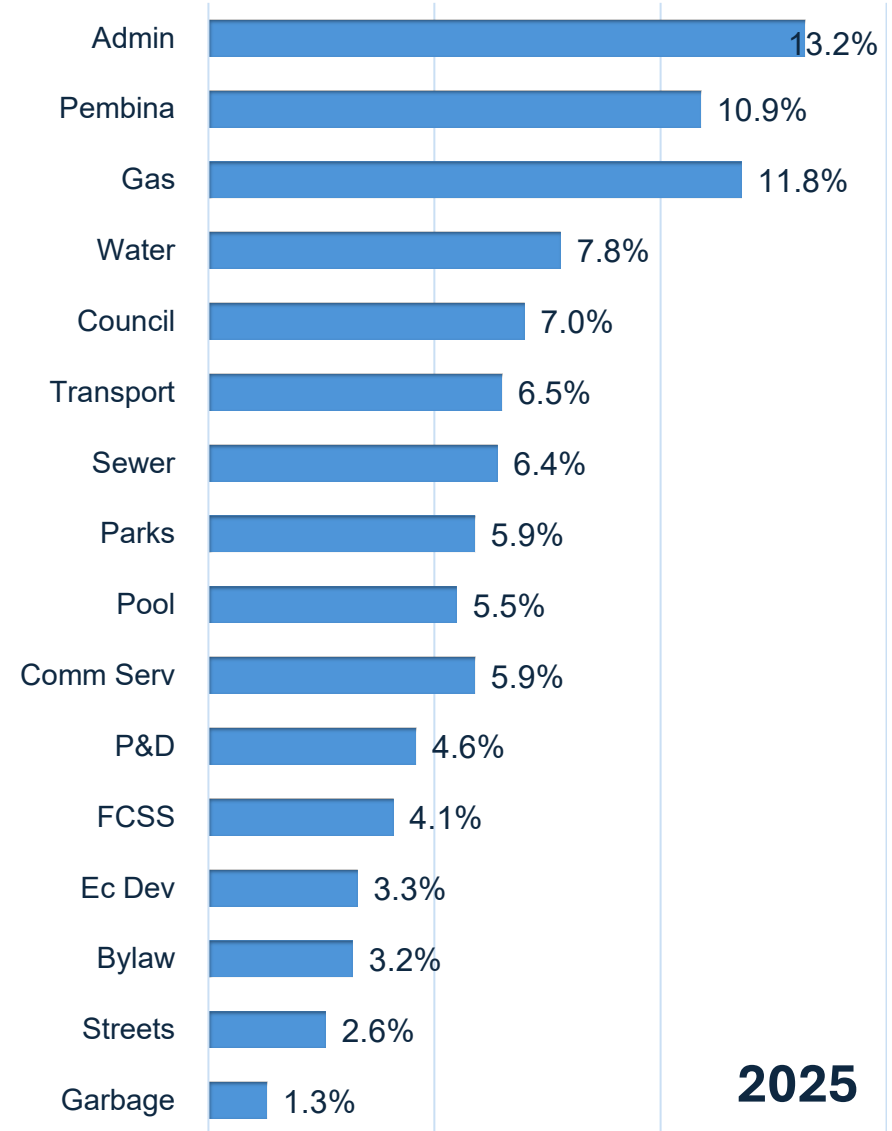
For 2026, projected contributions will represent 5.89% of total operating expenses, compared to 6.65% in 2025.

- Projected contributions: \$551,529
- 2025 Budgeted Contributions: \$603,923 final budget, decrease of \$52,394
- Projected contribution changes include:
 - Temporary decrease in Finance Manager position resulted in contributions reduction of \$23,000
 - Health benefit rate adjustments increase contribution costs by \$14,020
 - Health from \$356.60 to \$406.53 (Family) – 1.92% increase
 - No change in Dental
 - No change to EAP
 - No change in Basic Life
 - LAPP rate above YMPE changed for 2026:
 - Below and Above YMPE rates decreased to 7.52% (8.45% 2025) and 10.32% (11.65% 2025) respectively.
 - The above decrease in Below and Above YMPE rates resulted in a decrease in contribution costs of \$21,492
 - YMPE – Yearly Maximum Pensionable Earnings

Wages and Contributions



2026



2025

Overhead

- Projected insurance premiums \$197,418
 - Budgeted 2025 premiums were \$186,787, actual premiums totaled \$179,469
- Projected power charges are \$461,800 (streetlights account for 39.8% of this total)
 - Actual 2025 power charges were 443,728. Increased delivery fees continue to be the driver for increase costs.
- Projected Town gas, water and sewer are \$106,238
 - 2025 actual charges were \$95,266. Projected consumption based on average commission rates and consumption.
- Projected WCB premiums are \$46,664
 - 2025 budgeted costs were \$46,397, consistent with prior year.
- Projected costs for land lines, cell phones, internet access, garbage & recycling are \$37,903
 - 2025 budgeted costs were \$36,397

Utility Rate Analysis

- Water Services Charges
 - Variable - \$2.00/m³ – increased from \$1.65/m³ (increased from \$1.45/m³ in 2024)
 - Fixed & UCI - \$16/month (no change since 2023)
 - Utility Infrastructure Reinvestment Rider \$0.40/m³ (no change since 2025)
- Sewer Service Charges
 - Variable – 75% of water charge (increased from 45% in 2025)
 - Fixed & UCI - \$16/month (no change since 2023)
- Garbage Service Charges
 - Fixed & UCI - \$8/month
 - Organics continuing to be picked up once per month in winter months
- Gas Service Charges
 - Variable - \$2.35/GJ – increased from \$2.15/GJ
 - Fixed & UCI - \$19 res / \$38 commercial (no change since 2023)

<u>Water (before variable rate increase)</u>	\$ changes				% changes		
	2023	2024	2025	2026	2024	2025	2026
Sales	588,039.60	615,535.89	623,074.02	583,263.01	4.7%	1.2%	-6.4%
UIRR	-	37,609.50	76,392.22	71,511.17	0.0%	103.1%	-6.4%
Bulk Sales	53,209.00	53,209.00	53,209.00	52,800.00	0.0%	0.0%	-0.8%
Purchases	360,256.00	376,772.00	330,911.00	335,251.00	4.6%	-12.2%	1.3%
Construction Water	800.00	800.00	800.00	800.00	0.0%	0.0%	0.0%
Operating Margin	281,792.60	330,382.40	422,564.24	373,123.18	17.2%	27.9%	-11.7%
Monthly Fixed Charges	188,640.00	202,944.00	200,832.00	203,904.00	7.6%	-1.0%	1.5%
Connection Fees	6,000.00	6,000.00	6,000.00	6,000.00	0.0%	0.0%	0.0%
Penalties	8,265.00	9,970.00	10,100.00	10,500.00	20.6%	1.3%	4.0%
Other Revenue	7,000.00	2,000.00	88,950.00	145,306.00	-71.4%	4347.5%	63.4%
Other Revenue	209,905.00	220,914.00	305,882.00	365,710.00	5.2%	38.5%	19.6%
Total Operating Revenue	491,697.60	551,296.40	728,446.24	738,833.18	12.1%	32.1%	1.4%
Total Administrative Operating Costs	373,299.00	372,662.00	473,793.00	555,583.00	-0.2%	27.1%	17.3%
Total System Operating Costs	60,333.00	68,783.00	115,737.00	140,833.00	14.0%	68.3%	21.7%
Expenses	433,632.00	441,445.00	589,530.00	696,416.00	1.8%	33.5%	18.1%
Transfer to Reserves	31,440.00	44,394.00	43,932.00	44,604.00	41.2%	-1.0%	1.5%
Utility Infrastructure Reinvestment Rider	-	37,609.50	76,392.00	71,511.00	0.0%	103.1%	-6.4%
NET PROFIT/(DEFICIT)	26,625.60	27,847.89	18,592.24	(73,697.82)	4.6%	-33.2%	-496.4%
Amortization	51,170.00	51,170.00	53,971.00	80,448.00			

<u>Sewer</u>	\$ changes				% changes		
	2023	2024	2025	2026	2024	2025	2026
Sales	246,094.57	257,601.77	434,594.13	406,825.95	4.7%	68.7%	-6.4%
Operating Margin	246,094.57	257,601.77	434,594.13	406,825.95	4.7%	68.7%	-6.4%
Monthly Fixed Charges	184,500.00	200,640.00	200,640.00	202,560.00	8.7%	0.0%	1.0%
Other Revenue	10,613.00	39,885.00	39,885.00	40,786.00	275.8%	0.0%	2.3%
Total Operating Revenue	441,207.57	498,126.77	675,119.13	650,171.95	12.9%	35.5%	-3.7%
Total Administrative Operating Costs	346,547.00	341,931.00	363,875.00	371,284.00	-1.3%	6.4%	2.0%
Total System Operating Costs	44,883.00	51,883.00	55,983.00	83,283.00	15.6%	7.9%	48.8%
Expenses	391,430.00	393,814.00	419,858.00	454,567.00	0.6%	6.6%	8.3%
Transfer to Reserves	33,013.00	75,305.00	75,305.00	76,566.00	128.1%	0.0%	1.7%
NET PROFIT/(DEFICIT) before amortization	16,764.57	29,007.77	179,956.13	119,038.95	73.0%	520.4%	-33.9%
Amortization	101,498.00	147,874.00	146,577.00	149,837.00			

