

Corporate Overview

Proposed Budget 2025



Agenda

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Introduction

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Financial Trends & Forecasts

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Proposed Budget & Financial Plans

4

Service Enhancements Proposed by Administration

(Attachment 2)

5

Council Service Enhancement Requests

(Attachment 3)



Introduction

Opening Remarks

Attachment 5: 2025 Budget Brochure

STRATEGIC PRIORITIES

- ▶ **Investing in Key Infrastructure**
- ▶ **Prioritizing Investment Attraction**
- ▶ **Keeping Taxes Low**
 - Lean Operations
- ▶ **Financial Sustainability**
- ▶ **Enhancing Service Delivery**
 - Digital Modernization
 - Effective Communication with Residents
 - Growth and Capital Delivery
 - New Recreation Infrastructure

OPERATING

CAPITAL

May 9

Capital Committee Meeting
Overview of Capital Budget process & launch of Council Budget Request portal.

May 9 – June 9

Council submits operating and capital budget requests.

June 10 – July 26

Administration prepares briefing notes for council budget requests.

End of August

Administration provides Council with briefing notes on each OPERATING budget request.

Administration provides Council with briefing notes on each CAPITAL budget request.

September 3
(IBC)

Council presents their operating budget requests for discussion by Council and Administration.

September 12
(Capital Committee Meeting)

Capital Committee Members and Administration present their capital budget requests & adjustments and provide recommendations to Council.

October 30
(Capital Committee Meeting)

Review remaining capital budget requests & adjustments and provide recommendations to Council.

TODAY

October 30 – 31
(Budget Presentations)

Administration presents the proposed operating and capital budget to Council.

November 1 - 15

Council submits budget questions.

November 12
(Open House)

Open House on the proposed operating and capital budget.

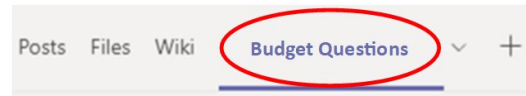
November 19 – 20
(Budget Deliberations)

Each budget request is presented as a Council Motion.
Council deliberates each Council Motion and votes to carry or defeat each motion.

Process & Tools (Budget Questions)

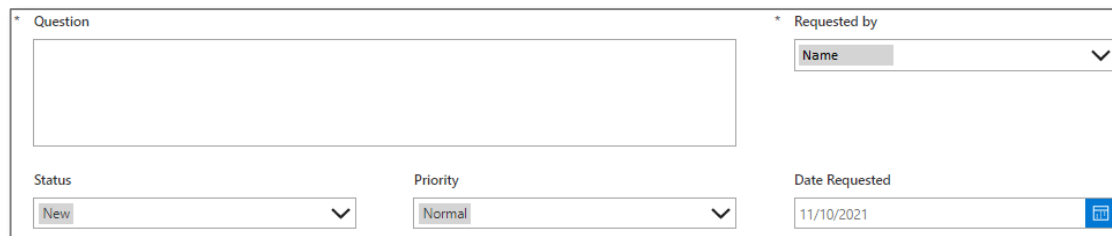
1. Open  and select the **2025 Budget Team**.

2. At the top of the pane, select **Budget Questions**

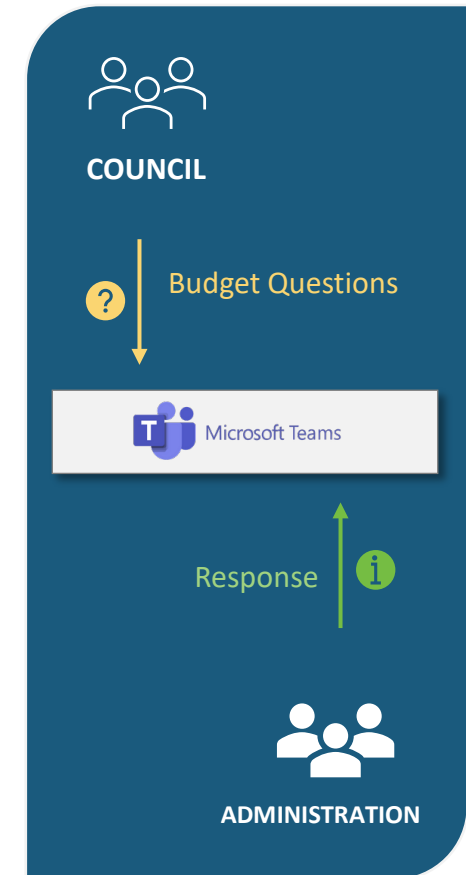


3. Click .

4. Enter the question and your name.

A form for submitting a budget question. It includes a large text area for the question, a dropdown for 'Requested by' with 'Name' selected, a dropdown for 'Status' with 'New' selected, a dropdown for 'Priority' with 'Normal' selected, and a date field for 'Date Requested' with '11/10/2021' entered. There is a blue submit button at the bottom right.

5. Click  to submit.



Budget Reference Materials

➤ **Attachment 1: 2025 Budget Package**

2025 Budget Process

2025 Budget Overview

2025 Operating and Capital Budget Consolidation

2025 Operating Budget Summary

2025 Capital Budget Summary

Appendix A: 2025 Consolidated Budget and Financial Forecast

Appendix B: 2025 Operating Budgets by Department

Appendix C: 2025 Capital Budgets

Appendix D: 2026-2030 Capital Financial Plan

➤ **Attachment 2: 2025 Operating Service Enhancements**

➤ **Attachment 3: 2025 Council Operating Service Enhancements**

➤ **Attachment 4: 2025 Capital Service Enhancement Summary**

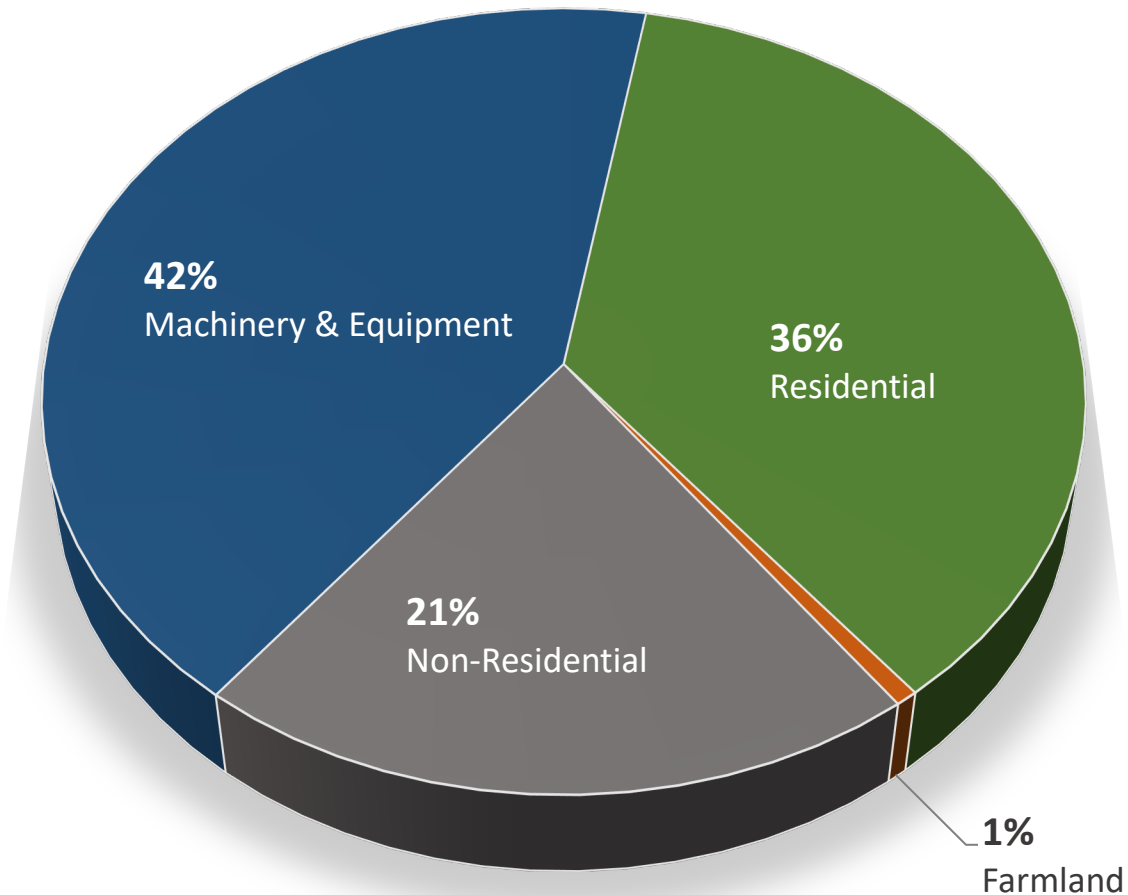


Questions?

