



2024

Approved Operating Budget  
and Five Year Capital  
Improvement Plan

Town of Three Hills



## **Town of Three Hills**

Approved 2024 Operating Budget and Five Year Capital Plan



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Three Hills  
Alberta**

For the Fiscal Year Beginning

**January 01, 2023**

*Christopher P. Morill*

Executive Director

## GFOA Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Town of Three Hills, Alberta**, for its Annual Budget for the fiscal year beginning **January 01, 2023**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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# Introduction

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## Guide to the Budget Document

The primary purpose of this document is to provide Council and citizens with a comprehensive overview of the town's approved budget, town services and operations, and the resources that fund those services. This document first outlines the goals and issues involved in developing the budget. Then, it provides a discussion on the financial structure of the town with an overview of the town's various funds, where the money comes from and how it is spent. Details about the budget, forecasted revenue and appropriated expenditures follow, along with an in-depth look at town departments and programs.

### Introduction

The purpose of this section is to provide the reader with general information about the town's history and economy. The town's governance and organizational structures are also in this section.

### Budget Guidelines

Budget guidelines give readers information on the process used to create the budget, guiding principles and parameters in budget preparation and assumptions within the budget. A description of the funds used by the town are shown, guidelines and policies are summarized to assist readers, and the budget schedule and calendar are shown.

### Budget Overview

Information in this section should give the reader an understanding about the services the town provides to our citizens and the costs incurred in the provision of those services. It includes the sources of funding that support the town's operations and capital needs and expenditures to provide services to residents. This section also contains summaries of the 2024 budget with base budget and Council adjustment information, explanations of Council adjustments and departmental and fund summaries.

### Departmental Budgets

Presented in this section are summaries and details of the approved 2024 operating budget by department. For comparison, the 2023 approved budget, 2023 projected actuals and 2022 actual amounts are presented alongside the 2024 figures.

Approved service level initiatives or requests can be found within this section.

Following the departmental summaries is information on the Town's revenues and reserves.

### Capital Budget

This section discusses the capital improvement plan and details the approved capital outlay and projects that are included in this budget. There is also information and forecasts on the town's long-term debt and funding sources for the capital program.

### Appendices

Appendices contain supplemental information including approved staffing levels and the approved three year operating plan.

# Budget Message

## Budget Message

December 11, 2023

Honourable Mayor, members of Town Council and citizens of the Town of Three Hills.

It is with pleasure that I submit to you the approved operating budget and capital improvement plan for fiscal year 2024.

The 2024 budget continues to build on the ongoing work of staff and Council to provide a high quality explanation of the Town's finances, expectations and achievements to the public. Incorporating feedback from our 2023 GFOA budget submission, the current budget book includes informational and formatting improvements from prior years.

The approved 2024 budget primarily focuses on providing services at the level expected by Council and public while planning for the future by increasing funding for capital projects.

### Revenues

There is some good news regarding Town revenues with increases in Local Government Fiscal Framework (LGFF) operating funding from the province, recreational (campground and pool) services, water sales and Town investments. While assessment growth has moderated, these other increases will help minimize tax rate changes to pay for Town expenses. More information on Town revenues can be found starting on page 77.

Otherwise revenue growth is stable compared to the prior year. The Town expects to see assessment increases due to market value changes, while actual assessment growth is minor, with less than five new builds expected in 2024.

### Expenses

Inflationary pressures continue to impact the Town's budget as the cost for goods and services continue to increase greater than our revenues. Fortunately increases for policing services ends in 2024 and the Town has stabilized some utility costs over the next half decade; these are offset by typical increases in

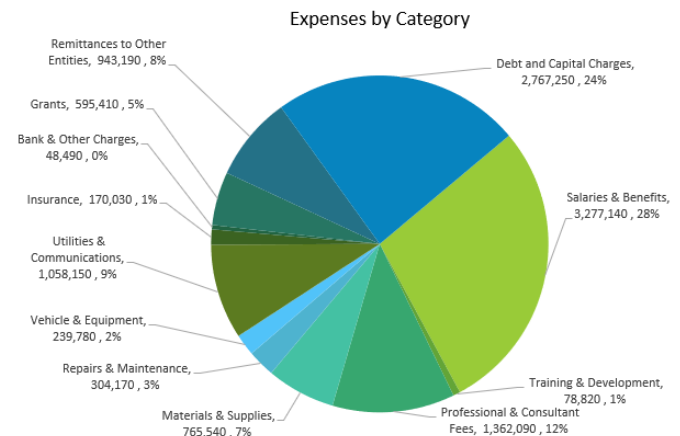
employee compensation, professional services and the purchase of goods. Categorized expenses are found within the departmental budgets, starting on page 44.

Staff are also proposing aggressive increases in capital funding to address short-and-long term infrastructure replacements.

### Summary

Overall the approved budget contains operating increases of \$866,340 or 7.0% - however this includes \$330,010 in operating funding for regional fire apparatus and is paid for by Town reserves; removing this figure reduces the increase to \$536,330 or 5.0% over the prior year. The increase is based on base budget changes and service level additions or adjustments.

Expenses by cost component are shown below.



Within the approved budget, service levels are being maintained, and a few new spending initiatives are being presented:

- additional \$5,000 for grants to organizations,
- \$40,000 in funding towards the Chamber of Commerce water tower lighting project,
- \$6,900 towards the Domestic Utility Relief Program,
- a \$40,450 allowance in anticipation of costs changes for garbage and recycle pickup,
- mattress and box spring recycling project costing \$8,070 per year,

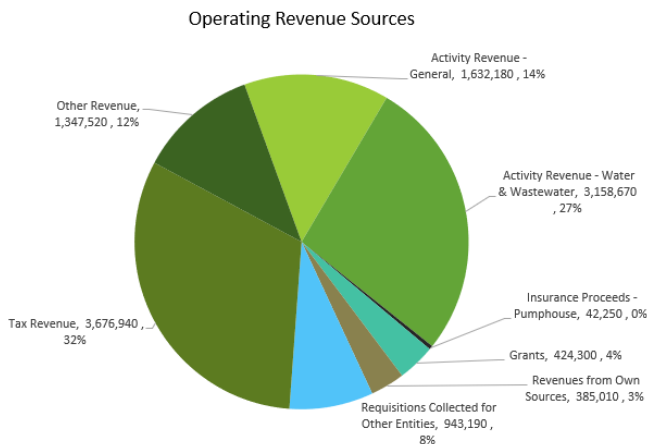
# Budget Message

- \$15,000 for flooring improvements in the Zamboni room,
- \$132,000 in funding to perform additional capital project work, and
- \$90,000 in funding to perform additional water and sewer project work.

Approved revenue increases on existing activities, services and new initiatives total \$605,040 or 10.1% over the prior year.

To balance the budget, Council approved tax revenue increases of \$125,120 or 3.5% over the prior year. Based on estimated assessment increases (assessment information can be found on page 32) and new assessment growth within the Town, ratepayers should expect, on average, tax bill increases of around 3.2% compared to 2023.

A summary of approved revenues are shown below.



Details on the budget summary can be found on Table 1 on page 29, and water rate information can be found on pages 35 and 53 to 55.

In addition, the approved budget includes a 2.3% increase on water and wastewater rates, which is required to cover operational, maintenance, major repair and capital cost increases to the fund. There are no budgeted rate increases for waste or recycling services.

Also incorporated into the budget is a model to increase funding of the town's future capital needs,

which will balance the town's ability to save now and move towards a pay-as-you-go model against a reliance on long term debt. These contributions need to increase significantly over the upcoming years to provide fiscal flexibility over the long term.

## Capital Budget

The 2024 Capital Program includes 11 new projects totalling \$940,500. A summary listing of the projects can be found in the table below:

| Project  | Approved Budget |
|--|-----------------|
| <b>Administration</b>                            |                 |
| Hardware Replenishment                           | 17,500          |
| <b>Total Administration</b>                      | <b>17,500</b>   |
| <b>Transportation &amp; Infrastructure</b>       |                 |
| Asphalt Maint. & Resurfacing Program             | 325,000         |
| Fleet Vehicles                                   | 60,000          |
| Decorative Lighting                              | 5,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>390,000</b>  |
| <b>Recreation and Facilities</b>                 |                 |
| Arena - Hot Water Tank Replacement               | 18,000          |
| Arena - Dehumidifier Replacement                 | 100,000         |
| Arena - Roof Repairs                             | 100,000         |
| Pool - Changeroom Furnace                        | 55,000          |
| Mower Replacement Program                        | 15,000          |
| Kinsman Park Rehabilitation                      | 185,000         |
| <b>Total Recreation and Facilities</b>           | <b>473,000</b>  |
| <b>Water and Sewer</b>                           |                 |
| Fleet Vehicles                                   | 60,000          |
| <b>Total Water and Sewer</b>                     | <b>60,000</b>   |
| <b>Total Capital Program</b>                     | <b>940,500</b>  |

The approved 2024 capital program is lighter than typical because of 6 previously approved projects totaling \$5.13 million.