Garbage	\$ changes				% changes		
	2023	2024	2025	2026	2024	2025	2026
Monthly Fixed Charges	75,348.00	86,400.00	84,864.00	86,688.00	14.7%	-1.8%	2.1%
Garbage Charges	133,779.00	132,033.00	130,812.00	137,052.00	-1.3%	-0.9%	4.8%
Recycling Charges	31,932.00	31,716.00	31,824.00	-	-0.7%	0.3%	-100.0%
Other Revenue	5,660.00	6,175.00	11,450.00	6,750.00	9.1%	85.4%	-41.0%
Other Revenue	246,719.00	256,324.00	258,950.00	230,490.00	3.9%	1.0%	-11.0%
Total Operating Revenue	246,719.00	256,324.00	258,950.00	230,490.00	3.9%	1.0%	-11.0%
Total Administrative Operating Costs	38,901.00	51,787.00	56,236.00	58,011.00	33.1%	8.6%	3.2%
Total System Operating Costs	134,937.00	142,018.00	167,899.48	132,011.00	5.2%	18.2%	-21.4%
Expenses	173,838.00	193,805.00	224,135.48	190,022.00	11.5%	15.6%	-15.2%
Transfer to Reserves	84,031.92	80,066.00	52,880.00	67,371.00	-4.7%	-34.0%	27.4%
NET PROFIT/(DEFICIT)	(11,150.92)	(17,547.00)	(18,065.48)	(26,903.00)	57.4%	3.0%	48.9%
Amortization	3,200.00	3,200.00	3,200.00	3,200.00			

<u>Gas (before variable rate increase)</u>	\$ changes				% changes		
	2023	2024	2025	2026	2024	2025	2026
Sales	1,771,090.06	1,236,623.55	923,846.76	685,414.36	-30.2%	-25.3%	-25.8%
Purchases	1,319,713.00	770,070.00	470,000.00	293,308.00	-41.6%	-39.0%	-37.6%
Operating Margin	451,377.06	466,553.55	453,846.76	392,106.36	3.4%	-2.7%	-13.6%
Monthly Fixed Charges	236,736.00	255,360.00	255,360.00	256,500.00	7.9%	0.0%	0.4%
Connection Fees	5,600.00	6,000.00	6,000.00	6,000.00	7.1%	0.0%	0.0%
Penalties	11,915.00	14,500.00	14,500.00	14,500.00	21.7%	0.0%	0.0%
Other Revenue	24,800.00	24,800.00	32,925.00	24,800.00	0.0%	32.8%	-24.7%
Other Revenue	279,051.00	300,660.00	308,785.00	301,800.00	7.7%	2.7%	-2.3%
Total Operating Revenue	730,428.06	767,213.55	762,631.76	693,906.36	5.0%	-0.6%	-9.0%
Total Administrative Operating Costs	440,406.00	460,154.00	488,266.00	512,366.00	4.5%	6.1%	4.9%
Total System Operating Costs	65,563.00	67,563.00	90,311.00	93,353.00	3.1%	33.7%	3.4%
Expenses	505,969.00	527,717.00	578,577.00	605,719.00	4.3%	9.6%	4.7%
Transfer to Reserves	32,880.00	47,040.00	47,040.00	47,250.00	43.1%	0.0%	0.4%
NET PROFIT/(DEFICIT)	191,579.06	192,456.55	137,014.76	40,937.36	0.5%	-28.8%	-70.1%
Amortization	34,447.00	39,808.00	43,681.00	42,229.00			

Utility Rate Analysis - Included in 2026 Budget	Water	Sewer inc. lagoon	Garbage	Gas	Total
Projected Purchases - units	207,908			186,820	
Projected Sales - units	178,778	@75%		184,251	
Variable Rate - purchase	\$ 1.6125				
Variable rate - markup	\$ 2.00			\$ 2.35	
Utility Infrastructure Reinvestment Rider Rate	\$ 0.40				
Sales	645,835	450,470		722,265	1,818,570
Utility Infrastructure Reinvestment Rider	71,511				
Bulk Sales	52,800	0			52,800
Purchases	335,251			293,308	628,559
Construction Water	800				800
Operating Margin	435,695	450,470	-	428,957	1,243,611
Monthly Fixed Charges	203,904	202,560	86,688	256,500	749,652
Garbage Charges			137,052		137,052
Recycling Charges			-		-
Connection Fees	6,000			6,000	12,000
Penalties	10,500			14,500	25,000
Other Revenue	165,306	40,786	11,750	24,800	242,642
Other Revenue	385,710	243,346	235,490	301,800	1,166,346
Total Operating Revenue	821,405	693,816	235,490	730,757	2,409,957
Total Administrative Operating Costs	533,040	348,741	52,583	489,823	1,424,187
Total System Operating Costs	140,833	73,283	132,011	93,353	439,480
Expenses	673,873	422,024	184,594	583,176	1,863,667
Transfer to Reserves	44,604	76,566	67,371	47,250	235,791
Utility Infrastructure Reinvestment Rider	71,511				
NET PROFIT/(DEFICIT)	31,417	195,226	(16,475)	100,331	310,499
Amortization	80,448	149,837	3,200	42,229	275,714

Utility Comparisons – Water/Sewer

	Redwater	Bon Accord	Gibbons	Calmar		Rimbey		Morinville	
Water								@ Service Capacity	
Monthly Service Charge - Residential	\$16	11	29.8	\$93 for first 10.88m3	\$1.85/m3 after	5/8"	4.69	5/8"	22.12
Monthly Service Charge - Commercial	\$16	11	35.2	\$1.85/m3 for first 10.88m3	\$1.85/m3 after	3/4"	4.69	3/4"	31.87
Utility Infrastructure Reinvestment Rider	\$0.40/m3		19.30 Flat Fee			1"	7.81	1"	56.66
	(Included in MSC)					1 1/2"	10.94	1 1/2"	127.48
						2"	15.63	2"	226.62
Capital Rate Rider - (\$/month)	3.50	0.5				3"	31.25	3"	509.93
Commodity price per m³:	1.6125	3.30	1.483	1.85		2.1		3.00	
Sewer						@ Service Capacity		@ Service Capacity	
Monthly Service Charge - Residential	16	11	25.59		\$0.905/m3 \$54-\$177		4.69	5/8"	21.24
Monthly Service Charge - Commercial	16	11	48.08	\$64 for first 10.88m3	Plus 50% amount of charges over flat rate			3/4"	30.58
								1"	54.38
	(Included in MSC)							1 1/2"	122.39
Capital Rate Rider - (\$/month)	3							2"	217.55
								3"	489.39
"Commodity" price (per m³ of water):	1.6125	3.58	1.483	0.91			8.50	2.14	
Comm/Ind	1.6125	3.58	1.483				water disposal fee		
	75% of water consumed	100% of water consumed	100% of water consumed	50% of water consumed			70% of water consumed		

Utility Comparisons – Garbage/Gas

Garbage & Organics								
Monthly Service Charge - Residential	23.25	17.4	20.72	35		26.65	22.60	
	(Included in MSC)							
Capital Rate Rider - (\$/month)	1							
	Redwater (proposed)	Coronado	Thorhild	Smoky Lake			APEX	ATCO North
Gas								
Monthly Service Charge - standard meter	19	34.65	27	25			58.52	3.2
Monthly Service Charge - over 425 meter	38	34.65	-	60				
Commodity Price per GJ:								
Variable per GJ	2.35	2.36	2.21	1.9			2.98	1.26
Wholesale	1.57	1.12	1.22	1.12			0.78	1.26
Gas Loss Surcharge								
Total \$/GJ (excluding purchase price)	3.92	3.48	3.43	3.02			3.760	2.520
Variable Reserve Rider	3.5		0					

Fortis Franchise Fee

- Increase to 12% proposed. Last increase occurred in 2023, from 8% to 10%
- Based on the Fortis Franchise Fee calculator, increase to 12% will result in increased franchise fees of \$53,408.

This increase will not take place until April 2026 – the prorated revenue increase is \$36,081

2025 Current Franchise Fee		10.00%
Franchise Fee Cap		20%
2025 Estimated Revenue		\$ 235,241
2026 Estimated Franchise Fee Revenue if your Franchise Fee remains the same		\$ 240,541
Franchise Fee Calculator Changes:		
Yellow area is to calculate different franchise fee.		
2026 Proposed Franchise Percentage		12.00%
2026 Estimated Franchise Fee Revenue if your Percentage is changed		\$ 288,649
Difference in Franchise Fees Collected from 2025 to 2026 with Proposed D&T Rate Changes.		
		\$ 53,408

Fortis Franchise Fee

Based on the Fortis calculator, the estimated residential bill impact is approximately \$14.27/month (\$1.77/month related to changes year over year, if franchise fee rate remained constant).

