

The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols, including the dollar sign (\$), euro (€), yen (¥), and pound sterling (£). The symbols are rendered in a 3D, embossed style, creating a textured effect. The central text is set against a plain white background.

SMOKY LAKE COUNTY.

2025 BUDGET

2025 BUDGET SUMMARY

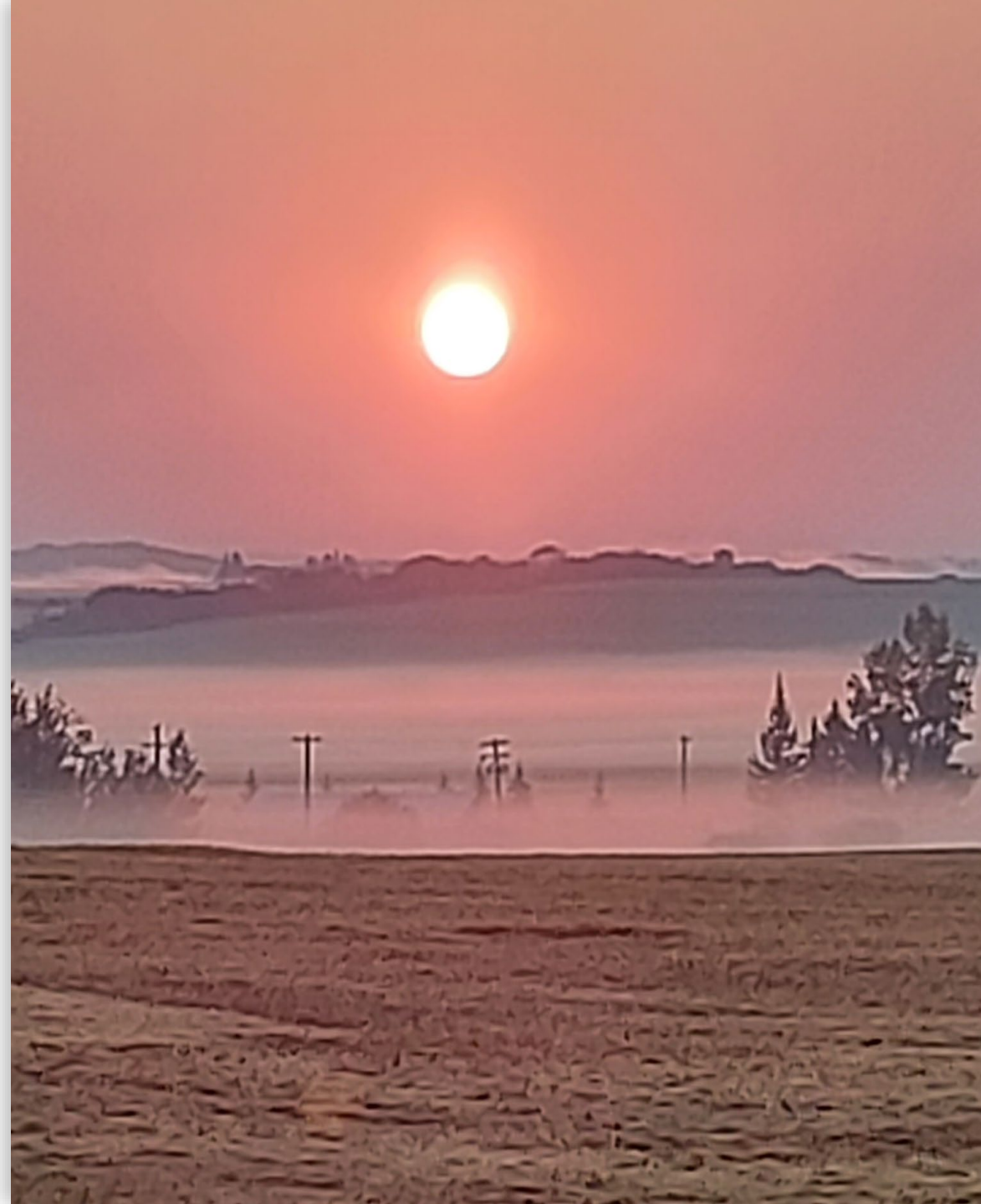
The 2025 balanced interim budget was compiled based on the following

- ✓ One change in service levels
 - ✓ Decrease mowing to 2 shoulder passes per year
- ✓ A transfer from reserve of \$243,819 will replace an increase in the tax rate
- ✓ Maintenance costs are increasing
- ✓ The Road Plan is based on long term plans for roads improvement
- ✓ The CUPE Union Contract agreed to will be ratified by both parties
- ✓ The 955 Union Contract negotiations will not result in an increase of payroll costs greater than \$200,000
- ✓ Crush Gravel for \$450,000
- ✓ Interest rates earned on funds will be approximately 4% and large capital purchases will take place later in the year.

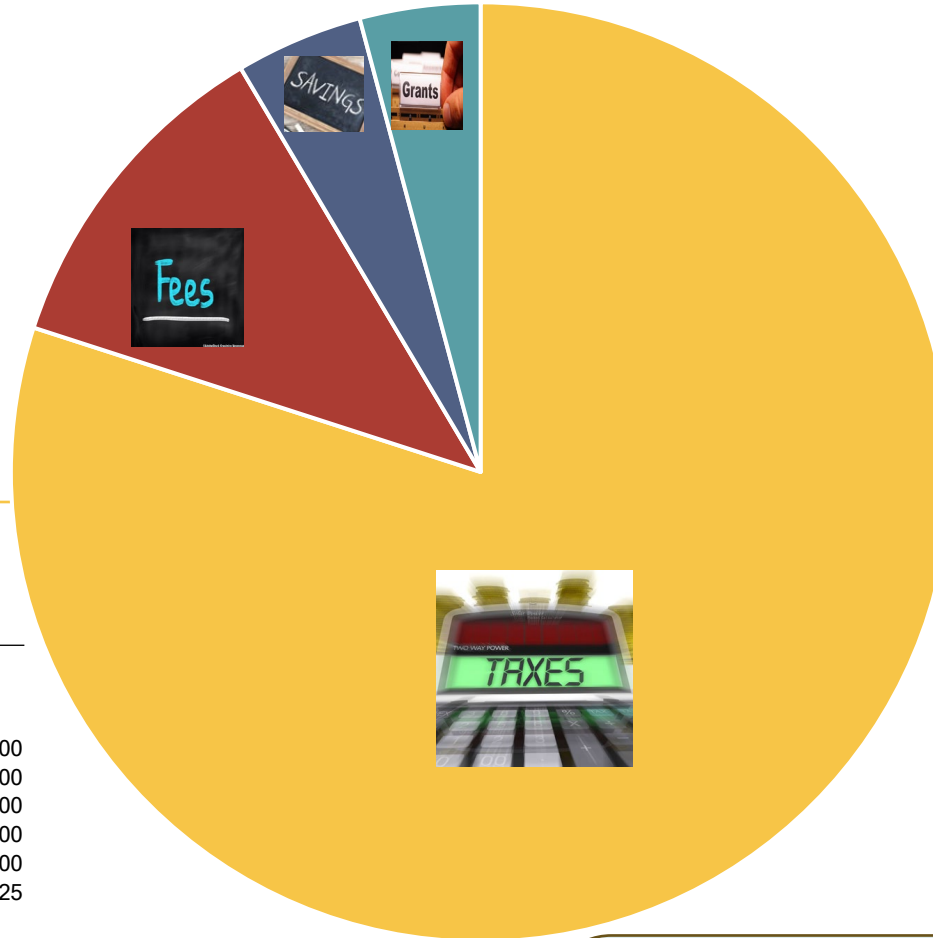
	2025 Interim Budget
Operating Revenue	17,461,849
Capital Funding	3,379,780
Total Revenue	22,424,464
Operating Expenses	16,624,095
Capital Expenses	6,261,834
Total Expenses	24,468,764
Net deficit	-2,044,300
Remove Amortization	2,044,300
Cash deficit	0

OPERATIONS

2025



OPERATING REVENUE



User Fees include:

- ✓ Penalties
- ✓ License Fees
- ✓ Interest Revenue
- ✓ Costs recovered from other Governments
- ✓ Fees for services provided by Fire, Public Works, Agriculture, Landfill, and Parks and Recreation
- ✓ Water sold

Grants:

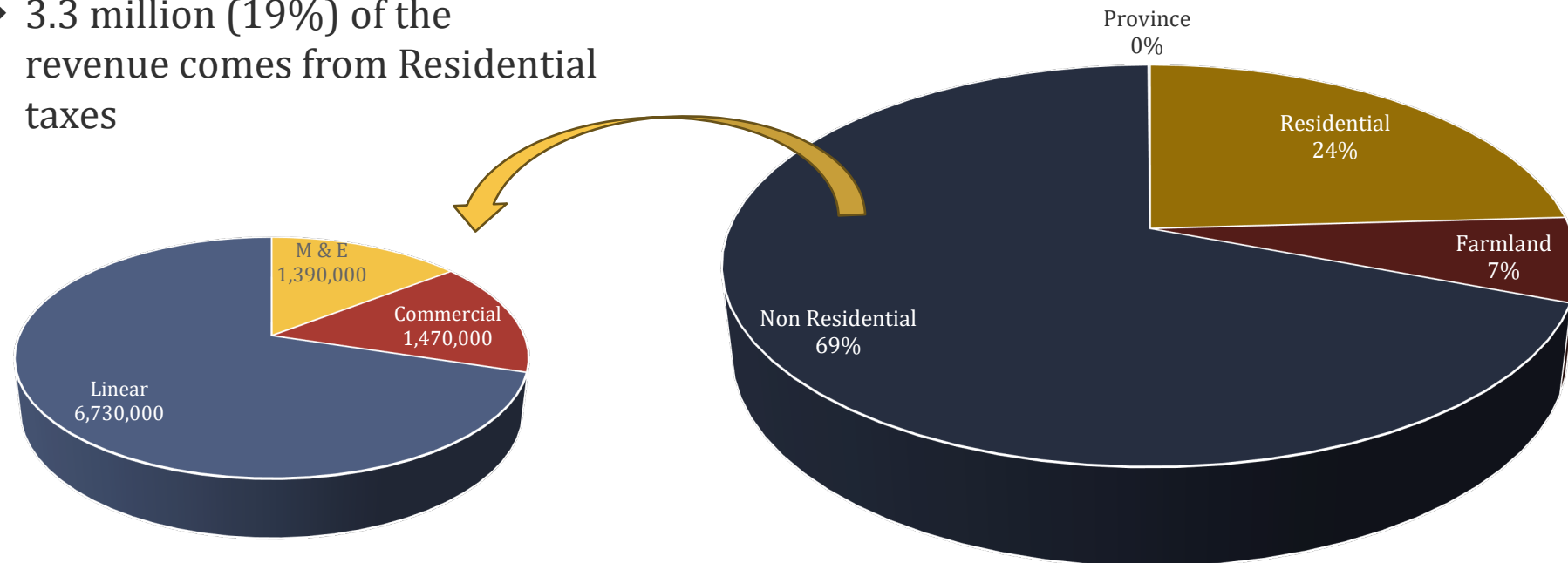
- ✓ Community Adult Learning
- ✓ Family and Community Social Services
- ✓ Alberta Community Partnership Grant
- ✓ Agriculture Services Grant
- ✓ Local Government Fiscal Framework Operating Grant
- ✓ Fire Training Grant
- ✓ Summer Employment Grant

	BUDGET 2024	BUDGET 2025
OPERATING REVENUE		
Taxes		
Farmland & Residential	\$4,300,093	4,353,000
Machinery & Equipment	1,357,698	1,390,000
Non - Residential	1,318,187	1,470,000
Linear	6,435,843	6,730,000
Provincial Government	72,831	12,000
Sewer Levy	9,040	9,625
Other Income		
Well Drilling/Drill Rigs	5,500	5,000
Penalties	85,200	84,300
User Fees and Sales of Goods	641,950	624,250
Investment Income	693,498	693,498
Development Levies	69,000	84,500
Licenses and Permits	224,500	210,500
Sales to Other Governments	336,135	305,600
Grants		
Provincial Conditional - Operating	609,753	594,257
CLC	113,230	130,000
Transfer from Operating Reserve	1,035,000	765,319
TOTAL OPERATING REVENUE	17,307,458	17,461,849

Property Tax Revenue

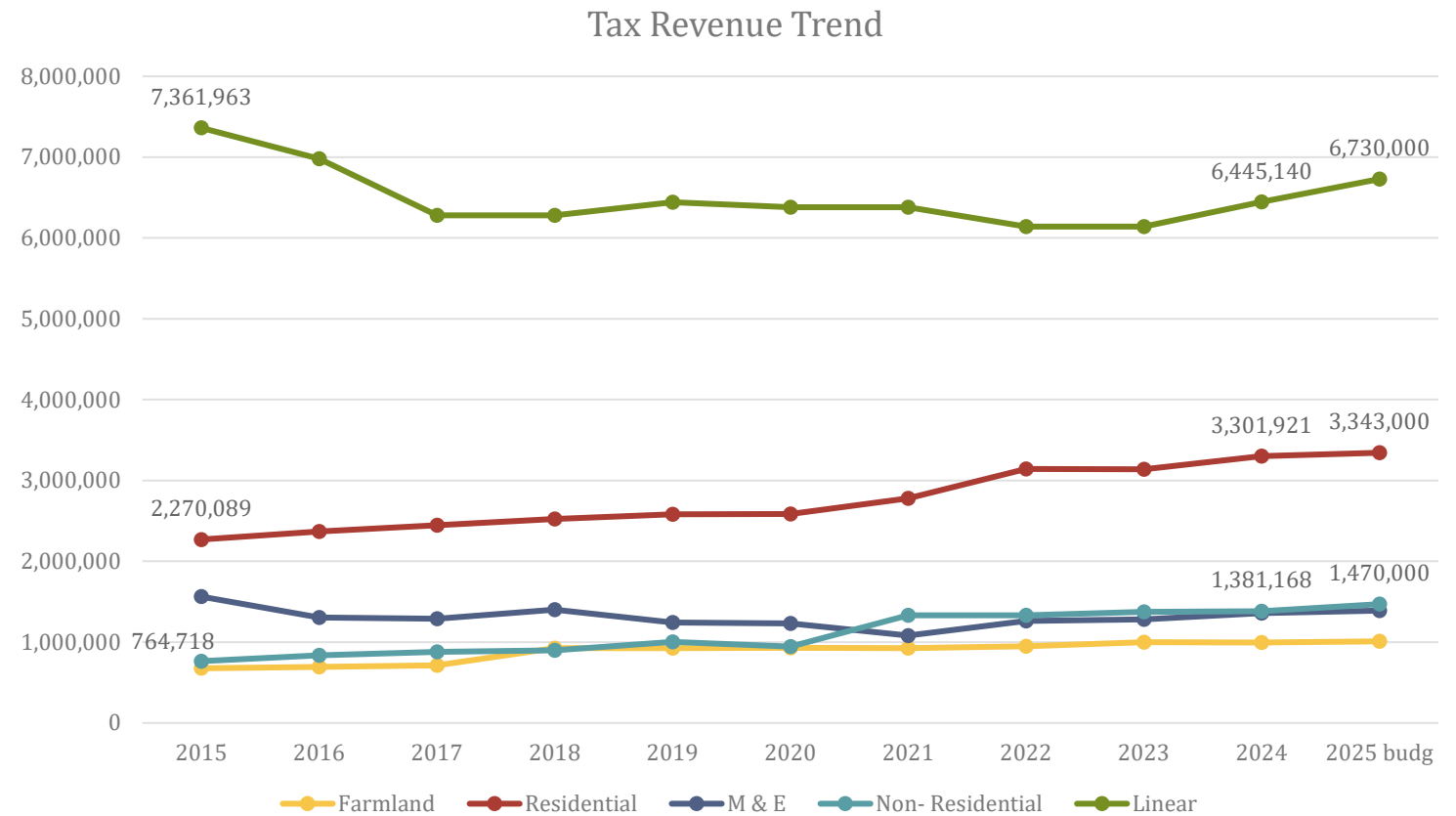
Over 80% of the revenue comes from tax revenue of \$13,964,625

