



# Budget 2025

**Reviewing our  
relevance**



**Focusing on what  
is important.**





“ We can't become what we need to be by remaining what we are. ”

- Oprah Winfrey

# 5 Key Issues Municipalities are Facing Globally

## Key Economic Outlook Indicators



**All municipalities are facing the same global issues and our budget addresses these:**

1. Financial viability of municipalities in current funding regime
2. Recruitment and retention of staff
3. Housing and affordability
4. Climate change and its impact
5. Level of political divisiveness and the challenge for democracy



Key Economic Outlook Indicators are crucial metrics that provide insights into the overall health and performance of an economy. These indicators help Council assess the current state of the economy and make informed decisions.



# Reviewing Service & Program Relevance

What no longer serves its purpose or our community?



**To do the right things for our community, with a keen focus on affordability, this budget was guided by the following questions:**

1. Does this support our community's well-being, long-term?
2. Are the community's current priorities reflected properly?
3. Have these increased the overall value of what we are providing to our citizens?
4. Does this make us, and/or our organization, and/or the community better?



# Preparing for Budget 2025

## The Long-Term Financial Health Framework (LTFHF)



The Town's 2022-2026 Budget was prepared with the fiscal principles, practices, and policies provided in the LTFHF.

- The framework was created to consider future financial challenges and approved by Council.
- The framework:
  - Guides the Town in making decisions necessary to plan for financial health.
  - Maintains a level of adaptability.
  - Helps to achieve the vision of the Town's Strategic Plan.



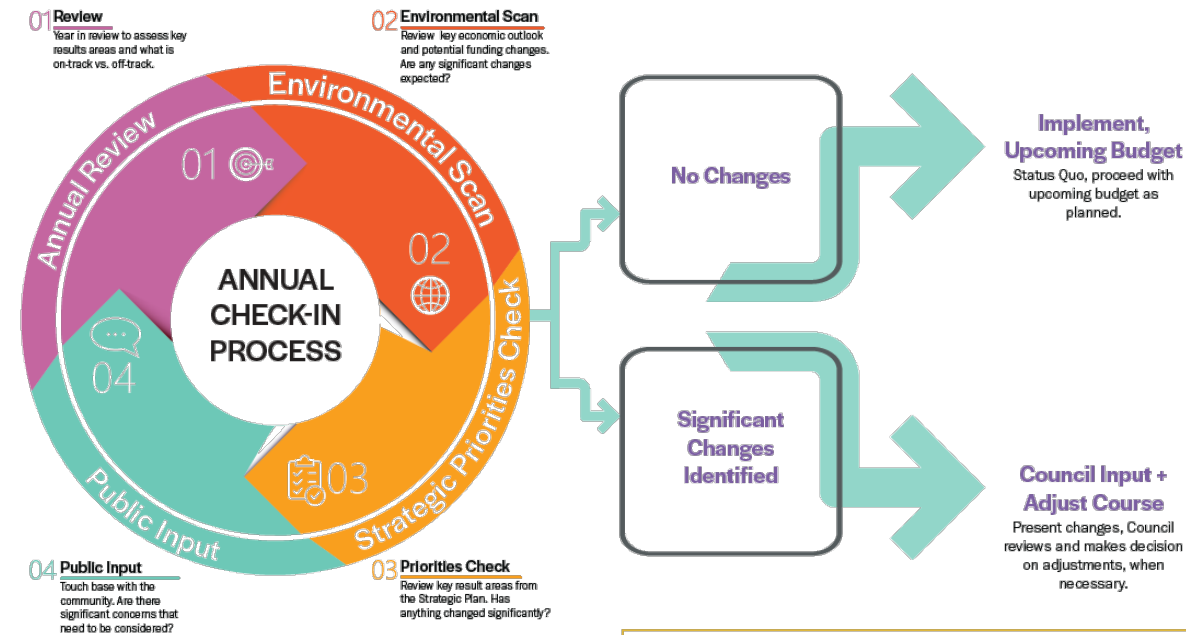
# Budget Planning Process: Year 4

## Where we are at

The multi-year budget is reviewed, updated and confirmed annually to allow changes for special circumstances that require funding and resource adjustments.

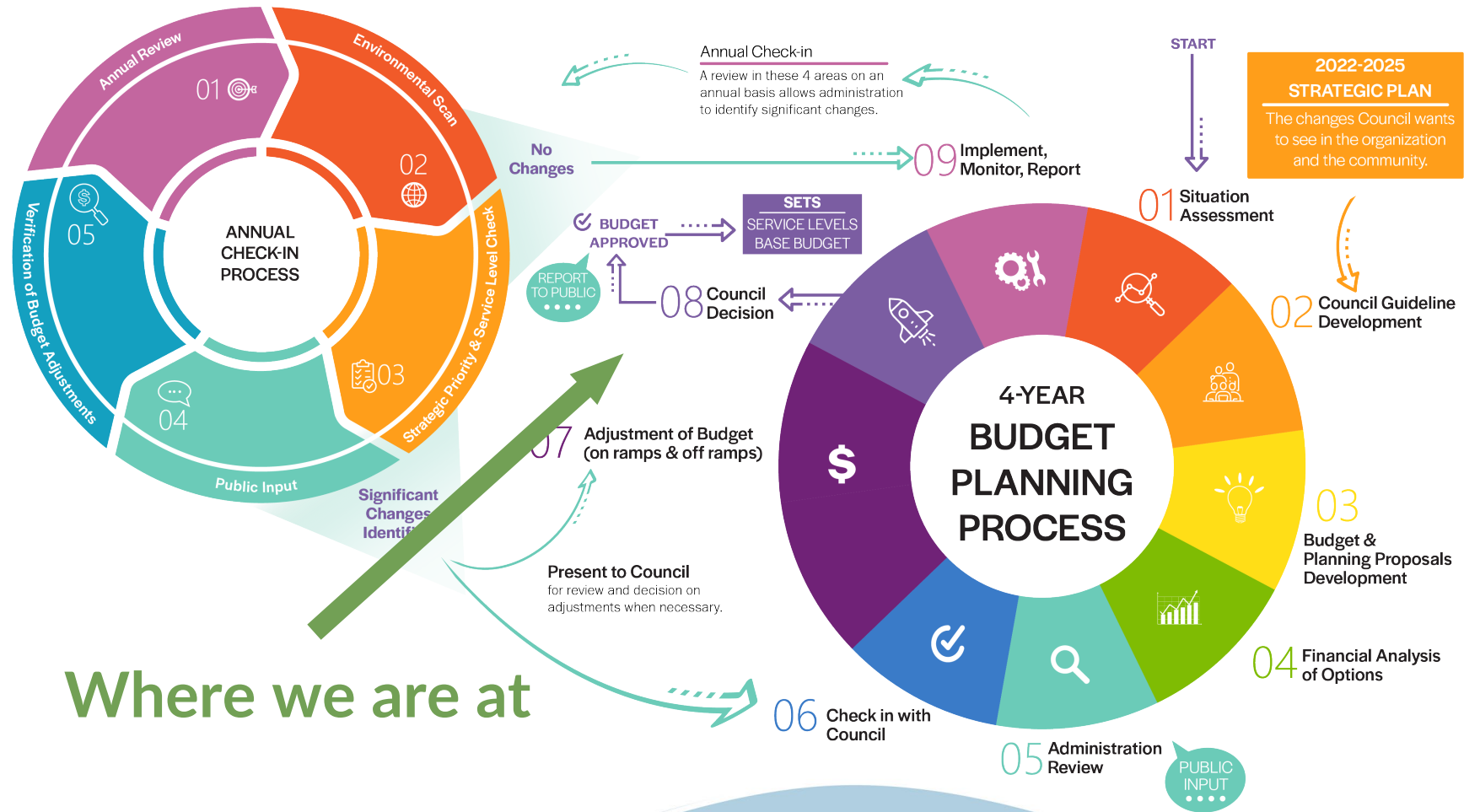
There are four types of budget amendments:

1. New or changed legislation regulation
2. New or changed Council direction
3. Economic or political considerations
4. Feedback from the public



# Budget Planning Process: Year 4

Where we are at



We are currently on 08 Council Decision

Where we are at

# Budget Planning Process

## Moving to a one time 5-Year Budget Cycle



The Town has changed the timing of the 4-year budget cycle to a one time, 5-year budget cycle to better align with Council's four-year term.

- Council gets elected every 4 years in October
- Council was expected to approve a 4-year budget that may not reflect their strategic priorities in November, one month after being elected
- Allows for a one-year budget update in the first months of Council's term and then the development of the strategic plan and 4-year budgeting cycle





## Budget Annual Review – Year 4



### **Why are we coming back to amend the budget?**

In year four (4) of the one-time, five-year Budget process, Council and Administration identify what is on/off target and where changes are needed.



# Strategic Priorities Check In



## Responsibly Managed Growth

*We have flourishing spaces for all*

- Improve diverse housing options for individuals & families
- Achieve a supplemental water supply
- Review additional revenue generation opportunities to meet the needs of a growing community



## Strong Local Economy

*We are the easiest place to do business in Alberta*

- Focus on arts and culture as an economic driver
- Enhance the diversification of the tax base
- Review and update processes that may be barriers to businesses choosing Okotoks
- Develop downtown to attract new business



## Enhanced Culture & Community Health

*We are ready to welcome everyone*

- Enhance community dialogue & engagement with residents and organizations
- Take meaningful steps to address the Truth and Reconciliation Commission's calls to action
- Increase sport and recreational opportunities
- Provide timely access to relevant programs & services that support health & well-being



## Demonstrated Environmental Leadership

*We do things differently to thrive tomorrow*

Work towards achieving Municipal Development and Climate Action Plan targets for:

- Climate Change Resilience
- Greenhouse Gas Emissions
- Water Conservation
- Energy Efficiency
- Land & Biodiversity



## Organizational Excellence

*We lead with passion and are focused on multidisciplinary collaborations, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant town*

- Become the Employer of Choice
- Operationalize Asset Management
- Create a technology roadmap to advance access to data and information, improve client experience and decision-making



# Community Engagement

## Gathering community input on taxes and service levels

Through Council's public participation policy, the Town commits to engage community members on decisions that will impact them, including the municipal budget.

### 4-Year Budget Engagement

In June 2021, the 2022-2025 Budget survey was conducted with 582 citizens participating.