Other regional comparators:

- Bon Accord - 19%
- Gibbons - 10%
- Legal - 20%
- Morinville - 20%
- Calmar – 20%
- Crossfield – 17%
- Fort MacLeod – 15%
- Magrath – 15%
- Rimbey – 20%
- Tofield – 5%

Existing (Current) Typical Residential Customer Monthly Costs				
Rate 11 (Effective Jan.1, 2025) Distribution Tariff Estimated Rate Filing) Based on Current 10% Franchise Fee				
Delivery Service Charge				
All kWh Delivered	\$	0.080409	625 kWh	\$50.26
Basic Daily Charge			30 Days	\$0.00
				\$50.26
Current Franchise Fee		10.00%		\$5.03
		GST	5.0%	\$2.76
				\$58.05
Current Annual Franchise Fee Costs: \$5.03 * 12 = \$60.3				

Proposed Residential Customer Monthly Costs				
Rate 11 (Proposed January 2026 Estimated Distribution Tariff) Based on NEW 12% Franchise Fee				
Delivery Service Charge				
All kWh Delivered*	\$	0.082861	625 kWh	\$51.79
Basic Daily Charge*			30 Days	\$0.00
				\$51.79
Estimated Proposed Franchise Fee		12.00%		\$6.21
		GST	5.0%	\$2.90
				\$60.90
Proposed Annual Franchise Fee Cost: \$6.21 * 12 = \$74.57				
* Includes estimated Rate changes.				

Estimated Impact on Utility Rate Increases

Increase of water variable rate from \$1.65/m3 to \$2.00/m3– **Increased revenue of \$35,756 (1% taxation)**

- Based on average consumption per household between 12-15m3, this increase would total \$4.20 - \$5.25 per month per residential household

Increase in gas variance rate from \$2.15/GJ to \$2.5/GJ – **Increased revenue of \$36,851 (1.03% of taxation)**

- Based on average per household of 8.9GJ, this increase would total about \$1.79 per month per household.

Increase in Fortis Franchise fee from 10% to 12% - **Increased revenue of \$36,081 (1.01% of taxation)**

- The proposed increase to the Fortis Franchise fee offsets the expected increase in policing costs for 2026 (30%)
- The table below outlines the increases to policing costs over the past five years. Costs remained steady for Years 4 and 5 (2025 budget), but Administration has been told to expect an increase close to 30% of current rates for the upcoming year.

The total monthly increase to utility bills incorporating all costs above is \$7.74 for the average household (\$92.83/year).

Year 1	44,282.00	
Year 2	66,471.00	50.11%
Year 3	88,565.00	33.24%
Year 4	132,942.00	50.11%
Year 5	132,942.00	0.00%