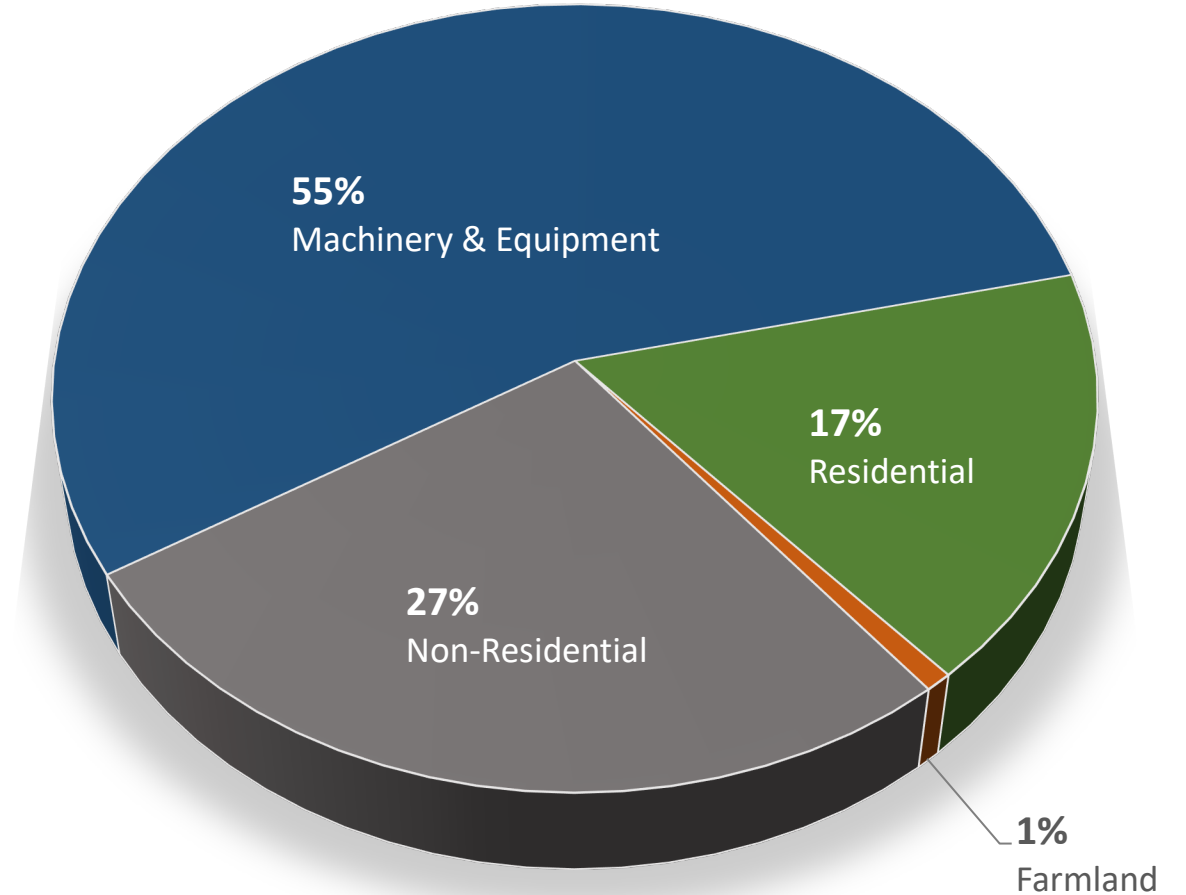
Financial Trends & Forecasts

Assessment & Tax Composition

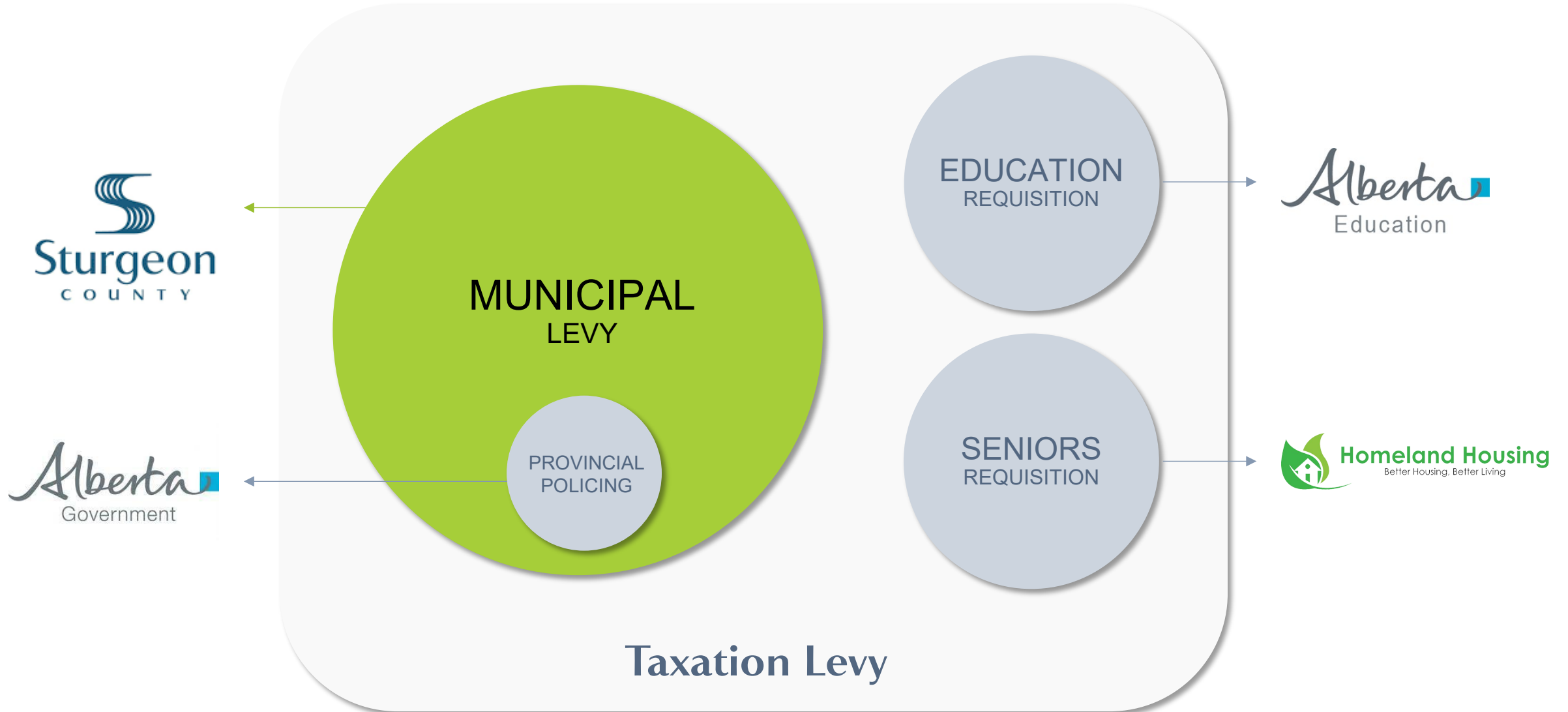
2024 Assessment Composition



2024 Taxation Composition

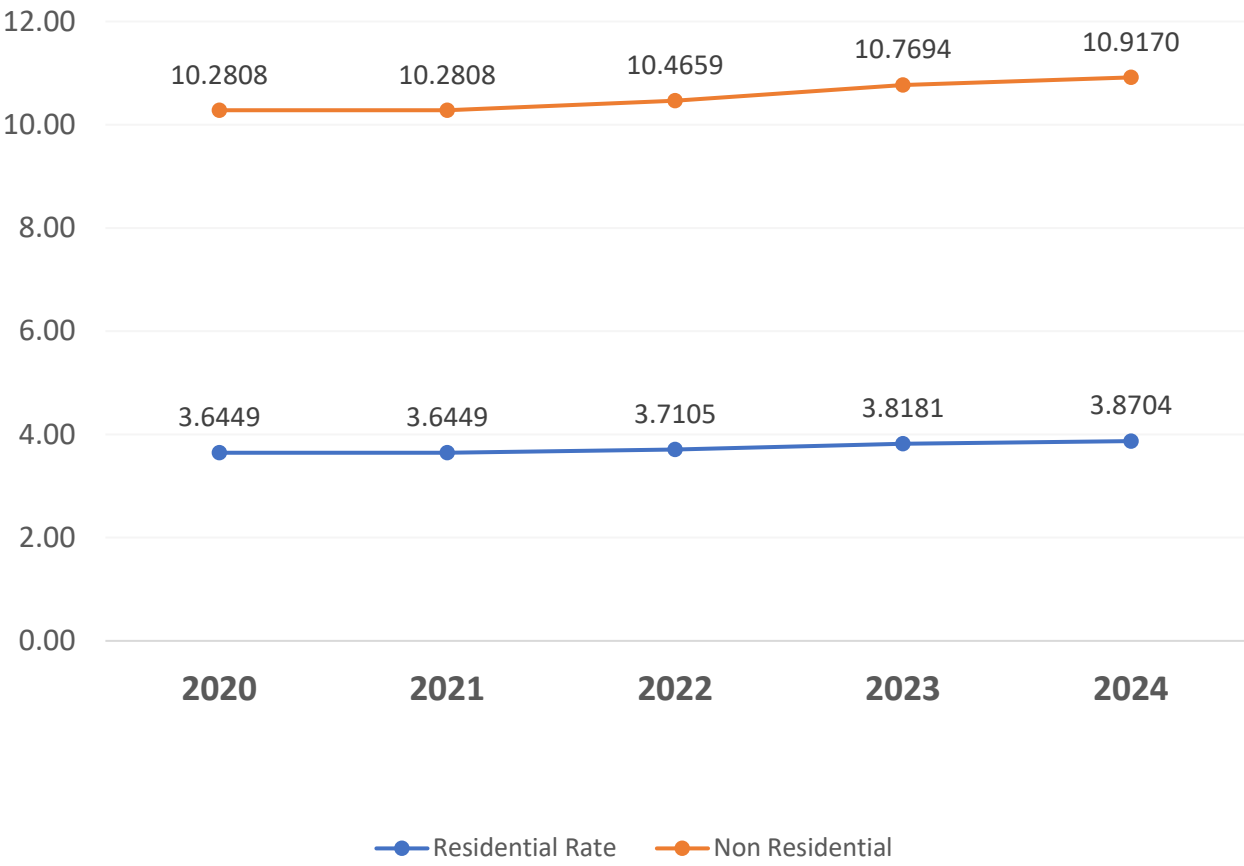