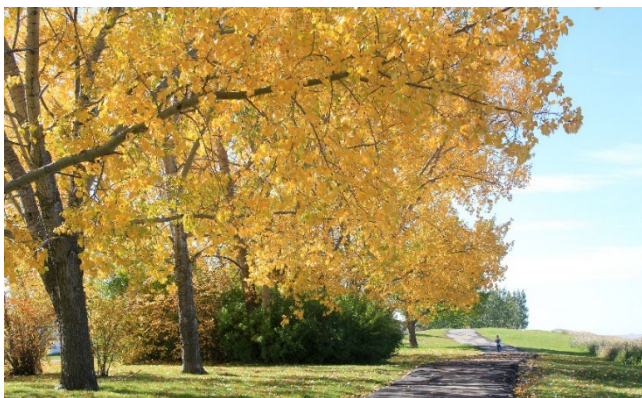
# Budget Message

The totality of these 17 projects is \$6.07 million. Although the budget and workload is significant, staff anticipate that the listed projects will be substantially completed by the end of 2024.

| Project  | Previously Approved Budget |
|--|----------------------------|
| <b>Transportation &amp; Infrastructure</b>       |                            |
| 1st St N/E - Resurfacing                         | 844,200                    |
| <b>Total Transportation &amp; Infrastructure</b> | <b>844,200</b>             |
| <b>Waste Management</b>                          |                            |
| Cell Construction                                | 510,000                    |
| <b>Total Waste Management</b>                    | <b>510,000</b>             |
| <b>Water and Sewer</b>                           |                            |
| WTP Residual Retention Pond                      | 1,935,000                  |
| Pumphouse Replacement                            | 200,000                    |
| Utilities Replacement 1st St N/E                 | 1,567,800                  |
| Equity Pump Station Facility                     | 75,000                     |
| <b>Total Water and Sewer</b>                     | <b>3,777,800</b>           |
| <b>Total Previously Approved</b>                 | <b>5,132,000</b>           |

The 2024 Capital Budget can be accomplished without negatively impacting existing tax rates, although it does accelerate the usage of our own reserves.

More information on the approved projects and five-year capital plan can be found within the budget document.



## Looking Ahead

During priority workshops, Council has collectively identified key priorities to target during their term:

- manage the tax burden to property owners,
- improve efficiencies within the organization and continue and strengthen existing partnerships,
- improve service delivery,
- manage and complete infrastructure/capital program, and
- build capacity for operating and capital programs within the budget.

The approved budget meets all these objectives.

While preparing the budget, trying to create an accurate budget dealing with the true needs of the Town is proving difficult in this era of constrained growth. Revenue options for municipalities are limited, and costs for municipalities tend to increase at a rate greater than typical CPI. As such, staff and Council will continue to face limited options to mitigate costs to ratepayers.

To promote proactive budgeting and meet the requirements of the *Municipal Government Act*, a three year operating budget is also presented in the budget document. Details on the three year operating budget can be found starting on page 117.

This budget document was created as a communication tool for the residents of Three Hills. This document is the result of a significant amount of work by Council and staff, as many hours were spent identifying, developing and confirming goals, developing operating plans and prioritizing programs and projects.

Respectfully,

Greg Towne  
Director of Finance

# Organizational Profile

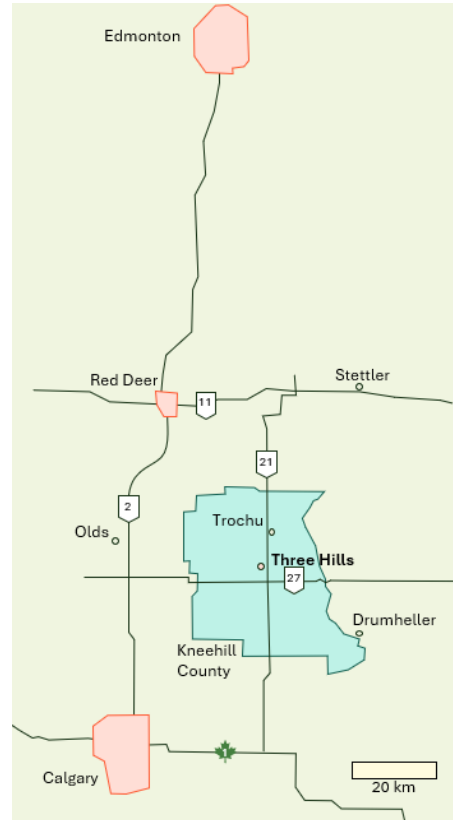
## Community Profile

From our humble beginnings as a village in 1912, the Town of Three Hills has a strong history of community hospitality, economic expansion, and convenient locality.

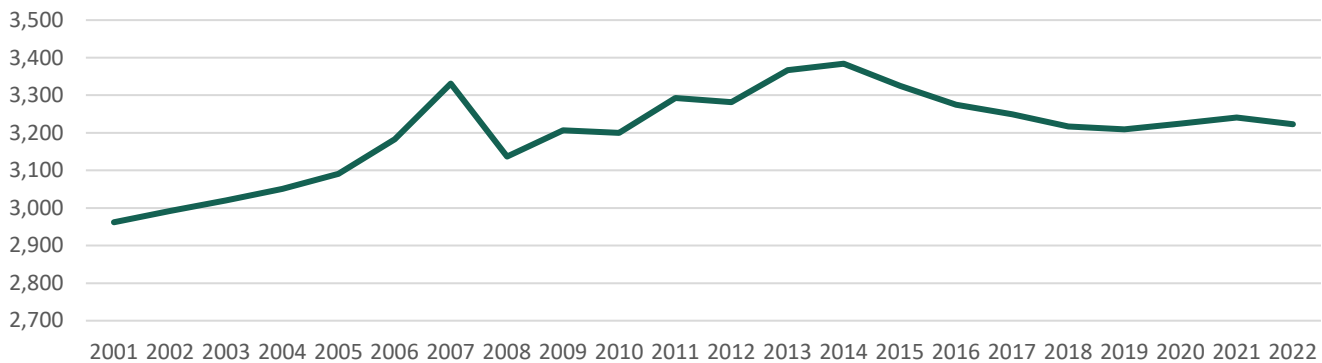
Three Hills has the security and quality of life of a small town with numerous big city amenities. Our downtown sector features excellent shopping and dining conveniences as well as several financial institutions and service necessities. With 7 parks and over 4 kms of walking trails, abundant green space can be found throughout the community. In addition, modern recreation facilities, dynamic arts organizations and numerous service groups, all lend well to our high quality of life.

### Population

The Town of Three Hills has had moderate growth over the last 20 years and currently sits at 3,223 residents (per the Province's population estimates.)



Three Hills Population 2001 to 2022



# Organizational Profile

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## Community

Three Hills residents take great pride in providing a welcoming atmosphere for visitors and locals alike. Social events are commonplace with many venues to choose from, including markets, cabarets, celebrations and concerts. Community events are produced by organizations throughout the year, including the famous Cruise Weekend held on the first weekend of every June.

## Climate

|                            |         |
|----------------------------|---------|
| Average summer temperature | 24°C    |
| Average winter temperature | -10°C   |
| Average annual snowfall    | 37 cm   |
| Average annual rainfall    | 27.2 cm |

## Demographics

### Gender

|        |       |
|--------|-------|
| Male   | 49.8% |
| Female | 52.2% |

### Age Composition

|              |       |
|--------------|-------|
| Median Age   | 44.8  |
| Under 5      | 5.1%  |
| 5 to 19      | 20.1% |
| 20 to 34     | 14.2% |
| 35 to 49     | 17.3% |
| 50 to 64     | 17.8% |
| 65 to 74     | 12.4% |
| 75 to 84     | 9.4%  |
| 85 and Older | 3.8%  |

### Income Information

|                         |          |
|-------------------------|----------|
| Median Household Income | \$76,000 |
| Household Income        |          |
| Less than \$25,000      | 7.7%     |
| \$25,000 to \$50,000    | 21.8%    |
| \$50,000 to \$75,000    | 19.7%    |
| \$75,000 to \$100,000   | 17.5%    |
| \$100,000 to \$150,000  | 20.1%    |
| \$150,000 and greater   | 13.2%    |

## Tax Structure

Per \$100 of assessed value

|                              |       |
|------------------------------|-------|
| Residential                  | 9.78  |
| Farmland                     | 9.78  |
| Non-residential (commercial) | 12.77 |
| Linear                       | 12.77 |

(2023 tax rates shown)

## Education

The Town of Three Hills offers an impressive variety of educational opportunities. Administered by the Golden Hills School Division, both Prairie Christian Academy and Three Hills School provide kindergarten through grade classes. Post-secondary training can be obtained at Prairie College (celebrated their 100th anniversary in 2022), a leading Canadian Christian college that integrates applied education (like nursing and digital media), biblical literacy and spiritual formation in order to equip students to help address some of the world's greatest needs. Early Childhood programs as well as Adult Education are offered through a variety of different organizations in the community.