- ❖ \$9.6 million (55%) of our revenue comes from Nonresidential taxes.
 - ❖ 3.3 million (19%) of the revenue comes from Residential taxes
- After requests, this provides the County with **\$11,329,092** revenue

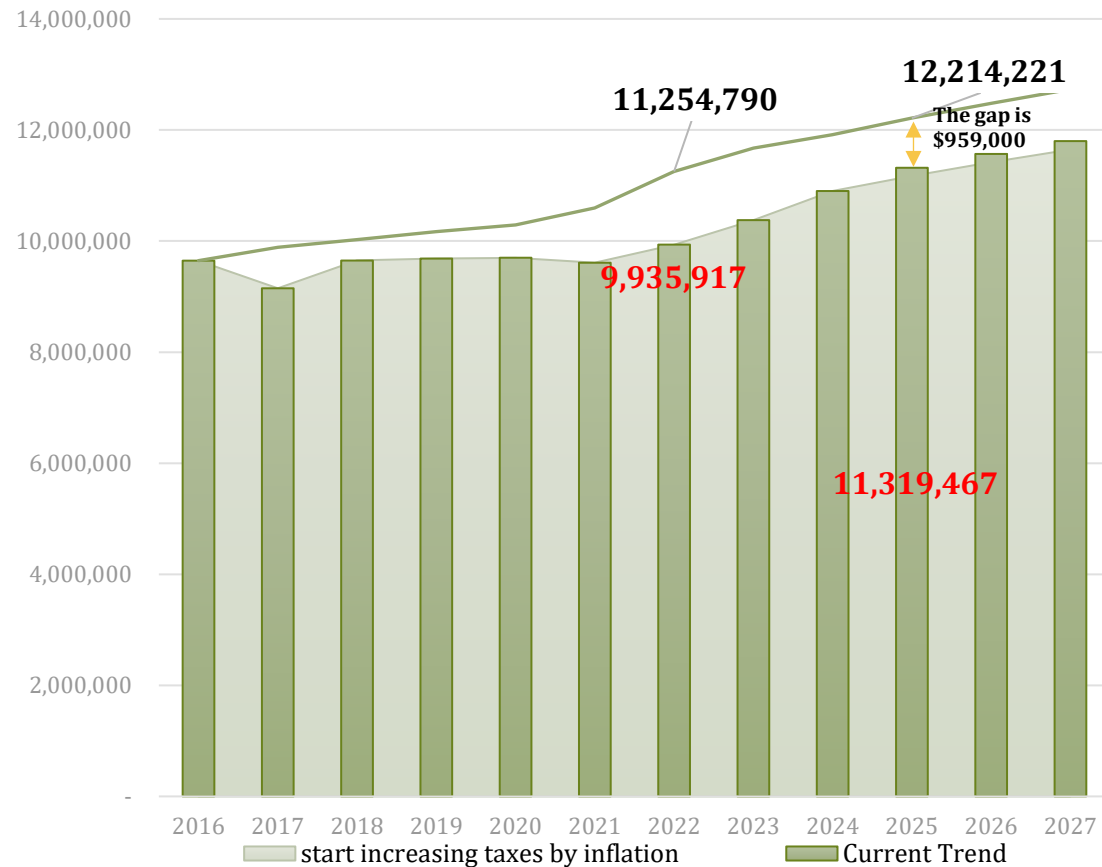


Tax Revenue Trend

Tax revenue will be \$13,964,625 in 2025. This is a 10% increase over 10 years.

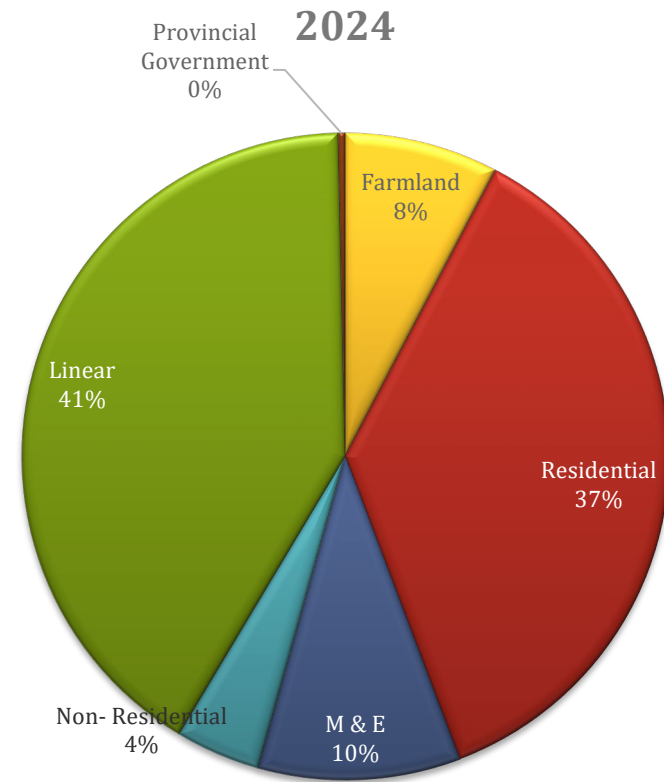
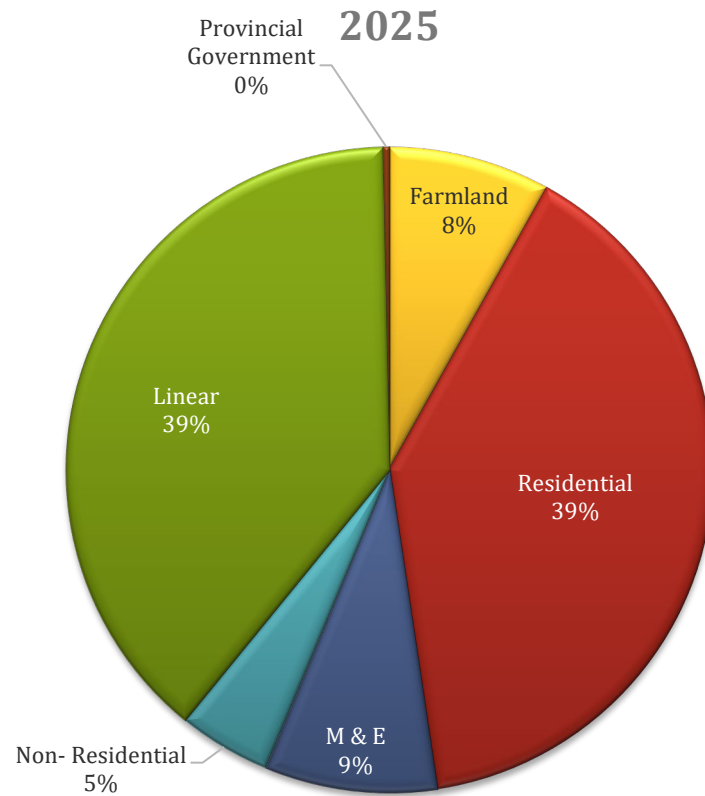


Tax Revenue vs Inflation



- In 2022 we quantified the revenue impact that previous 0% tax increases created on our revenue vs actual inflation to better understand why we are behind in capital replacement.
- In 2022 the revenue lost per year was \$1.4 million
- Due to assessment increases, the gap has decreased to 959,000
- For the past four years, tax revenue has increased to ensure that we can continue to provide services, however the lack of revenue previously has greatly affected our ability to replace capital as needed.