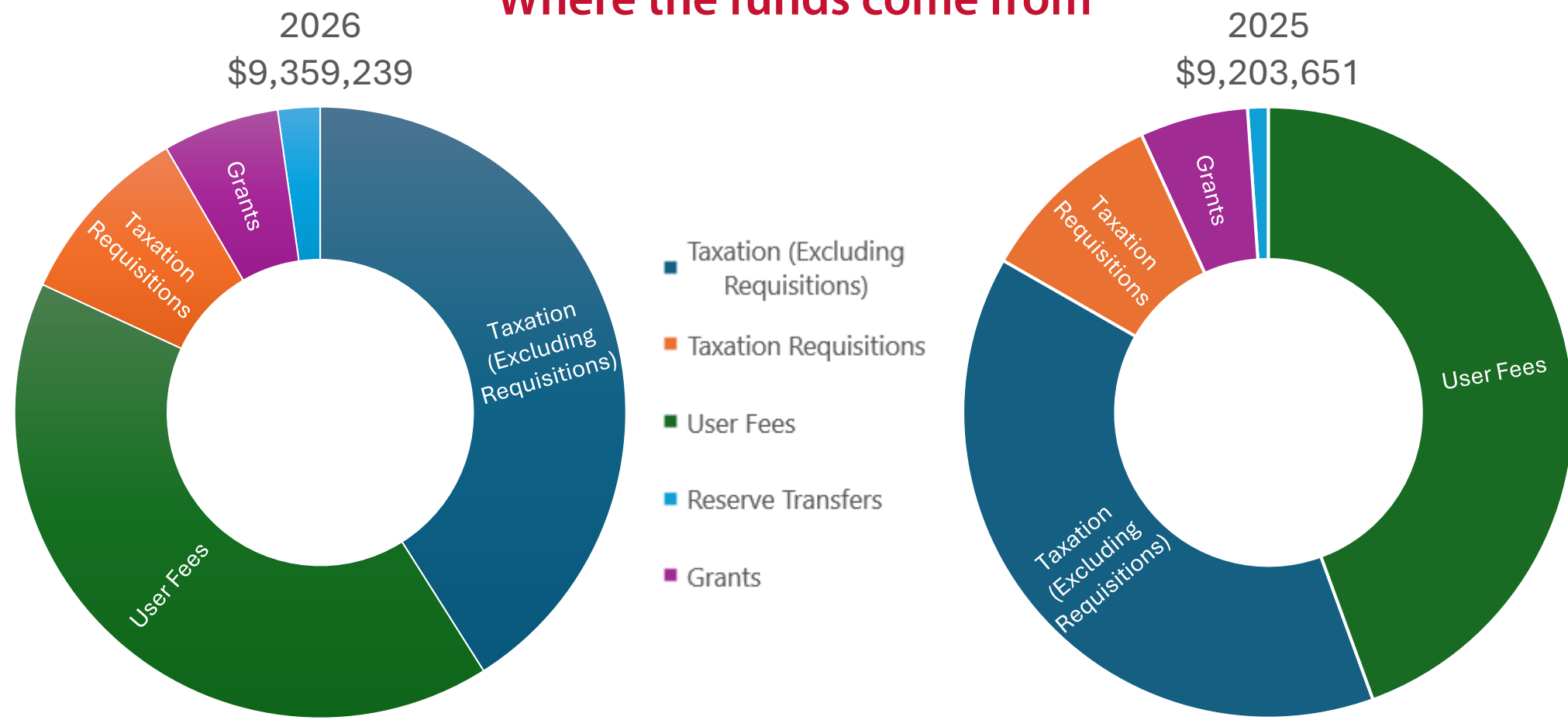
2026

Proposed Operating Budget



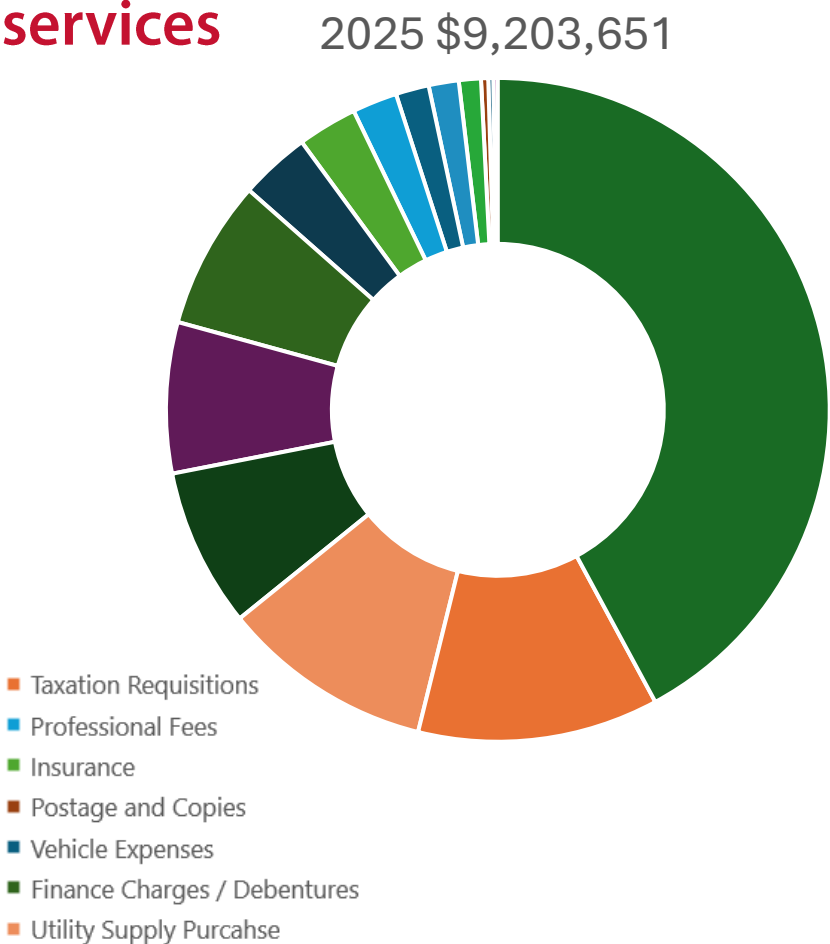
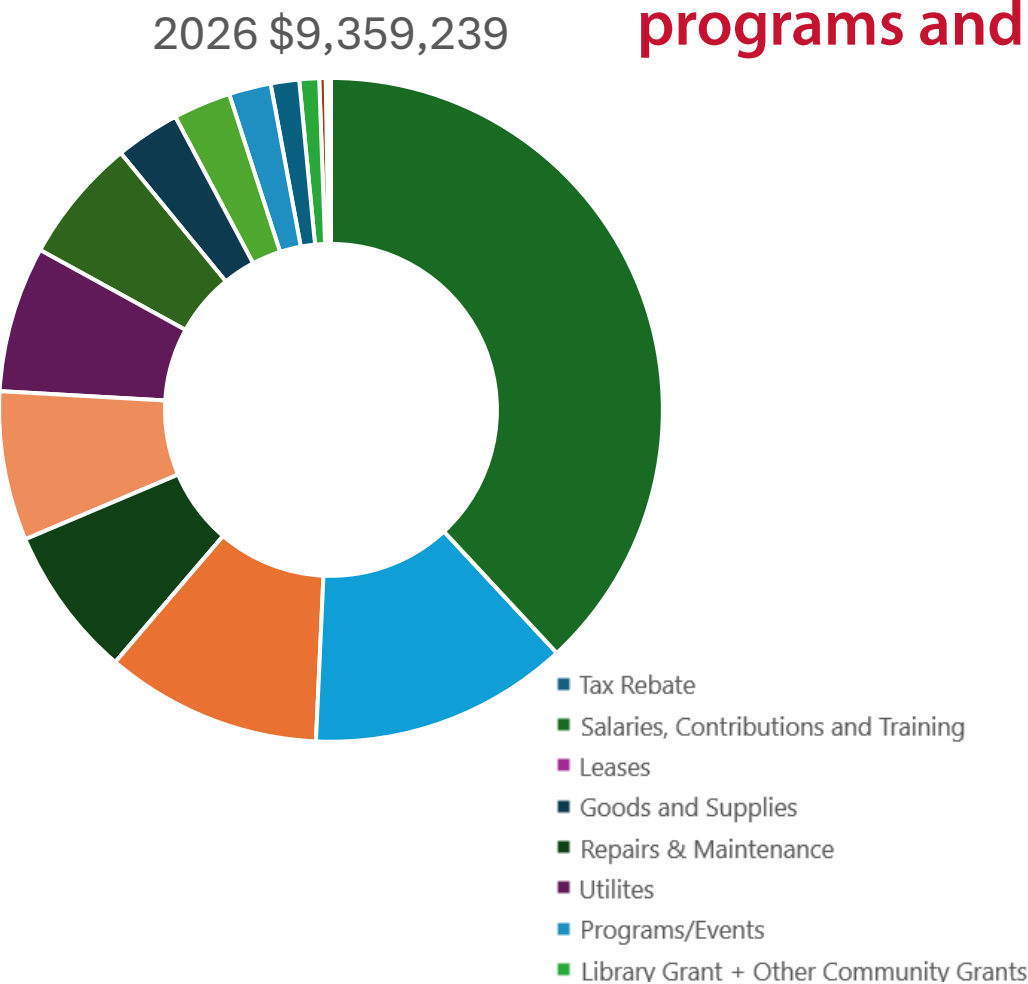
Operating Revenue

Where the funds come from



Operating Expenditure

How the funds support programs and services





2026 Proposed Operating Budget Summary by Object

	Budget Operating 2026	Budget Operating 2025	Variance \$
Revenue:			
TAXATION (EXCLUDING REQUISITIONS)	3,839,049	3,574,207	264,843
TAXATION REQUISITIONS	911,000	911,000	-
USER FEES	3,823,121	4,090,118	- 266,998
RESERVE TRANSFER	209,206	101,351	107,855
GRANTS	576,863	526,975	49,888
Total Revenue	9,359,239	9,203,651	155,588
Expenses:			
TAXATION (REBATES & CONTINGENCY)	5,000	19,000	- 14,000
TAXATION REQUISITIONS	911,000	911,000	-
STAFFING - WAGES & CONTRIBUTIONS	3,103,758	3,100,109	3,649
STAFFING COSTS - TRAINING & OTHER	188,446	169,776	18,670
PROFESSIONAL FEES	1,092,148	948,942	143,206
LEASES	16,767	16,767	-
INSURANCE	242,740	225,760	16,980
GOODS & SUPPLIES	272,195	266,246	5,949
POSTAGE & COPIES	27,178	27,178	-
REPAIRS & MAINTENANCE	636,580	600,542	36,038
VEHICLE EXPENSE	119,700	125,500	- 5,800
UTILITIES	613,787	570,125	43,662
OTHER - FINANCE CHARGES / DEBENTURES	525,643	562,493	- 36,850
OTHER - PROGRAMS / EVENTS	117,077	113,631	3,446
OTHER - UTILITY SUPPLY PURCHASE	628,559	800,911	- 172,352
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRANTS	83,321	83,321	-
RESERVE TRANSFERS	775,340	662,350	112,990
Total Expenses	9,359,239	9,203,651	155,588
AMORTIZATION	1,380,976	1,368,504	12,472



2026

- Budgeted Operating Revenue: \$9,359,239
- Budgeted Operating Expense: \$9,359,239
- Municipal Taxation: **\$3,839,049**

2025

- Budgeted Operating Revenue: \$9,203,651
- Budgeted Operating Expense: \$9,203,651
- Municipal Taxation: \$3,574,207

\$264,842 (7.41%) increase over 2025 budget



2026

Council Division



Council Division

Department Overview

Responsible for the Governance of the Town and the Administration. Council employs the Chief Administrative Officer (CAO) and provides direction through Bylaws and policies for the service levels and service provision. Council ultimately holds the CAO responsible for the Administration of the Town under the authority of the Municipal Government Act and all other applicable legislation.

Goals & New Initiatives for 2026

- Set the tax rate bylaw April 2026
- Continue work on updates to the long-term sustainability of the Town capital assets through adoption of the Capital Asset Management policy
- Continue discussions with Sturgeon County on renewing the Intermunicipal Collaboration Framework (ICF) Agreement
- Review and renew Council Strategic Plan for the next term

Council Division

Future Planning – Potential Challenges

- Advancing the Intermunicipal Collaboration Framework (ICF) discussions with the newly elected councils for both municipal partners.
- Council leading by example in communicating the challenges we face. Ensuring promises are realistic to help maintain public trust.
- Continuing to promote economic development under the constraints imposed by various provincial government departments.

Council Division

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Note
Revenue:				
TAXATION (EXCLUDING REQUISITIONS)	\$ -	\$ -	\$ -	
USER FEES	\$ -	\$ -	\$ -	
RESERVE TRANSFER	\$ -	\$ 7,708	\$ (7,708)	1
GRANTS	\$ -	\$ -	\$ -	
Total Revenue	\$ -	\$ 7,708.00	\$ (7,708.00)	

Expenses:

TAXATION (REBATES & CONTINGENCY)	\$ -	\$ -	\$ -	
STAFFING - WAGES & CONTRIBUTIONS	\$ 218,719	\$ 221,737	\$ (3,018)	
STAFFING COSTS - TRAINING & OTHER	\$ 64,510	\$ 49,660	\$ 14,850	2
PROFESSIONAL FEES	\$ 2,540	\$ 2,540	\$ -	
LEASES	\$ 720	\$ 720	\$ -	
INSURANCE	\$ 5,361	\$ 5,010	\$ 351	
GOODS & SUPPLIES	\$ 11,424	\$ 23,882	\$ (12,458)	3
POSTAGE & COPIES	\$ 1,212	\$ 1,212	\$ -	
REPAIRS & MAINTENANCE	\$ -	\$ -	\$ -	
VEHICLE EXPENSE	\$ -	\$ -	\$ -	
UTILITIES	\$ 4,188	\$ 591	\$ 3,597	4
OTHER - FINANCE CHARGES / DEBENTURES	\$ -	\$ -	\$ -	
OTHER - PROGRAMS / EVENTS	\$ 6,200	\$ 6,200	\$ -	
OTHER - UTILITY SUPPLY PURCHASE	\$ -	\$ -	\$ -	
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRANTS	\$ -	\$ -	\$ -	
RESERVE TRANSFERS	\$ 3,750	\$ -	\$ 3,750	5
AMORTIZATION	\$ -	\$ -	\$ -	
Total Expenses	\$ 318,624	\$ 311,552	\$ 7,072	

Balance	\$ (318,624)	\$ (303,844)	\$ (14,780)	
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Council Division

Note	Comments
1	Reserve transfer in 2025 to cover cost of council technology for election year.
2	All 7 councillors attending FCM per policy (Edmonton), 15K Strat plan plus retreat costs
3	Election expenses incurred in 2025
4	New policy - 1800 internet + 1800 cell, potential reduction dependent on actuals
5	Reserve transfer for future election costs per updated Reserve Policy



