



3 Year Financial Plan

2024-2027

SPECIAL COUNCIL MEETING

NOVEMBER 14, 16 & 23, 2023

LEGISLATED REQUIREMENTS

Section 283.1 of the MGA

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

LONG TERM FINANCIAL PLANNING BENEFITS & DRIVERS

Primary Benefit:

Identifies future financial challenges and opportunities, allowing the leadership group to plan ahead and develop “a roadmap” to minimize/eliminate challenges and take full advantage of opportunities.



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 for a **3-year forecast must be completed.**
4. The intent is to **develop a plan** – not a **multi year budget**

Forecast Drivers

2024 Budget

Inflation

Growth

Service Changes

2025 Plan

2025 Plan

Inflation

Growth

Service Changes

2026 Plan

2026 Plan

Inflation

Growth

Service Changes

2027 Plan

- Budget Approved in the 2023 Calendar Year (November/December 2023) – Develop 2024 Annual Budget + 2 Year Plan
- Final Budget Approved in the 2024 Calendar Year (April/May 2024) – Develop 2024 Annual Budget + 3 Year Plan

THREE YEAR PLAN ASSUMPTIONS

1. With inflation moving closer to the Bank of Canada target rate of 2%, inflation projected at 3% for 2025, 2026 and 2027.
2. Growth at 2% per year for certain items such as wages on top of inflation
3. Operating Federal & Provincial Grant funding assumptions for 2022 budget carried forward for 2022 - 2027
4. Provincial Police allocations included at rates currently provided, we have not been informed past 2025
5. Utility consumption rates increased by inflation - continue to review annually based on comparisons and break even point of budgets
6. Some borrowing is complete in 2025-2026, however, likely more borrowing will occur (capital borrowing strategy), therefore this has not been removed at this point from the plan
7. Fortis Franchise Fee keep at 10%, dependent on future unknown policing costs
8. Continued recreational funding from County rising with inflation
9. No major increases in assessment anticipated at this time
10. No major changes predicted in service levels



THREE YEAR PLAN BUDGET CHANGE SUMMARY

2025

- Increase \$260,273
- 7.36%

2026

- Increase \$179,015
- 4.71%

2027

- Increase \$58,892
- 1.48%

2025 MAJOR ANNUAL SERVICE CHANGES

REMOVED ITEMS – COMPLETED IN 2024 BUDGET

- Remove MDP costs and reserve
- Ice edger replacement
- Bridal Expo (every 2 years)
- Fire pumper test
- Economic Development GAP analysis
- Tourist directional signage additions
- Land Use Bylaw Update
- Derrick inspection (every 5 years)



ADDED ITEMS FOR 2025

- Council election costs
- Council electronic devices
- Council training costs
- Fire Maintenance – Washbay + Electrical Upgrade
- Development permit and licensing management software (P&D)
- ESRI System to track linear infrastructure conditions
- \$25,000 GAP analysis
- \$15,000 Shaler (Pembina Place)

NOTE

- Potentially Provincial Policing costs could increase, we have no data past 2025 for projections

THREE YEAR PLAN BY OBJECT 2024

Inflation & Growth		3.0%	2.0%		
Budget		Service		Budget	
	Operating 2024	Inflation \$	Growth \$	Changes \$	Operating 2025
Revenue:					
TAXATION (EXCLUDING REQUISITIONS)	3,537,246	-	-	260,273	3,797,519
USER FEES	4,047,299	114,529	3,523	-	4,165,350
RESERVE TRANSFER	23,300	105	-	- 10,000	13,405
GRANTS	525,475	13,001	-	-	538,476
Total Revenue	8,133,320	127,634	3,523	250,273	8,514,750

Expenses:					
TAXATION (REBATES & CONTINGENCY)	5,000	-	-	-	5,000
STAFFING - WAGES & CONTRIBUTIONS	3,038,891	91,167	60,778	1,500	3,192,336
STAFFING COSTS - TRAINING & OTHER	172,204	5,166	-	3,900	181,270
PROFESSIONAL FEES	929,810	23,846	-	16,500	970,156
LEASES	21,758	653	-	-	22,411
INSURANCE	214,023	6,421	-	-	220,444
GOODS & SUPPLIES	231,710	6,951	-	22,300	260,961
POSTAGE & COPIES	27,343	820	-	-	28,163
REPAIRS & MAINTENANCE	501,300	15,039	-	49,000	565,339
VEHICLE EXPENSE	120,700	3,621	-	- 1,500	122,821
UTILITIES	535,551	16,067	-	-	551,618
OTHER - FINANCE CHARGES / DEBENTURES	500,193	3,084	-	-	503,277
OTHER - PROGRAMS / EVENTS	120,060	3,602	-	200	123,862
OTHER - UTILITY SUPPLY PURCHASE	1,146,842	34,405	-	-	1,181,247
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	76,620	2,299	-	-	78,919
RESERVE TRANSFERS	491,315	5,565	-	10,047	506,926
Total Expenses	8,133,320	218,705	60,778	101,947	8,514,750

Balance after adjustments	-	-	91,071	-	57,255	148,327	0
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2026 MAJOR ANNUAL SERVICE CHANGES



REMOVED ITEMS

- Fire maintenance for wash bays + electrical upgrade
- Council election costs
- Council electronic devices
- Council training post election
- GAP analysis (\$25K)
- Development permit and licensing management software (P&D)
- ESRI System to track linear infrastructure conditions
- Derrick inspection
- Shaler (Pembina Place)