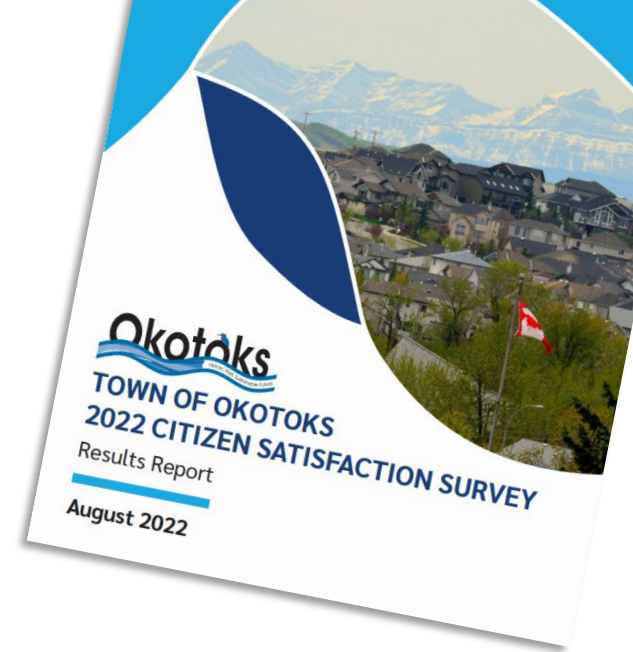
Results were a pulse check on what is important to residents and what service level they see as priorities.

### Citizen Satisfaction Survey

In May 2022, feedback was collected from Okotoks households on Town programs, services, and facilities, with 703 households participating.

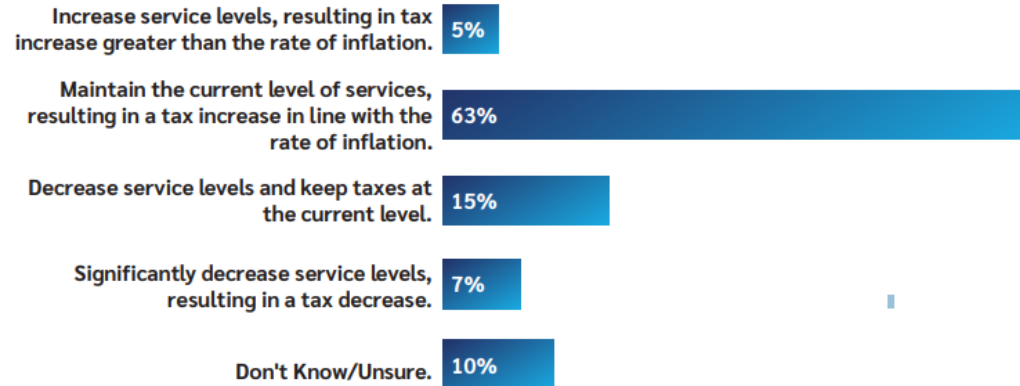
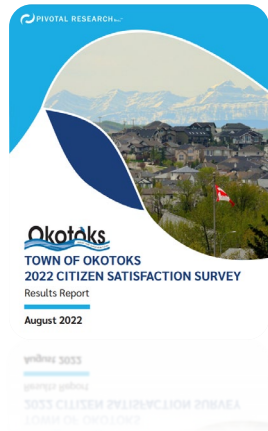
**85%** of Okotoks households said that the value they receive for their municipal property taxes is "fair" or 'better'.

**> 50%** were willing to see reduced levels of spending on cultural and historical services, subsidized taxi service, and in-person services.



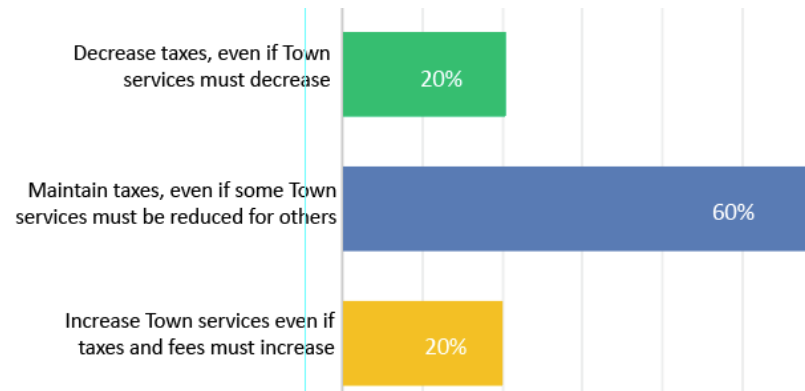
# Community Engagement

## What the community told us about taxes and service levels



### Citizen Satisfaction Survey

**63%** MAINTAIN SERVICE LEVELS resulting in a tax increase in line with the rate of inflation.



### 4-Year Budget Engagement

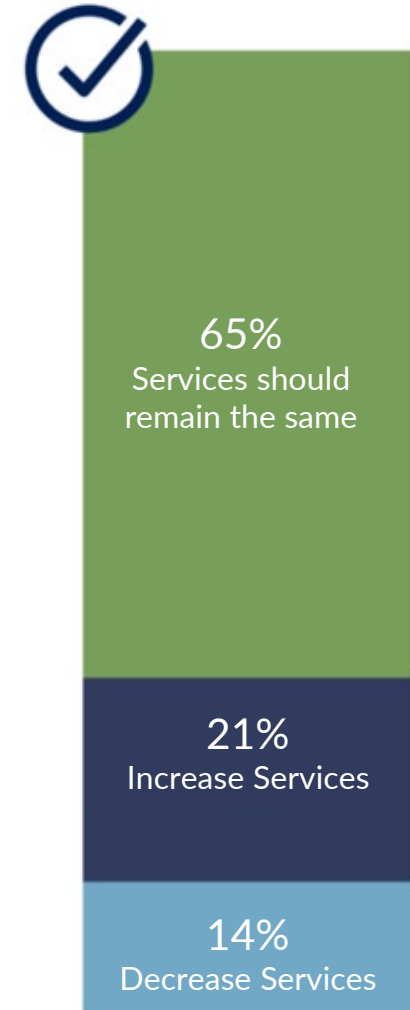
**60%** MAINTAIN TAXES even if some Town services must be reduced for others.



# 2025 Budget Engagement

## What the community told us about service levels

- 2025 Budget engagement was conducted with the public from May 23 to June 9, 2024
- Questions designed to help inform Council and Administration about the community's priorities and potential adjustments to service levels for the upcoming 2025 Budget.
- The **overall sentiment is that service levels should remain the same**, with 65% of survey participants indicating this on average across all evaluated services.



# 2025 Budget Process and Priorities



Year FOUR of this budget aligns with community feedback to **maintain service levels** and consider **investments in local business**.

Our priority is to maintain the status quo for most services, while making several service level adjustments that will save residents and businesses money. Our recommendation is to:

- A. Get out of the business of dog & urban hen licensing.
- B. Adjust services levels in waste from weekly waste pickup with a 120L cart, to biweekly service with a 240L cart.
- C. Reduce business licensing fees to a flat rate of \$160.





2025

# Operating Budget



# Operating Budget Summary

## Revenues & Expenditures – 1 year budget update

### 2025 Mid-Cycle Budget Review

|   | Approved<br>2025 Budget | Incremental<br>Changes<br>Proposed | Proposed 2025<br>Budget | Justification   |
|---|-------------------------|------------------------------------|-------------------------|---|
| <b>REVENUES</b>                             |                         |                                    |                         |   |
| Fine Revenue                                | 0.492                   |                                    | 0.492                   |   |
| Franchise and Concession Contracts          | 6.100                   |                                    | 6.100                   |   |
| Licenses, Permits and Fees                  | 2.160                   | (0.214)                            | 1.946                   | Removal of dog licenses and reduction in business license                 |
| Other Revenues                              | 0.570                   | (0.026)                            | 0.544                   | Reclassify rental revenue   |
| Penalties and Costs on Taxes                | 0.550                   |                                    | 0.550                   |   |
| Rental Revenues                             | 3.677                   | (0.261)                            | 3.416                   | Reclassify rental revenue   |
| Return on Investments                       | 2.237                   |                                    | 2.237                   |   |
| Sales and User Charges                      | 20.691                  | 0.032                              | 20.722                  | Increased development revenue   |
| Taxes and Grants in Place                   | 39.219                  | (0.172)                            | 39.048                  | Reduce property tax rate from 5.0% to 4.8% and reduce growth projection   |
| Government And Other Transfers              | 4.785                   | 0.547                              | 5.332                   | Reclassify rental revenue and adjustment to local government contribution |
| <b>Total</b>                                | <b>80.480</b>           | <b>(0.094)</b>                     | <b>80.386</b>           |   |
| <b>EXPENDITURES</b>                         |                         |                                    |                         |   |
| Contracted and General Services             | 17.306                  | 1.806                              | 19.112                  | Adjustments 1-Time: Water License and other projects                      |
| Long Term Interest                          | 1.556                   | (0.643)                            | 0.913                   | Delay in timing for the debentures  |
| Materials, Goods, Supplies                  | 3.892                   | 0.700                              | 4.592                   | Adjustments 1-Time: Waste cart replacement and other projects             |
| Other Expenditures                          | 1.951                   | (0.106)                            | 1.845                   | Decreased FCSS expenditures   |
| Purchases from Other Governments            | 6.510                   | (0.820)                            | 5.691                   | Decreased policing costs  |
| Salaries, Wages & Benefits                  | 38.961                  | 0.144                              | 39.105                  | Increased staff requests  |
| Bank Charges and Short Term Interest        | 0.087                   |                                    | 0.087                   |   |
| Utilities                                   | 4.180                   | 0.175                              | 4.354                   | Increased utility costs   |
| <b>Total</b>                                | <b>74.443</b>           | <b>1.255</b>                       | <b>75.698</b>           |   |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>6.038</b>            | <b>(1.349)</b>                     | <b>4.688</b>            |   |
| Debt Principal                              | 1.696                   | (0.730)                            | 0.966                   | Delay in timing for the debentures  |
| Transfers to (from) Internal Charges        |                         |                                    |                         |   |
| Transfers to (from) Capital Reserves        | 4.963                   | 0.400                              | 5.362                   | Increased interest on debt for OSL  |
| Transfers to (from) Operating Reserves      | (0.621)                 | (1.019)                            | (1.640)                 | Increased 1-Time funding requirements                                     |
| <b>Tax Support</b>                          | <b>0.000</b>            | <b>0.000</b>                       | <b>0.000</b>            |   |
| <b>Amortization</b>                         | <b>13.509</b>           | <b>(0.114)</b>                     | <b>13.395</b>           |   |