## Industry and Location

Three Hills' central location provides residents and businesses with an optimal position for convenient commuting and transportation. Approximately an hour from Red Deer, Olds, Calgary and Drumheller, our town has become a regional hub, agriculture market and service centre. Three Hills welcomes new development and commerce and works closely with industries that wish to settle in this community.

## Tourism

Stay at the Three Hills Campground or one of the numerous other campgrounds, hotels/motels in the area. Splash at the Aquatic Centre, book a tee time at the Three Hills Golf Club, check out the Kneehill Historical Museum and Tourist Information Centre, or spend the day exploring our parks and trails. As part of the Canadian Badlands, the Town of Three Hills has numerous world-class tourism attractions just a short drive away.



# Organizational Profile

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## Governance

The Council of the Town of Three Hills is made up of a Mayor and 4 Councillors, all elected at large. "At large" means general area, that is, Three Hills is not divided up into various geographic wards or ridings. Each councillor has a duty to represent and work for all residents and businesses in the town in a nonpartisan way.

The most recent Municipal Election was held in 2021. Council's term runs for four years; the next election will be held in October of 2025.

The Three Hills Council is responsible for setting public policy, approving the town's annual budget, entering agreements, providing executive leadership, making planning and development decisions, and adopting new codes and bylaws.

### Town Officials

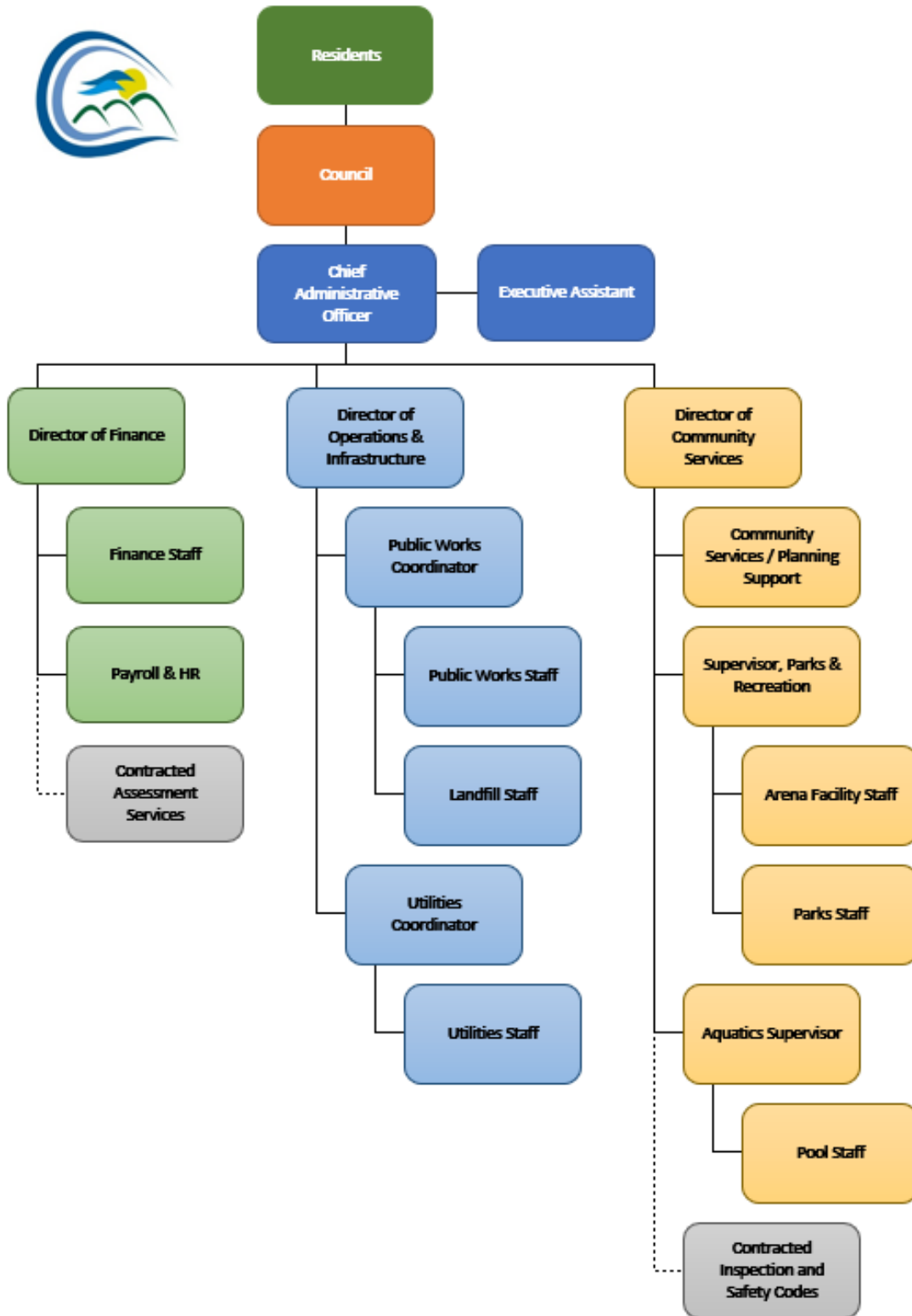
Mayor Ray Wildeman  
Councillor Dennis Hazelton  
Councillor Miriam Kirk  
Councillor Byrne Lammle  
Councillor Marilyn Sept



Back Row from left: Deputy Mayor Byrne Lammle, Mayor Ray Wildeman, Councillor Dennis Hazelton, CAO Ryan Leuzinger  
Front Row from left: Councillor Marilyn Sept, Councillor Miriam Kirk

# Organizational Profile

## Organizational Chart



# Organizational Profile

## Committees of Council

Local boards, committees and external organizations are a key component of Council’s governance model. There are a variety of boards and committees, each having different levels of association with the town. Councillors are expected to attend all meetings of the boards and committees they are members of and report back to Council the activities of these organizations.

**Local boards** are generally established by legislation and may have a member of Council on their board. They have authority to address their responsibilities as determined under the relevant legislation. An example of a local board would include the Three Hills Library Board.

Affiliated boards and/or organizations are governed by legislation or are provided for under the Municipal Government Act. Council may appoint one or more board members to the organizations and may provide funding through

grants or service agreements. Otherwise, these organizations operate somewhat independently from the town. Examples are Kneehill Housing Corporation or Community Futures Wild Rose.

For 2024, committee composition were determined at the Town’s Organizational Meeting, held October 23, 2023.

Statutory committees are permitted or required by provincial legislation and perform functions as specified in the relevant legislation. Examples include the Municipal Planning Commission or Regional Subdivision & Development Appeal Board.