Because of the decrease in non residential/linear, the ratios have changed a bit this year

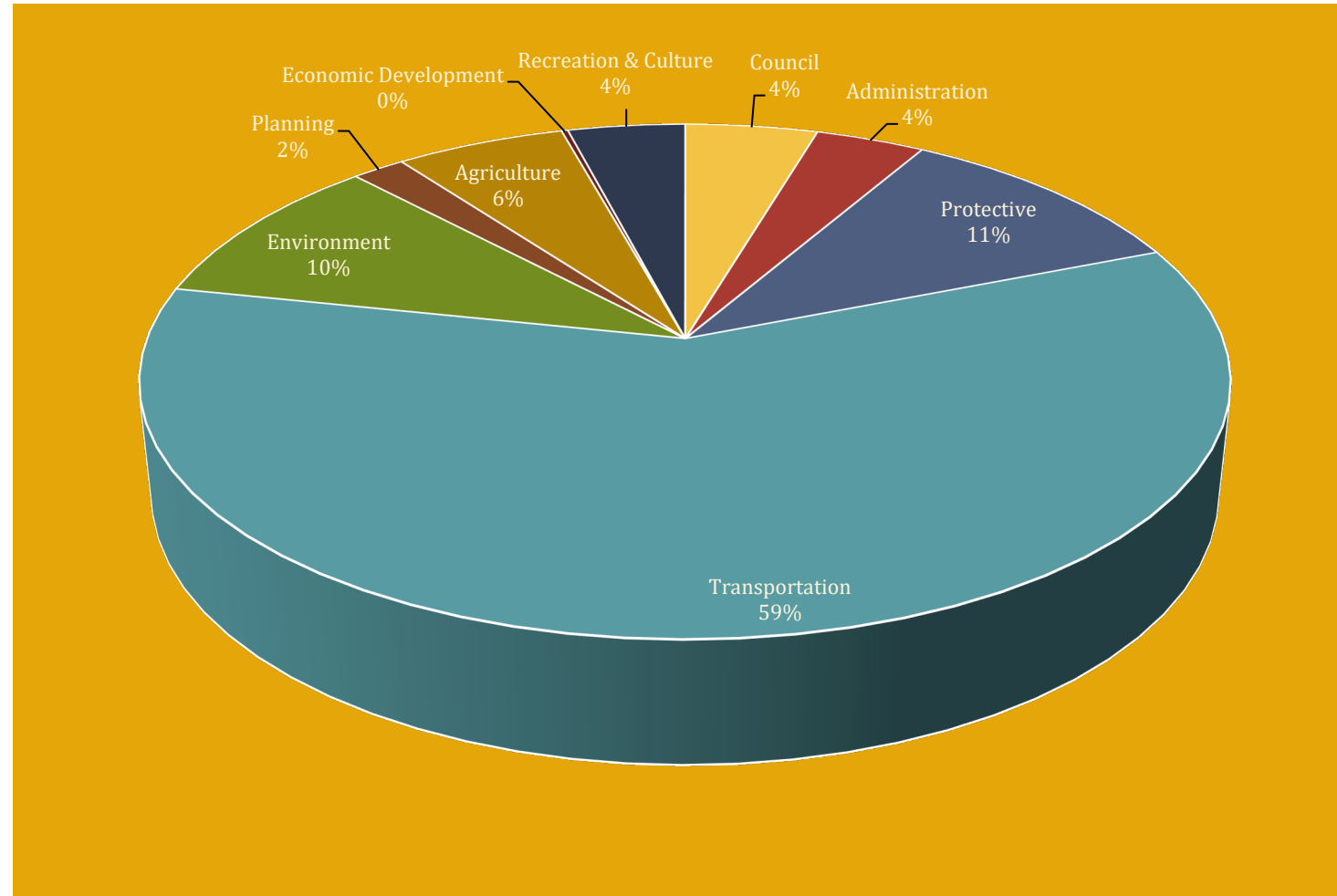


OPERATING EXPENSE

Operation Costs
have decreased
by \$600,168

	YTD BUDGET 2024	BUDGET 2025	CHANGE %
OPERATING EXPENSES			
Salaries, Wages, and Benefits			
Salaries & Wages	6,047,998	5,957,790	(1.49%)
Benefits	1,243,983	1,259,793	1.27%
WCB	85,000	85,000	0.00%
Other Wages	10,000	7,500	(25.00%)
Contracted and General Services			
Mileage	45,700	49,968	9.34%
Meals and Lodgings	95,360	88,280	(7.42%)
Membership & Conference Fees	60,435	61,435	1.65%
Freight, Express, Postage	42,250	44,900	6.27%
Telephone & Communication	98,150	90,900	(7.39%)
Training	112,700	113,300	0.53%
Advertising, Printing, Subscriptions	60,550	61,600	1.73%
Accounting & Auditing	34,000	35,000	2.94%
Legal Fees	40,000	20,000	(50.00%)
Assessor Fees	146,000	150,000	2.74%
Engineering Fees	133,670	90,143	(32.56%)
Other Consulting	62,700	67,000	6.86%
Computer Programing	187,417	159,575	(14.86%)
Insurance	271,261	271,550	0.11%
Other Services	1,648,358	117,350	
Consulting		247,400	
Contractor		57,000	
Doctor Recruitment/Retention		14,700	
Fire Protection		116,500	
Gravel Hauling		180,000	12.35%
Provincial Policing		190,000	
Repairs & Maintenance		246,850	
Rent & Lease		125,700	
Tipping Fees/Evergreen Contribution		99,000	
Water Purchase		50,330	
Materials, Goods, and Utilities			
Office/Food/Janitorial Supplies	95,830	98,080	2.35%
Fuel/Parts/ Etc	1,547,100	1,650,050	6.65%
Offset Operation costs to Capital Road Plan	-1,843,946	-1,999,794	8.45%
Gravel	490,000	490,000	0.00%
Chemicals	40,000	75,000	87.50%
Computer Supplies	69,148	52,650	(23.86%)
Utilities	220,999	223,749	1.24%
Employee Recognition	30,000	29,500	(1.67%)
Other General Supplies	819,800	123,550	
Asphalt/Oil/Calcium/Salt		635,000	
Culverts		70,000	
Equipment & Vehicle Supplies		20,000	(96.01%)
Materials		36,850	
Signs		25,200	
Transfers to Local Boards & Agencies	678,794	346,963	(48.89%)
Write Offs	3,000	3,000	0.00%
Bank Charges & Interest	6,100	5,900	(3.28%)
Requisitions	2,583,857	2,635,533	2.00%
Contingency	13,749	0	(100.00%)
Amortization	2,044,300	2,044,300	0%
	17,224,263	16,624,095	-3%

2025 Operation Budget Department Summary



2025 Operation Budget Department Summary

- The budget estimates an overall 2% increase in assessment

	BUDGET 2024	BUDGET 2,025
Taxes		
Farmland & Residential	4,300,093	4,353,000
Machinery & Equipment	1,357,698	1,390,000
Non - Residential	1,318,187	1,470,000
Linear	6,435,843	6,730,000
Provincial Government	72,831	12,000
Total Taxes	13,484,652	13,955,000
Less Requisitions:		
Smoky Lake Foundation	533,874	544,551
ASFF	1,964,279	2,003,564
Lakeland School Division	61,795	63,031
Designated Industrial Property	23,909	24,387
Requisitions	2,583,857	2,635,533
Net Municipal Tax Revenue	10,900,795	11,319,467



To balance the budget without increasing the tax rate we have included:

- ✓ \$500,000 transfer surplus from 2024
- ✓ \$243,819 transfer from reserve to balance the budget

Operation Budget 2025 Department Summary

COUNCIL

	BUDGET 2024	BUDGET 2025
OPERATING EXPENSES		
Salaries, Wages, and Benefits	\$439,897	433,228
Contracted and General Services		
Mileage	28,200	34,968
Meals and Lodgings	23,770	23,770
Membership & Conference Fees	15,185	15,185
Telephone & Communication	6,100	6100
Other Services	1,500	1,500
Materials, Goods, and Utilities		
Office/Food/Janitorial Supplies	3,000	3,000
Computer Supplies	3,000	6,000
	<u>520,652</u>	<u>523,751</u>
Total Operations	<u>-520,652</u>	<u>-523,751</u>

- Salaries and Wages have been adjusted to reflect 1.9% Cost of Living as per policy *08-18-10 Council Remuneration and Expenses*
- Council removed the \$400 per month mileage allowance from the policy resulting in an overall decrease to Salaries and benefits
- Mileage rates have increased from \$0.55 per km to \$0.68

Administration Department expenses include the revenues and costs relating to the Finance, IT, GIS, Communication, Inter Governmental Relations, and other Administration activities of the County.