2026

Corporate Services

Division



Division Overview

Financial Services



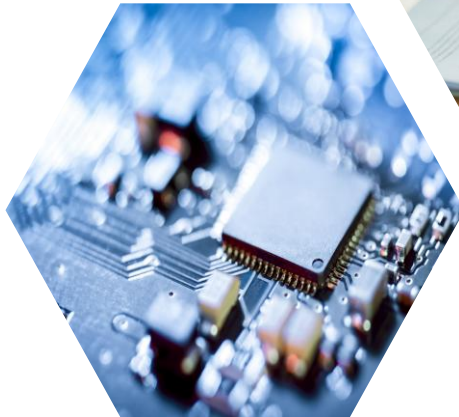
Legislative &
Legal
Services



Corporate Planning



Information &
Technology



Human
Resources



Records Management

Corporate Services Division

Future Planning - Division Challenges

Financial Services

- Ensuring internal controls are operating as intended with continuous training due to the staff changes and restructuring within the department and organization over the past year
- Reduced grants and unknown future funding amounts from Federal/Provincial governments making funding capital projects and initiatives more difficult without affecting taxation
- Preparation of Data Management System upgrade

Human Resources

- Ensuring compliance and keeping pace with changes in legislation
- Maintaining changing employee records with positional / divisional changes
- Ensuring physical and mental safety of staff

Legislative & Legal Services

- Maintaining and updating policies and bylaws to ensure current and applicable



Corporate Services Division

Future Planning - Division Challenges

Records Management

- Continuing to assess and manage risks of new programs being implemented by different departments
- Increasing collaboration and communication to improve efficiencies and transparency

Corporate Planning

- Continue to work on updating the Corporate Plan in conjunction with other projections and departmental objectives

Taxation and Utilities

- Ongoing challenge communicating the impact of rising costs of maintaining current service levels and the impact it has on property taxation
- Review of reserve strategies to normalize tax impacts of upcoming critical operating expenses to maintain infrastructure
- Developing cost recovery strategies to ensure long-term financial sustainability of utility infrastructure
- Managing cash flows to ensure sustainability

Corporate Services Division

Strategic Alignment – Service Excellence

- Development of Corporate Plan to follow 2022-2031 Strategic Plan
- Investing in professional development for Council and staff to maintain service excellence
- Continued staff surveys to assess staff morale to contribute to staff work satisfaction
- Implementation of strategies discussed in Employee Engagement Committee to continue to support staff wellness initiatives, team building, work/life balance, etc.
- Keep information technology current

Strategic Alignment – Engagement & Communication

- Increased communication and public engagement opportunities and events
- Ensure transparent and understandable reporting for the public
- Linking communication and projects to Strategic Plan
- Continued public engagement on key bylaw updates



Corporate Services Division

Strategic Alignment – Destination of Choice & Affordable Community

- Continuing to develop and assess reserve strategies to normalize taxation impacts of costly critical items
- Long term planning for future recreation – including the pool
- Support for contract renewals to ensure cost and service effective
- Maintain and support current contracts to ensure service excellence
- Consistent review of policies and bylaws to ensure they meet the needs of the community

Strategic Alignment – Economic & Successful Growth

- Timely financial forecasting
- Ensuring investment interest maximized to full potential
- Cutting red tape for resident and business attraction
- Business community engagement and partnerships



Corporate Services Division

Capital Initiatives

- Server replacement – on a five-year cycle to ensure integrity and security of data management system
- Diamond upgrade assessment beginning in 2026. With Diamond end of life September 2029, planning begins next year to transition to a new program.
- Ensuring capital budget and long-term financial plans meet legislated requirements as well as resident's needs and funding



Corporate Services

	Budget Operating 2026	Final Budget Operating 2025	Variance \$
Revenue:			
TAXATION (EXCLUDING REQUISITIONS)	\$ 3,839,049	\$ 3,574,207	\$ 264,843
USER FEES	\$ 261,138	\$ 342,004	\$ (80,867)
RESERVE TRANSFER	\$ -	\$ 1,872	\$ (1,872)
GRANTS	\$ 28,129	\$ 28,129	\$ -
Total Revenue	\$ 4,128,316	\$ 3,946,212	\$ 182,104
Expenses:			
TAXATION (REBATES & CONTINGENCY)	\$ 5,000	\$ 19,000	\$ (14,000)
STAFFING - WAGES & CONTRIBUTIONS	\$ 352,878	\$ 411,302	\$ (58,424)
STAFFING COSTS - TRAINING & OTHER	\$ 30,215	\$ 37,130	\$ (6,915)
PROFESSIONAL FEES	\$ 278,714	\$ 231,588	\$ 47,126
LEASES	\$ 3,013	\$ 3,013	\$ -
INSURANCE	\$ 18,791	\$ 17,662	\$ 1,129
GOODS & SUPPLIES	\$ 28,603	\$ 26,851	\$ 1,752
POSTAGE & COPIES	\$ 4,886	\$ 4,886	\$ -
REPAIRS & MAINTENANCE	\$ 30,540	\$ 30,540	\$ -
VEHICLE EXPENSE	\$ -	\$ -	\$ -
UTILITIES	\$ 18,729	\$ 15,360	\$ 3,369
OTHER - FINANCE CHARGES / DEBENTURES	\$ 8,430	\$ 8,430	\$ -
OTHER - PROGRAMS / EVENTS	\$ -	\$ -	\$ -
OTHER - UTILITY SUPPLY PURCHASE	\$ -	\$ -	\$ -
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRANTS	\$ -	\$ -	\$ -
RESERVE TRANSFERS	\$ 83,000	\$ 83,000	\$ -
AMORTIZATION	\$ 28,059	\$ 27,101	\$ 958
Total Expenses	\$ 890,858	\$ 915,863	\$ (25,005)
Balance	\$ 3,237,458	\$ 3,030,349	\$ 207,109

Corporate Services Division

Note	Comments
1	Decrease in prime rates decreased interest revenue, decrease in tax penalty due to large payment of tax arrears in 2025
2	Reserve transfer related to technology purchases in 2025
3	Decreased rebates due to decrease in eligible properties in 2026
4	Temporary restructure with Finance Manager contract
5	See note above, temporary restructure with FM contract



2026

Operations Division



Division Overview

Public Works



Parks & Facilities



Utilities



Community Services



Protective Services



Let's talk about Maintenance Strategies, and Why the Choice Matters...

When we talk about maintenance, we are talking about how we protect community investments; our water mains, lift stations, gas distribution systems, facilities, arenas, and all the assets that keep Redwater functioning safely and reliably.

There are several different types of maintenance strategies, each with its own advantages and disadvantages. Different maintenance strategies have different purposes, costs, and risks. Choosing the right approach directly affects our service reliability, public safety, and long-term costs.



Preventative Maintenance (PM)

This is scheduled, proactive maintenance performed before problems occur or in other words performing scheduled maintenance tasks on equipment to prevent failures and breakdowns. For example:

Flushing water mains, replacing hydrant gaskets, or greasing pump bearings.
Servicing HVAC systems, calibrating gas regulators, and replacing filters or belts.

Benefits:

- Extends asset life.
- Reduces emergency callouts and downtime.
- Improves reliability and safety.

Consideration:

- Requires disciplined scheduling and record-keeping (usually managed through a CMMS).

Corrective / Reactive Maintenance (CM)

Also known as “run to failure.” This happens after something breaks or after a failure has occurred to restore the equipment to working condition. CM can be costly and disruptive, so it's important to have a good preventive maintenance program in place to minimize the need for CM. e.g. A pump motor burns out, a sewer lift pump fails, or a boiler quits.

Pros:

- Low upfront cost; simple to apply for non-critical items (e.g. park benches or small tools).

Cons:

- Can cause service interruptions, emergency overtime, and safety risks.
- Often results in secondary damage (e.g. flooded lift stations or frozen lines).
- Erodes public confidence if outages are frequent.
- CM can be costly and disruptive, so it's important to have a good preventive maintenance program in place to minimize the need for CM.

When Appropriate:

- Low-value, low-risk assets where replacement is cheaper than planned maintenance.

Predictive Maintenance (PdM)

This involves using sensors and other technologies to monitor the condition of equipment and predict when it is likely to fail. This allows maintenance to be scheduled proactively, reducing the risk of unexpected breakdowns.

PdM can be more complex and expensive than PM, but it can be more effective in preventing failures.

Monitoring vibration on well pumps or arena compressors.

Tracking gas regulator pressures and trends.

Analyzing water distribution pressure fluctuations for early leak detection.

Benefits:

- Prevents unplanned downtime.
- Allows scheduling of work before failure.
- Reduces labour and parts costs over time.

Challenges:

- Higher upfront cost for sensors, analytics and SCADA.
- Requires staff training and data interpretation.

Condition-Based Maintenance (CBM)

A step beyond preventive maintenance that uses sensors to monitor the condition of equipment and schedule maintenance tasks only when they are needed. Work is only done when a measurable condition changes. For example:

- Replacing bearings when vibration exceeds limits.
- Cleaning heat exchangers based on temperature efficiency trends.
- Rebuilding pumps when flow drops below target levels.
- Replacing gas and water utility underground infrastructure

Outcome:

- Maintenance is performed only when necessary, reducing waste and downtime.
- Best suited for high-value or critical assets (lift stations, arena refrigeration systems, pressure regulators).

Time-Based Maintenance (TBM)

This is a simpler form of preventive maintenance that schedules maintenance tasks based on a fixed time interval or maintenance performed at fixed intervals e.g. quarterly inspections, annual overhauls.

- Common for compliance-driven work: gas leak surveys, boiler inspections, chlorine calibrations.