Advisory committees provide advice and recommendations to Council as requested on areas within their mandates with no authority for decision making or independent actions. Comprised of citizens and members of Council, members are appointed by Council.

| Board or Committee   | Description  | Primary Representative(s)    |
|--|--|------------------------------|
| Central Alberta Economic Partnership (CAEP)                    | Representing more than 45 municipalities and organizations, CAEP's collaborative approach accelerates a sustainable and innovative economy in Central Alberta.   | Lammler<br>Kirk (alternate)  |
| Community Futures Wild Rose                                    | Community Futures Wild Rose office is a non-profit organization that’s dedicated to building an economically diverse future for the communities of our region.   | Hazelton<br>Kirk (alternate) |
| Intermunicipal Collaborative Framework Committee (ICFC)        | To develop recommendations to the councils (Three Hills and Kneehill County) on the strategic direction of matters related to collaboration and cooperation affecting residents of the Municipalities.   | Wildeman<br>Lammler          |
| Kneehill Housing Corporation (KHC)                             | Kneehill Housing Corporation is a not-for-profit organization that provides affordable, government subsidized housing for independent senior citizens, and families in need of housing. KHC promotes respect, individuality, provision for choice, and the right to privacy. | Hazelton<br>Lammler          |
| Kneehill Medical Services Retention and Recruitment Task Force | Work with AHS, the province and regional partners to recruit and retain healthcare practitioners to the region.  | Kirk<br>Sept (alternate)     |
| Kneehill Regional Emergency Management Advisory Committee      | The Emergency Management Advisory Committee is responsible for reviewing the Municipal Emergency Plan and related programs on an annual basis.   | Wildeman                     |
| Kneehill Regional Family & Community Support Services (FCSS)   | Partnership between the municipal and provincial governments established to develop, support and fund preventive social programming to enhance the well being of individuals, families and communities.  | Sept<br>Wildeman (alternate) |
| Kneehill Regional Partnership (KRP)                            | To work collaboratively on shared projects and initiatives that affect municipalities across Kneehill County.  | Sept<br>Kirk (alternate)     |



# Organizational Profile

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| Board or Committee                                     | Description  | Primary Representative(s)                    |
|--|--|--|
| Marigold Library System                                | The Marigold Library Board assumes the responsibility of developing policy related to framework, governance, advocacy, and operational management of Marigold and of its library service points (community libraries). | Carol Best (Council appointed public member) |
| Municipal Planning Commission (MPC)                    | Advise and assist council and various departments and agencies of Three Hills with regard to orderly planning, development and land use within the Town.   | Wildeman<br>Lammler<br>Hazelton              |
| Negotiation Committee (CUPE)                           | To liaise between Council and administration before and during union negotiations.   | Wildeman<br>Hazelton                         |
| Red Deer River Municipal Users Group (RDMUG)           | Membership is composed of municipalities within the Red Deer River Basin and communities who receive water from the Red Deer River.  | Wildeman<br>Lammler (alternate)              |
| Three Hills Detachment Police Advisory Committee (PAC) | Act in an advisory capacity to Council and Senior Officer in charge of the local RCMP.   | Sept<br>Hazelton (alternate)                 |
| Three Hills & District Chamber of Commerce             | Promotion, advocacy, and enhancement of business interests within the region.  | Lammler<br>Hazelton (alternate)              |
| Three Hills Library Board                              | General management, regulation and control of the Three Hills Library.   | Kirk   |
| Three Hills Memorial Community Centre Society          | Make recommendations to Council with respect to function, governance, and finances of the Three Hills Community Memorial Centre.   | Wildeman<br>Sept (alternate)                 |

# Strategic Plan

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## Strategic Plan

In 2022 Council approved their “Our Three Hills” Strategic Plan to run through the end of their term in 2025.

On December 8, 2021, Council and the Leadership Team came together to participate in a strategic thinking process to identify future strategies and priorities. As Our Strategic Process illustrates, this Plan is a continuation, updating and identifying new strategies and priorities while building upon the existing strategic plan, which was developed in October 2019. Planning processes are specifically designed to build upon the past. This historical context provides a solid foundation for future action.



The strategic thinking process began by reviewing what Council and the Leadership Team feels success will look like in 2025. This was followed by a review of the Town’s municipal purpose, vision, mission, and values. Establishing a common vision or understanding of our purpose and future is critical for Council’s ability to appropriately provide leadership and engage the community in meaningful discussions.

The results were used to bridge current realities with Council’s expectations. Strengths, weaknesses, opportunities, and threats were reviewed. Our Strategic Future was discussed based on new and foundational information. From there, Governance strategic priorities were identified.

The strategic plan identified several areas of focus and deliverables during the upcoming term. The 2023 and future budgets incorporate these goals and updates and results are regularly reported back to Council.

The strategic plan is broken down into three categories.

## Our Governance and Financial Responsibility

We will be progressive leaders that provide strong governance through fiscal responsibility, open communication, and strong intergovernmental relationships.

### People Resources

- Ensure we attract and retain the best people to work for our organization
- Ensure organizational resiliency and ability to adapt
- Capture internal processes and be able to transfer our knowledge base to new staff
- Continued strong relationship between Council and Administration

### Financial Accountability and Revenue Enhancements

- Continue to provide and enhance financial information to Council and ratepayers in a timely, comprehensive, and easy manner
- Leverage other sources of revenue to minimize tax increases
- Process improvements for our operating and capital budgeting

### Collaborative Partnerships

Collaborative relationships with effective communication with our regional partners to improve services in the region.

- Strengthen our relationship with other levels of government advocating for the needs of Three Hills and our regions’ success.

### Deliverables

- Reviewing and updating Personnel Policies and Procedures by 2023 for continued equitable and fair treatment of staff
- Ongoing capacity building of staff and ensure they are cross trained so ratepayers are not impacted by staff absences

# Strategic Plan

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- Organizational Succession Plan for key positions developed by 2024
- Fiscal Sustainability Review completed by 2024 and shared with the Community
- Asset management and asset condition information provided to Council
- A service level review, with recommendations is completed on all Town provided services by 2025
- Water and Sewer rate modelling completed and presented to Council by 2023
- A review of user fees/tax burden ratio will be provided on all Town services will be provided with budget deliberations

## Our Infrastructure

We are committed to strategically maintaining, investing in, and planning safe infrastructure that contributes to the high quality of life of all residents.

### Innovative and Proactive Approaches to Infrastructure Management

- Enhancing our asset management information to enhance proactive maintenance and construction
- Ensure both short and long-term plans are up to date and utilized to assist with planning purposes
- Provide for initiatives to ensure for controlled stormwater drainage solutions

### Infrastructure Repair

- Well-maintained and affordable municipal infrastructure
- Continue to follow best practices and ensure legislative requirements are maintained
- Focus on problematic water distribution and sewer collection infrastructure within Town

### Deliverables

- Wastewater lagoons are dredged by 2023, allowing for the system to function properly
- Completion of the new recycling space at the landfill prior to 2024
- Development of a comprehensive Infrastructure Master Plan
- Completion of a Regional Water Distribution System Study by 2024
- Completion of the Residual Management Facility at the Water Treatment Plant prior to mandated Alberta Environment deadlines
- Ongoing sidewalk and roadway repairs, maintenance, and renewal
- Ongoing work to implement the storm water initiatives highlighted by the previous Council



# Strategic Plan

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## Our Complete Community

We will build a healthy and vibrant community to support the diverse needs of residents.

### Community Development

- Foster a sense of community belonging and inclusion
- We will work to support local businesses and user groups and their ongoing successes
- We will support initiatives to ensure attainable residential growth
- We will support initiatives to contribute to improve the ease of doing business in Three Hills

### Connectivity with the Community

- Provide enhanced information to the community through various methodologies
- Create a positive culture regarding the Town throughout the community through telling our success stories
- Ensure the visibility of the Town is increased through marketing and promoting the Town via additional social programming and community events
- Communicate the impacts of our capital projects to the community more effectively

### Healthy Community

- High quality recreational and social infrastructure is maintained and provided
- Enhance social programming at the various facilities and throughout the community via different events and offerings
- Focus on maximizing facility usage throughout the year
- Enhance civic engagement opportunities

## Deliverables

- Updating of the Municipal Development Plan is completed prior to 2023
- New website is developed and implemented by 2023 allowing for better information to be shared with the community
- Facility usage information will be provided to Council
- Determine and implement the most appropriate Economic Development model for success
- Ensure budget is allocated to provide for planting and replacement of trees throughout Town

# Budget Guidelines

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## Budget Guidelines

The budget for the Town of Three Hills is a comprehensive guide for the financial decision-making and operational management throughout the fiscal year. The budget is not only a financial plan but also a performance plan to assist in accomplishing the strategic goals set forth by Town Council. This section describes the policies and procedures that govern the preparation and implementation of the town budget as well as managing the short and long-term finances and investments of the town.

Departmental budgets are prepared and justified using two components - a continuation budget (Base Budget) and a proposed change or expansion budget (Service Level Adjustments.) The base budget includes inflationary increases and costs incurred by the town beyond normal inflation as well as expenditures where the town has made a legal or budgetary commitment. The inclusion of these costs in the base budget will allow the town to maintain the same high levels of service provided in the current year with similar operating funds. These costs include projects and infrastructure expenditures reflected in the annual Capital Improvements Plan which includes street resurfacing costs, vehicles, equipment, various specific capital projects and debt service payments for capital commitments. Other ongoing annual costs in the base budget includes wage settlements, employee and dependent health insurance, and numerous operating costs needed to provide daily services.