# One-time Operating Expenditures

included in 2025 Operating Budget

| No.          | 1-Time Operating Description                   | Budget       |
|--------------|--|--------------|
|              |  | 2025         |
| 72000        | Riley Minue Pool Deck Maintenance              | 0.150        |
| 72000        | Riley Minue Pool Filtration System Maintenance | 0.160        |
| 72000        | Spray Park Improvements                        |              |
| 72000        | Flooring Maintenance                           | 0.120        |
| 72000        | Curling/Murray Headers                         |              |
| 72000        | Curling Rink Vestibule                         |              |
| 72000        | Dining and concession upgrades                 |              |
| 72000        | Fire Panel and Security Systems Upgrades       | 0.140        |
| 72000        | Walking Track Revitalization                   |              |
| 72000        | Gold Seating and Stands                        |              |
| 72047        | FCC Maintenance Kitchen Equipment              | 0.130        |
| 72047        | Roof Replacement at FCC                        |              |
| 72047        | Foothills Centennial Centre Upgrades           |              |
| 72100        | * Special Projects - Shared Costs              |              |
| 00000        | Water Licenses                                 | 1.400        |
| 14000        | IT Infrastructure Maintenance                  | 0.410        |
| 43000        | Waste Carts                                    | 0.600        |
| <b>Total</b> |  | <b>3.110</b> |

# Service level change summary: Licensing Bylaws

| Program Area                    | Sub Service                   | Level of Change   |
|---------------------------------|-------------------------------|---|
| Community Amenities             | Dog Licensing                 | Discontinue dog licensing and remove licensing fees except Animal Fancier & Adoption License. Move to mandatory dog ID with fines for non-compliance.   |
|                                 | Urban Hen Licensing           | Discontinue urban hen licensing & move to one-time application fee.   |
| Waste management                | Garbage Collection & Disposal | Starting May 1, 2025, all households will move to every other week garbage pickup, cart sizes will be adjusted to standardize all households to 240L carts, and fees will be reduced accordingly. |
|                                 | Recycling Collection          | Starting April 1, 2025 residents will be provided with a 240L recycling cart and funding will be provided by EPR.   |
| Land Use Planning & Development | Business Licensing            | Adopt a flat business license fee of \$160 to reduce barriers for doing business in Okotoks and align the purpose of the bylaw with service levels.   |

# Salary, Wage Adjustments & Resource Requests

## Maintaining Essential Services

- Approach balanced meeting essential needs while remaining conscientious of the impact to budget and tax increase.
- Resource prioritization exercise was conducted to assess risks, benefits and expected value related to core service, strategic goals, and organizational skill gaps.
- Moved from 20 positions to 3 through this exercise.
- New positions are essential for the effective implementation of our strategic plan and the delivery of core services.
- Request for 3 new FTE positions for 2025: Business Services Technician, Legislative Affairs Officer and IT Security Analyst
- **Budget Impact: \$0.404M**



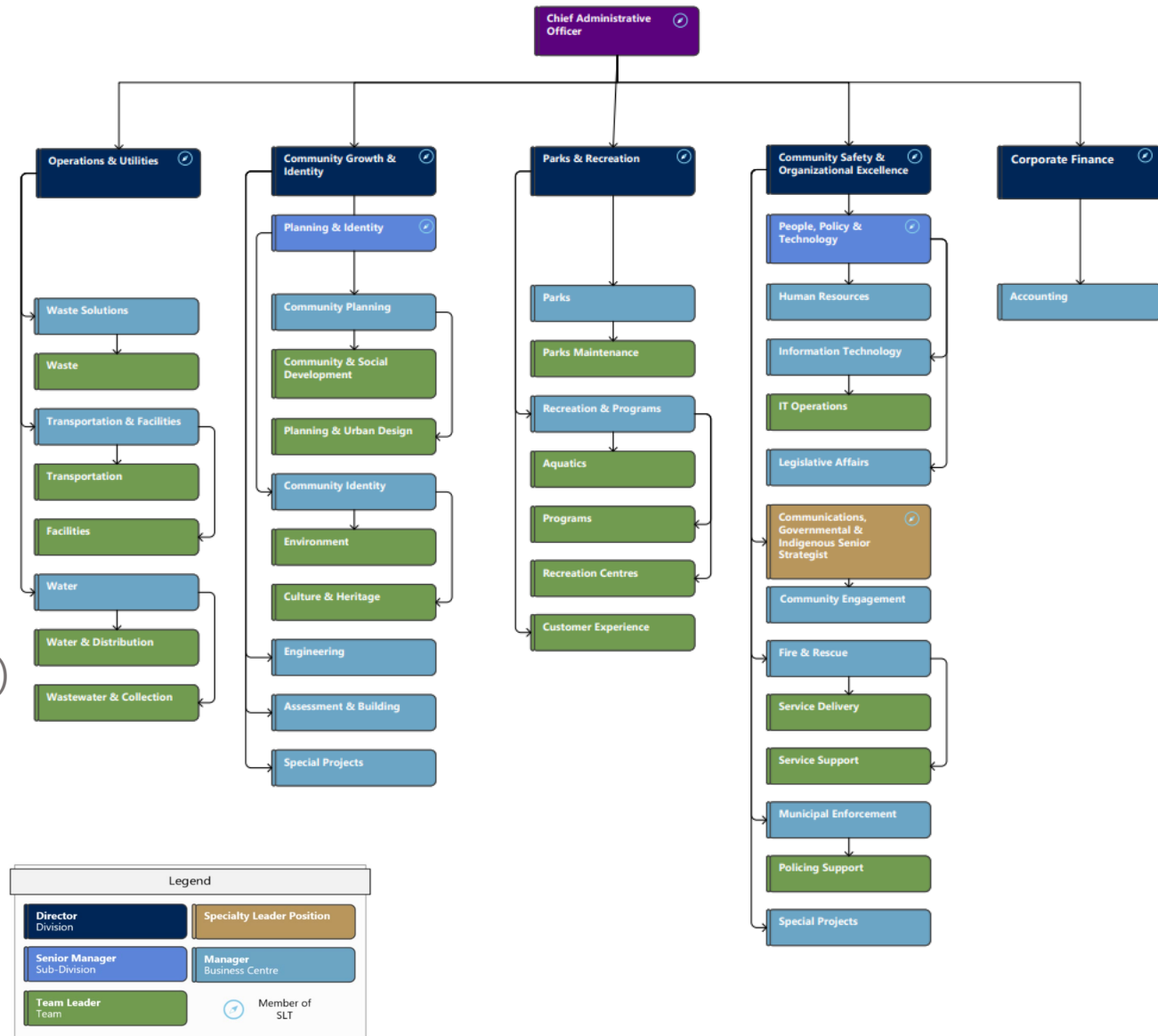
# Staffing Resources

Meeting service levels & maintaining essential services

**318.5 FTEs in 2024**

(Comprised of 280.5 Permanent FTE and 38 FTE for Casual)

- 1 Casual FTE (Repurposing to Fund Perm changes)
- + 3 Perm FTE (Representing 2025 Resource Requests)
- = 320.5 FTE (Representing FTE Count for 2025)



