



BLACKFALDS
ALBERTA



2024 - 2026

**ANNUAL
BUDGET**

EAGLE BUILDERS
CENTRE





Message from our Chief Administrative Officer

Administration is pleased to present the 2024-2026 Operating Budget package to Council in advance of the October 28, 2023, scheduled Budget Workshop. The Budget document is similar to the previous Budget documents and meets the requirements of the Municipal Government Act. The Budget provides 3 years of operational budget projections and a 5-year Capital Budget Plan. The 5-year Capital Budget Plan is a change from the 10-year Capital Budget Plan that was presented in previous years. As priorities change from year to year along with inflationary impacts it was identified that dollars assigned to the plan past the 5-year period provided little value. Citizen engagement this year for Budget was once again via an online survey and participation at the Community Expo.

As with the last number of Budgets, we are aware that the economic climate continues to create challenges for Municipalities with increasing costs for products and services as well as supply chain issues. Higher interest rates have provided benefits by allowing us to meet or exceed target interest revenues. Our organization continues to work hard to deliver the core services to the residents of Blackfalds in a fiscally responsible manner. We continue to look for areas where improvements and efficiencies can be gained throughout the organization along with the identification of gaps in services. To aid Administration in this process, an Introductory Municipal Service Level Inventory will be conducted.

The Town of Blackfalds continues to advance our capital works programs but have reduced our program to align with adjusted timelines and needs for the project and to better align with

available funding. The Town continues to make it a priority to establish capital surplus reserves, pay down debt, and maximize investments. Maintaining an updated 5-year funded capital plan will ensure that the capital planning is practical and sustainable while the assets of the Municipality are maintained, and new development is planned with fiscal responsibility.

The Asset Management Program continues to advance and is critical in maintaining and operating infrastructure in the most effective manner, saving money and better managing risks.

The Introductory Municipal Service Level Inventory which outlines services that a municipality provides externally to the community and internally as support services will be completed in 2024. This inventory will support the decision-making process for increased efficiencies, budgeting, and resource allocation. It will serve as a solid foundation for assisting Council with the development of service levels for core services provided to the residents of Blackfalds.

The Municipal Sustainability Plan (MSP) continues to be a fundamental document and an integral component of determining budgetary requirements. A review of the MSP will be completed this fall to assist Council with setting key priorities for the next 2 years in alignment with the budget.

As we embark upon a new budget cycle, we are confident that our Municipality remains in a strong financial position and that the citizens of Blackfalds continue to enjoy quality amenities delivered in a fiscally responsible manner.

Kim Isaak



EXECUTIVE SUMMARY

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Budget Process

The Town of Blackfalds is required, through the MGA, to pass an annual operating budget each year before the start of the year. In addition, through regulations that came into effect in October of 2017, municipalities must adopt, as a minimum standard, a written three (3) year financial plan and a five (5) year capital plan which our municipality is following.

Our budget is a collection of anticipated revenue streams, operational expenses, and a capital component. The annual operating budget provides a detailed estimate of the funding required by the municipality to meet its ongoing financial obligations while continuing to provide the programs and services to our residents.

The capital budget is funding set aside for buying or building fixed assets such as buildings, equipment, vehicles, water and sewer facilities, and land. The budget also sets out the expectations of rate payers for property taxation, user fees and other revenue streams defined in the budget.


The budget process is well defined with timelines and activities set out in advance with the objective of meeting Council's expectations and to have the Final Operating budget approved prior to year-end. The Recreation, Culture and Parks Board and the Economic Development and Tourism Board, through their respective board activities, also have the opportunity to review the budgets based on these two cost centers.

Administration is committed to adhering to the current timetable of activities for the budget process for the 2024 Operating budget. This includes the budget binders being distributed on September 29. This will ensure Council has sufficient time to review prior to the workshop. A detailed review of the Operating Budget is scheduled during the Budget workshop on October 27 and 28.

2024 Budget Direction

The municipal budget for the year 2024-2026 is prepared with the vision of enhancing the quality of life and well-being of the residents of Blackfalds. The budget reflects the priorities and needs of the community, as well as the challenges and opportunities faced by the municipality. One of the key challenges faced by the budget is the rising inflation rate, which has reached 4.3% in August 2023. Inflation is a measure of the increase in the average price level of goods and services over time, and it affects the purchasing power of money and the cost of living. Inflation can be caused by various factors, such as supply shocks, demand pressures, monetary expansion, and exchange rate movements. In this budget, we will focus on how inflation affects municipal revenue and expenditure and how we plan to adjust the tax rates accordingly.