Benefit:

- Simple to schedule and ensures regulatory compliance.

Limitation:

- Doesn't account for actual asset condition, meaning we could be over- or under-maintaining.

Reliability Centered Maintenance (RCM)

This is a comprehensive approach to maintenance that focuses on identifying and addressing the root causes of equipment failures. RCM can help to improve equipment reliability and reduce maintenance costs.

More advanced strategy that focuses on identifying and mitigating the causes of failure.

- Used for critical systems like pressure reducing stations, SCADA-controlled facilities, or high-lift pumps.
- Involves analyzing failure modes, consequences, and cost/benefit of different interventions.

Benefit:

- Optimizes maintenance effort for reliability and risk reduction.

Total Productive Maintenance (TPM)

TPM involves everyone, not just the maintenance crew; in keeping assets reliable.

- Operators clean, inspect, and monitor their equipment daily.
- Maintenance focus on complex repairs, improvements, and training.

Principles of TPM:

1. *Autonomous Maintenance*: Operators perform simple upkeep tasks.
2. *Planned Maintenance*: Preventive and predictive schedules are coordinated.
3. *Focused Improvement*: Address chronic issues (e.g. recurring valve leaks).
4. *Early Equipment Management*: Plan replacements before end-of-life.
5. *Training*: Equip staff with technical and safety knowledge.
6. *Safety and Environment*: Ensure all work protects staff and the public.

Benefits:

- Fewer breakdowns and callouts.
- Better morale and accountability.
- Improved public trust through consistent service delivery.

Role of Maintenance Management Systems (CMMS)

A Computerized Maintenance Management System (CMMS) tracks work orders, asset histories, and preventive maintenance schedules across water, sewer, gas, and facilities.

- Allows prioritization by risk and criticality (e.g. hospital gas feed vs. decorative fountain pump).
- Supports data-driven decision-making for budgeting and capital forecasting.

Computerized Maintenance Management System



Choosing the Right Strategy

Each asset class requires a tailored approach, and many municipalities use layered strategies dependent on available data, History or analytical knowledge.

How These Relate in Practice

In practice, many municipalities operate hybrid renewal frameworks:

- Age-based (time-based) renewal for older assets where data is limited
- Condition-based and predictive renewal for critical or monitored systems where inspection, CP (Cathodic Protection), or SCADA data exist.

Hybrid Layered Strategy:

Water Main Type	Strategy Applied	Trigger for Renewal
Older unlined steel mains (pre-1970)	Time-Based	Replacement at 50 years or upon failure
Lined ductile iron or PVC mains	Predictive / CBM	Renewal prioritized by break rate, hydraulic model, and water quality trends
Transmission mains or river crossings	Predictive / Reliability-Centered	Renewal driven by condition assessment, corrosion data, and consequence of failure

Asset Management Perspective – Asset Management Policy #325.01 (2025) Alignment

From an ISO 55000 / asset management standpoint:

- Time-Based Maintenance = Prescriptive scheduling (“we replace every X years”)
- Predictive Maintenance = Data-driven forecasting (“we replace when the data suggests risk exceeds tolerance”)
- Renewal Planning sits within our maintenance strategy as a long-term predictive activity tied to risk, condition, and performance data.

When you set a renewal program based on risk, performance, or deterioration trends rather than age, it’s predictive maintenance (or predictive asset management planning).

Approach	Decision Trigger	Maintenance Type
Replace after 50 years (design life)	Time (age-based)	Time-Based Maintenance
Replace when failure probability increases due to corrosion or pressure trend	Condition or risk data	Predictive Maintenance
Replace when failure occurs	Breakage	Reactive Maintenance

Example Maintenance Framework for Redwater's Underground Utilities

Strategy Layer	Application	Purpose	Example Activities
Condition-Based Maintenance (Primary)	Water, Gas	Monitor performance and act on deterioration signals, logbooks, condition indicators	(Quantitative) - Leak detection, CP monitoring, pressure trending, (Qualitative) - Operator knowledge/history
Predictive Maintenance (Supporting)	Water, Gas	Forecast failures and plan renewals	GIS-based risk modelling, pipe condition forecasting
Preventive / Time-Based (Routine)	Water, Gas	Maintain compliance and operability	Leak surveys, hydrant flushing, valve turning
Reliability-Centered (Strategic)	Critical assets	Analyze and prioritize maintenance activities	Failure mode and consequence analysis
Reactive (Backup)	Emergency response	Restore service after unexpected failure	Excavation and repair of broken main or damaged service line

Example Maintenance Framework for Redwater's Underground Utilities cont'd

Quantitative vs Qualitative Data

- Quantitative data is **measurable, numeric, and objective** — it can be counted, trended, and statistically analyzed.
- **In maintenance terms:** It's the *hard data* collected through sensors, instruments, or precise measurements.
- Qualitative data is **descriptive, observational, and experience-based** — it captures characteristics, conditions, and insights that aren't easily expressed in numbers.
- **In maintenance terms:** It's the *human observation layer* that adds context and interpretation to quantitative data.

Key Takeaway

Maintenance is not just about fixing what's broken, it's about protecting public safety, maintaining service levels, and optimizing the life cycle of our assets.

A strategic mix of preventive, predictive, and reliability-centered maintenance ensures our systems and assets remain safe, compliant, and cost-effective; delivering value to both residents and Council.

Operations Division

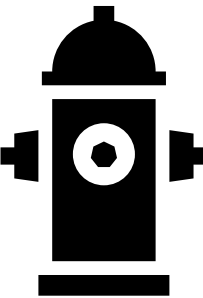
Future Planning Division Challenges

Utilities

- Hydrant repairs and replacements
- Lagoon Maintenance – aeration and sludge
- Water valve exercising
- Sanitary manhole marking – Trunk lines
- Flushing operations budget - Sanitary
- Sanitary repairs – Spot repairs
- CC valve corrections for water – Increasing demand
- Gas riser and regulating station maintenance - Instrumentation

Public Works

- Scheduling of tasks and service level expectations
- Equipment repairs & maintenance – Ageing fleet
- Inflationary costs relating to vendors, suppliers, and contractors



Operations Division

Future Planning - Division Challenges

Parks

- Long-term gopher solution and rising pest management costs
- Weed control – Parks and open spaces
- Service level expectations - Playgrounds

Pembina Place

- Service agreement inflationary pricing – Vendors and suppliers
- Regulatory related expenses – Ice plant PRV's, fire, and elevating devices

Community Services/FCSS

- Rising demand for social, food, and financial supports
- Increasing demand for community group supports – Financial and workforce related

Pool

- Condition related issues, basin deterioration, rubber crumb on deck causing water quality and maintenance issues



Operations Services Division

Strategic Alignment – Service Excellence

- Gas Regulator Station Upgrades – Improves system performance and safety through modernized pressure regulation and monitoring.
- 47 Ave (49 St to Alley East of 48 St) Sanitary Main Rehabilitation – Rehabilitates aging infrastructure to prevent service disruptions and safeguard environmental compliance.
- Portable Shoring – Strengthens worker safety and operational readiness during underground maintenance and repair work.
- RPM Backhoe Mounted Blower – Improves snow and debris removal efficiency, ensuring consistent service delivery.
- Confined Space Rescue Equipment – Ensures compliance with safety standards and protects staff during confined space operations.
- Aerzen Blower (Replacement) – Improves wastewater treatment efficiency and reliability through energy-efficient technology.
- Storm Drainage Catch Basin Replacement – Improves stormwater management capacity, reducing localized flooding risks.

Strategic Alignment – Engagement & Communication

- Hosting Grants for Community Groups (Provincials & Major Events) – Builds civic pride and engagement by supporting volunteer-driven events that bring visitors and economic activity to Redwater.
- Financial Support to Ag Society – Discovery Days – Fosters collaboration with community partners and celebrates Redwater's identity through shared cultural experiences.
- Lockers for Patrons – Responds to user feedback and demonstrates transparent action on resident concerns, strengthening public trust in facility management.

Operations Services Division

Strategic Alignment – Destination of Choice & Affordable Community

- Financial Support to Food Bank – Addresses social and financial vulnerabilities within the community, contributing to resident well-being.
- Hosting Grants for Community Groups – Attracts visitors and strengthens Redwater's reputation as a community destination.
- Picnic Table & Bench Replacements (Final Year) – Completes a multi-year enhancement initiative that improves comfort, inclusivity, and visual appeal across community spaces.

Strategic Alignment – Economic & Successful Growth

- Training – Fusion, Cathodic Protection, Pipe Tapping & Emergency Response – Builds technical expertise to sustain Redwater's long-term infrastructure performance and operational self-sufficiency.
- Instrumentation & Valve Calibration and Repair – Supports system efficiency and reliability critical for business continuity and future development.
- Nektar Fleet Maintenance Tracking Module – Improves fleet efficiency, cost control, and asset performance, optimizing municipal operations to support fiscal sustainability.
- Sewer Auger Equipment – Enhances operational capacity and resource efficiency, reducing contracted maintenance costs and supporting long-term asset stewardship.