Taxation Levy Composition

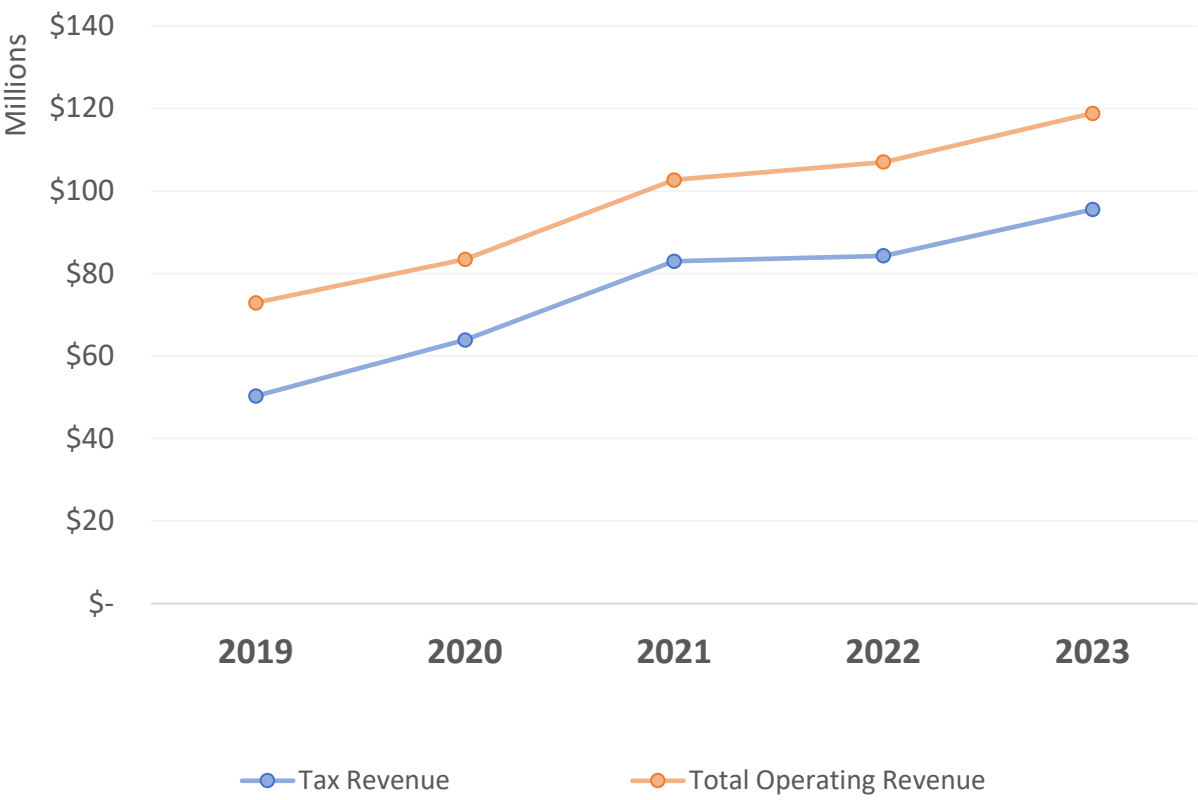


Tax Trends

Sturgeon County Tax Rate
(in mills)

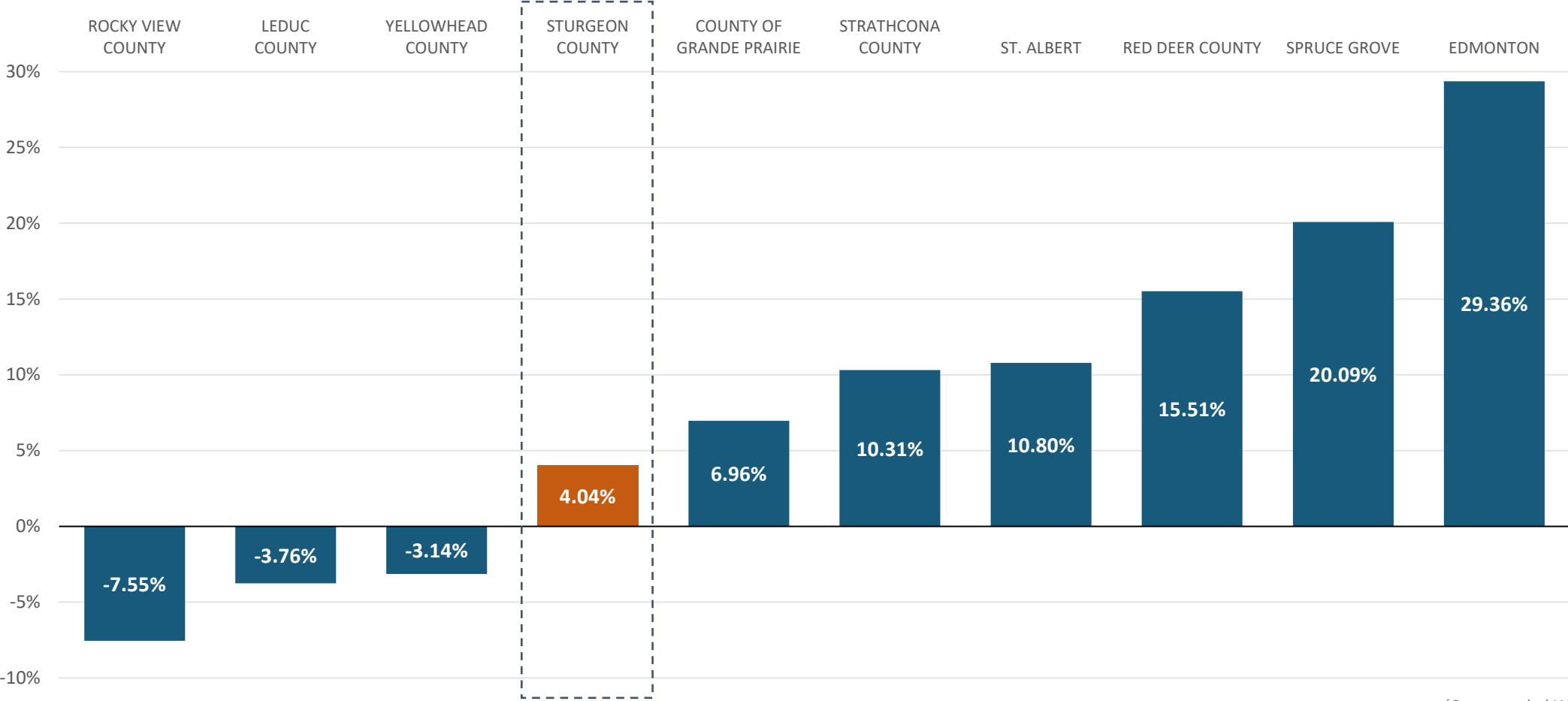


Tax Revenue and Total Operating Revenue
(Actuals)