The main source of municipal revenue is the property tax, which is levied on residential and non-residential properties based on their assessed value. The property tax system is progressive, meaning that higher-value properties pay higher tax rates than lower-value properties.



To prevent this, the municipality needs to adjust the property tax rates to account for inflation. This is called indexing or inflation adjustment. In this budget, we propose to index the property tax rates below the consumer price index (CPI), which is a measure of the average change in prices paid by consumers for a basket of goods and services. This will ensure that the property tax system remains fair and equitable for all property owners.

In summary, inflation is a major driver of tax rate increases in this budget, as it affects both the property tax and user fees. The Town has taken measures to adjust the budget to account for inflation while also considering the impact on property owners and service users. The municipality believes that these measures are necessary and prudent to ensure fiscal sustainability and service quality in these difficult times.

The 2024 - 2026 budget has been prepared for the following tax increases.

2024 - 2.90%

2025 - 3.31%

2026 - 1.31%

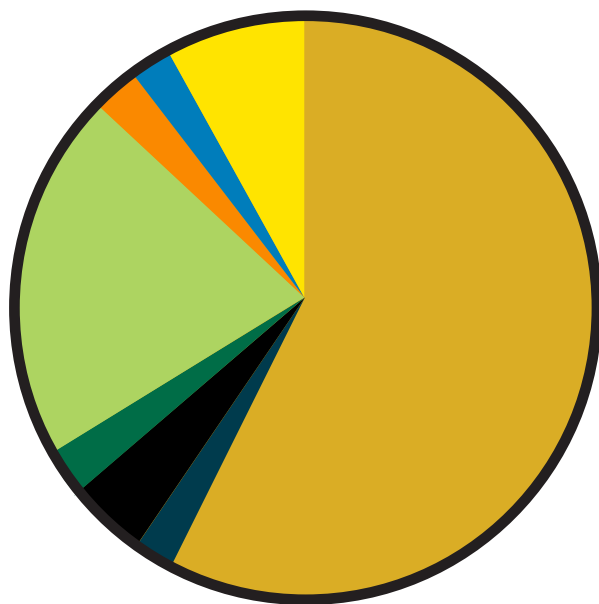
In order to attain this tax increase Administration is recommending accelerating the Abbey Centre Debenture by paying off the balance in December 2023. To achieve this, a draw of \$1.2 Million will be taken from the General Capital reserve. This will alleviate the debt serving for the remaining two years of the debenture.

Additional revenue has also been budgeted for Fire Services based on the preliminary discussion with Lacombe County on a new fire services agreement.

Most one-time non-capital expenses have been funded through the operating reserve in order to smooth out the annual budget without major spikes and valleys. Any surpluses for each year will be directed back to the Operations reserve once the Reserve policy is updated.