| 2024  | 2025  | TOTAL CHANGE |
|-------|-------|--------------|
| 318.5 | 320.5 | +2           |

# Operating Budget Summary

|   | Summary (\$M)         |               |               |               |               |               | Utilities             |               |               |               |               |               | Non-Utilities         |               |               |               |               |               |
|---|-----------------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|---------------|---------------|---------------|---------------|
|   | Previous Year<br>2024 | 2025          | 2026          | 2027          | 2028          | 2029          | Previous Year<br>2024 | 2025          | 2026          | 2027          | 2028          | 2029          | Previous Year<br>2024 | 2025          | 2026          | 2027          | 2028          | 2029          |
| <b>REVENUES</b>                             |                       |               |               |               |               |               |                       |               |               |               |               |               |                       |               |               |               |               |               |
| Fine Revenue                                | 0.469                 | 0.492         | 0.517         | 0.517         | 0.517         | 0.517         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 0.469                 | 0.492         | 0.517         | 0.517         | 0.517         | 0.517         |
| Franchise and Concession Contracts          | 5.900                 | 6.100         | 6.300         | 6.500         | 6.700         | 6.900         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 5.900                 | 6.100         | 6.300         | 6.500         | 6.700         | 6.900         |
| Licenses, Permits and Fees                  | 2.157                 | 1.946         | 2.251         | 2.252         | 2.252         | 2.252         | 0.002                 | 0.002         | 0.002         | 0.002         | 0.002         | 0.002         | 2.156                 | 1.944         | 2.249         | 2.250         | 2.250         | 2.250         |
| Other Revenues                              | 0.563                 | 0.544         | 0.501         | 0.502         | 0.502         | 0.502         | 0.070                 | 0.070         | 0.000         | 0.000         | 0.000         | 0.000         | 0.493                 | 0.474         | 0.501         | 0.502         | 0.502         | 0.502         |
| Penalties and Costs on Taxes                | 0.550                 | 0.550         | 0.509         | 0.509         | 0.509         | 0.509         | 0.088                 | 0.088         | 0.088         | 0.088         | 0.088         | 0.088         | 0.462                 | 0.462         | 0.421         | 0.421         | 0.421         | 0.421         |
| Rental Revenues                             | 3.607                 | 3.416         | 3.368         | 3.418         | 3.447         | 3.449         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 3.607                 | 3.416         | 3.368         | 3.418         | 3.447         | 3.449         |
| Return on Investments                       | 1.967                 | 2.237         | 2.535         | 2.561         | 2.561         | 2.561         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 1.967                 | 2.237         | 2.535         | 2.561         | 2.561         | 2.561         |
| Sales and User Charges                      | 20.101                | 20.722        | 22.222        | 23.241        | 23.911        | 24.544        | 16.772                | 17.316        | 18.672        | 19.657        | 20.310        | 20.943        | 3.329                 | 3.407         | 3.549         | 3.583         | 3.601         | 3.601         |
| Taxes and Grants in Place                   | 36.705                | 39.048        | 41.195        | 43.451        | 45.821        | 48.312        | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 36.705                | 39.048        | 41.195        | 43.451        | 45.821        | 48.312        |
| Government and Other Transfers              | 4.814                 | 5.332         | 5.877         | 5.946         | 6.041         | 6.065         | 0.254                 | 0.235         | 0.660         | 0.672         | 0.675         | 0.677         | 4.559                 | 5.097         | 5.218         | 5.274         | 5.367         | 5.388         |
| <b>Total</b>                                | <b>76.833</b>         | <b>80.386</b> | <b>85.274</b> | <b>88.896</b> | <b>92.261</b> | <b>95.610</b> | <b>17.186</b>         | <b>17.710</b> | <b>19.421</b> | <b>20.419</b> | <b>21.074</b> | <b>21.710</b> | <b>59.647</b>         | <b>62.676</b> | <b>65.853</b> | <b>68.477</b> | <b>71.187</b> | <b>73.901</b> |
| <b>EXPENDITURES</b>                         |                       |               |               |               |               |               |                       |               |               |               |               |               |                       |               |               |               |               |               |
| Contracted and General Services             | 17.968                | 19.112        | 19.087        | 21.783        | 21.083        | 19.291        | 3.701                 | 4.008         | 4.830         | 5.873         | 6.642         | 4.796         | 14.267                | 15.104        | 14.257        | 15.910        | 14.441        | 14.495        |
| Long Term Interest                          | 1.078                 | 0.913         | 1.674         | 1.617         | 1.664         | 1.976         | 0.003                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 1.076                 | 0.913         | 1.674         | 1.617         | 1.664         | 1.976         |
| Materials, Goods, Supplies                  | 3.915                 | 4.592         | 4.191         | 4.282         | 4.262         | 4.276         | 0.875                 | 1.490         | 0.946         | 0.988         | 1.019         | 1.051         | 3.041                 | 3.102         | 3.245         | 3.294         | 3.243         | 3.225         |
| Other Expenditures                          | 1.875                 | 1.845         | 2.890         | 1.954         | 2.064         | 2.059         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 1.875                 | 1.845         | 2.890         | 1.954         | 2.064         | 2.059         |
| Purchases from Other Governments            | 6.178                 | 5.691         | 5.762         | 6.320         | 6.922         | 7.309         | 0.270                 | 0.281         | 0.292         | 0.304         | 0.304         | 0.304         | 5.908                 | 5.409         | 5.469         | 6.016         | 6.618         | 7.005         |
| Salaries, Wages & Benefits                  | 36.970                | 39.105        | 40.358        | 41.578        | 42.574        | 43.823        | 3.688                 | 3.973         | 4.089         | 4.211         | 4.306         | 4.424         | 33.282                | 35.132        | 36.269        | 37.367        | 38.269        | 39.400        |
| Bank Charges and Short Term Interest        | 0.084                 | 0.087         | 0.092         | 0.094         | 0.094         | 0.094         | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 0.084                 | 0.087         | 0.092         | 0.094         | 0.094         | 0.094         |
| Utilities                                   | 4.055                 | 4.354         | 4.812         | 4.914         | 5.062         | 5.206         | 0.892                 | 0.890         | 1.034         | 1.052         | 1.084         | 1.117         | 3.163                 | 3.465         | 3.777         | 3.861         | 3.978         | 4.089         |
| <b>Total</b>                                | <b>72.123</b>         | <b>75.696</b> | <b>78.867</b> | <b>82.543</b> | <b>83.725</b> | <b>84.034</b> | <b>9.428</b>          | <b>10.642</b> | <b>11.192</b> | <b>12.429</b> | <b>13.354</b> | <b>11.692</b> | <b>62.694</b>         | <b>65.056</b> | <b>67.675</b> | <b>70.114</b> | <b>70.371</b> | <b>72.342</b> |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> |                       |               |               |               |               |               |                       |               |               |               |               |               |                       |               |               |               |               |               |
|   | 4.710                 | 4.688         | 6.407         | 6.353         | 8.536         | 11.576        | 7.758                 | 7.068         | 8.230         | 7.990         | 7.720         | 10.018        | -3.048                | -2.380        | -1.822        | -1.637        | 0.815         | 1.559         |
| Debt Principal                              | 1.411                 | 0.966         | 1.811         | 1.867         | 2.001         | 2.338         | 0.140                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 1.271                 | 0.966         | 1.811         | 1.867         | 2.001         | 2.338         |
| Transfers to (from) Internal Charges        | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 1.581                 | 1.149         | 1.209         | 1.249         | 1.303         | 1.351         | -1.581                | -1.149        | -1.209        | -1.249        | -1.303        | -1.351        |
| Transfers to (from) Capital Reserves        | 4.620                 | 5.362         | 4.635         | 5.065         | 5.513         | 7.767         | 3.965                 | 4.296         | 4.650         | 4.244         | 3.825         | 5.983         | 0.655                 | 1.066         | -0.015        | 0.821         | 1.688         | 1.784         |
| Transfers to (from) Operating Reserves      | -1.321                | -1.640        | -0.039        | -0.579        | 1.021         | 1.471         | 0.012                 | -0.589        | 0.012         | 0.012         | 0.012         | 0.012         | -1.333                | -1.052        | -0.050        | -0.590        | 1.010         | 1.460         |
| Tax Support                                 | 0.000                 | 0.000         | 0.000         | 0.000         | 0.000         | 0.000         | 2.060                 | 2.212         | 2.360         | 2.486         | 2.580         | 2.672         | -2.060                | -2.212        | -2.360        | -2.486        | -2.580        | -2.672        |
| Amortization                                | 12.689                | 13.395        | 14.123        | 14.412        | 15.813        | 15.673        | 4.223                 | 4.438         | 5.104         | 5.366         | 6.645         | 6.610         | 8.466                 | 8.957         | 9.019         | 9.047         | 9.168         | 9.063         |



# 2025 Capital Budget



# Capital Budget Disclosures: Changes for 2025

- Capital Budget Disclosures are negatively impacting the procurement processes
- The Alberta Government has indicated municipalities are permitted to pass budgets without releasing budget data that will influence the tendering process or inflating costs.
- Detailed phasing and costing of projects can be protected information from disclosure in public budget documents (and off-site levy bylaw requirements) until after those projects have been awarded under the applicable procurement process.



# Funded/Unfunded Why

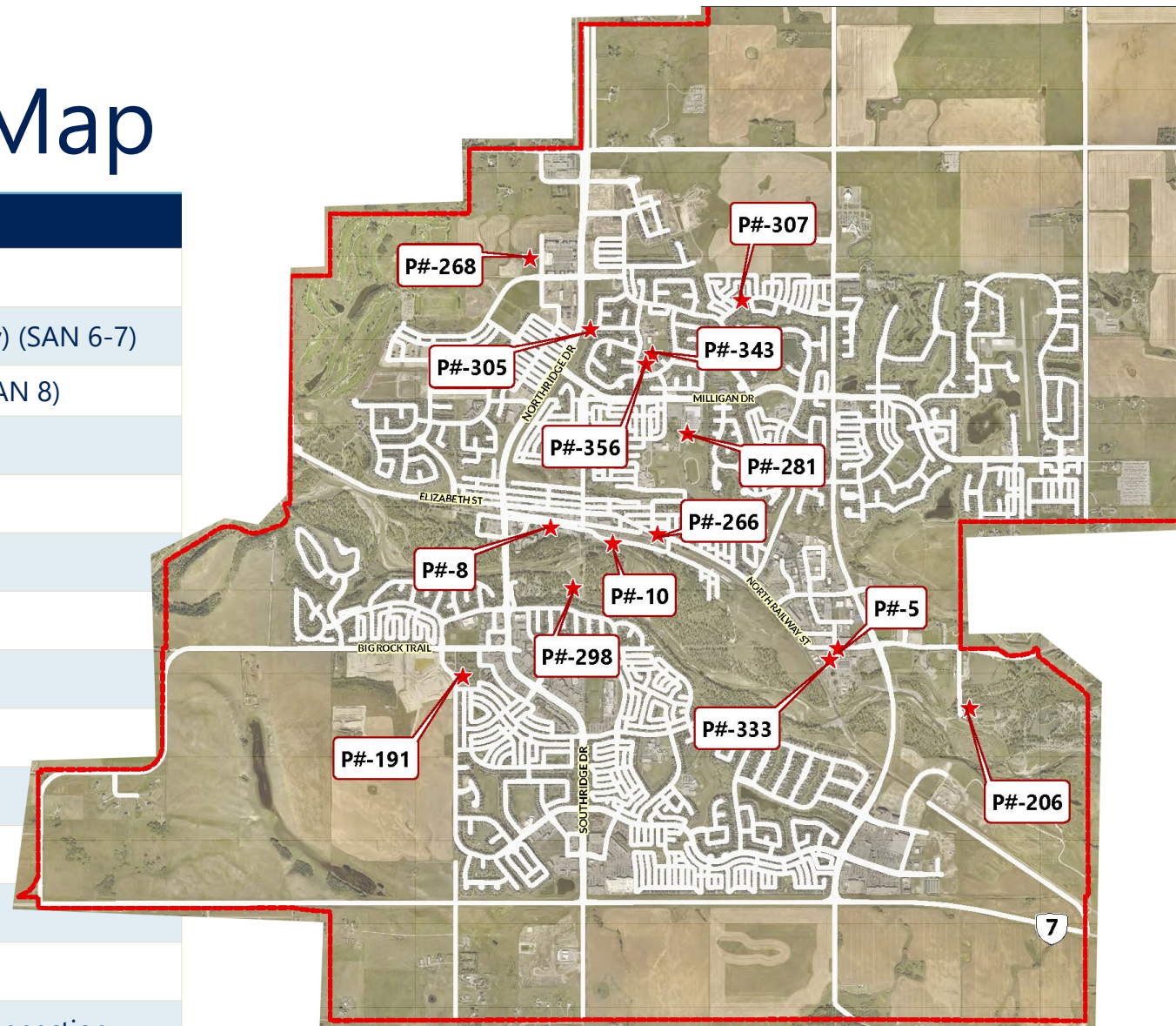
- The Town is in the final stages of procurement in the supplemental water solution, the largest capital project in the Town's history. With the project anticipated to be operational in 2026, demands on development will place significant stress on the capital budget.
- The Town currently has one other significant project in the 10-year capital plan which is \$57M for the upgrades to the Okotoks Recreation Centre.
- Balancing the needs for the water line, recreation upgrades and financing growth is essential.
- With the limited dollars the Town has, we cannot fund the entire capital plan. An unfunded budget has been created that will be a 'holding' area until more grants, capital or debt financing is available to align with Council's long-term financial health framework.