Tax Trends

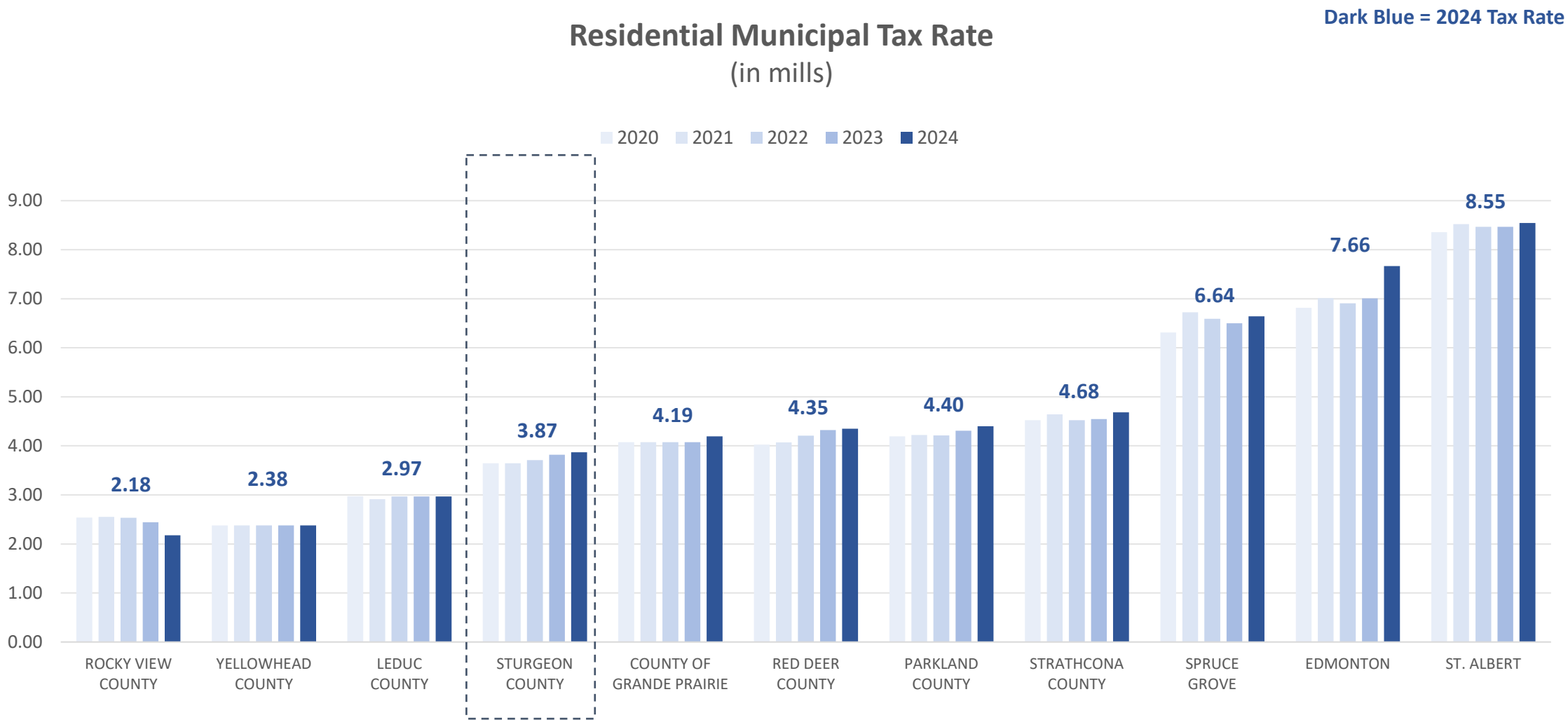
Cumulative Change in Overall Tax Rate
(2017 - 2024)



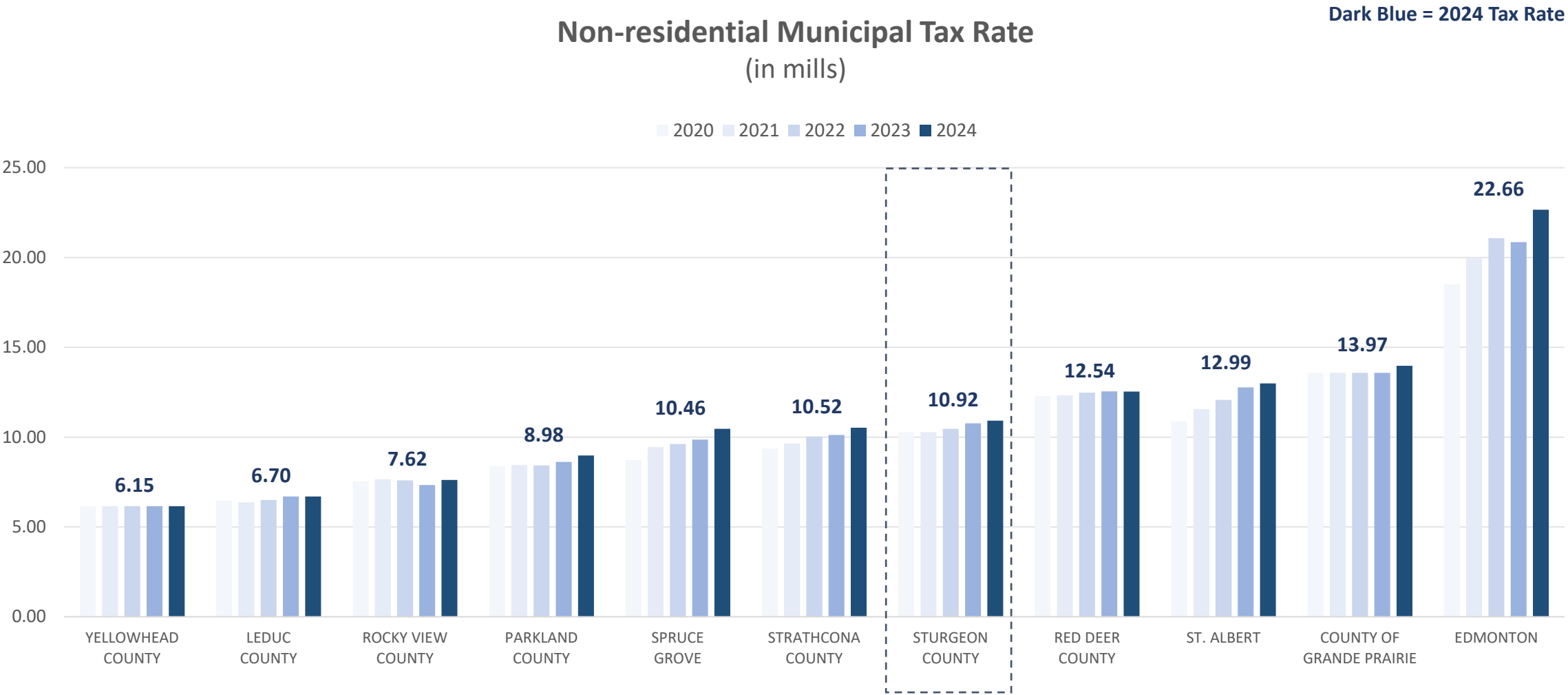
(Compounded Weighted Average)