All other requests are defined as “proposed changes” during budget deliberations and shown as “Council adjustments” or “deliberation items” in the budget. These are budgeted in a separate column and categorized in a manner such that Council and residents can understand the various dynamics involved in making funding decisions. Dynamics include new services or changes to service levels which must be set by Council. Justifications for proposed changes are based on Council’s goals as well as individual departmental goals and objectives.

Also driving the services and budget process provided by the town are the strategic priorities and financial policies adopted by Council. These financial policies address revenues, cash management, expenditures,

debt and risk management, capital needs, and budgeting and management.

The following guidelines were paramount in budget preparation:

- keep tax rates competitive,
- mitigate negative future budget changes,
- maintain existing service level standards,
- include a proactive infrastructure funding plan into the base budget, and
- include the funding for the current year capital plan and present the five-year capital forecast.

In 2022, Council approved their 2022-2025 Strategic Priorities, a comprehensive document outlining the goals and objectives for Council’s term. Staff have started to incorporate these priorities within the 2024 budget and daily operations.

## Basis of Budgeting

The budget is prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP). The town’s funds consist of the General Fund, Capital Fund and Reserve Fund. Water and wastewater revenues and expenses are tracked within the General Fund and the rate is self-funded.

Governmental fund type budgets are developed using the modified accrual basis of accounting. Under the modified accrual basis revenues are estimated for the fiscal year if they are accrued (amounts can be determined and will be collected within the current period). Principal and interest on general long-term debt is budgeted as expenditures when due, whereas other expenditures are budgeted for based on the timing of receipt of the good or service.

Revenue forecasts are conservative in nature; known changes to assessment data (net of appeals) are incorporated as is, while other items are increased by very moderate amounts.

Expenditure items are forecast based on known amounts, or based on projections or trends. Normally, increases for anticipated unknown items (such as consultant services, external contractors or the purchase of goods and supplies) are typically around 2% to 3% - for 2024, this number has been increased to 2% to 6% in line with CPI.

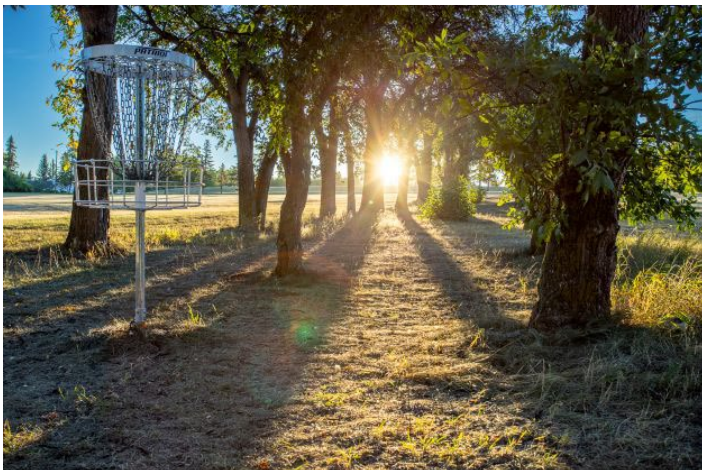


# Budget Guidelines

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The following items list the parameters and factors staff incorporate in preparing the town budget:

- implement improved budgeting and outcome based budgeting format,
- incorporate policies into 2024 budget (for example changes to sidewalk and pathway clearing or the addition of commercial recycling carts); identify non-dedicated fund balances, and define purpose or recommend usage alternatives,
- examine five-year historical trending in all revenue and expenditure accounts,
- analyze and update financial policies and procedures,
- fund long term future obligations and designated reserve accounts,
- utilize debt levy stabilization account to offset increase in debt service,
- examine current and alternative revenue sources that promote long-term financial sustainability,
- examine water and wastewater fee structures,
- examine adequacy and equity of fees and revenues for services and programs,
- maximize provincial expenditure aids to offset tax levy,
- examine most cost effective way of providing service and conducting business,
- examine and, where applicable, reduce redundancies in service provisions,
- maintain preventative infrastructure maintenance program and Capital Improvements funding,
- examine additional energy efficiency initiatives to offset rising energy costs, and
- heightened awareness and promotion of recycling to provide sustainability and costs savings.



Within the 2022 and 2023 budget there were several significant budget changes and improvements to methodology and reporting. The 2024 budget continues to refine and improve on this process.

While similar, the Town's budgeting methodology does not fully align with its audited financial statements. Significant differences between Public Sector Accounting Board (PSAB) financial statement requirements and the Town's budget include:

- financial statements are presented on a consolidated basis, meaning the Town's funds are rolled up into a single schedule; the budget presents the major funds separately,
- interfund transactions (ie transfers to and from reserve funds) are eliminated on the financial statements; these are shown within the budget,
- the Town does not budget for amortization (or depreciation) expenses at this time; these expenses are identified on the financial statements,
- the Town does not fully budget for expected gains or losses on the disposal or sale of capital assets.

## Fund Allocations

Allocations between the services funded by user fees (water/wastewater and solid waste management) and the general fund are being reviewed.

Generally, costs are being allocated to the proper fund. However, there are instances where operating or administrative costs have not been properly apportioned. These have been identified and will be corrected over time.

To partially correct in 2022, the town incorporated administration fees as a mechanism to capture cost allocations that were not fully implemented. These fees encompass a wide range of cost centres and include items such as administrative support costs, facility and equipment allocations, public works supports and other items. In 2024, these allocations have remained and have been updated.

# Budget Guidelines

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## Budget Review Process

Each year, the Finance Department releases budget guidelines to provide guidance and assist in the development of the annual budget. The operating and capital budgets undergo multiple layers of review.

### Departmental Review

Operating and Capital budget submissions are prepared by the respective department and are reviewed and approved by the Department Head before final submission.

### Budgeting Department Review

The Finance Department in cooperation with the relevant Department Head will review and analyze the operating and capital submissions for adherence to the guidelines. Once all submissions are received, budgets are consolidated, a corporate review/analysis is conducted and the results are presented to the Management Team.

### Management Team Review

The next step in the process is to present the draft operating and capital budgets to the Management Team for review and recommendation. The Management Team is comprised of a representative from all operating areas of the town. During this time, Management assesses the operating and capital budget prior to distribution to Council.

### Council Review

All members of Council will review and vote on the recommended operating and capital budgets. Council holds the final approval of the budget and may amend the budgets prior to approval.

## Fund Accounting

The financial accounts for Three Hills are organized on the basis of funds or account groups. In governmental accounting, a fund is a separate self-balancing set of accounts used to show operating results for a particular activity or activities.

For accounting and presentation purposes, the departmental and account structure mirror the ones prescribed by the Provincial Government through the Financial Reporting and Accounting Manual.

These funds are similar to the those reported on within the Town's audited financial statements.



# Budget Guidelines

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## Funds

### General Fund

This fund includes all municipal programs and services not accounted for in any other fund. This is the largest of the funds and the cost of the activities is recovered through municipal property taxes, user fees and other revenue sources. The General Fund also includes a provision for contributions to Reserves and Reserve Funds. For example, in an election year, election expenditures are financed by a transfer from the Election Reserve; conversely in non-election years contributions are made to the Election Reserve. Expenditures and revenues related to the provision of water & wastewater services are accounted for as part of the General Fund. Although water & wastewater activities are accounted for in this manner, staff manage the water & wastewater revenues and expenditures on a net basis with contributions and withdraws from the water & wastewater reserve being managed as not to impact on the general tax rate.

Water & wastewater revenues and expenses are tracked within the General Fund and the fund is self-funded, including net operating expenses, capital contributions and debt charges.

### Capital Fund

The Capital Fund includes all expenditures and financing sources to acquire or contract town infrastructure such as roads, building, vehicles, computer information network, water & wastewater infrastructure, recreation facilities and parks improvements. The capital fund is maintained with two components: one for all general municipal assets and the other reflects the transactions of the town's water and wastewater infrastructure needs.

### Reserve Fund

A reserve is an appropriation from net revenue at the discretion of Council. The town does not apply interest earned to the specific reserves; it is reported as General Fund earnings.

A reserve fund is an allocation of accumulated net revenue. A reserve fund differs from a reserve in that reserve fund assets are segregated and restricted to



meet the purpose of the reserve fund. There are two types of reserve funds: obligatory reserve funds and discretionary reserve funds. Obligatory reserve funds are created whenever statute requires. Discretionary reserve funds are established by Council to finance a future expenditure for which it has authority to spend.