# 2025 Capital Project Map

| Project # | Description  |
|-----------|--|
| 5         | 5 North Rail Sanitary Upgrade (SAN 9A, 10, 12)                             |
| 8         | Riverside Drive Sanitary Upgrade (Northridge Dr to Veterans Way) (SAN 6-7) |
| 10        | South Railway St Sanitary Upgrade (Veterans Way to Oak Ave) (SAN 8)        |
| 191       | Cemetery Columbaria Expansion  |
| 206       | litopatopa Park  |
| 266       | Downtown Enhancement (North Railway- McRae to Poplar)                      |
| 268       | Homestead Site   |
| 281       | Recreation Swimming Pool (C 1)   |
| 298       | Subregional Water Project Placeholder (W 11)                               |
| 305       | Dedicated Main to Zone 4N (W-XX) Placeholder                               |
| 307       | North Pressure Zone 3N-4N Improvements Placeholder (W-XX)                  |
| 333       | North Railway Street Water Main Looping                                    |
| 343       | Zone 3N/4N Reservoir Internal Piping Modifications                         |
| 356       | Zone 3N Water Lifecycle Replacements and Reservoir Sanitary Connection     |



# 10 Year Capital Plan

## By Strategic Plan Direction: 2025 Budget & 2026-2034 Forecast (\$M)

| Strategic Direction                        | Budget        | Total         | Forecast      |               |               |               |               |               |              |              |              | Total          | Capital Plan 10 Year |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|----------------|----------------------|
|  | 2025          |               | 2026          | 2027          | 2028          | 2029          | 2030          | 2031          | 2032         | 2033         | 2034         |                |                      |
| 01 - Responsibly Managed Growth            | 29.254        | 29.254        | 39.415        | 20.217        | 11.425        | 32.487        | 26.395        | 39.922        | 2.550        | 2.919        | 3.006        | 178.336        | 207.590              |
| 02 - Strong Local Economy                  | 6.800         | 6.800         | 3.300         | 0.500         |               |               |               |               |              |              |              | 3.800          | 10.600               |
| 03 - Enhanced Culture & Community Health   | 0.975         | 0.975         | 0.797         | 0.275         | 1.740         |               | 0.015         | 0.090         | 0.090        |              | 0.400        | 3.407          | 4.382                |
| 04 - Demonstrated Environmental Leadership |               |               |               |               |               |               |               |               |              |              |              |                |                      |
| 05 - Organizational Excellence             |               |               |               | 1.250         | 0.500         |               |               |               |              |              |              | 1.750          | 1.750                |
| <b>Total 2025 Capital Budget</b>           | <b>37.029</b> | <b>37.029</b> | <b>43.512</b> | <b>22.242</b> | <b>13.665</b> | <b>32.487</b> | <b>26.410</b> | <b>40.012</b> | <b>2.640</b> | <b>2.919</b> | <b>3.406</b> | <b>187.293</b> | <b>224.322</b>       |

## Capital Grouping: 2025 Budget & 2026-2034 Forecast (\$M)

| Capital Grouping                 | Budget        | Total         | Forecast      |               |               |               |               |               |              |              |              | Total          | Capital Plan 10 Year |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|----------------|----------------------|
|                                  | 2025          |               | 2026          | 2027          | 2028          | 2029          | 2030          | 2031          | 2032         | 2033         | 2034         |                |                      |
| <b>Capital Grouping</b>          | <b>2025</b>   | <b></b>       | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   | <b>2029</b>   | <b>2030</b>   | <b>2031</b>   | <b>2032</b>  | <b>2033</b>  | <b>2034</b>  | <b></b>        | <b></b>              |
| OSL Projects                     | 21.050        | 21.050        | 29.200        | 4.175         | 2.650         | 24.075        | 20.200        | 37.100        |              |              |              | 117.400        | 138.450              |
| Utility Projects                 | 5.850         | 5.850         | 4.295         | 8.662         | 5.900         | 6.062         | 3.155         | 0.422         |              | 0.519        | 0.456        | 29.471         | 35.321               |
| Transportation-Roads             | 0.370         | 0.370         | 3.930         | 4.510         | 1.300         | 1.000         | 1.150         | 1.000         | 1.150        | 1.000        | 1.150        | 16.190         | 16.560               |
| Parks Amenities                  | 0.784         | 0.784         | 0.990         | 1.170         | 0.375         | 0.100         | 0.355         | 0.400         | 0.400        | 0.400        | 0.400        | 4.590          | 5.374                |
| Recreation Amenities             |               |               | 0.600         | 0.600         | 0.200         | 0.250         | 0.035         |               |              |              | 0.400        | 2.085          | 2.085                |
| Community Safety                 | 0.975         | 0.975         | 0.197         | 0.275         | 1.740         |               | 0.015         | 0.090         | 0.090        |              |              | 2.407          | 3.382                |
| Environment Projects             |               |               |               |               |               |               |               |               |              |              |              |                |                      |
| Downtown Development             | 6.800         | 6.800         | 3.300         | 0.600         |               |               | 0.500         |               |              |              |              | 4.400          | 11.200               |
| Other Projects                   | 1.200         | 1.200         | 1.000         | 2.250         | 1.500         | 1.000         | 1.000         | 1.000         | 1.000        | 1.000        | 1.000        | 10.750         | 11.950               |
| <b>Total 2025 Capital Budget</b> | <b>37.029</b> | <b>37.029</b> | <b>43.512</b> | <b>22.242</b> | <b>13.665</b> | <b>32.487</b> | <b>26.410</b> | <b>40.012</b> | <b>2.640</b> | <b>2.919</b> | <b>3.406</b> | <b>187.293</b> | <b>224.322</b>       |



# 2025 Funding



# Debt Limit & Debit Service Limit Challenges

## How is the Debt Limit Calculated?

- The debt limit is calculated at 1.5 times revenue of the municipality and the debt service limit is calculated at 0.25 times such revenue.
- Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs.
- The Town has internally restricted the Debt Limit and Debt Servicing Limit amounts to 75% of the permissible values.

## Our Challenge:

- Based on our debt strategy and the debt limits, we can't afford everything in our 10-year capital plan.
- This was a key consideration in the development of the 'unfunded' capital plan list, which is new this year.