Source: Open Government (alberta.ca) Municipal Financial & Statistical Data

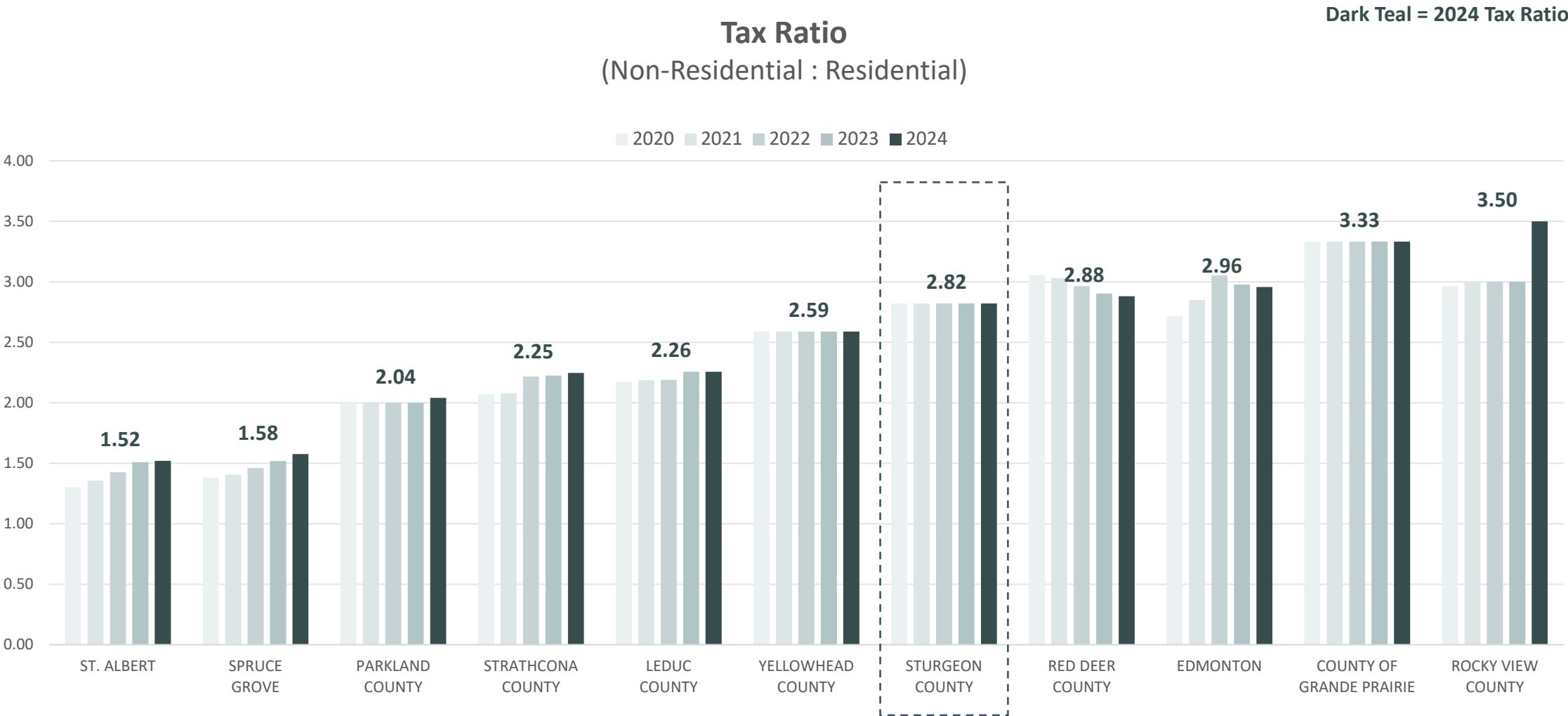
Tax Trends



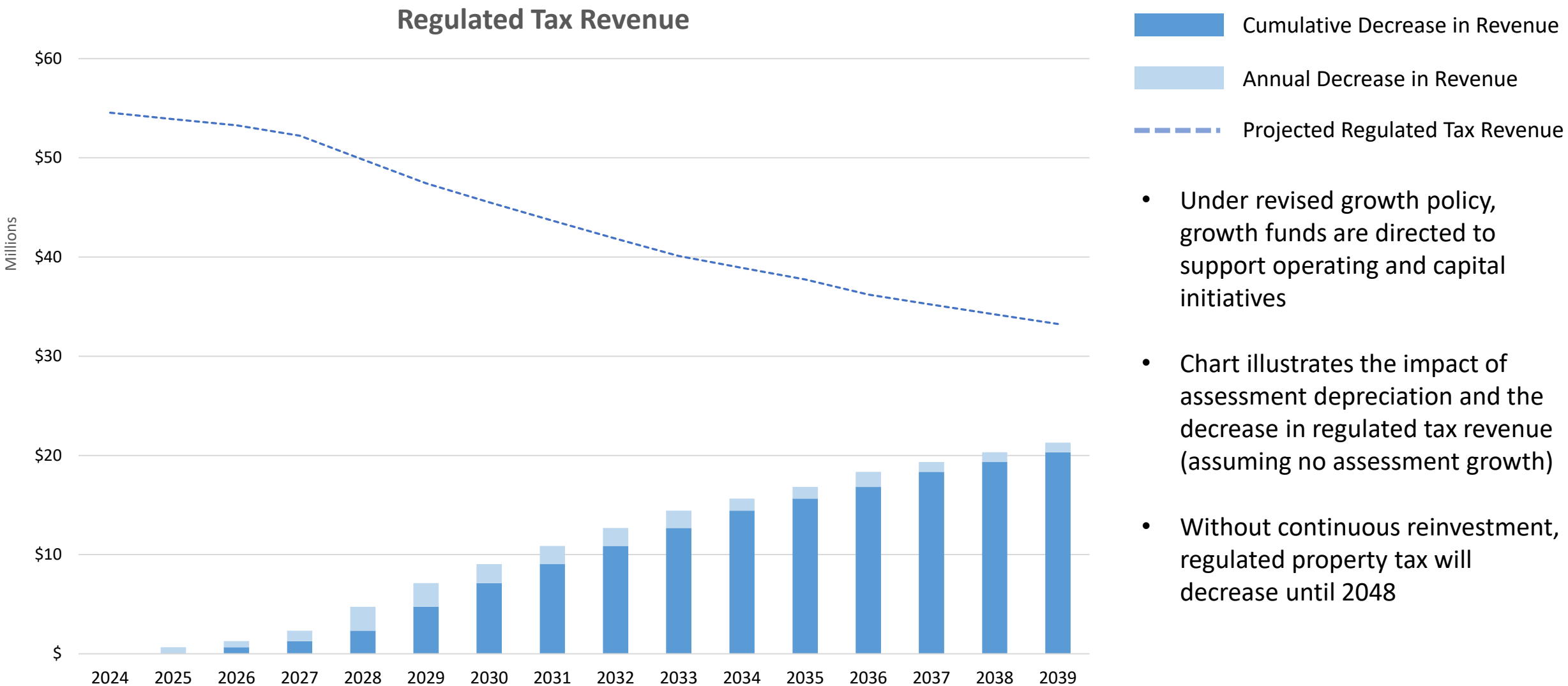
Tax Trends



Tax Trends

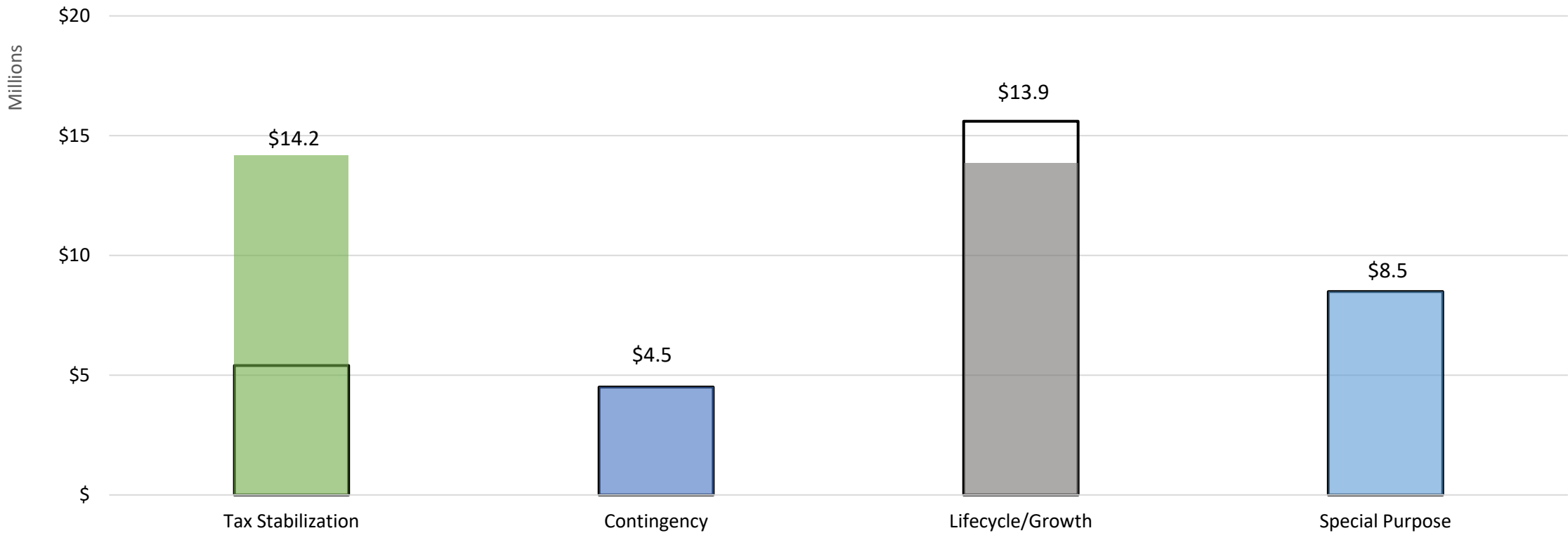


Regulated Property Tax



Reserve Categorization

Uncommitted Reserves Balances by Category
(as of August 2024)