Operations Division

Capital Initiatives

Fire

- Security System Improvements

Gas

- Gas Line Replacement – 65 St
- Butt Fusion Machine
- Gas Regulating Station Upgrades

Pembina Place

- Arena Accessibility Lift
- Electronic Lock and Entry Expansion



Operations Division

Capital Initiatives

Sewer

- Lift Station Pump Guide Bars
- Confined Space Equipment
- Aerzen Blower Replacement
- Sanitary Manhole Replacements
- Lagoon Upgrade - Licensing

Water

- Reservoir Inspection
- Hydrant Replacements

Infrastructure

- 47 Ave Sanitary Main Rehabilitation
- Portable Shoring



Operations Division

Capital Initiatives

Streets

- Bridge Rehabilitation- carry forward
- Soil Conditioner Attachment
- V-Plow Blade Attachment
- Front Mounted Snow Blower
- 44 Street Overlay
- Sidewalk Replacements
- Storm Drainage Catch Basin Replacements

Transportation

- 54 Ave Overlay



Operations Division – Community & Protective Services

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Note
Revenue:				
TAXATION (EXCLUDING REQUISITIONS)	\$ -	\$ -	\$ -	
USER FEES	\$ 545,756	\$ 500,856	\$ 44,900	1
RESERVE TRANSFER	\$ 1,800	\$ 2,800	\$ (1,000)	
GRANTS	\$ 499,004	\$ 494,646	\$ 4,358	
Total Revenue	\$ 1,046,560	\$ 998,302	\$ 48,258	
Expenses:				
TAXATION (REBATES & CONTINGENCY)	\$ -	\$ -	\$ -	
STAFFING - WAGES & CONTRIBUTIONS	\$ 1,151,445	\$ 1,094,412	\$ 57,033	
STAFFING COSTS - TRAINING & OTHER	\$ 39,275	\$ 47,025	\$ (7,750)	2
PROFESSIONAL FEES	\$ 373,762	\$ 332,579	\$ 41,183	3
LEASES	\$ 3,294	\$ 3,294	\$ -	
INSURANCE	\$ 112,601	\$ 116,942	\$ (4,341)	
GOODS & SUPPLIES	\$ 124,296	\$ 111,195	\$ 13,101	4
POSTAGE & COPIES	\$ 3,317	\$ 3,317	\$ -	
REPAIRS & MAINTENANCE	\$ 119,050	\$ 125,400	\$ (6,350)	5
VEHICLE EXPENSE	\$ 25,200	\$ 25,000	\$ 200	
UTILITIES	\$ 246,728	\$ 222,316	\$ 24,412	
OTHER - FINANCE CHARGES / DEBENTURES	\$ 281,877	\$ 374,282	\$ (92,405)	6
OTHER - PROGRAMS / EVENTS	\$ 88,627	\$ 85,316	\$ 3,311	7
OTHER - UTILITY SUPPLY PURCHASE	\$ -	\$ -	\$ -	
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRANTS	\$ 83,321	\$ 83,321	\$ -	
RESERVE TRANSFERS	\$ 237,057	\$ 140,626	\$ 96,432	8
AMORTIZATION	\$ 404,154	\$ 384,418	\$ 19,736	
Total Expenses	\$ 3,294,004	\$ 3,149,443	\$ 144,561	
Balance	\$ (2,247,443.92)	\$ (2,151,140.50)	\$ (96,303.42)	

Operations Division – Community & Protective Services

Note	Comments
1	\$36,000 increase in Fortis Franchise Fee to offset increase in policing costs, \$5,000 increase in budgeted ice rental
2	Bylaw induction course in 2025 (\$4,800 reduction)
3	\$40,000 increase in policing costs
4	\$3,700 addition of pool lockers, two new computers for staff \$8,800
5	Temporary reduction, will see increase due to PRV replacements due at Pembina Place (5K)
6	Pembina Place debenture matured in 2025
7	\$2,000 increase in donation to Food Bank, \$2,000 increase in AG Society Fireworks donation
8	Offsetting reserve transfer relating to debenture

Operations Division – Public Works, Utilities, Planning & Economic Development

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Note
TAXATION (EXCLUDING REQUISITIONS)	\$ -	\$ -	\$ -	
USER FEES	\$ 3,016,227	\$ 3,247,258	\$ (231,031)	1
RESERVE TRANSFER	\$ 207,406	\$ 88,971	\$ 118,435	2
GRANTS	\$ 49,730	\$ 4,200	\$ 45,530	3
Total Revenue	\$ 3,273,363	\$ 3,340,429	\$ (67,066)	
Expenses:				
TAXATION (REBATES & CONTINGENCY)	\$ -	\$ -	\$ -	
STAFFING - WAGES & CONTRIBUTIONS	\$ 1,371,647	\$ 1,372,658	\$ (1,011)	
STAFFING COSTS - TRAINING & OTHER	\$ 54,446	\$ 35,961	\$ 18,485	4
PROFESSIONAL FEES	\$ 437,132	\$ 382,235	\$ 54,897	5
LEASES	\$ 9,740	\$ 9,740	\$ -	
INSURANCE	\$ 105,987	\$ 86,146	\$ 19,841	
GOODS & SUPPLIES	\$ 107,872	\$ 104,318	\$ 3,554	6
POSTAGE & COPIES	\$ 17,763	\$ 17,763	\$ -	
REPAIRS & MAINTENANCE	\$ 486,990	\$ 444,602	\$ 42,388	7
VEHICLE EXPENSE	\$ 94,500	\$ 100,500	\$ (6,000)	
UTILITIES	\$ 344,142	\$ 331,858	\$ 12,284	
OTHER - FINANCE CHARGES / DEBENTURES	\$ 235,336	\$ 179,781	\$ 55,555	8
OTHER - PROGRAMS / EVENTS	\$ 22,250	\$ 22,115	\$ 135	
OTHER - UTILITY SUPPLY PURCHASE	\$ 628,559	\$ 800,911	\$ (172,352)	9
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRANTS	\$ -	\$ -	\$ -	
RESERVE TRANSFERS	\$ 451,533	\$ 438,725	\$ 12,808	
AMORTIZATION	\$ 948,763	\$ 956,985	\$ (8,222)	
Total Expenses	\$ 5,316,660	\$ 5,284,297	\$ 32,363	
Balance	\$ (2,043,297.00)	\$ (1,943,868.18)	\$ (99,428.82)	

Operations Division – Public Works, Utilities, Planning & Economic Development

Note	Comments
1	Decrease in sewer revenue (\$28,000), gas revenue (\$201,000)
2	Increase reserve transfer to offset new debenture added for 2026, \$44,000 matching contribution for NRED grant,
3	NRED Grant \$45,530
4	Two staff attending AWWOA, increased training load for water and gas (\$4,000), Class 3 licensing (\$2,300), Economic Development training related to NRED Grant (\$4,000), increase cost for new conference for P&D (ADOA \$2,800)
5	\$5,000 instrumentation/programming call outs for resevoir/water distribution system, \$55,000 relating to NRED grant
6	Purchase of new AED, UT/PW laptop, monthly cleaning of PW Office
7	\$6,000 reduction in emergency breakdown, creeper gears and backhoe tires replaced 2025, added backhoe bucket (\$3,000), additional winter mix for streets increase \$2,000, \$20,000 resevoir inspection, \$5,000 hydrant repairs
8	New debenture added for underground infrastructure
9	Decrease in gas supply purchase of \$177,000



2026

Office of the CAO



Division Overview

**Economic
Development**



Senior Leadership



Communications



**Planning and
Development**



Office of the CAO

Division Challenges

Planning and Development

- Non-compliance with accessory buildings and encroachments onto MR, ER, and ROWs, with practical and consistent enforcement solutions still being identified for Council consideration.
- Ensuring builders meet development and building permit requirements while balancing education, guidance, and customer service demands.

Economic Development

- Developing an Economic Development Master Plan is delayed until NRED grant funding can support a gap analysis, which is needed to target resources effectively.



Office of the CAO

Division Challenges

Communications

- Updating the communications policy to clarify social media use for internal and external purposes, ensuring it aligns with the Public Participation Policy and clearly distinguishes between notification and engagement.
- Effectively reaching and engaging target demographics remains difficult.

Senior Leadership

- Preparing for upcoming union negotiations as the collective bargaining agreement approaches.
- Limited resources require careful allocation of staff and time to support both operations and new initiatives; six months into piloting program tracking to assign a dollar value based on staff time, with plans to incorporate findings into next year's budget.
- Balancing diverse expectations from council, staff, and the public
- Ongoing work to strengthen health and safety program and health and safety culture within the organization.



Office of the CAO

Strategic Alignment – Service Excellence

- Enhancing health and safety initiatives through policy updates and staff engagement addresses the challenge of strengthening our safety culture and securing buy-in.
- Improving communication approaches and engagement strategies helps overcome difficulties in reaching target demographics effectively.
- Building strong relationships with local businesses and stakeholders supports Economic Development efforts and helps manage compliance and engagement challenges with builders.
- Conducting a gap analysis supports Economic Development efforts by informing the development of a Master Plan and ensuring resources are targeted efficiently and effectively.
- Refining program delivery methods, including program tracking, ensures limited resources are used efficiently and effectively, tying into operational and financial resource challenges.
- Selecting the right approach to address non-compliance issues, such as accessory buildings and encroachments, ensures solutions align with community needs and expectations.