The net cost before reserve transfers is \$563,967

- \$100,000 decrease in expected interest revenue
- \$112,000 decrease in department expenses

No New 2025 initiatives

No Costs have been budgeted to advance the 2023 Strategic Plan

ADMINISTRATION



Operation Budget 2025 Department Summary

Protective Services



Protective Services includes the revenues and costs relating to policing, fire, and bylaw

	2024 Budget	2025 Budget	% Increase (Decrease)
Policing	\$255,000	\$190,000	
Fire	\$781,848	\$814,724	
Disaster	\$10,300	\$4,300	
Bylaw	\$200,484	\$201,209	
	<u>\$1,247,632</u>	<u>\$1,210,233</u>	-3%

Operating Costs will decrease by
\$37,000

2024 initiatives

- The 2024 Fire budget is based on current practices, however additional funds have been budgeted to contact firefighters for the spring wildfire season.

Operation Budget 2025 Department Summary

Transportation Services

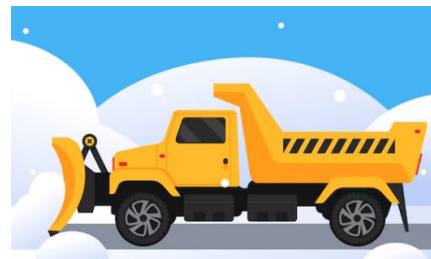
Public Works includes the revenues and costs relating to roads, bridges, sidewalks, etc.

- The net cost of operations is \$6,737,395 (increase of \$62,000)
- The net cost of bridge inspections is 75,143



2025 initiatives:

- ✓ **Crushing for 2025 has been budgeted to cost \$490,000**



Operation Budget 2025 Department Summary

Environmental Services

- ✓ Water distribution to Warspite and the truck fills
- ✓ Sewer in Warspite and Bellis
- ✓ Spedden and Smoky Lake Landfill
- ✓ Bellis, Waskatenau (50%) and Vilna (50%) transfer sites
- ✓ Rural mini transfer sites

- The net cost of Water operations is \$483,935
- The net cost of Sewer operations is \$90,120
 - Includes \$10,000 for lagoon maintenance
- The net cost of Landfill operations is \$340,119
 - Removed budget for vacant Garbage Truck Driver position

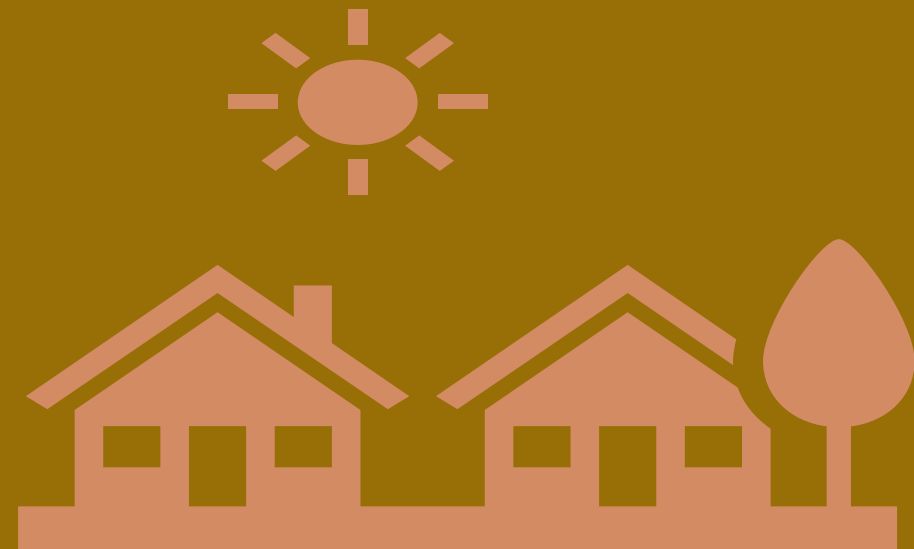


The net cost = \$24,377

- ✓ We receive a grant for \$97,506 to provide programing
 - ✓ Family School Liaison Program
 - ✓ Donations to local qualifying programs

Operation Budget 2025 Department Summary

Family and Community Social Services

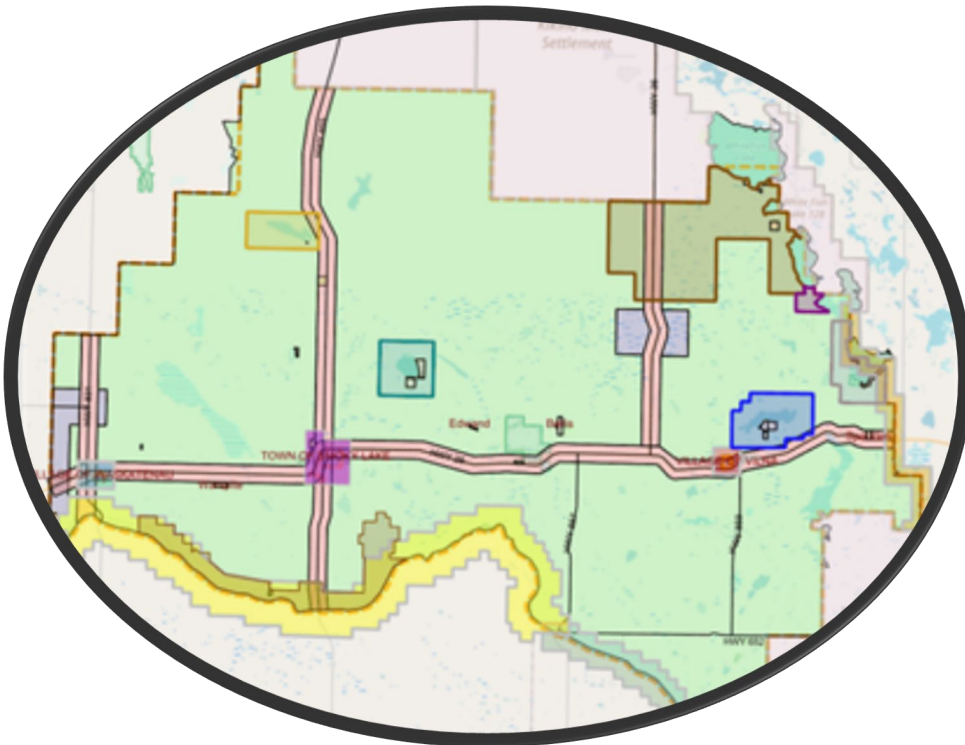


Operation Budget 2025 Department Summary

Planning Services

Planning services provide building & development permits, compliance certificates, etc.

The department ensures there are Inter-municipal Development plans and Inter-municipal Collaboration Frameworks with all neighboring municipalities.