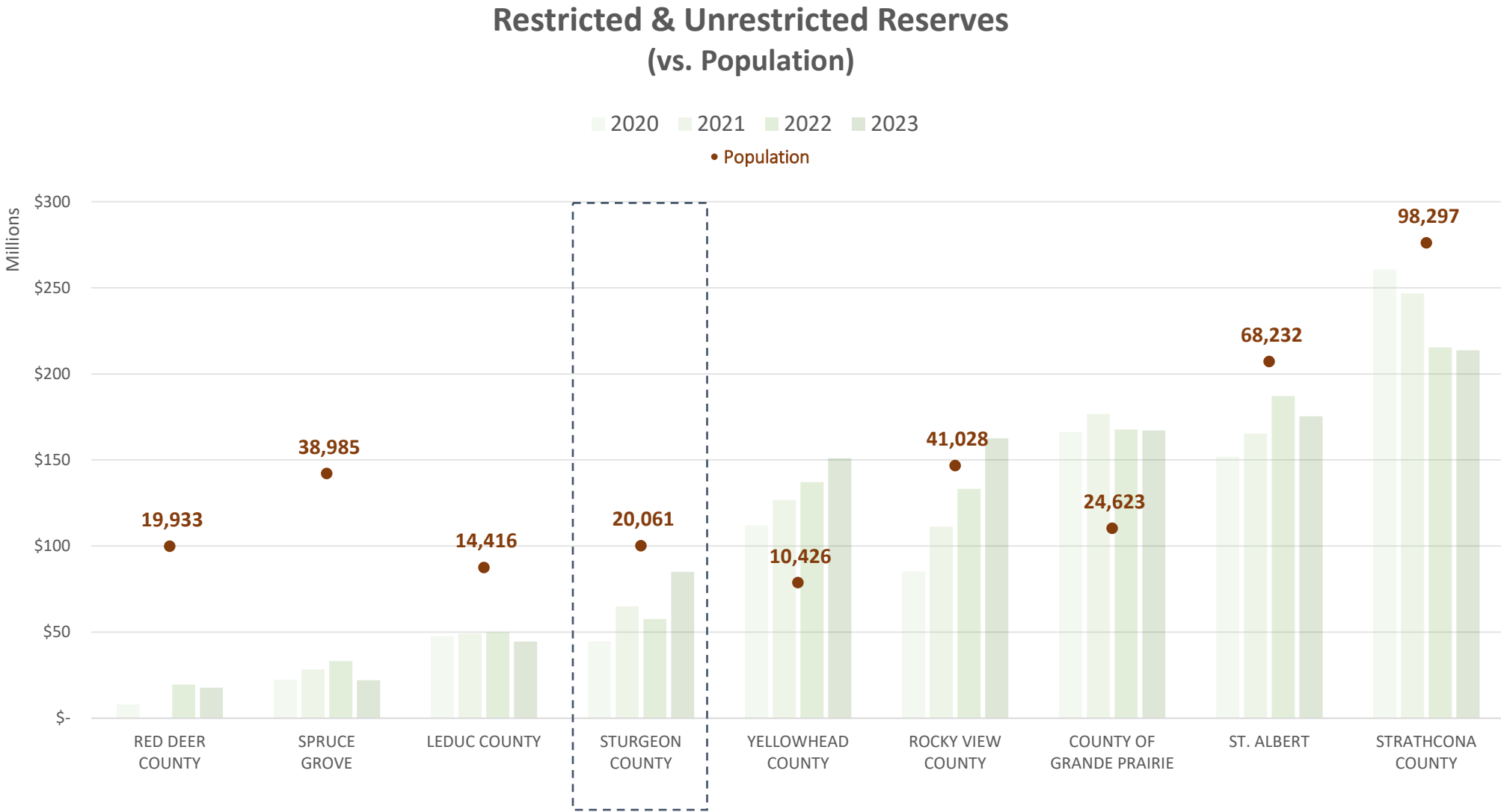


**Reserve policy and target levels currently under review*

Reserve Trends

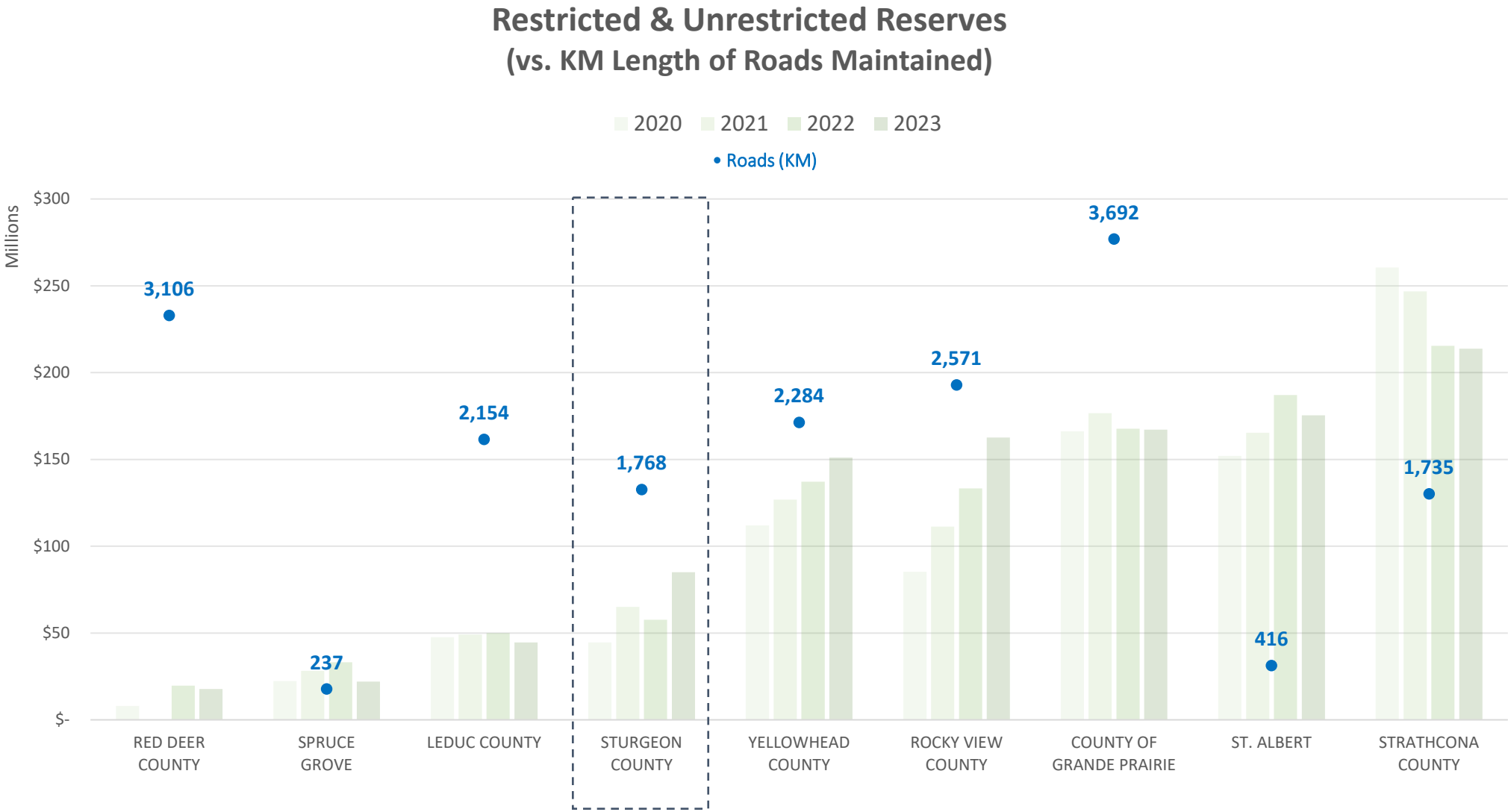


Reserve Trends



* Represents population reported in 2023
Source: Open Government (alberta.ca) Municipal Financial & Statistical Data