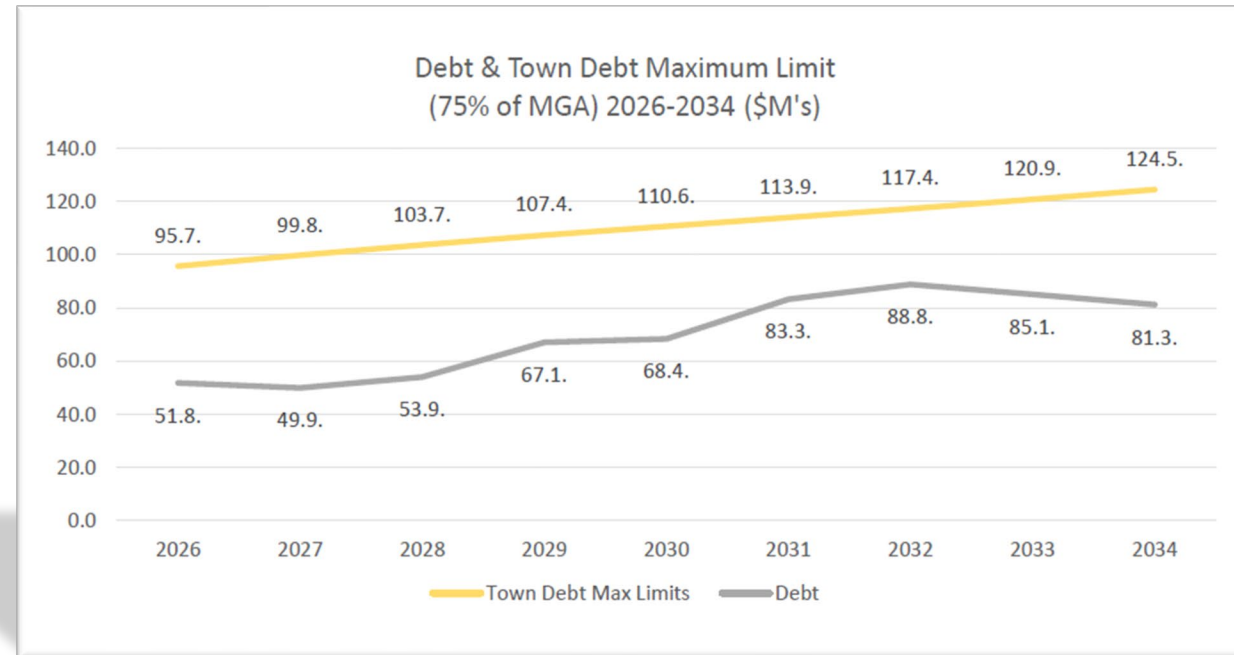
## Our self-imposed limit

Debt Limit: \$90.410M

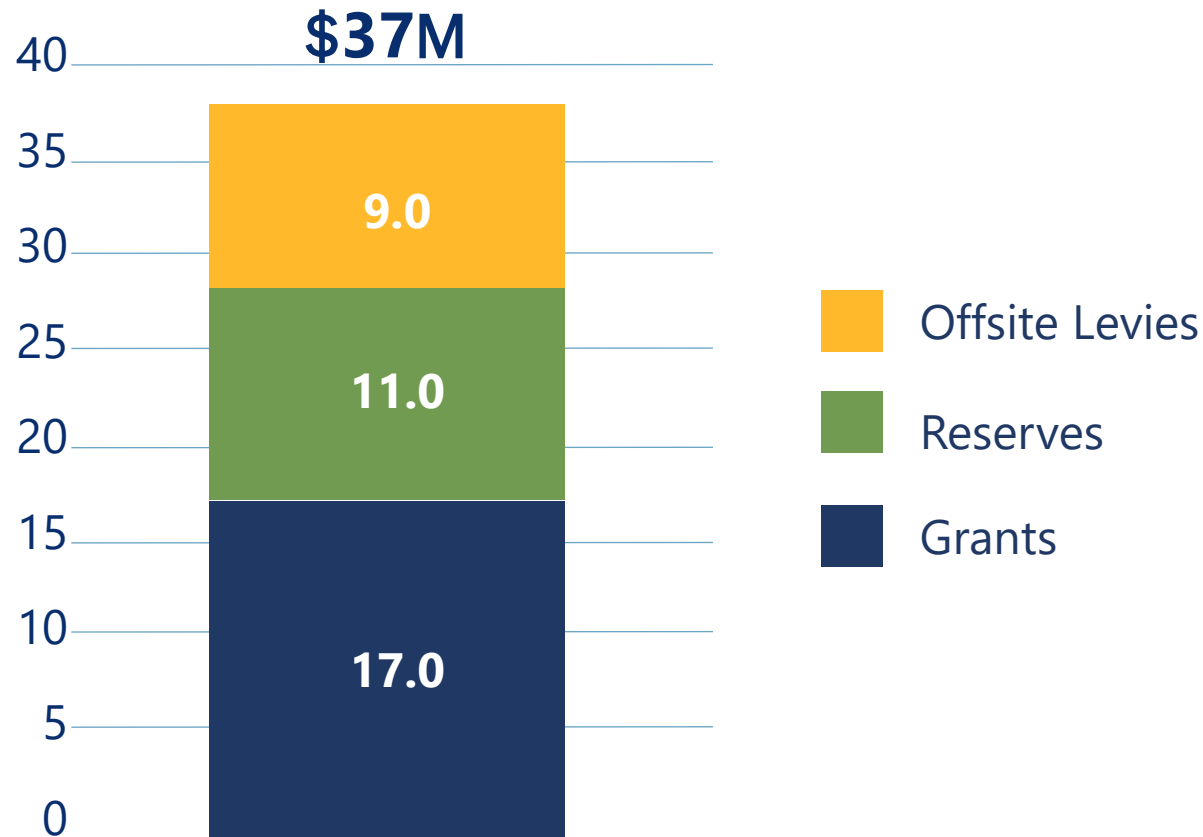
Debit Servicing Limit: \$15.068M

# Capital Debt Strategy

- The Town's Debt Management Policy supports the responsible management of the Town's financial resources.
- Regulations prescribing municipal debt limits have been established by the Province in the Municipal Government Act.
- Council has imposed limitations at 75% of those set by the Province.
- The Town plans its capital needs and, through a combination of reserve and debt management, minimizes the use of long-term debt.
- For 2025 the Town would be utilizing 60% of its self-imposed available debt limit, & 18% of its available debt-servicing limit.
- Consideration has been made for the following:
  - Sensitivity of interest rate increases.
  - Fluctuations in land development and growth in assessment base has been considered.



# 2025 Capital Budget Financing Strategy (\$M)



# 2025 Capital Projects – Grants (\$M)

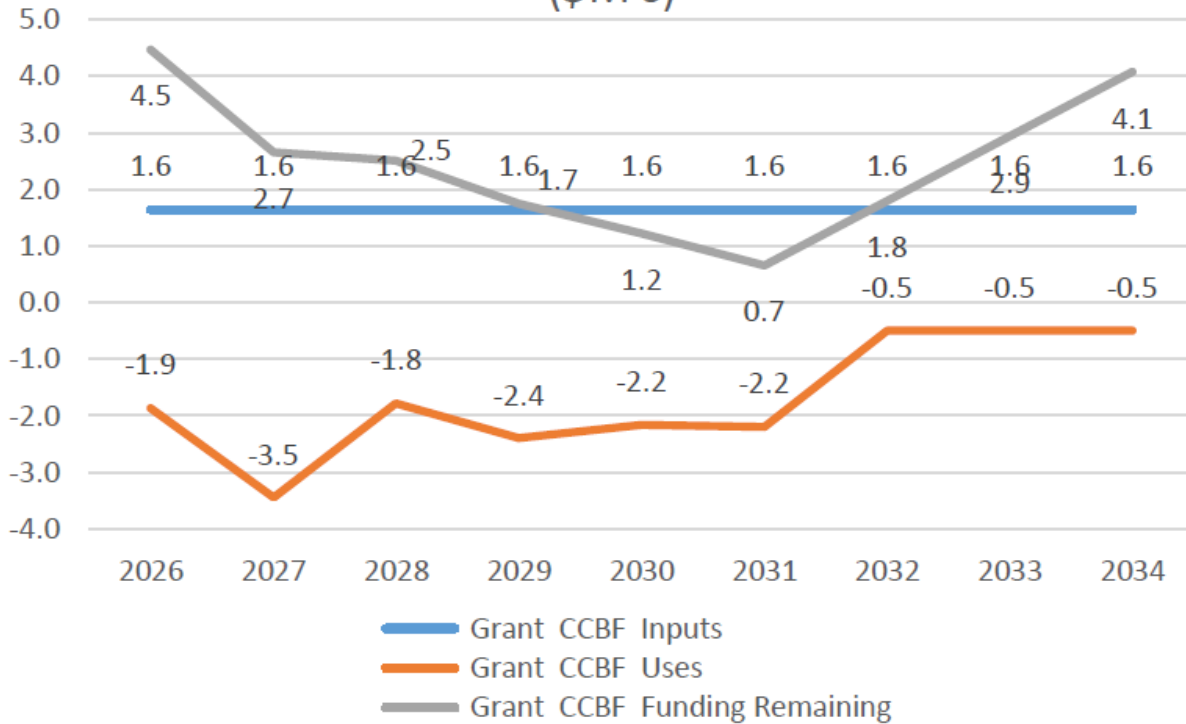
| Grants  | 2025       |
|---|------------|
| LGFF/Municipal Sustainability Initiatives (MSI) | 1.6        |
| Water for Life (W4L)                            | 4.0        |
| Canada Community Building Fund (CCBF)           | 3.4        |
| <b>TOTAL =</b>                                  | <b>9.0</b> |



# Funding Graphs – Grant Related

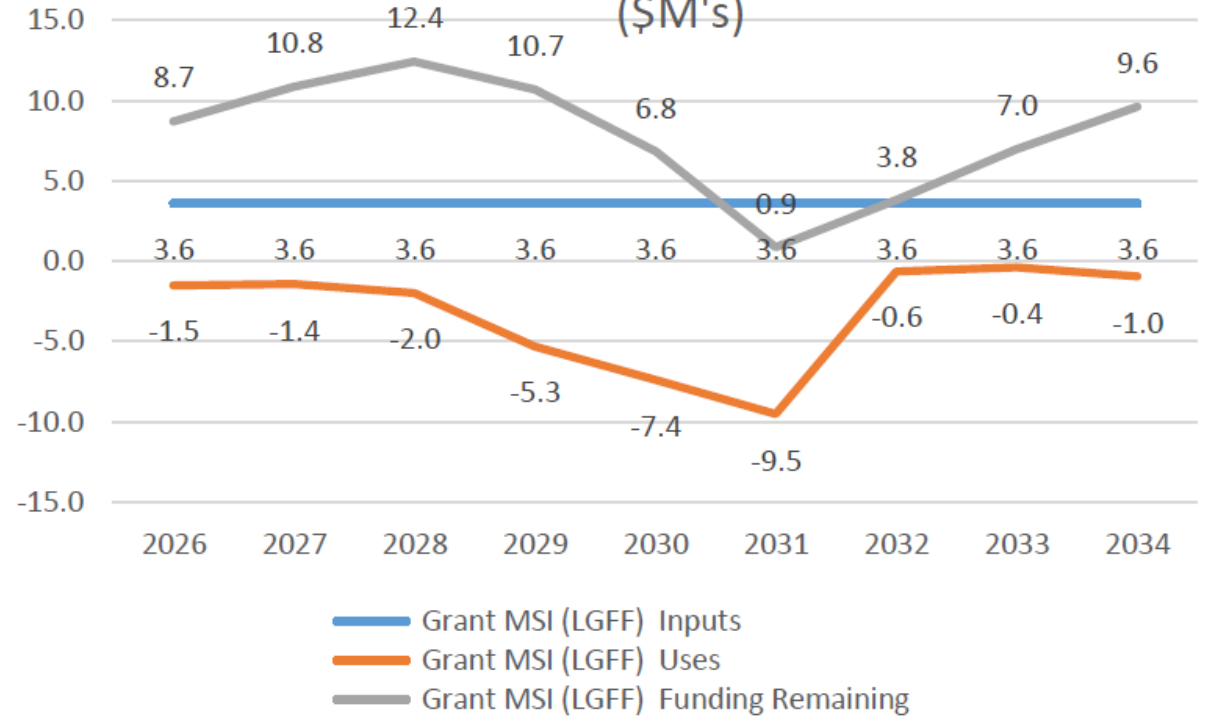
CCBF Modelling 2026-2034

(\$M's)



MSI/LGFF Modelling 2026 -2034

(\$M's)