- The net cost of Planning has decreased to \$222,473

2025 initiatives:

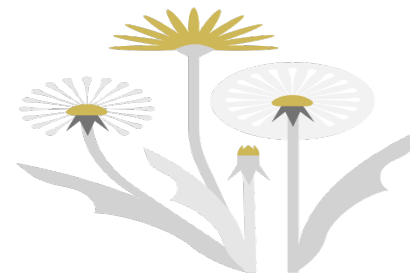
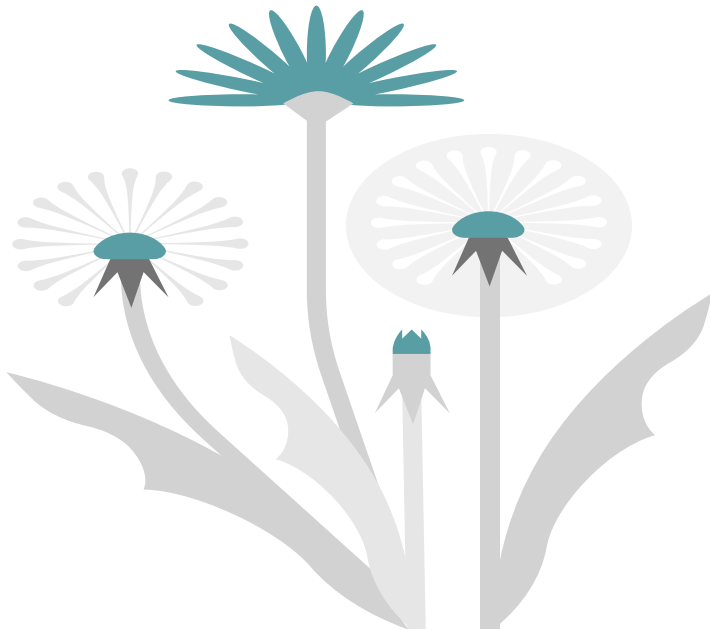
- ✓ **Decreased staff**
- ✓ **ACP Grant**

Operation Budget 2025 Department Summary

Agricultural Services

ASB provides pest control, weed inspection/spraying, roadside mowing, and support to the local agricultural industry.

- The net cost of Agricultural Services has been reduced by \$77,408 to \$671,239
 - \$50,000 contribution to LARA
 - Reduce mowing program to 2 shoulder passes per year
 - Reduce staff allocation to Beaver Control



Operation Budget 2025 Department Summary

Economic Development

- The net cost of Economic Development has been cut from \$60,690 to \$25,251

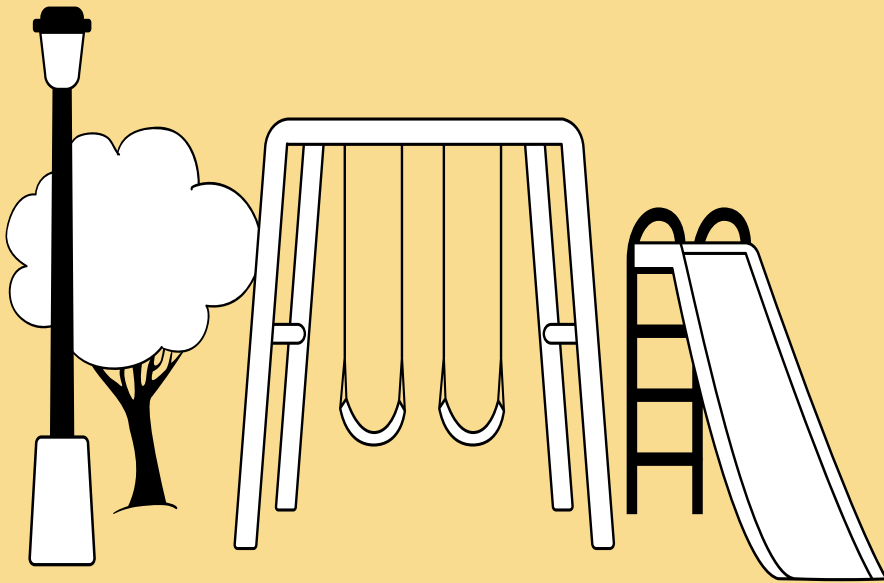
Economic Development includes

- ✓ Funding for county specific economic development advertising
- ✓ \$20,000 for Doctor recruitment and retention
- ✓ Funding for the Regional Community Development Committee has been removed



Operation Budget 2025 Department Summary

Recreation & Cultural Services



Includes

- ✓ \$37,200 for Heritage
- ✓ \$27,000 for Northern Lights Library
- ✓ \$335,617 for Parks and Recreation

Parks and Recreation take care of all of the parks in the Hamlets and Lakes, as well as other County properties.

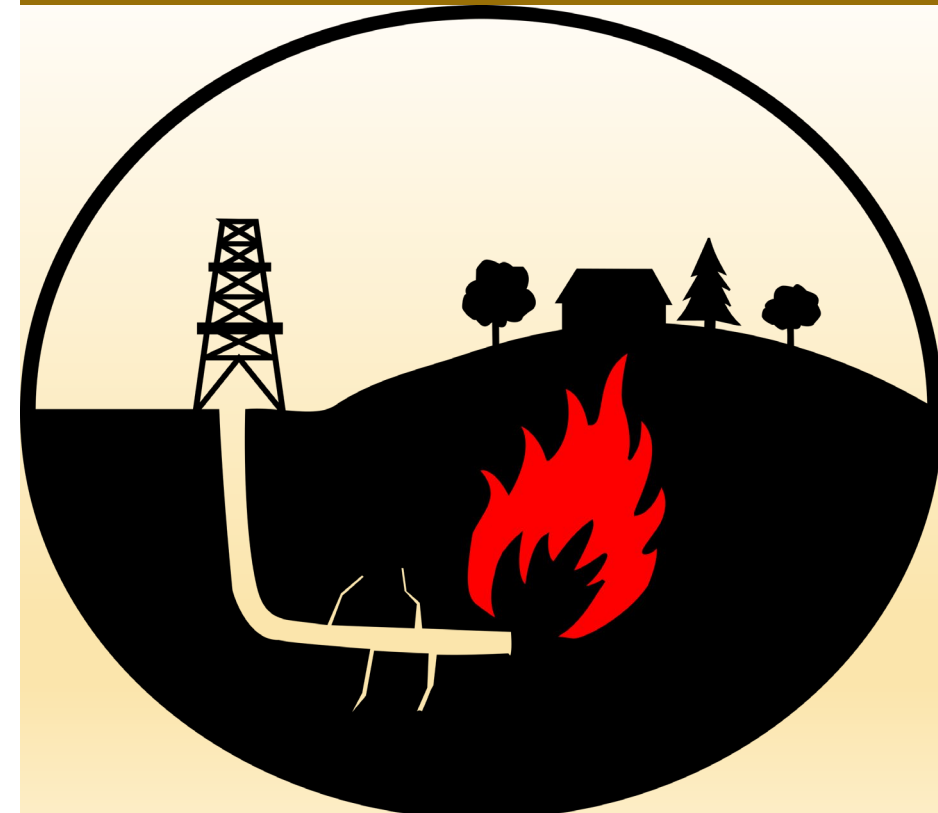
Distribute natural gas to County and Vilna Residents.
The department also supplies odorant to other gas co-ops.

The Gas department operates financially independent of Smoky Lake County.

- Natural Gas Department is self funding therefore the net cost is \$0.00

Operation Budget 2025 Department Summary

Natural Gas Services



2025 Natural Gas Budget

The Natural Gas budgeted is communicated separately because it is not funded through tax revenue.

	BUDGET 2024	BUDGET 2025
Operations		
Administration	-\$ 921,211.00	-\$ 881,326.00
Distribution	\$ 632,211.00	\$ 630,526.00
Oderant	\$ 94,000.00	\$ 125,800.00
CNG Trailer	\$ -	\$ -
Total Operations	-\$195,000.00	-\$125,000.00
Capital		
Capital Funding		
Sale of Capital Assets	\$ -	\$ -
Provincial Capital Grants	\$ -	\$ -
Transfer from Reserve	\$ 267,000.00	\$ 169,000.00
Capital Funding	\$267,000.00	\$169,000.00
Capital Expenses		
Buildings & Land	\$ 140,000.00	\$ -
Transfer to Reserve	\$ 50,000.00	\$ 120,000.00
Equipment	\$ 60,000.00	\$ 129,000.00
Vehicles	\$ 67,000.00	\$ 40,000.00
Capital Expenses	\$317,000.00	\$289,000.00
Total Capital	-\$ 50,000.00	-\$120,000.00
Total Budget	-\$245,000.00	-\$245,000.00
add back amortization	\$ 245,000.00	\$ 245,000.00
Adjusted Surplus (Deficit)	\$ -	\$ -