2024 Operating Revenue by Division

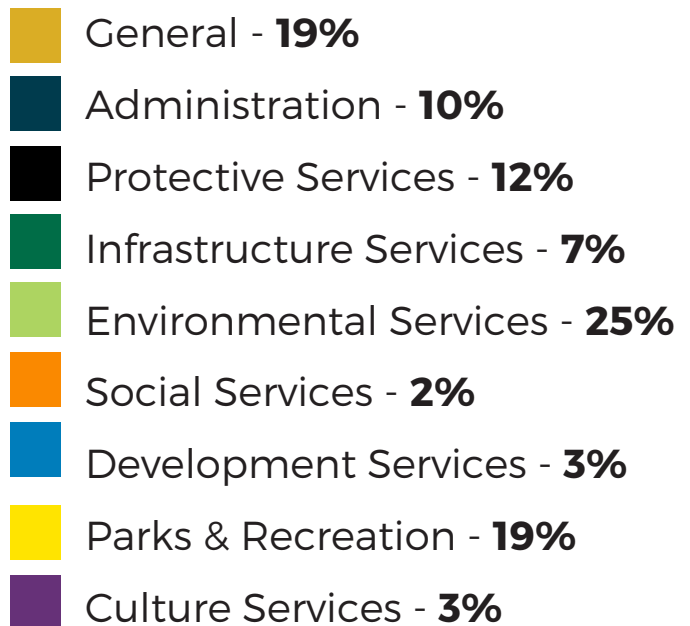
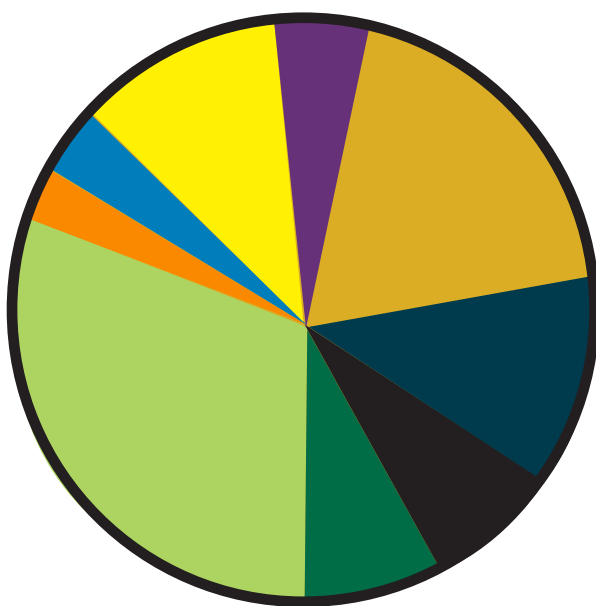
REVENUE	2023 Budget	2024 Budget	Change	% Change
General	\$ 19,492,121	\$ 20,205,688	\$ 713,567	3.66%
Administration	\$ 120,000	\$ 226,000	\$ 106,000	88.33%
Protective Services	\$ 1,051,935	\$ 1,143,920	\$ 91,985	8.74%
Infrastructure Services	\$ 120,634	\$ 247,289	\$ 126,655	104.99%
Environmental Services	\$ 7,854,464	\$ 8,357,338	\$ 502,874	6.40%
Social Services	\$ 274,391	\$ 288,966	\$ 14,575	5.31%
Development Services	\$ 353,697	\$ 298,534	-\$ 55,163	-15.60%
Parks & Recreation	\$ 2,188,324	\$ 2,629,695	\$ 441,371	20.17%
Culture Services	\$ 15,000	\$ 15,000	\$ -	0.00%
Total Revenue	\$ 31,470,566	\$ 33,412,430	\$ 1,941,864	6.17%



- General - **60%**
- Administration - **1%**
- Protective Services - **3%**
- Infrastructure Services - **1%**
- Environmental Services - **25%**
- Social Services - **1%**
- Development Services - **1%**
- Parks & Recreation - **8%**
- Culture Services - **0%**

2024 Operating Expenses by Division

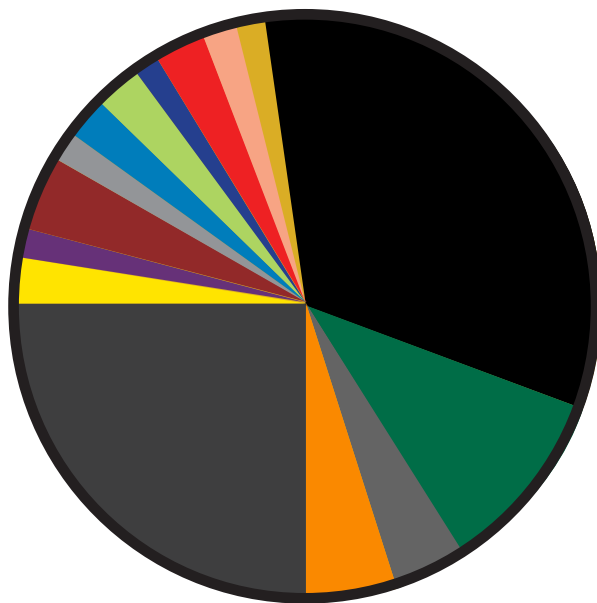
Expenses	2023 Budget	2024 Budget	Change	% Change
General	\$ 5,829,901	\$ 6,360,213	\$ 530,312	9.10%
Administration	\$ 3,114,770	\$ 3,358,599	\$ 243,829	7.83%
Protective Services	\$ 3,676,852	\$ 4,047,562	\$ 370,710	10.08%
Infrastructure Services	\$ 2,156,576	\$ 2,421,560	\$ 264,984	12.29%
Environmental Services	\$ 7,854,464	\$ 8,357,338	\$ 502,874	6.40%
Social Services	\$ 558,775	\$ 609,300	\$ 50,525	9.04%
Development Services	\$ 863,755	\$ 873,018	\$ 9,263	1.07%
Parks & Recreation	\$ 6,540,805	\$ 6,493,767	-\$ 47,038	-0.72%
Culture Services	\$ 874,668	\$ 891,073	\$ 16,405	1.88%
Total Expenses	\$ 31,470,566	\$ 33,412,430	\$ 1,941,864	6.17%