Reserve Trends

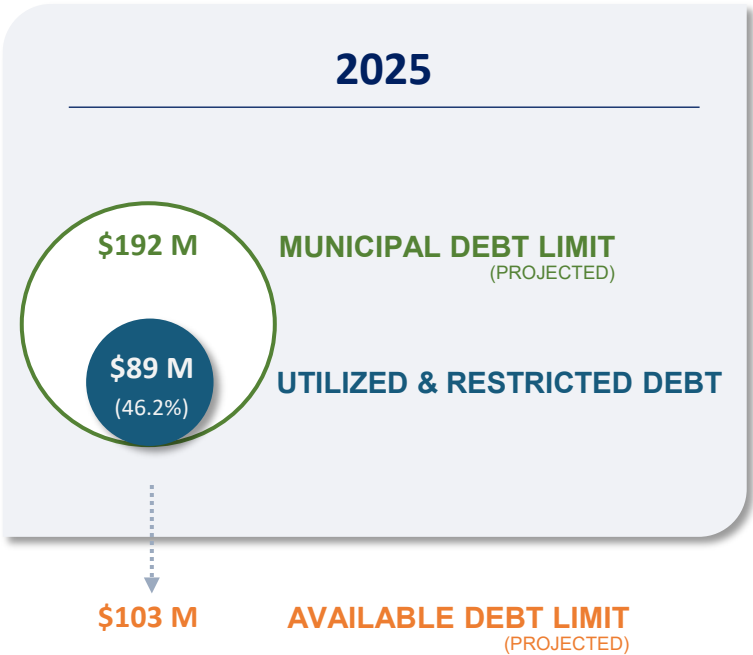


Debt Targets & Limits

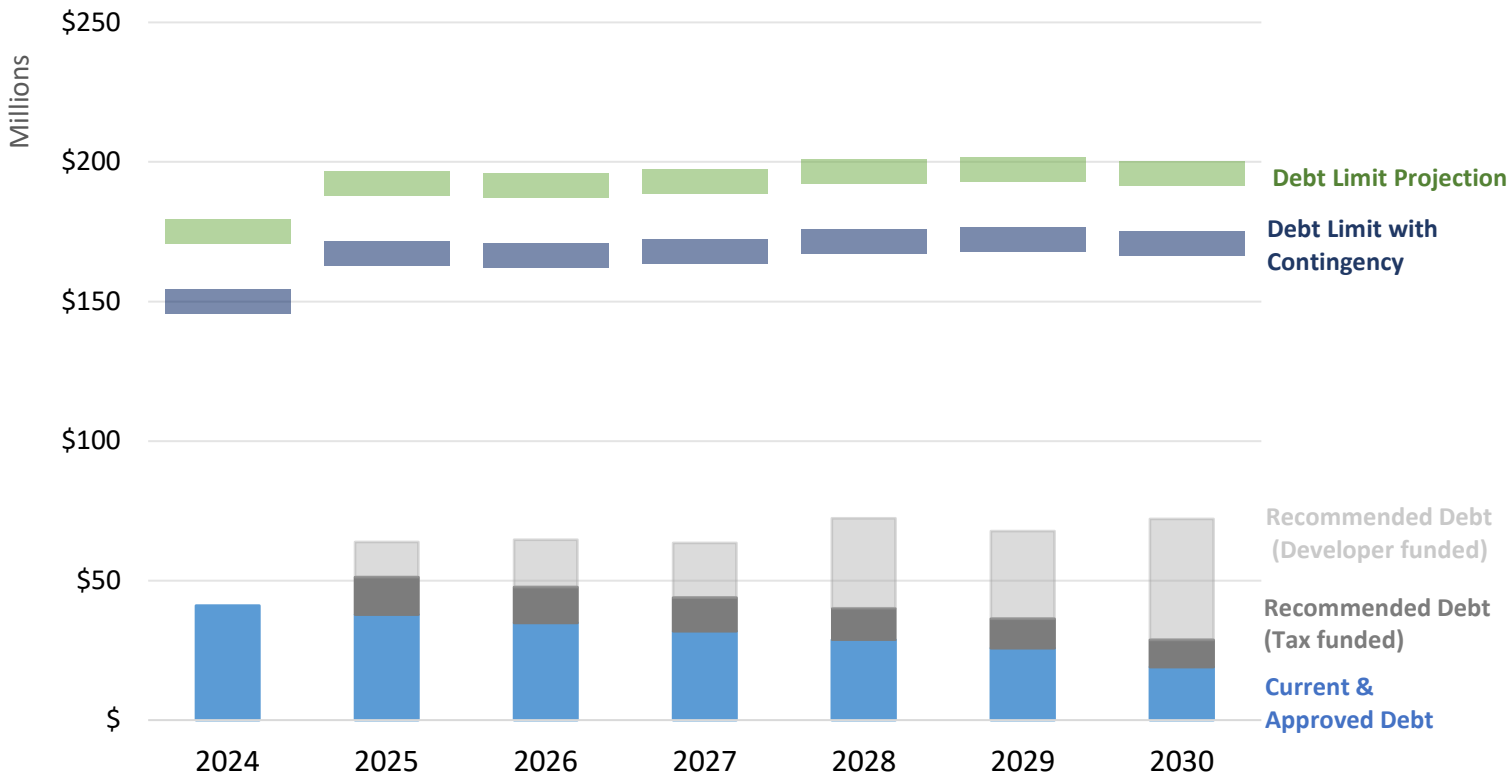
DEBT REGULATION

Municipal Debt Limit is calculated using projected operating revenue.

Debt Limit	1.5 times revenue
Debt Service Limit	0.25 times revenue

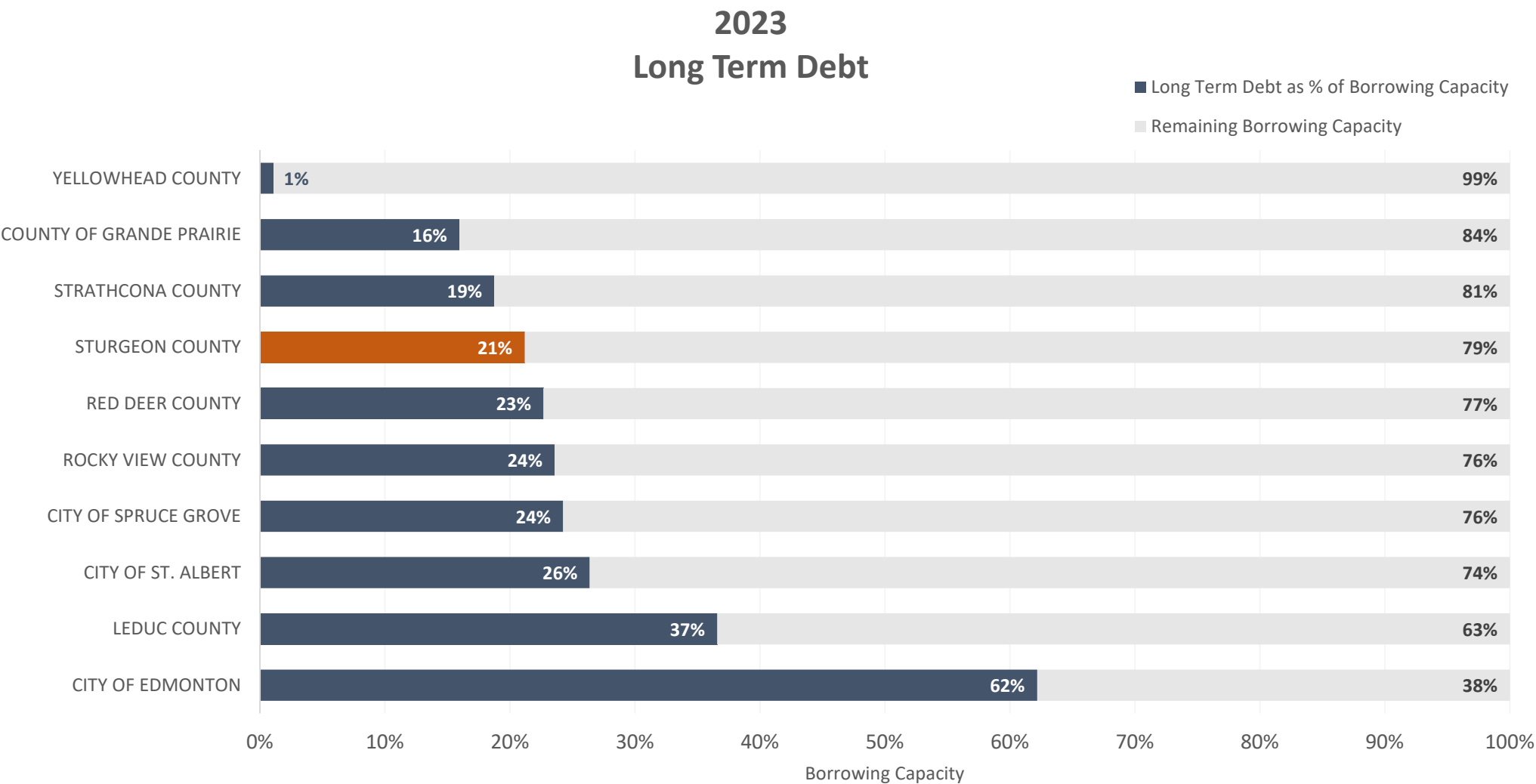


Future State Debt Limit Availability

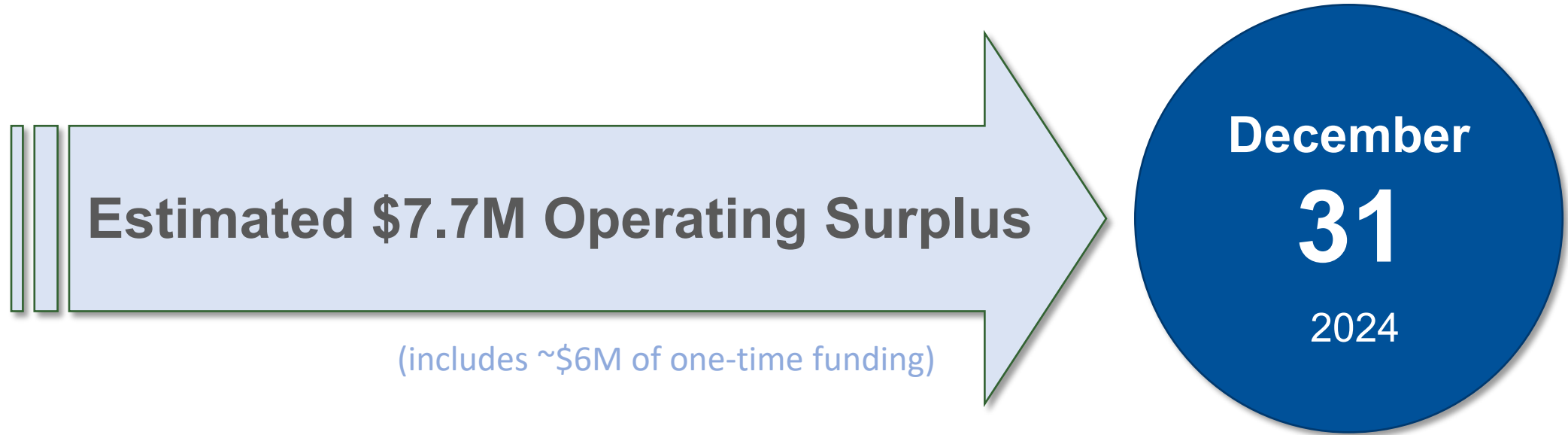


\$25 million of the total debt capacity provided under the debt limit regulation is restricted to provide short term debt financing as a contingency for emergencies or extraordinary events.