The Town has 23 separate reserves established through policy.

More information on Town reserves is available starting page 80.



# Budget Guidelines

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## Fiscal Guidelines

### Balanced Budget

The town is required under the Municipal Government Act not to plan for a deficit. To achieve this, the budget is prepared on a financial viable basis and is monitored and controlled to enhance the final year-end results to achieve a balanced budget. As such, all budgeted revenues must equal budgeted expenditures.

### Replacement Funding

Separate funds exist for fleet and equipment replacement. Each cost center in the General and Water & Wastewater Fund contributes for future replacement of vehicles and equipment. The contribution is based on the projected replacement cost/anticipated useful life of the fleet.

When a vehicle is replaced, it should be disposed of to avoid adding to the fleet inventory and to avoid unnecessary maintenance and operational costs.



### Reserves

Three Hills projects to have a reserve balance of \$10,449,905 (\$8,966,326 in 2023); more information on reserve contributions and withdrawals can be found on Table 27 on page 85.

Three Hills maintains both discretionary and targeted reserve funds. Discretionary reserves tend to be unallocated and available at Council's discretion. Targeted reserves are earmarked for specific road, sidewalk, water & wastewater, recreation and equipment renewals.

## Revenue

Three Hills is conservative in revenue estimates. Revenues resulting from possible changes in laws or ordinances are not included in revenue estimates. Three Hills avoids dependence on temporary revenue sources to fund recurring government services.

## Accounting, Auditing and Financial Reporting Policies

An independent audit is performed annually. Three Hills produces a Consolidated Annual Financial report in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Public Sector Accounting Board (PSAB).

## Financial Planning

Three Hills adopts an annual Capital Budget and four year forecast that plans for all improvements needed. Anticipated maintenance costs are included for all projects. The first five years of additional maintenance costs are combined with other data gathering techniques to project operating results for five years. This information is the basis for developing the next years budget.

## Departmental Budgeting

For accounting and budgeting purposes, the town's accounts are segregated by department or area of responsibility. There are many reasons to budget this way: it shows a reasonable approximation of revenues and expenses that are attributable to each department, it allows for transfers between departments and to allow for easier reporting to Provincial or Federal agencies or service partners.

Each department will have its own set of activity revenue and expenditure accounts with the intent of showing the Tax Levy Requirement (TLR) – the amount of taxes and other corporate revenues that are required to operate that department. Departments that have significant activity revenues – recreation or waste management - will have a lower TLR than departments such as finance or public works. This isn't to penalize any one department for their TLR but to provide additional information to Council and residents.

# Budget Guidelines

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## Fiscal and Accounting Policies

The town has an extensive array of principles, practices and policies which govern the financial administration of the entity. The general financial objectives can be summarized as follows:

- Financial Viability – to maintain a financially viable municipality that can provide high quality services for our current and future ratepayers.
- Financial Management – to enhance the fiscal position of the town through sound financial management, both short-term and long-term.
- Financial Flexibility – to maintain financial flexibility to anticipate and meet changing economic conditions.
- Legislative Compliance – the town follows the legislative financial requirements of the Municipal Government Act. In addition the town meets or exceeds all policy statements of the Public Sector Accounting Board, which is governed by the Canadian Institute of Chartered Accountants.

The following provides an overview of the specific financial policies, controls and planning framework of the town. The town's fiscal period is January 1 to December 31.

### Operating Budget Control Process

The town has policies in place to allow department's sufficient latitude to effectively manage programs and service delivery for which they are accountable. These policies establish financial accountability and spending authorities for budget allocations. The general accountabilities and allowable adjustments are as follows:

- Departmental services approved by Council are carried out within the department's net expenditure approvals, and that deviations from this policy are reported to and reviewed by the CAO or Council, as set out herein.
- Department Directors are accountable to the CAO and Council for their spending, revenue generation and service delivery performance against budget approvals. The Director of Finance is to ensure that these variances are detailed in the "Financial Report" to Council.
- Revenues that are received beyond the level provided for in the budget shall not be spent or committed without Council approval. At year-end,

such remaining revenues become part of the town surplus unless specific approvals are sought to move monies into reserves.

- Reallocations between expenditure classifications (excluding salaries and benefits) that do not affect the net operating budget of a specific program may be made by a Department Director.
- All events (i.e. unforeseen grants, etc.) after the original adoption of the budget will be reported as a variance against budget.

### Capital Budget Control Process

The following points highlight the capital budget control process:

- Council, in adopting the Capital Budget, has determined the sums required for each capital project listed in the Capital Budget. The Director of Finance certifies that funding for the capital projects in the Capital Budget are within the town's financial debt limit allowable by the Province of Alberta.
- All Capital Budgets and departmental reports to Council seeking authority for the release of funds and commencement of the capital project or amendments to the capital program must first be reviewed by the Finance Department to ensure accuracy, financing sources and financial impact and then reviewed by the CAO before being submitted to Council for approval.
- The Director of Finance as part of the annual capital budget submission reviews all prior years' capital budget approvals. This review forms part of the annual Capital Budget process.





# Budget Guidelines

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## Financial Planning Policies and Principles

The financial plan, which covers both the operating and capital budgets for all funds, encompasses the following principles:

- **Balanced Budget** – the town is required under the Municipal Government Act not to plan for a deficit. To achieve this, the budget is prepared on a financial viable basis and is monitored and controlled to enhance the final year-end results to achieve a balanced budget. As such, all budgeted revenues must equal budgeted expenditures.
- **Long Range Perspective** – all budgets are prepared with a long-term perspective to ensure affordability and equity to the ratepayers. As such, all programs and projects within the operating and capital budgets must be realistic.
- **Proactive Asset Management** – the infrastructure of the town is reviewed on an ongoing basis to assess its condition. In 2023 Council approved a new Asset Management Policy which reinforces a financial and lifecycle approach to infrastructure replacement. Proactive maintenance and rehabilitation programs are then programmed into the budget process.
- **Reserves and Reserve Funds** shall be utilized by the town to assist in financial planning.
- The establishment of specific revenues to provide for tax rate stabilization, the replacement of infrastructure, facilities and future capital projects and to manage the debt financing needs of the town.

## Purchasing Practices and Principles

To ensure the most cost effective and cost efficient methods are used to purchase goods and services for the town in the manner approved by Council.

The town's purchasing decisions are made without favour or bias, that there is equal opportunity for qualified suppliers to bid on business, and that there is a high standard of financial stewardship.

All purchases for the town must be governed by the financial limits and procurement methods established under Policy # 480 – Purchase and Procurement Policy.

## Cash Management

The town makes every reasonable effort to control the town's cash needs, with a goal of maintaining

adequate working capital, maximizing investment opportunities, internal borrowing and debt repayment acceleration. The reduction of service charges and other financing costs is also a goal of cash management.

Investments made by the Town are governed through Policy # 560 – Investment Policy.

## Revenue and Expenditure Policies and Principles

**Revenue Diversification** – the town undertakes various reviews to ensure the non-tax base for the town is maximized. In terms of rates and fees, Council is informed during the budget process of the current cost recovery and adjustments made based on policy.

- **Use of One-Time Revenue** – these are not used to fund the base budget or ongoing program costs. In some cases they may be utilized to fund the start-up cost of a program; however, are generally earmarked for one-time expenditures and utilized to supplement the available capital program funding.
- **Expenditures** – in addition to the expenditure controls detailed above under the operating and capital budget control processes, monthly reports are prepared for management to monitor actual to planned results.
- **Purchasing Policy** – purchases for the town must be governed by the financial limits and procurement methods established under the town's Purchasing and Procurement Policy.

## Debt Management

Debt management practices are governed through Policy # 580 – Debt Management Policy, whose purpose establishes the systematic decision-making process for the use of Long and Short Term Debt funding that will ensure the fiscal sustainability of the Town.

Council reviews the debt level and forecasted level as part of the capital budget review process and during the year. It is the goal of Council to ensure debt is fiscally managed. The practices and actions of Council ensure:

- a strong financial position is maintained,
- encourage planning and budgeting of future capital projects,

# Budget Guidelines

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- limit and ensure debt is manageable from both a tax rate and user rate viewpoint, and
- debt service burden shall be significantly below the allowable Provincial Limit.

More information on the Town's debt position can be found starting on page 88.



## Tangible Capital Assets

The town complies with the Tangible Capital Asset requirements of the Public Sector Accounting board. The annual financial statements are prepared to reflect historical cost and amortization. The town will comply with the future requirements to integrate these financial statements requirements into its budgeting practices.