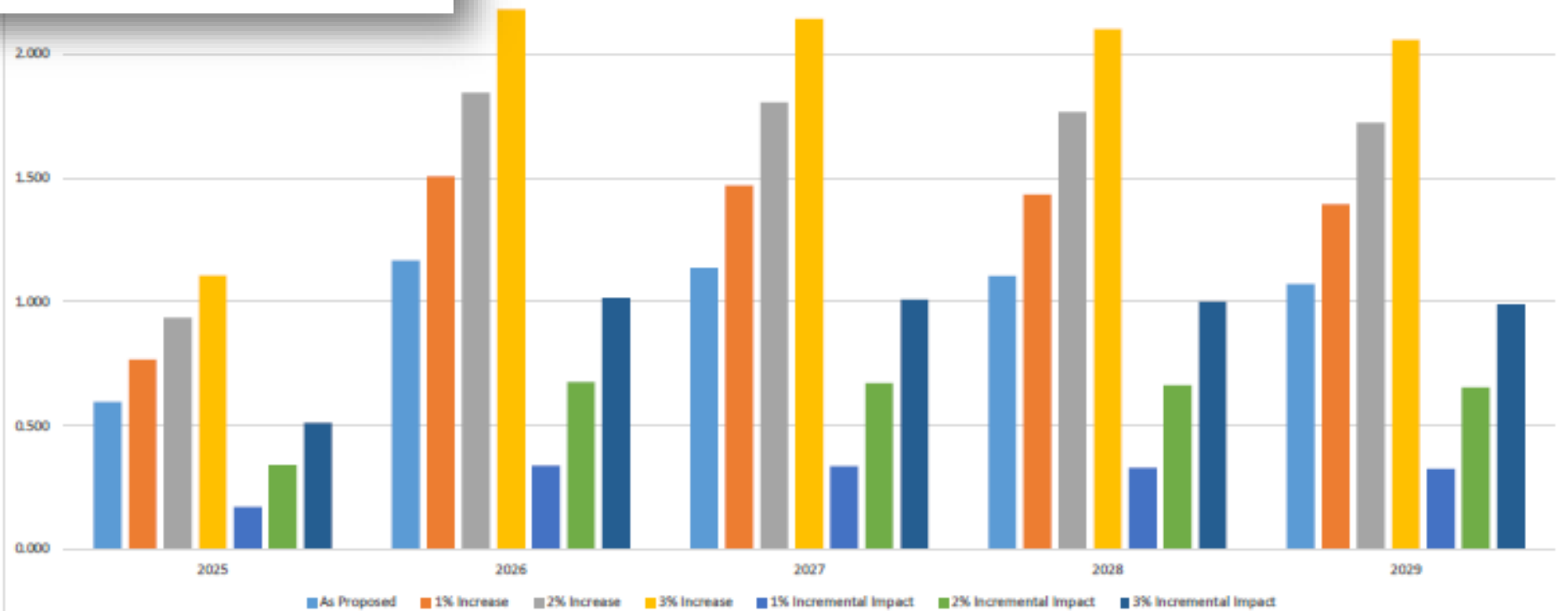


# Interest Rate Sensitivity based on a % Change

As per the proposed 2025 Total Debt Requirements of \$34M

| Change in Interest Expense (\$M) | 2025  | 2026  | 2027  | 2028  | 2029  |
|----------------------------------|-------|-------|-------|-------|-------|
| As Proposed                      | 0.595 | 1.167 | 1.136 | 1.104 | 1.070 |
| 1% Increase                      | 0.765 | 1.505 | 1.469 | 1.432 | 1.394 |
| 2% Increase                      | 0.935 | 1.843 | 1.805 | 1.766 | 1.724 |
| 3% Increase                      | 1.105 | 2.182 | 2.144 | 2.102 | 2.058 |
| 1% Incremental Impact            | 0.170 | 0.337 | 0.333 | 0.329 | 0.324 |
| 2% Incremental Impact            | 0.340 | 0.676 | 0.669 | 0.662 | 0.653 |
| 3% Incremental Impact            | 0.510 | 1.015 | 1.008 | 0.999 | 0.988 |

Interest Rate Sensitivity Analysis



# Impact of Capital on Operating Budget: Cumulative Interest Costs of Debt

## Cumulative interest cost over the term – Rates Nov 07, 2025 Alberta Capital Finance Authority (ACFA):

| Debt                | Term | Rate  | Operating Budget Impact (\$M) |
|---------------------|------|-------|-------------------------------|
| <b>\$1,000,000</b>  | 10   | 4.87% | \$0.275                       |
|                     | 20   | 5.15% | \$0.614                       |
|                     | 25   | 5.18% | \$0.795                       |
| <hr/>               |      |       |                               |
| Debt                | Term | Rate  | Operating Budget Impact (\$M) |
| <b>\$10,000,000</b> | 10   | 4.87% | \$2.751                       |
|                     | 20   | 5.15% | \$6.136                       |
|                     | 25   | 5.18% | \$7.947                       |

# Net Summary of On & Off Ramps

Capital and One Time Projects (\$M)

| 2025     | On       | Off      | Net      |
|----------|----------|----------|----------|
| Capital  | \$17.480 | -\$7.305 | \$10.175 |
| One Time | \$2.000  | \$0.000  | \$2.000  |



# Environmental Scan

## Key Regional Indicators & Comparisons



- Overall, the financial indicator report shows that Okotoks has a low cost of service, which allows us to maintain a low tax environment.
- In comparison to other municipalities, Okotoks continues to be cost competitive in terms of service provision and remains below the group median on taxation.
- The same comparative measures have been used for this report the past six years (2018-2023), gathered from 18 Alberta municipalities ranging in population from 14,924 to 106,550.



These stats are provided from the Alberta Government. The Municipality Measurement Index (MMI) is a tool that allows municipalities, along with Municipal Affairs, to track the progress and performance of a municipality based on information provided through their annual reporting documents. It also allows Albertans to not only view their municipality's results, but also compare their municipality's results with other Alberta municipalities.

# Environmental Scan

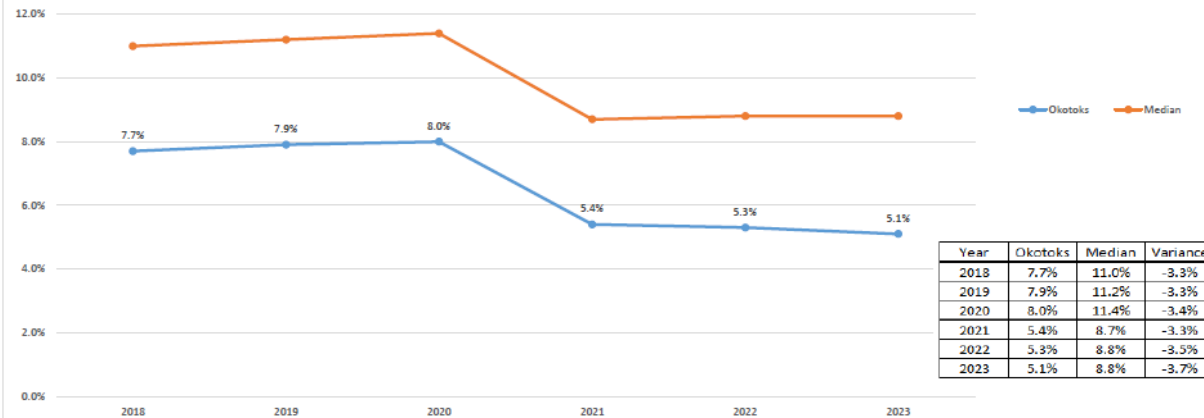
## Regional Comparison: Tax Rates



- Okotoks is consistently lower than the median for property tax rates for the last 6 years.
- In 2023 specifically, Okotoks was below the group medians:
  - 3.7% lower for equalized residential rate, and
  - 4.8% lower non-residential rate

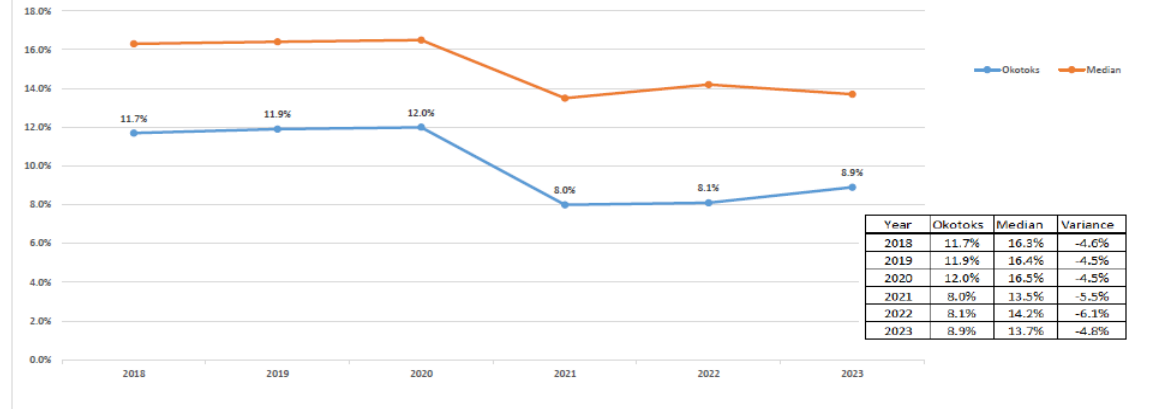
### Equalized Tax Rates: Residential

Equalized Tax Rates: Residential



### Equalized Tax Rates: Non-Residential

Equalized Tax Rates: Non-Residential



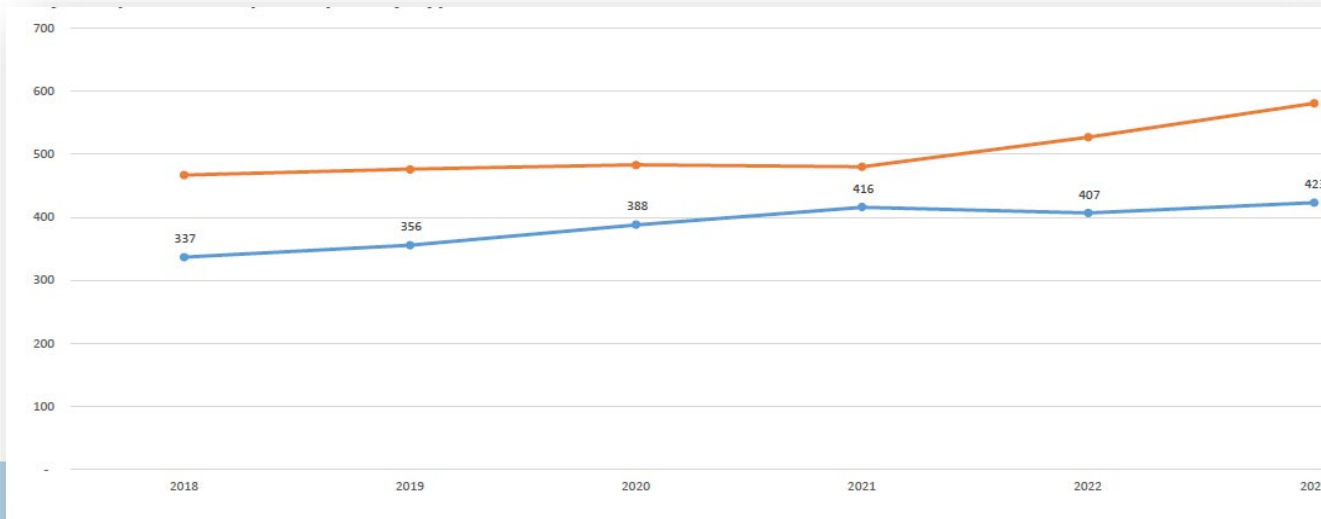
# Environmental Scan

## Regional Comparison: Expenses



- Okotoks is consistently lower than median for majority of expenditures over last 6 years
- Salaries, wages & benefits: below the group for the last 6 years; 3.5 % lower in 2023
- The Town's major expenditures per capita on amortization of tangible capital assets and are lower by 27.2% in 2023 and we continue to trend lower than the group median