Capital

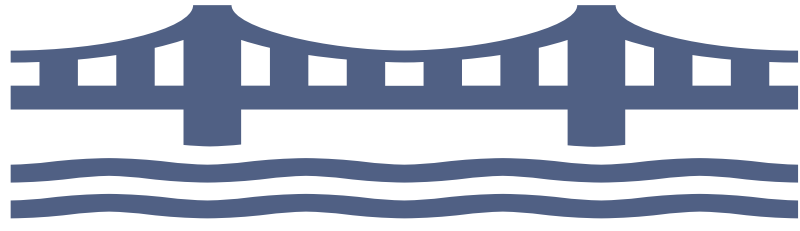
2025

2025 Capital Budget Details

- **To balance the budget without increasing taxes further, proposed capital purchases have been deferred, or are being funded from reserves.**
- **\$1 million Transfers to reserves for future capital purchases have also been removed**

	BUDGET 2024	BUDGET 2025	VARIANCE	CHANGE %
Capital Funding				
Sale of Capital Assets	1,306,699	300,000	-1,006,699	(77.04%)
Provincial Capital Grants	4,074,411	2,844,780	-1,229,631	(30.18%)
Transfer from Reserve	1,431,717	235,000	-1,196,717	-84%
Capital Funding	6,812,827	3,379,780	-3,433,047	-50%
Capital Expenses				
Buildings & Land	14,000	55,000	41,000	292.86%
Transfer to Reserve	1,428,000	521,000	-907,000	(63.52%)
Land Improvements	18,000	12,000	-6,000	(33.33%)
Engineering Structures	6,011,475	4,324,834	-1,686,641	(28.06%)
Equipment	874,427	845,000	-29,427	(3.37%)
Vehicles	594,419	504,000	-90,419	-15%
	8,940,321	6,261,834	-2,678,487	-30%
Total Capital	-2,127,494	-2,882,054	-754,560	35%

2025 Capital Budget Bridges



• Bridges will cost \$2,325,040 funded from:

- ✓ Grants \$1,743,780
 - Reserves \$0
- ✓ Taxes \$581,260

- BF 76552 and BF 08200 will be completed spring, 2025.
 - \$500,781 grant \$101,139 municipal
- BF 08201 has been approved and will be done in 2025
 - \$1,575,310 grant \$525,310 municipal
- BF 75780 has been approved and will be done in 2025
 - \$167,580 grant \$55,950 municipal
- Submitted 12 STIP applications for bridge rehabilitation and replacements. If the projects are approved, they will be budgeted for in 2026.
 - \$6,920,739 total cost

2025 Budget Road Plan

2025 Road Budget

Oil Treatment / Paving						
Project Name	Code	Length/Miles	Res #'s	Estimate Costs	Funding	
RR 174 between Twp 612- Twp 613A	P2514	1.5	moved to 2026			
RR 183 between 51 Ave Warspite- 59153 Rge Rd 183	P2513	0.25		\$ 25,000.00	LGFF/MO	
		1.75	Total	\$ 25,000.00		
Rehabilitation						
Project Name	Code	Length/Miles	Res #'s	Estimate Costs	Funding	
RR 174 between Twp 612- Twp 613A	R2514	1.5		\$ 35,000.00	LGFF/MO	
RR 190 between Hwy 28- Twp 600	R2515	3..5		\$ 85,000.00	LGFF/MO	
Twp 594 between RR 185- RR 190	R2525	1		\$ 24,000.00	LGFF/MO	
		2.5	Total	\$ 144,000.00	\$ -	
MG 30 Base Stabilization						
Project Name	Code	Length/Miles	Res #'s	Estimate Costs	Funding	
Twp 620 between RR 135- RR 142	MG2511	3		\$ 75,000.00	LGFF/MO	
Twp 612 between RR 174- RR 174A	MG2514	0.5		\$ 12,000.00	LGFF/MO	
Twp 612 between RR 174A- RR 180	MG2515	1.5		\$ 30,000.00	LGFF/MO	
RR 180 between Twp 612A- Twp 614	MG2525	1.5		\$ 30,000.00	LGFF/MO	
		6.5	Total	\$ 147,000.00	\$ -	
Construction						
Project Name	Code	Length/Miles	Res #'s	Estimate Costs	Funding	
Twp 584 between RR 172- RR 171A	C2513	1.5		\$ 140,000.00	LGFF/MO	
Reclaim Gladden Pit	PW44	1.5		\$ 125,000.00	Reserves	
		1.5	Total	\$ 265,000.00	\$ -	
MG Haul Roads - PW57						
Project Name	Code	Length/Miles	Res #'s	Estimate Costs	Funding	
Twp 584 between Hwy 855- RR 172; Twp 584 between RR 171A- RR 165	MG2513	4		\$ 110,000.00	Aggregate Reserve	
			Total	\$ 110,000.00	\$ -	
				\$ 691,000.00		
Gravelling						
Division	Mile per	Code	Proposed Miles	Proposed Gravel	Estimate Costs	Funding
144		PW45	46.00	7,641.00	\$ 221,589.00	LGFF/MO
218.5		PW46	83.50	13,243.00	\$ 357,561.00	LGFF/MO
159.5		PW47	43.00	6,770.00	\$ 169,250.00	LGFF/MO
167		PW48	51.00	8,002.50	\$ 192,060.00	LGFF/MO
219		PW49	59.00	9,359.00	\$ 243,334.00	LGFF/MO
908			282.5	45,015.5	\$ 1,183,794.00	
Contingency:				5,000.00	\$ 125,000.00	
Total				50015.5	\$ 1,308,794.00	
Road total					\$ 1,999,794.00	

Roads will cost \$1,999,794

funded from:

- ✓ Grants \$901,000
- ✓ Reserves \$235,000
- ✓ Taxes \$863,794

FIVE YEAR CAPITAL REPLACEMENT

	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034
Natural Gas	289,000	368,000	259,260	655,545	336,856	238,193	239,557	270,948	122,367	123,815
Transfer to Reserve	521,000	1,170,150	626,150	626,150	1,620,065	670,065	645,065	615,872	615,872	615,872
Buildings	55,000	-	-	-	-	-	-	-	-	-
Land Improvement	12,000	90,000	12,000	13,000	13,000	14,000	14,000	415,000	15,000	15,000
Equipment	1,349,000	910,200	2,018,000	2,729,218	1,201,500	1,519,730	1,556,084	896,170	878,393	2,730,961
Vehicle		231,300	69,000	160,000	160,000	160,000	210,000	80,000	80,000	80,000
Eng Structure Roads	1,999,794	2,039,790	2,080,586	2,122,197	2,164,641	2,207,934	2,252,093	2,297,135	2,343,077	2,389,939
Eng Structure Bridges	2,325,040	6,844,093	2,816,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	6,550,834	11,653,533	7,880,996	9,306,111	8,496,062	7,809,922	7,916,799	7,575,125	7,054,710	8,955,587