## Basis of Accounting

The town prepares its financial information in accordance with the Generally Accepted Accounting Principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The town's sources of financing and expenditures are recorded using the accrual basis of accounting. This basis recognizes revenues as they become available and measurable and expenditures as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation to pay. This is also the basis for developing the town's budget.

# Budget Guidelines

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## Budget Schedule

Overall budget preparation is the responsibility of the Director of Finance, with departmental inputs from directors and senior management. Public comments are incorporated as able and Council priorities are incorporated into the budget.

Budget preparation serves as an evaluation period for departments, providing directors an opportunity to review their programs and operations. It is incumbent upon departments to critically review existing methods and procedures, as well as the overall effectiveness of the various activities under their jurisdiction. Through this evaluation, improvements that are needed to bring about a more efficient and economical are determined. Innovative ideas should be recommended to the Chief Administrative Officer for consideration throughout the year; however, a heightened awareness of these opportunities is important during the budgeting process.

During formal meetings with individual departments to review revenue estimates and expenditure requests, The Chief Administrative Officer and Director of Finance recommend revisions to the budget requests. The budget is prepared by fund, function, and activity and includes historical information, current year estimates, requested appropriations for the next fiscal year, and final Council approved budget figures.

A proposed budget is presented to Council for review and consideration. Council holds special meetings – open to the public – during which they may add to, subtract from, or change appropriations. The budget is then published and is used as an operational tool during the fiscal year. Typical budget timelines are:

### June to September 2023

- Work with external service partners regarding budget parameters and pressures.
- Draft budget guidelines and parameters discussed among town staff.
- Update and distribute draft budget information and spreadsheets to department heads.
- Incorporate Council goal setting.

### September to October 2023

- Meet with affected sub-committees and organizations.

- Capital project department requests due.
- Finalize budget priorities with Council.
- Finalize operating and capital budgets.
- CAO approves budgets to be forwarded to Council.

### November 2023

- Budget document is prepared and presented to Council and the public.

### January/February 2024

- The approved budget document is completed and made available to Council and the public.

## Budget Calendar

All budget meetings are open to the public.

The schedule below documents the public meetings and budget deliberations prior to the budget being adopted by Council.

### Monday, October 23, 2023 at 5:30pm

- Proposed Operating and Capital Budget released
- Distribute to stakeholders and public
- Overview of Proposed Operating and Capital Budget

### Tuesday, November 14, 2023 at 3:30pm

- Public input
- Budget review and deliberations

### Monday, November 27, 2023 at 3:30pm

- Public input
- Budget review and deliberations

### Monday, December 4, 2023 at 5:30pm

- Budget review and deliberations
- End of deliberations, staff prepare final budget

### Monday, December 11, 2023 at 5:30pm

- Budget approval

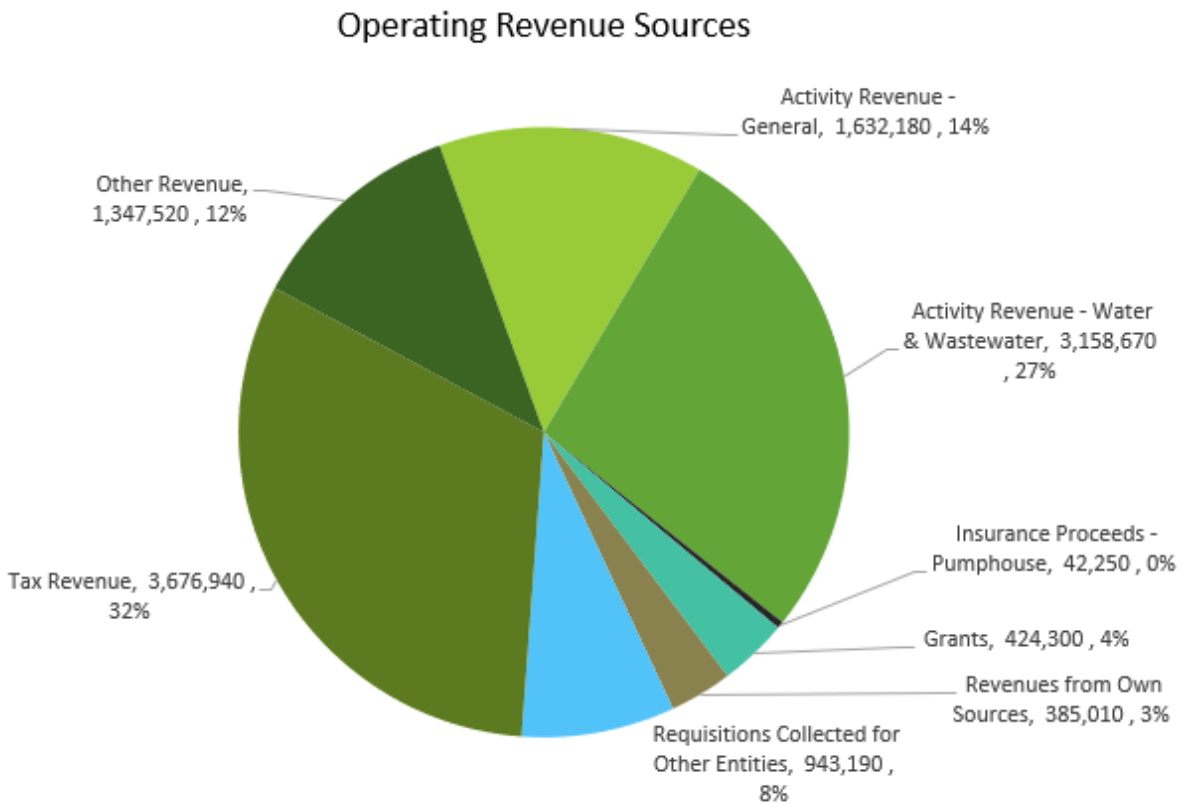
# Budget Overview

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## Sources and Uses of Funds

The total source of funds for the approved 2024 operating budget is \$11,610,060. This consists of new revenue and funds carried forward from the previous fiscal years. The revenue detail for each area is found within the budget document – either in the summary section or in the budget detail for that department. The chart below shows the amount of funding sources by major category.

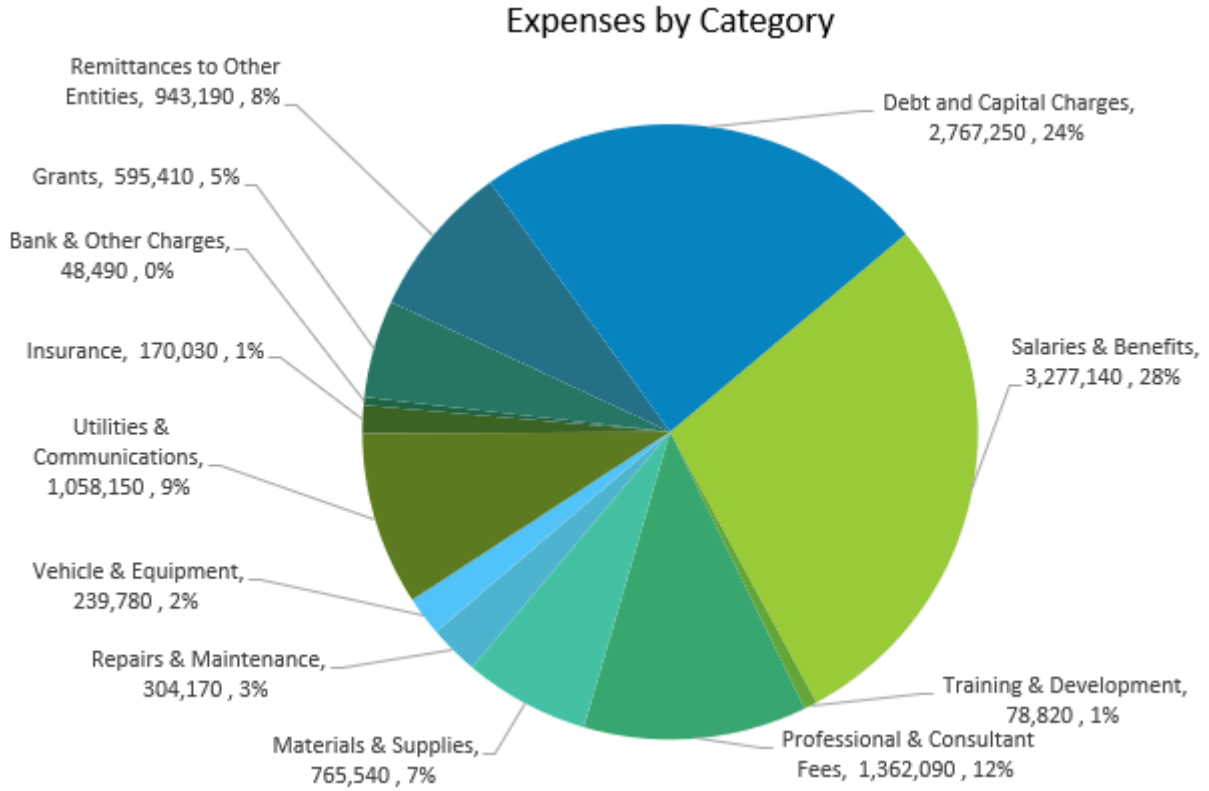
Revenues are also shown in detail within their own section, starting on page 77.



