



**Village of Rycroft
Request for Decision**

Council Meeting Date: May 1, 2024

TOPIC: 2024 to 2026 Operating Budgets, and 2024 to 2028 Capital Budgets

RECOMMENDED ACTION:

1. That Council approve the updated 2024 to 2026 Operating budgets as presented.
2. That Council approve the updated 2024 to 2028 Capital budgets as presented.

BACKGROUND: Council reviewed and updated the 2024 to 2026 provisional operating budgets and the 2024 to 2028 provisional capital budgets at the December 19, 2023 Regular Council meeting. Now that we have all the information on the requisition requirements, the final budget can be approved.

Taking into consideration the drop in assessment, the municipal tax rate increase is ~1% compared to the previous year. Previously, Council has had a 0% increase from 2018 to 2022, and 5% for farm and residential; and 3% for non-residential and industrial properties in 2023.

Rather than assume a fresh debt by borrowing the \$1.6M needed to pay for the East side paving project this year, we are borrowing from our own reserve accounts, thus eliminating an extra \$109,261 x 30 years charge to our rate payers. With the plan, reserve funds will be fully replenished within the next 3 budget cycles, giving future Councils more options to improve future services.

ASSESSMENT

The Assessor notes the following about assessment changes that took place in Rycroft for the 2023 Assessment Year, the 2024 Tax Year:

- *Reduced the land assessment in the industrial subdivision. This brings it in line with the sale(s) that we recently had and close to the values in the appraisal from last year. Vacant lots will drop on average 67% . Those properties in the subdivision that are developed will see far less of a reduction (on a % basis).*
- *Prior to this year most residential lots were assessed on a front foot basis. We moved the lots on front feet to square feet for assessment purposes which is a more common way to value land (square feet, square meters, or acres as opposed to front feet). As a result of this change and the vacant lot sales we had, generally most residential lots declined in value but the assessment change is not uniform in amount and depended to a certain extent on the shape of the lot.*

There have been minor changes to the budget, as more information allows us to budget more accurately. Noteworthy highlights/adjustments made after the December 19, 2023 meeting include:

OPERATING REVENUES:

- LGFF Operating grant this year will be \$64,946 (2023 was \$64,946)
- Saddle Hills County Unconditional Grant Agreement is increased from \$500K to \$750K
- Water, sewer, and solid waste services are all at comparable levels to regional municipalities, are recovering their costs, and building reserve fund accounts
- We are collecting ~\$41,000 more in Local Improvement tax for the East Side Paving Phase One
- Total Revenues are budgeted at \$2,964,408 (2022 was \$2,601,491)

OPERATING EXPENSES:

- Police Funding Costs increased from \$22K to \$34K
- \$18K for Ball Diamond Landscape/Tree Planting
- The budget includes ~\$157K surplus contributions to water, sewer, and other reserve accounts
- Total Expenses budgeted at \$2,137,013 (2023 was \$2,105,774)

CAPITAL REVENUES:

- LGFF Capital grant this year will be \$261,338 (2023 MSI was \$101,768)
- Total Capital Revenues budgeted at \$2,765,000

2024 CAPITAL BUDGET:

- \$2,400,000 for Phase 2 Road Paving Project
- \$16,000 for Library Building New Roof
- \$44,000 for Administration Building New Roof
- \$60,000 for New Water Main Line Engineering work AND \$300,000 budgeted for planned construction in 2025
- \$200,000 for Infrastructure Study (ACP Grant confirmed)
- \$45,000 for Administration Building Special Needs Doors (grant contingent)

The Capital expense of \$120K for the new truck is moved from the 2024 budget to the 2025 budget.

The \$200K for the infrastructure study project is grant dependent (received). Also, the \$45K for front door renovation project to accommodate Special Needs is grant dependent.

FINANCIAL IMPLICATIONS: As listed above.

POLICY AND/OR LEGISLATIVE IMPLICATIONS: Council must annually approve a three-year operating budget and a five-year capital budget.

ALTERNATIVE OPTIONS:

1. Council could suggest other changes to the budgets.

ATTACHMENTS:

1. 2024 to 2026 Operating Budget
2. 2024 to 2028 Capital Budget

Peter Thomas

Chief Administrative Officer

April 25, 2024

Date