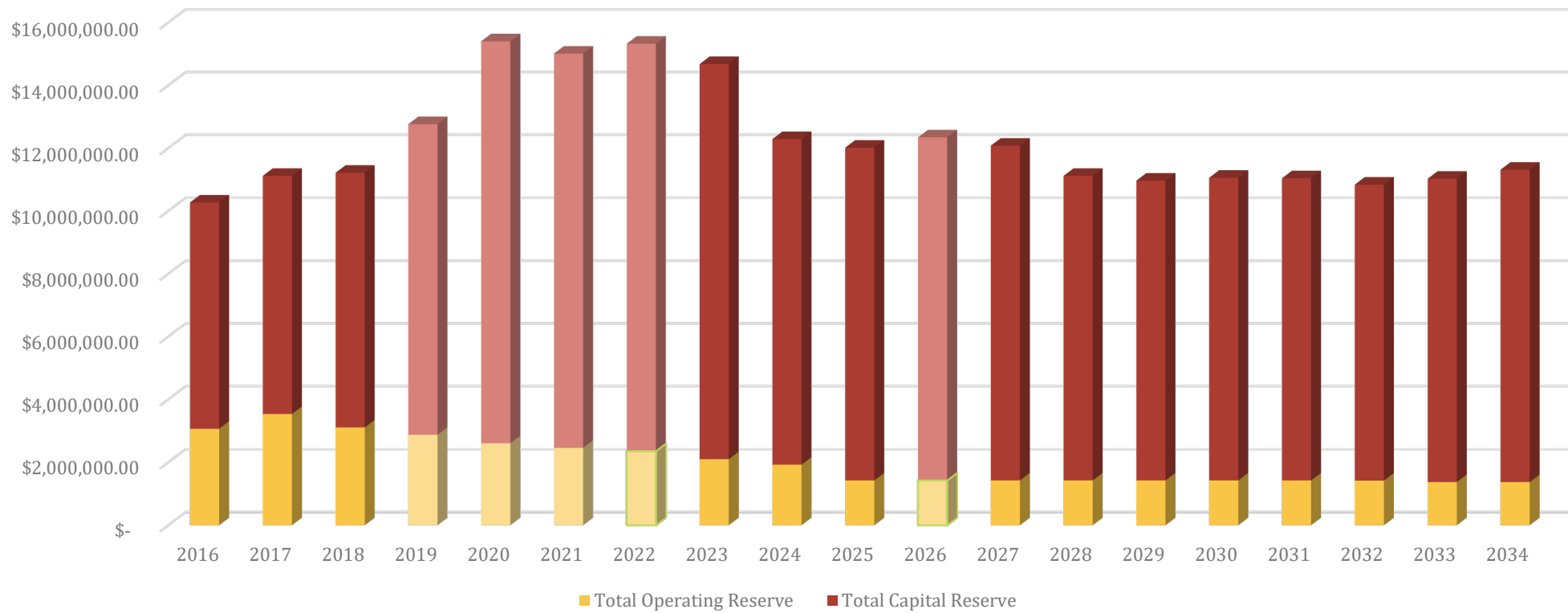
Equipment replacement has been pushed out, so that next year we will need over \$11 million to cover purchases

Reserves

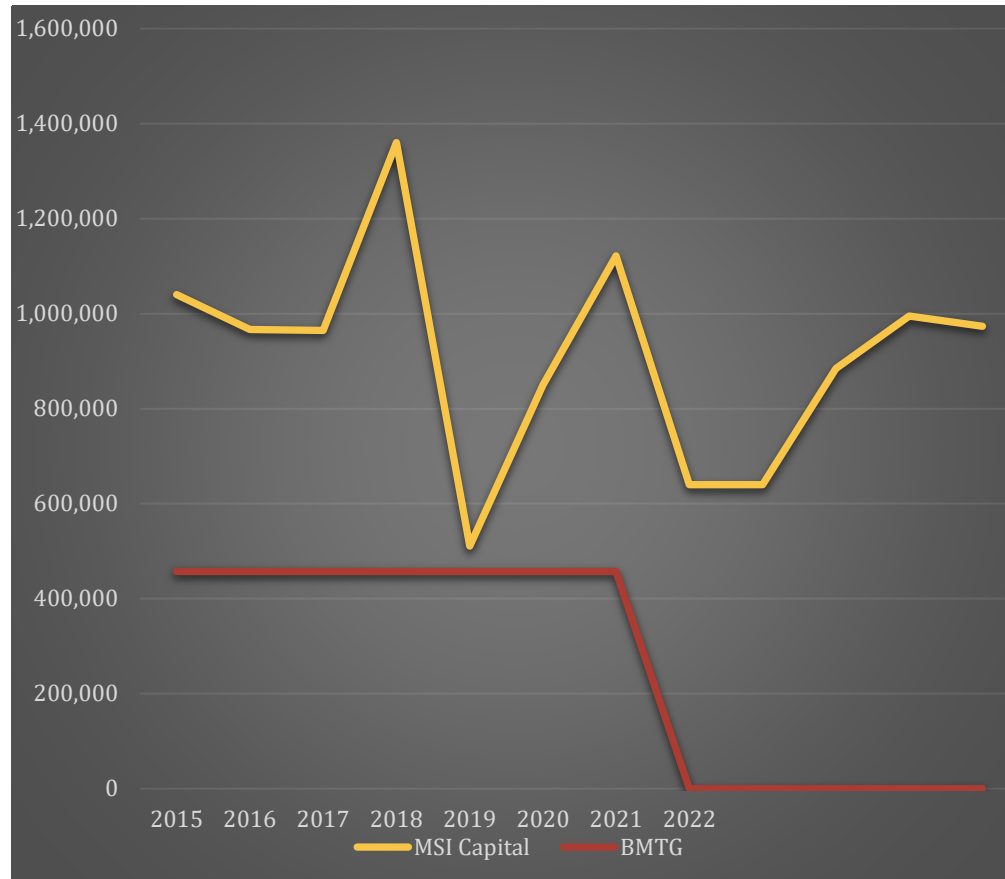
Restricted Surplus		2024	2025	2026	2027	2028
Municipal Reserve	Funds collected in lieu of subdivision natural reserve	52,422	52,422	52,422	52,422	52,422
General Operating	Reserves not allocated to projects as well as reserves carried forward to the next year - funding source property taxes and fees	1,872,358	1,372,358	1,372,358	1,372,358	1,372,358
General Capital	Primarily for specific purchases and projects - funding source property taxes and fees	1,214,091	1,214,091	1,186,091	1,236,091	1,286,091
Building Reserve	Building repairs & rehabilitation - funding source property taxes and fees	1,189,721	1,189,721	1,239,721	1,289,721	1,339,721
Fire	For Fire equipment replacement and fire emergencies - funding source property taxes and fees	1,731,073	1,731,073	1,675,316	1,619,559	845,159
Landfill	For waste equipment and landfill improvements - funding source property taxes and fees	344,160	394,160	444,160	494,160	544,160
Transportation	For specific public works projects and equipment - funding source property taxes and fees	807,609	1,046,609	1,046,609	446,609	296,609
Road Development	For roads damaged by natural resource extraction - funding source aggregate license fee	1,319,796	1,409,796	1,488,796	1,567,796	1,637,796
Gravel Pit Reclamation	For the reclamation of gravel pits - funding source gravel sales	537,542	425,542	438,542	451,542	464,542
Gravel Pit Development	For the development of new gravel pits - funding source gravel sales	136,711	150,711	164,711	178,711	192,711
Connectivity	For the development or improvement of internet services - funding source was the sale of CCI shares in 2020	476,523	476,523	476,523	476,523	476,523
Street Sweeper	For the replacement of a regional street sweeper - funding source - fees charged for street sweeping services	61,171	61,171	61,171	61,171	0
Water	For water and sewer projects - funding source property taxes and fees	255,559	260,559	265,559	245,559	245,559
Agriculture Services	For Agricultural Equipment replacement - funding source property taxes	117,000	117,000	177,000	137,000	97,000
Total Municipal Reserves		10,117,761	9,903,762	10,091,006	9,631,250	8,852,680
Gas Reserve	For natural gas projects - funding source gas, odorant.	2,172,093	2,113,093	2,064,093	2,069,093	1,699,093
Total Reserves		12,289,854	12,016,855	22,244,079	21,329,566	19,402,426

We have been using reserves to make up for the loss in tax revenue.

Change in Reserves



The MSI is now the LGFF (Local Government Fiscal Framework) has been key to funding past grader purchases as well as the road program



- In 2024 the program changes to the LGFF.
- It has been increased back to 2016 MSI levels
- However we are still short \$450,000 which is the amount we used to receive from the the BMTG (Basic Municipal Transportation Grant)

Becoming Sustainable

It is important to the future sustainability of Smoky Lake County to solve the 2025 budget while understanding how decisions today will affect the future

1. Using reserves will deplete our ability to meet future needs. If we continue to use reserves to balance the budget, we will be out of savings
2. Cutting all capital purchases will increase maintenance costs throughout the future. We will need to have begun creating a strategy to replace equipment
3. We need to increase revenue, either through taxes or other revenues. To increase tax revenue without placing the burden on the residential population, we have identified the need to attract new development.

Development will provide new tax revenue and will alleviate the pressure to increase residential taxes.

QUESTIONS