Borrowing Capacity



2024 Financial Results Forecast



As of the T2 Financial Report for the period ending August 31, 2024, forecasted to December 31, 2024.

\$7.7M = DRP (\$3.7M), investments (\$2.7M), and various department items (\$1.3M)

Recommended Budget & Financial Plans

Operating 2024-2027

Capital 2024-2028

Consolidated Budget & Plans

	2025 BASE & CAPITAL	2025 Operating SE	2025 PROPOSED	2026 FORECAST	2027 FORECAST	2028 FORECAST
Total Revenue	148,224,009	-	148,224,009	132,917,600	132,253,899	145,141,733
Operating Expenditures	91,170,724	2,005,988	93,176,712	95,598,606	97,481,083	100,989,603
Capital Expenditures	54,631,081	-	54,631,081	33,045,846	29,823,447	44,177,286
Total Expenditures	145,801,805	2,005,988	147,807,793	128,644,452	127,304,530	145,166,889
For Funding Purposes:						
Transfers from Reserve	8,138,660	273,936	8,412,596	2,954,189	4,292,189	5,286,063
Transfers to Reserve	(9,134,746)	(500,000)	(9,634,746)	(9,751,665)	(10,730,623)	(5,492,397)
Transfers to Accumulated Surplus	(1,656,327)	-	(1,656,327)	(117,445)	862,737	1,296,994
	(230,209)	(2,232,052)	(2,462,261)	(2,641,773)	(626,328)	1,065,504
Tax Rate	0.23%	2.19%	2.42%	0.18%	(1.98%)	(1.66%)

**Forecast years include inflationary estimates for revenue and expenses but exclude future requests for service enhancements.*

Base Changes Explained

Proposed 2025 Tax Impact

Assessment Growth Impacts	(3.20%)
Maintain Existing Services	2.77%
Operating Service Enhancements	2.19%
Capital Service Enhancements	0.66%
TOTAL TAX CHANGE	2.42%

Key Drivers for Maintaining Existing Services

FAVOURABLE
Assessment Growth – Taxation Revenue Increase
Increased Investment Income <i>(offset with a transfer to reserve)</i>
UNFAVOURABLE
Wage Inflation
Actuarial Adjustment
Inflationary Increases

Reserve Allocation for Budget

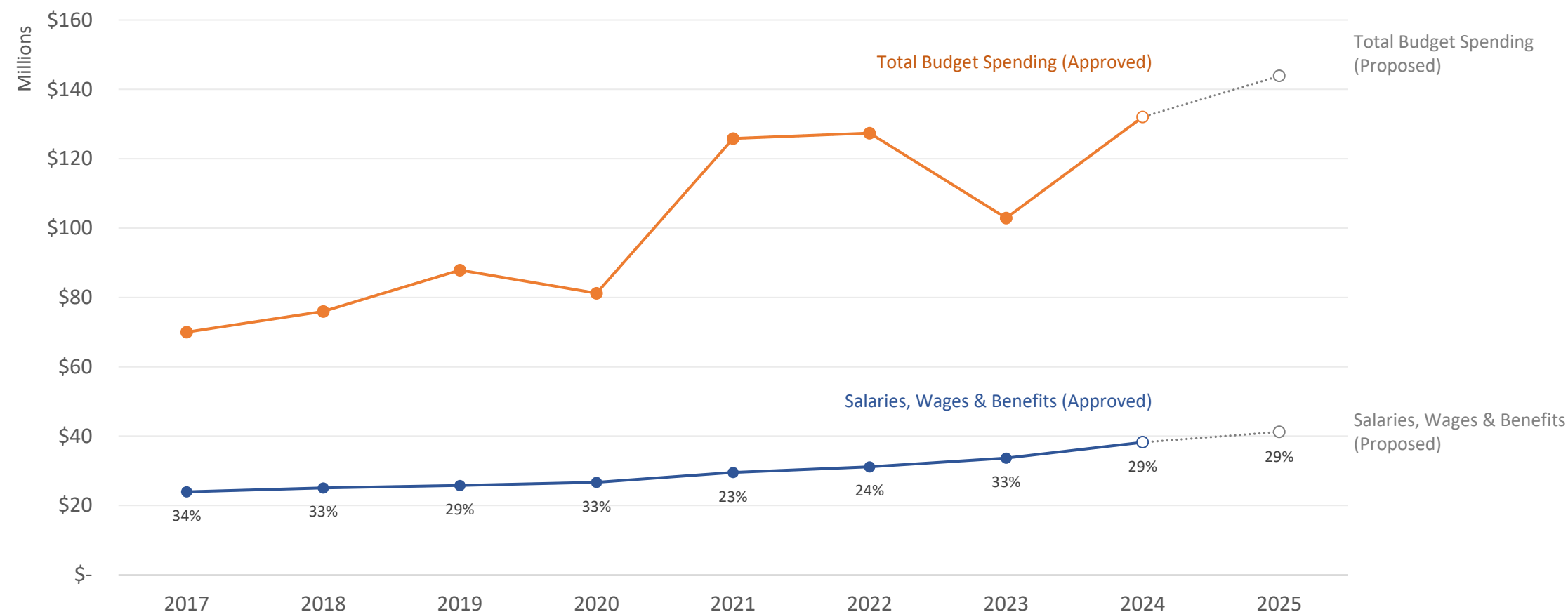
	2023	2024	2025
Investment Income	880,000	1,500,000	2,630,000
Transfer to Reserve (2023 – 2024 Increase in Investment Income)		(500,000)	(500,000)
Transfer to Reserve (2024 – 2025 Increase in Investment Income)			(1,130,000)
Net Investment Income	880,000	1,000,000	1,000,000
			13.64% increase in net investment income from 2023

Municipal Tax - Inflationary Increase

	Per Year	Per Month
Residential Home Valued at \$500,000	+ \$46.83	+ \$3.90
Business Valued at \$1,000,000	+ \$264.19	+ \$22.02

The provincial education requisition and seniors' housing requisition are not included in the estimates above, as the provincial education requisition is determined by the Provincial Government and the seniors' housing requisition is determined by Homeland Housing.

Budgeted Administration Costs (2017-2025)



Percentages = $\frac{\text{Total Salaries, Wages and Benefits}}{\text{Total Operating and Capital Budget}}$

Overview

2025 Operating Service Enhancements

Strategic Priorities



INVESTING IN KEY INFRASTRUCTURE

Key infrastructure such as roads, bridges, fire and emergency equipment, and parks and trails are essential for thriving communities. The County is investing over \$50 million in capital assets in 2025, which represents a significant increase over historical capital budget investment levels.



PRIORITIZING INVESTMENT ATTRACTION

The County continues to look for ways to attract business investment, which supports jobs, new funding for programs and services, and more broadly, the County's long-term financial sustainability. Business investment is critical to the sustainability of the County's tax base.



ENHANCING SERVICE DELIVERY

You work hard for your money, and we want to make sure you're getting good value for your tax dollars. While trying to deliver highly efficient services and minimize the burden to County taxpayers, Administration has proposed service enhancements which are focused on:

- Digital modernization;
- Effective communication with residents;
- Growth and capital delivery;
- New recreation infrastructure; and
- Continued advocacy for fair and sustainable utility rates.

Strategic Alignment



PRIORITIZING INVESTMENT ATTRACTION

Attract Business Investment

ADM 11: Small Business Incentive Program Advancement



ENHANCING SERVICE DELIVERY

Digital Modernization

ADM 01: Digital Services Capacity Advancement
ADM 02: Financial System Modernization
ADM 03: Service Desk Capacity Strengthening
ADM 04: SharePoint Capacity Strengthening

Effective Communication with Residents

ADM 05: Communications Capacity Strengthening
ADM 06: Strategic Advisory Advancement

Growth and Capital Delivery

ADM 07: Finance Capacity Strengthening
ADM 09: Infrastructure and Utility Engineering Capacity Expansion
ADM 10: Legal Crossroads Area Structure Plan Refresh

New Recreation Infrastructure

ADM 08: Recreation Reserve Creation



Overview

2025 Operating Service Enhancements

Closing Remarks

- ▶ The County is unique
- ▶ Taxes are competitive
- ▶ Reserves are near targets
- ▶ Reasonable levels of debt capacity
- ▶ 2024 Surplus provides additional strategic options
- ▶ Administration costs are kept low (i.e. lean operations)
- ▶ 2025 Proposed budget



Questions?

Thank you!