### Major Expenditures per Capita by Type: Amortization



| Year | Okotoks | Median | Variance | % from Median |
|------|---------|--------|----------|---------------|
| 2018 | 337     | 467    | (130)    | 27.9%         |
| 2019 | 356     | 476    | (120)    | 25.3%         |
| 2020 | 388     | 483    | (95)     | 19.6%         |
| 2021 | 416     | 480    | (64)     | 13.3%         |
| 2022 | 407     | 527    | (120)    | 22.8%         |
| 2023 | 423     | 581    | (158)    | 27.2%         |



# 2025 Utility Rates



# Proposed Utility Impacts

| Utility Rates |          |          |                |
|---------------|----------|----------|----------------|
|               | 2024     | 2025     | Year Over Year |
| <b>Water</b>  | \$94.00  | \$94.80  | \$0.80         |
| <b>Sewer</b>  | \$110.65 | \$102.91 | -\$7.74        |
| <b>Storm</b>  | \$17.50  | \$18.35  | \$0.85         |
| <b>Waste</b>  | \$51.15  | \$38.80* | -\$12.35       |
| <b>Total</b>  | \$273.30 | \$254.86 | -\$18.44       |
|               |          |          | -6.75%         |



For the average customer, this amounts to a **TOTAL UTILITY SAVINGS** of \$18.44 per bi-monthly billing period or \$110.64 per year.



\*Rates reflect bi-monthly anticipated billing of 38 m3 of water consumption

*\*As of May 1, 2025, the waste rate will include garbage, organics and Eco Centre only, as recycling will be funded by EPR (extended producer responsibility) to residents from this point forward.*



2025



What does this mean to Rate Payers?



# 2025 Proposed Property Tax Rate Increase Impact (excludes requisitions)



4.8%  
Annual Proposed  
Tax Increase



\$11.21/month  
municipal residential property tax  
increase for a typical dwelling

*\*1.0% property tax increase is equal to \$0.367M*

|                              |                |
|------------------------------|----------------|
| <b>Total Municipal Taxes</b> | <b>\$2,964</b> |
| Change Year Over Year        | \$134.48       |
| Change per Month             | \$11.21        |
| Property Tax Increase        | 4.8%           |

*\*Residential Average Cost Based On Assessed Value of \$663,000*

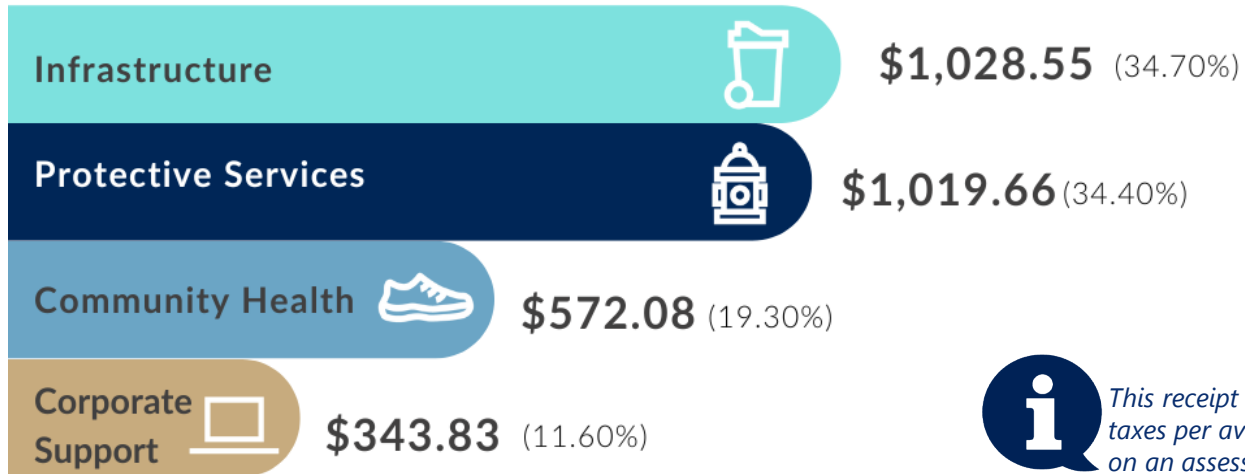


# Proposed Property Tax Rate Increase Impact

Residential Average Cost Based On Assessed Value of \$663,000



2025 Residential Property Tax  
Breakdown by Division  
(based on a house assessed at \$663K)



This receipt shows the 2025 annual taxes per average household, based on an assessment of \$663,000

5 ELIZABETH ST.  
TOWN OF OKOTOKS

## RECEIPT

MUNICIPAL TAXES

|  |  |                 |
|--|--|-----------------|
| <b>INFRASTRUCTURE</b>                                |  |                 |
| 1) Parks ( <i>pathway maintenance, mowing</i> )      |  | \$337.91        |
| 2) Roads ( <i>potholes, streets, snow clearing</i> ) |  | \$337.91        |
| 3) Permits & Planning                                |  | \$109.67        |
| 4) Transit Services                                  |  | \$103.74        |
| 5) Community Development ( <i>engineering</i> )      |  | \$85.96         |
| 6) Environment                                       |  | \$32.61         |
| 7) Economic Development                              |  | \$20.75         |
| <b>PROTECTIVE SERVICES</b>                           |  |                 |
| 8) Fire Services                                     |  | \$536.51        |
| 9) RCMP & Municipal Enforcement                      |  | \$483.15        |
| <b>COMMUNITY HEALTH</b>                              |  |                 |
| 10) Recreation Facilities ( <i>arenas, pools</i> )   |  | \$293.45        |
| 11) Events, Culture & Library                        |  | \$192.67        |
| 12) Community & Social Development                   |  | \$85.96         |
| <b>CORPORATE SUPPORT</b>                             |  |                 |
| 13) Enabling Services & Administration               |  | \$299.39        |
| 14) Council  |  | \$44.44         |
| <b>TOTAL</b>   |  | <b>2,964.12</b> |

# Proposed Property Tax Rate Increase Impact

## Comparing the Tax Receipt from Budget 2024 & 2025

While the average house assessment in Okotoks has increased by over \$100,000 in the last year, we have been able to keep the associated property tax increase quite low comparatively.



### 2025: Average household assessment of \$663,000

| 5 ELIZABETH ST.<br>TOWN OF OKOTOKS                   |                 |
|--|-----------------|
| R E C E I P T  |                 |
| M U N I C I P A L T A X E S                          |                 |
| <b>INFRASTRUCTURE</b>                                |                 |
| 1) Parks ( <i>pathway maintenance, mowing</i> )      | \$337.91        |
| 2) Roads ( <i>potholes, streets, snow clearing</i> ) | \$337.91        |
| 3) Permits & Planning                                | \$109.67        |
| 4) Transit Services                                  | \$103.74        |
| 5) Community Development ( <i>engineering</i> )      | \$85.96         |
| 6) Environment                                       | \$32.61         |
| 7) Economic Development                              | \$20.75         |
| <b>PROTECTIVE SERVICES</b>                           |                 |
| 8) Fire Services                                     | \$536.51        |
| 9) RCMP & Municipal Enforcement                      | \$483.15        |
| <b>COMMUNITY HEALTH</b>                              |                 |
| 10) Recreation Facilities ( <i>arenas, pools</i> )   | \$293.45        |
| 11) Events, Culture & Library                        | \$192.67        |
| 12) Community & Social Development                   | \$85.96         |
| <b>CORPORATE SUPPORT</b>                             |                 |
| 13) Enabling Services & Administration               | \$299.39        |
| 14) Council  | \$44.44         |
| <b>TOTAL</b>   | <b>2,964.12</b> |

### 2024: Average household assessment of \$551,000

| 5 ELIZABETH ST.<br>TOWN OF OKOTOKS                                       |                 |
|--|-----------------|
| R E C E I P T  |                 |
| M U N I C I P A L T A X E S  |                 |
| <b>INFRASTRUCTURE</b>  |                 |
| 1) Parks ( <i>pathway maintenance, mowing</i> )                          | \$336.85        |
| 2) Roads ( <i>potholes, streets, snow clearing</i> )                     | \$328.43        |
| 3) Growth & Investment<br>( <i>planning &amp; economic development</i> ) | \$112.28        |
| 4) Transit Services  | \$112.28        |
| 5) Community Development ( <i>engineering</i> )                          | \$92.63         |
| 6) Permits, Assessment & Environment                                     | \$44.91         |
| <b>PROTECTIVE SERVICES</b>   |                 |
| 7) RCMP & Municipal Enforcement  | \$508.09        |
| 8) Fire Services   | \$482.82        |
| <b>COMMUNITY HEALTH</b>  |                 |
| 9) Recreation Facilities ( <i>arenas, pools</i> )                        | \$261.06        |
| 10) Events, Programs, Culture & Library                                  | \$190.88        |
| 11) Social Services & Community Wellness                                 | \$72.98         |
| <b>CORPORATE SUPPORT</b>   |                 |
| 12) Enabling Services & Administration                                   | \$221.76        |
| 13) Council  | \$42.13         |
| <b>TOTAL</b>   | <b>2,807.10</b> |

# Overall Cost Impact for a Residential Property Owner (excludes requisitions)

Based on a house  
assessed at \$663K



An average homeowner will see an increase of approximately \$1.99/month or \$23.88/year.



Overall Impact for a  
Residential Property Owner  
(based on a house assessed at \$663K )

4.8% Property tax increase proposed by Council

+ \$11.21

-6.75% Proposed utility rate decrease

- \$9.22\*

*\*Utilities are billed bi-monthly. For the average customer this amount will be \$18.44 per bi-monthly billing period.*

= \$1.99/month

(\$23.88/year)



Questions?