ADDED ITEMS

- Master Service Plan (\$150K)
- Bylaw uniforms and computer
- Computers for Community Services (2)

THREE YEAR PLAN BY OBJECT 2025

Inflation & Growth		3.0%	2.0%		
	Budget Operating 2025	Inflation \$	Growth \$	Service Changes \$	Budget Operating 2026
Revenue:					
TAXATION (EXCLUDING REQUISITIONS)	3,797,519	-	-	179,015	3,976,534
USER FEES	4,165,350	118,070	3,699	-	4,287,119
RESERVE TRANSFER	13,405	402	-	-	13,807
GRANTS	538,476	13,391	-	-	551,866
Total Revenue	8,514,750	131,863	3,699	179,015	8,829,326

Expenses:					
TAXATION (REBATES & CONTINGENCY)	5,000	-	-	-	5,000
STAFFING - WAGES & CONTRIBUTIONS	3,192,336	95,770	63,847	-	3,351,952
STAFFING COSTS - TRAINING & OTHER	181,270	5,438	-	- 3,000	183,708
PROFESSIONAL FEES	970,156	24,516	-	103,500	1,098,172
LEASES	22,411	672	-	-	23,083
INSURANCE	220,444	6,613	-	-	227,057
GOODS & SUPPLIES	260,961	7,829	-	- 13,970	254,820
POSTAGE & COPIES	28,163	845	-	-	29,008
REPAIRS & MAINTENANCE	565,339	16,960	-	- 75,000	507,299
VEHICLE EXPENSE	122,821	3,685	-	-	126,506
UTILITIES	551,618	16,549	-	-	568,166
OTHER - FINANCE CHARGES / DEBENTURES	503,277	3,177	-	-	506,454
OTHER - PROGRAMS / EVENTS	123,862	3,716	-	- 200	127,378
OTHER - UTILITY SUPPLY PURCHASE	1,181,247	35,437	-	-	1,216,685
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	78,919	2,368	-	-	81,286
RESERVE TRANSFERS	506,926	5,732	-	10,093	522,751
Total Expenses	8,514,750	229,307	63,847	21,423	8,829,326

Balance after adjustments	0	- 97,444	- 60,148	157,592	0
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2027 MAJOR ANNUAL SERVICE CHANGES

REMOVED ITEMS

- Master service plan (150K)
- Bylaw uniforms and computer
- Computers for Community Services (2)

ADDED ITEMS

- Fire maintenance – pump test
- Communications contract

THREE YEAR PLAN BY OBJECT 2026

Inflation & Growth		3.0%	2.0%		
	Budget Operating 2026	Inflation \$	Growth \$	Service Changes \$	Budget Operating 2027
Revenue:					
TAXATION (EXCLUDING REQUISITIONS)	3,976,534	-	-	58,892	4,035,426
USER FEES	4,287,119	121,723	3,884	-	4,412,726
RESERVE TRANSFER	13,807	414	-	-	14,221
GRANTS	551,866	13,792	-	-	565,658
Total Revenue	8,829,326	135,930	3,884	58,892	9,028,032

Expenses:					
TAXATION (REBATES & CONTINGENCY)	5,000	-	-	-	5,000
STAFFING - WAGES & CONTRIBUTIONS	3,351,952	100,559	67,039	-	3,519,550
STAFFING COSTS - TRAINING & OTHER	183,708	5,511	-	-	189,219
PROFESSIONAL FEES	1,098,172	28,957	-	- 109,000	1,018,129
LEASES	23,083	692	-	-	23,776
INSURANCE	227,057	6,812	-	-	233,869
GOODS & SUPPLIES	254,820	7,645	-	- 9,970	252,495
POSTAGE & COPIES	29,008	870	-	-	29,878
REPAIRS & MAINTENANCE	507,299	15,219	-	-	522,518
VEHICLE EXPENSE	126,506	3,795	-	1,500	131,801
UTILITIES	568,166	17,045	-	-	585,211
OTHER - FINANCE CHARGES / DEBENTURES	506,454	3,272	-	-	509,726
OTHER - PROGRAMS / EVENTS	127,378	3,821	-	-	131,199
OTHER - UTILITY SUPPLY PURCHASE	1,216,685	36,501	-	-	1,253,185
OTHER - LIBRARY GRANT & OTHER COMMUNITY GRAN	81,286	2,439	-	-	83,725
RESERVE TRANSFERS	522,751	5,904	-	10,096	538,751
Total Expenses	8,829,326	239,041	67,039	- 107,374	9,028,032

Balance after adjustments	0	- 103,111	- 63,155	166,266	- 0
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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** – from 2025 continue with \$35,000 annually for future technology enhancements
- **Fire** – continue annual allocation per policy of sales less vehicle expense for future equipment approx. \$1,050
- **Streets** – continue to increase annually by at least \$10k due to grants potentially reducing
- **Utilities** – continue with capital investment charge – opportunities to increase annually if Council desires, based on annual review. Garbage dividend strategy to continue to increase reserves
- **Pembina Place** – with new recreation agreement \$100,000 transferred to reserves annually (50/50 cost share Town & County)

- Fortis Franchise Fee – No increase in 2024, currently at 10%, no projected changes at this point in 3-year plan, reviewed annually
- Town needs to work towards more funding strategies towards asset replacement as grants are diminishing
- This will be revisited in the annual budget process as well as Council planning session in 2024
- Pool – develop a strategy moving forward once the condition assessment is received