Office of the CAO

Strategic Alignment – Engagement & Communication

- Revamping communication and engagement strategies to reach target demographics effectively supports transparency and addresses Communications challenges.

Strategic Alignment – Destination of Choice & Affordable Community

- Conducting a gap analysis through the NRED grant will inform the development of an Economic Development Master Plan, allowing the community to target resources efficiently and effectively to support sustainable growth.

Strategic Alignment – Economic & Successful Growth

- Conducting a gap analysis through the NRED grant informs the Economic Development Master Plan, enabling targeted investment and strategic resource allocation.
- Advocating for the Alberta Municipal Water/Wastewater Partnership (AMWWP) and Canada Housing Infrastructure Fund (CHIF) grant to support the Town's ability to grow through enhanced infrastructure capacity and affordable servicing.

2026 Proposed Operating Budget **Summary of All Units:**

Revenue

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Variance %
Revenue:				
Taxation	\$ 4,750,049.42	\$ 4,485,206.68	\$ 264,842.74	6%
Council	\$ -	\$ 7,708.00	\$ (7,708.00)	0%
Administration	\$ 289,266.50	\$ 372,005.00	\$ (82,738.50)	-22%
Lease Building	\$ 67,800.00	\$ 67,800.00	\$ -	0%
Police	\$ 125,756.00	\$ 89,675.00	\$ 36,081.00	40%
Fire	\$ 45,750.00	\$ 45,750.00	\$ -	0%
Disaster Services	\$ 5,625.00	\$ 5,625.00	\$ -	0%
Bylaw	\$ 5,200.00	\$ 5,200.00	\$ -	0%
Transportation	\$ 4,200.00	\$ 4,200.00	\$ -	0%
Streets	\$ 9,000.00	\$ 10,871.00	\$ (1,871.00)	-17%
Water	\$ 1,156,656.00	\$ 1,059,357.00	\$ 97,299.00	9%
Sewer	\$ 650,172.00	\$ 675,119.00	\$ (24,947.00)	-4%
Garbage	\$ 235,490.00	\$ 258,950.00	\$ (23,460.00)	-9%
FCSS	\$ 67,575.00	\$ 67,575.00	\$ -	0%
Cemetery	\$ 3,400.00	\$ 3,400.00	\$ -	0%
Economic Development	\$ 105,980.00	\$ 15,500.00	\$ 90,480.00	584%
Community Services	\$ 23,100.00	\$ 22,100.00	\$ 1,000.00	5%
Planning & Development	\$ 20,000.00	\$ 16,000.00	\$ 4,000.00	25%
Pool	\$ 139,000.00	\$ 127,605.00	\$ 11,395.00	9%
Parks	\$ 12,700.00	\$ 12,700.00	\$ -	0%
Pembina Place	\$ 608,431.72	\$ 610,469.00	\$ (2,037.28)	0%
Library	\$ 10,022.00	\$ 8,203.00	\$ 1,819.00	22%
Gas	\$ 1,024,065.00	\$ 1,232,632.00	\$ (208,567.00)	-17%
Total Revenue	\$ 9,359,238.64	\$ 9,203,650.68	\$ 155,587.96	2%

2026 Proposed Operating Budget **Summary of All Units:**

Expenses

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Variance %
Expenses:				
Taxation	\$ 916,000.00	\$ 930,000.00	\$ (14,000.00)	-2%
Council	\$ 314,874.00	\$ 311,552.00	\$ 3,322.00	1%
Administration	\$ 774,799.00	\$ 786,762.00	\$ (11,963.00)	-2%
Lease Building	\$ 52,208.00	\$ 50,263.00	\$ 1,945.00	4%
Police	\$ 172,824.60	\$ 132,942.00	\$ 39,882.60	30%
Fire	\$ 104,722.00	\$ 101,520.00	\$ 3,202.00	3%
Disaster Services	\$ 16,219.00	\$ 14,892.00	\$ 1,327.00	9%
Bylaw	\$ 141,680.00	\$ 140,357.00	\$ 1,323.00	1%
Transportation	\$ 282,142.00	\$ 290,261.00	\$ (8,119.00)	-3%
Streets	\$ 584,327.00	\$ 590,713.00	\$ (6,386.00)	-1%
Water	\$ 1,009,124.00	\$ 920,441.00	\$ 88,683.00	10%
Sewer	\$ 422,024.00	\$ 419,858.00	\$ 2,166.00	1%
Garbage	\$ 184,594.00	\$ 224,135.48	\$ (39,541.48)	-18%
FCSS	\$ 274,027.00	\$ 195,834.00	\$ 78,193.00	40%
Cemetery	\$ 434.00	\$ 433.00	\$ 1.00	0%
Economic Development	\$ 252,990.00	\$ 158,612.55	\$ 94,377.45	60%
Community Services	\$ 327,507.00	\$ 281,716.00	\$ 45,791.00	16%
Planning & Development	\$ 193,505.00	\$ 185,726.55	\$ 7,778.45	4%
Pool	\$ 274,418.00	\$ 267,730.00	\$ 6,688.00	2%
Parks	\$ 255,626.00	\$ 254,520.00	\$ 1,106.00	0%
Pembina Place	\$ 1,040,982.00	\$ 1,123,607.00	\$ (82,625.00)	-7%
Library	\$ 112,388.00	\$ 110,848.00	\$ 1,540.00	1%
Gas	\$ 876,484.00	\$ 1,048,577.00	\$ (172,093.00)	-16%
Total Expenses	\$ 8,583,898.60	\$ 8,541,300.58	\$ 42,598.02	0%

2026 Proposed Operating Budget **Summary of All Units: Reserve Transfers**

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Variance %
Transfer to Reserves:				
Council	\$ 3,750.00	\$ -	\$ 3,750.00	0%
Administration	\$ 83,000.00	\$ 83,000.00	\$ -	0%
Lease Building	\$ 15,592.00	\$ 17,537.00	\$ (1,945.00)	-11%
Streets	\$ 115,639.00	\$ 115,639.00	\$ -	0%
Fire	\$ 1,550.00	\$ 1,550.00	\$ -	0%
Water	\$ 116,115.00	\$ 120,324.08	\$ (4,209.08)	-3%
Sewer	\$ 76,566.00	\$ 75,305.00	\$ 1,261.00	2%
Garbage	\$ 67,371.00	\$ 52,879.52	\$ 14,491.48	27%
Cemetery	\$ 400.00	\$ 400.00	\$ -	0%
Economic Development	\$ 13,000.00	\$ 10,000.00	\$ 3,000.00	30%
Planning & Development	\$ -	\$ -	\$ -	0%
Parks	\$ 28,675.50	\$ 28,675.50	\$ -	0%
Pembina Place	\$ 206,431.54	\$ 110,000.00	\$ 96,431.54	88%
Gas	\$ 47,250.00	\$ 47,040.00	\$ 210.00	0%
Total Transfer to Reserves	\$ 775,340.04	\$ 662,350.10	\$ 112,989.94	17%

2026 Proposed Operating Budget **Summary of All Units:**

Amortization

	Budget Operating 2026	Final Budget Operating 2025	Variance \$	Variance %
Amortization:				
Administration	\$ 28,059.00	\$ 27,101.00	\$ 958.00	4%
Lease Building	\$ 9,684.00	\$ 9,684.00	\$ -	0%
Fire	\$ 26,137.00	\$ 24,356.00	\$ 1,781.00	7%
Disaster Services	\$ -	\$ -	\$ -	#DIV/0!
Bylaw	\$ 3,498.00	\$ 3,498.00	\$ -	0%
Streets	\$ 663,365.00	\$ 699,872.00	\$ (36,507.00)	-5%
Water	\$ 80,448.00	\$ 53,971.00	\$ 26,477.00	49%
Sewer	\$ 149,837.00	\$ 146,577.00	\$ 3,260.00	2%
Garbage	\$ 3,200.00	\$ 3,200.00	\$ -	0%
Cemetery	\$ 280.00	\$ 280.00	\$ -	0%
Economic Development	\$ -	\$ -	\$ -	#DIV/0!
Pool	\$ 30,286.00	\$ 29,926.00	\$ 360.00	1%
Parks	\$ 42,378.00	\$ 51,114.00	\$ (8,736.00)	-17%
Pembina Place	\$ 301,575.00	\$ 275,244.00	\$ 26,331.00	10%
Gas	\$ 42,229.00	\$ 43,681.00	\$ (1,452.00)	-3%
Total Amortization	\$ 1,380,976.00	\$ 1,368,504.00	\$ 12,472.00	1%



2026

- Budgeted Operating Revenue: \$9,359,239
- Budgeted Operating Expense: \$9,359,239
- Municipal Taxation: **\$3,839,049**

2025

- Budgeted Operating Revenue: \$9,203,651
- Budgeted Operating Expense: \$9,203,651
- Municipal Taxation: \$3,574,207

\$264,842 (7.41%) increase over 2025 budget

Questions

