Village of Rycroft
Request for Decision

Council Meeting Date: December 7, 2022

TOPIC: 2023 to 2025 Operating Budgets and 2023 to 2027 Capital Budgets

RECOMMENDED ACTION:

1. That Council approve the updated 2023 to 2025 Operating budgets as presented.
2. That Council approve the updated 2023 to 2027 Capital budgets as presented.

BACKGROUND: Council reviews and updates the next years' provisional operating budgets and capital budgets in the fall of the year. This preliminary direction is given with consideration to service levels after Council has had a strategic planning meeting to provide direction to Administration. The final budget will be presented to Council in April, once requisition levels are formalized, and Council has all information to set a tax rate.

Council has held the same tax rate four consecutive years. The rate has been held as Council endeavours to make Rycroft an affordable place to live, not to mention the strife the pandemic caused on all households. Council should consider an increase, as history has shown those municipalities that do not raise their rates by 1-2% annually eventually end up one year having to place a large likely double digit increase on the residents and businesses to catch up. Inflationary costs of operation are realized, as materials, supplies, and services cost more every year. For this approval, Council should focus on service level, revenues and expenditures. Tax rates will be determined in the Spring.

Highlights of the updated budget include:

OPERATING REVENUES:

- MSI Operating grant this year will be $32,473 (2022 was $32,473). The Municipal Sustainability Initiative Provincial funding program is ending. The *Local Government Fiscal Framework Act* establishes a framework for providing infrastructure funding to all Alberta municipalities beginning in 2024/25.
- Total Equalized Assessment has had little change or effect on the revenues
- Water, sewer, and solid waste revenues are all cost recovery
- Saddle Hills County has advised us that they plan to re-new their commitment of $500,000 for next year for the Regional Development Initiative Agreement.
- Total Revenues are budgeted at $2,542,701 (2022 was $2,489,945)

OPERATING EXPENSES:

- Add $25,000 to complete the ball diamond drainage groundwork
- Add $8,000 to support the Community Garden
- Add $8,000 for a hydrant flow meter tester
- Add $10,000 to support the Rycroft Arena Board in operating the arena
- Increase the Library operating grant from $12,000 to $15,000
- Protective Services expense, delete $47,100 for the Town of Spirit River Airport Landing Lights. The expense was never requested as the Town was successful in securing a grant for the project.
- Police funding goes to 20% ($22,770) for 2023, then to 30% in 2024 and 2025
- The total does not have any Cost of Living Allowance totals in it. Once that is confirmed, we will do a re-allocation of wages to all functions to make it more accurate where we are spending our wage costs
- Total Expenses budgeted at $2,024,042 (2022 was $2,009,046)

CAPITAL BUDGET:

- $250,000 for Sewer Line Main and Manhole Re-line Project (MSI reserve funding)
- $42,000 for Fire Hydrant upgrades (MSI reserve funding)
- $25,000 for the Central Peace Regional Water Supply Design of the Regional Water Treatment Plant project
- $20,000 for new flooring in the Village office
- $80,000 for a new 5500 or 6500 Fleet Work Truck

This is subject to change once we complete more research on paving cost and funding possibilities.

FINANCIAL IMPLICATIONS: As listed above.

POLICY AND/OR LEGISLATIVE IMPLICATIONS: Council must adopt an operating budget for each calendar year by January 1 of that calendar year (*MGA s 242*).
Council must adopt a capital budget for each calendar year by January 1 of that calendar year (*MGA s. 245*).

ALTERNATIVE OPTIONS:

1. Council could suggest other changes to the budgets.

ATTACHMENTS:

1. 2022 Operating Budget Summary
2. 2023 to 2025 Operating Budget Summary
3. 2023 to 2027 Capital Budget

Peter Thomas — December 1, 2022

Chief Administrative Officer — **Date**