2024 Operating Revenue by GL Category

Revenue	2023 Budget	2024 Budget	Change	% Change
Property Tax	\$ 11,986,533	\$ 12,564,181	\$ 577,648	4.82%
Provincial Taxes	\$ 3,761,687	\$ 3,978,015	\$ 216,328	5.75%
Total Taxation	\$ 15,748,220	\$ 16,542,196	\$ 793,976	5.04%
Joint Economic Area Taxes	\$ 534,000	\$ 500,000	-\$ 34,000	-6.37%
Sale of Goods General	\$ 380,619	\$ 368,719	-\$ 11,900	-3.13%
Sale Of Goods Utilities	\$ 7,777,829	\$ 8,242,002	\$ 464,173	5.97%
User Fees - Recreation	\$ 771,000	\$ 865,500	\$ 94,500	12.26%
Licenses & Permits	\$ 381,047	\$ 331,834	-\$ 49,213	-12.92%
Franchise Fees	\$ 2,067,111	\$ 2,020,702	-\$ 46,409	-2.25%
Federal Government Grants	\$ 316,120	\$ 299,120	-\$ 17,000	-5.38%
Provincial Grants	\$ 386,099	\$ 391,374	\$ 5,275	1.37%
Local Government Grants	\$ 372,495	\$ 524,495	\$ 152,000	40.81%
Penalties & Fines	\$ 321,200	\$ 331,200	\$ 10,000	3.11%
Rentals	\$ 1,369,200	\$ 1,559,840	\$ 190,640	13.92%
Investment Income	\$ 396,032	\$ 396,032	\$ -	0.00%
Other Revenue	\$ 525,000	\$ 533,000	\$ 8,000	1.52%
Funded from Reserve	\$ 124,594	\$ 506,416	\$ 381,822	306.45%
Total Revenue	\$ 31,470,566	\$ 33,412,430	\$ 1,941,864	6.17%

2024 Operating Revenue by GL Category

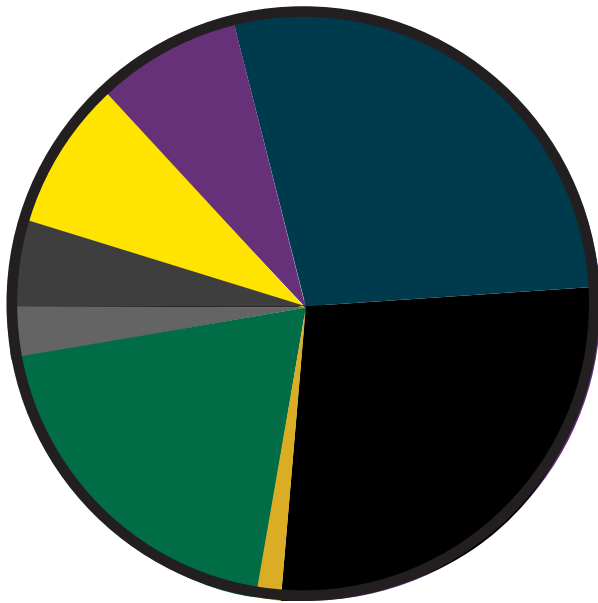


- Other Revenue - **2%**
- Funded from Reserve - **2%**
- Property Tax - **38%**
- Provincial Taxes - **11%**
- Joint Economic Area Taxes - **1%**
- Sale of Goods General - **1%**
- Sale of Goods Utilities - **25%**
- User Fees - Recreation - **2%**
- Licenses & Permits - **1%**
- Franchise Fees - **6%**
- Fed. Gov. Grants - **1%**
- Local Government Grants - **2%**
- Prov. Grants - **1%**
- Penalties & Fines - **1%**
- Rentals - **5%**
- Investment Income - **1%**

2024 Operating Expenses by GL Category

Expenses	2023 Budget	2024 Budget	Change	% Change
Salaries, Wages & Benefits	\$ 10,072,459	\$ 10,743,448	\$ 670,989	6.66%
Contracted & General Services	\$ 8,672,777	\$ 9,604,588	\$ 931,811	10.74%
Materials & Supplies	\$ 3,145,531	\$ 3,590,639	\$ 445,108	14.15%
Transfers to Local Boards & Agencies	\$ 501,539	\$ 535,717	\$ 34,178	6.81%
Bank Charges	\$ 43,000	\$ 55,000	\$ 12,000	27.91%
Long Term Debt	\$ 1,768,342	\$ 1,148,158	-\$ 620,184	-35.07%
Requisitions	\$ 3,762,790	\$ 3,978,495	\$ 215,705	5.73%
Transfer to Capital Reserve	\$ 3,015,328	\$ 3,267,585	\$ 252,257	8.37%
Transfer to Operating Reserve	\$ 4,800	\$ 4,800	\$ -	0.00%
Internal Recovery	\$ 484,000	\$ 484,000	\$ -	-
Total Expenses	\$ 31,470,566	\$ 33,412,430	\$ 1,941,864	6.17%

2024 Operating Expenses by GL Category



- Internal Recovery - **1%**
- Salaries, Wages & Benefits - **32%**
- Contracted & General Services- **29%**
- Materials & Supplies - **11%**
- Trans. to Local Boards & Agencies - **2%**
- Bank Charges - **0%**
- Long Term Debt - **3%**
- Requisitions - **12%**
- Trans. to Cap. Reserve - **10%**
- Trans to Op. Reserve - **0%**

Three Year Operating GL Account Summary

	2024	2025	2026
- 010 Property Taxes	12,564,181	12,992,525	13,290,466
- 020 Joint Economic Area Taxes	500,000	505,000	510,000
- 030 School & Senior Requisitions	3,978,015	3,702,345	3,702,345
- 040 Sale of Goods General	368,719	355,084	357,872
- 041 Sale of Goods Utilities	8,242,002	8,620,593	9,125,009
- 042 User Fees - Recreation	865,500	870,500	875,500
- 050 Licenses & Permits	331,834	338,524	345,413
- 060 Franchise Fees	2,020,702	2,051,823	2,083,474
- 070 Federal Government Grants	299,120	299,120	299,120
- 080 Provincial Government	391,374	391,374	411,374
- 090 Local Government Grants	524,495	524,997	527,000
- 100 Penalties & Fines	331,200	331,200	331,200
- 120 Rentals	1,559,840	1,361,840	1,378,840
- 30 Investment Income	396,032	396,032	396,032
- 140 Other Revenue	533,000	533,345	533,700
- 900 Funded from Reserve	506,416	150,250	330,250
Total Revenues	33,412,430	33,424,552	34,497,595
- 010 Salaries, Wages & Benefits	10,743,448	11,002,764	11,284,983
- 020 Contracted & General Services	9,604,588	9,410,610	9,782,422
- 030 Materials & Supplies	3,590,639	3,387,907	3,389,227
- 040 Transfers to Local Boards & Agencies	535,717	541,484	546,042
- 050 Bank Charges	55,000	55,000	55,000
- 060 Long Term Debt	1,148,158	1,172,138	1,531,304
- 090 Requisitions	3,978,495	3,702,735	3,702,735
- 100 Transfer to Capital Reserve	3,267,585	3,663,114	3,717,082
- 110 Transfer to Operating Reserve	4,800	4,800	4,800
- 500 Internal Recovery	484,000	484,000	484,000
Total Expenses	33,412,430	33,424,552	34,497,595
Net Total	-	-	-

2024 Capital Budget

Project	Total Funding	Funding Source
Engineered Structure - Network		
Annual Pavement Replacement	450,000	Grants - CCBF
Catch basin installation at Aspen Drive	25,000	Reserve - Storm Sewer
Catholic School Services	600,000	Reserve - Streets, Reserve - Water, Reserve - Wastewater
Leung Road - Phase 2	2,460,000	Grants - CCBF, Grants - MSI, Reserve - General Capital
Equipment		
Zamboni Ice Resurface (CSD)	146,500	Reserve - General Capital, Other
Brine Pump Replacement	41,000	Reserve - General Capital, Other
John Deere 544H Wheel Loader	340,000	Reserve - General Capital
Mower Zero Turn John Deere Z950R (CSD)	23,000	Reserve - General Capital
Plotter	15,000	Reserve - General Capital
In Car Camera System	70,000	Reserve - General Capital
Facility		
Phase 2 Transfer Site Upgrade	400,000	Reserve - Solid Waste
Land Improvements		
All Star Park Campground	40,000	Grants - MSI
Football Field	500,000	Grants - MSI, Other
Arena Parking Expansion	30,000	Reserve - General Capital
Vehicle		
Additional Truck	70,000	Reserve - General Capital
Ford Explorer (Enforcement)	90,000	Reserve - General Capital
Ford F-150 1/2 ton Crew 4x4 (CSD)	70,000	Reserve - General Capital
Polaris side by side w/dump box	30,000	Reserve - General Capital
5,400,500		