# Budget Overview

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The total uses of funds for the approved 2024 operating budget is \$11,610,060. The chart below shows the amount of sources by cost component.





# Budget Overview

## Consolidated Budget Summary

The Consolidated Budget Summary shows the expenditures and revenues of the Town by component type and the budget position of the operating budget.

The highlighted column (2024 Approved Budget) shows the budget amounts approved by Council.

During their deliberations, Council approved the 2024 Proposed Base Budget - amounts needed to maintain

existing services – and then discussed additions or changes to service levels. The results of these decisions are shown in Table 5 on page 37.

Based on the results of the base budget and deliberation item decisions, Council was required to increase tax revenues by \$124,120 or 3.5% to balance the budget.

This increase is in line with prevailing inflation (or CPI) rate experienced within the province.

## Consolidated Budget Summary

Table 1

|   | 2022<br>Actual     | Projected<br>2023 Actual | 2023<br>Budget     | Approved<br>2024 Budget | Change<br>(\$)   | Change<br>(%) |
|---|--------------------|--------------------------|--------------------|-------------------------|------------------|---------------|
| Salaries & Benefits                       | 2,959,006          | 3,170,750                | 3,254,850          | 3,277,140               | 22,290           | 0.7           |
| Training & Development                    | 49,739             | 65,700                   | 65,700             | 78,820                  | 13,120           | 20.0          |
| Professional & Consultant Fees            | 1,316,583          | 1,267,480                | 1,249,380          | 1,362,090               | 112,710          | 9.0           |
| Materials & Supplies                      | 565,809            | 644,020                  | 644,020            | 765,540                 | 121,520          | 18.9          |
| Repairs & Maintenance                     | 401,260            | 383,050                  | 383,050            | 304,170                 | (78,880)         | (20.6)        |
| Vehicle & Equipment                       | 288,103            | 285,450                  | 253,650            | 239,780                 | (13,870)         | (5.5)         |
| Utilities & Communications                | 1,051,546          | 1,104,200                | 1,038,100          | 1,058,150               | 20,050           | 1.9           |
| Insurance                                 | 152,395            | 154,420                  | 154,420            | 170,030                 | 15,610           | 10.1          |
| Pumphouse Failure                         | 2,370,716          | -                        | -                  | -                       | -                | -             |
| Bank & Other Charges                      | 50,419             | 38,230                   | 38,230             | 48,490                  | 10,260           | 26.8          |
| Grants                                    | 195,013            | 258,330                  | 218,330            | 595,410                 | 377,080          | 172.7         |
| Remittances to Other Entities             | 923,240            | 928,070                  | 928,070            | 943,190                 | 15,120           | 1.6           |
| <b>Operating Expenses</b>                 | <b>10,323,828</b>  | <b>8,299,700</b>         | <b>8,227,800</b>   | <b>8,842,810</b>        | <b>615,010</b>   | <b>7.5</b>    |
| Debt and Capital Charges                  | 2,237,398          | 2,702,220                | 2,515,920          | 2,767,250               | 251,330          | 10.0          |
| <b>Total Expenses</b>                     | <b>12,561,226</b>  | <b>11,001,920</b>        | <b>10,743,720</b>  | <b>11,610,060</b>       | <b>866,340</b>   | <b>8.1</b>    |
| <b>Departmental Revenue</b>               |                    |                          |                    |                         |                  |               |
| Activity Revenue - General                | (1,630,410)        | (1,562,980)              | (1,529,380)        | (1,632,180)             | (102,800)        | 6.7           |
| Activity Revenue - Water & Wastewater     | (2,796,784)        | (3,042,210)              | (2,977,210)        | (3,158,670)             | (181,460)        | 6.1           |
| Insurance Proceeds - Pumphouse            | (2,370,716)        | (45,000)                 | (45,000)           | (42,250)                | 2,750            | (6.1)         |
| Grants                                    | (428,572)          | (426,400)                | (315,900)          | (424,300)               | (108,400)        | 34.3          |
| Revenues from Own Sources                 | (158,976)          | (225,000)                | (185,000)          | (385,010)               | (200,010)        | 108.1         |
| Requisitions Collected for Other Entities | (881,068)          | (928,070)                | (928,070)          | (943,190)               | (15,120)         | 1.6           |
| <b>Total Department Revenue</b>           | <b>(8,266,526)</b> | <b>(6,229,660)</b>       | <b>(5,980,560)</b> | <b>(6,585,600)</b>      | <b>(605,040)</b> | <b>10.1</b>   |
| <b>Net Operating Expenditures</b>         | <b>4,294,700</b>   | <b>4,772,260</b>         | <b>4,763,160</b>   | <b>5,024,460</b>        | <b>261,300</b>   | <b>5.5</b>    |
| <b>Corporate Revenue</b>                  |                    |                          |                    |                         |                  |               |
| Tax Revenue                               | (3,370,963)        | (3,574,160)              | (3,537,860)        | (3,676,940)             | (139,080)        | 3.9           |
| Other Revenue                             | (1,001,915)        | (1,293,300)              | (1,225,300)        | (1,347,520)             | (122,220)        | 10.0          |
| <b>Total Corporate Revenue</b>            | <b>(4,372,878)</b> | <b>(4,867,460)</b>       | <b>(4,763,160)</b> | <b>(5,024,460)</b>      | <b>(261,300)</b> | <b>5.5</b>    |
| <b>General (Surplus)/Deficit</b>          | <b>(78,178)</b>    | <b>(95,200)</b>          | <b>-</b>           | <b>-</b>                | <b>-</b>         | <b>-</b>      |

# Budget Overview

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## Fund Balances

The town's resources and operations are separated into various funds. Each fund is a separate fiscal and accounting entity organized by their intended purpose, separated to comply with legal, finance and governance requirements. In municipal financial operations, monies raised or supplied for one purpose cannot be used for any other purpose. Legal restrictions and contractual agreements prevent it from being used or diverted to any other use. Fund accounting shows that the money has been used for its intended purpose. The town's external auditors audit all funds annually.

Although all funds are segregated the town also prepares Consolidated Financial Statements in accordance with requirements of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

These funds are the General Fund, Capital Fund and Reserve Fund and were described on page 21. Each fund has its own revenues and expenditures, financing sources, and transfers or contributions may be made between funds.

The beginning fund balance represents the residual funds brought forward from the previous year (that fund's ending balance).

For 2024 the operating and capital funds are balanced – budgeted expenditures match budgeted revenues – and their fund balances are not expected to change. The reserve fund is expected to increase by \$1,533,575 to \$10,499,901 (\$8,966,326 in 2023) – this is due to:

- increased investment revenue that is being allocated to the reserve fund to be available for future use, and
- due to a smaller 2024 capital budget, less funds are being transferred from the reserve fund to pay for capital projects. This will be a single year issue as capital project work – and the need to fund – will increase in 2025 and beyond.

# Budget Overview

## Fund Balances

Table 2

|   | 2022<br>Actual      | Projected<br>2023 Actual | 2024<br>Budgeted<br>General Fund | 2024<br>Budgeted<br>Capital Fund | 2024<br>Budgeted<br>Reserve Fund | 2024 Total          |
|---|---------------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------|
| <b>Opening Fund Balance</b>               | <b>59,101,525</b>   | <b>59,285,598</b>        | <b>-</b>                         | <b>51,980,847</b>                | <b>8,966,326</b>                 | <b>60,947,173</b>   |
| <b>Revenues</b>                           |                     |                          |                                  |                                  |                                  |                     |
| Activity Revenues                         | (4,427,194)         | (4,605,190)              | (4,790,850)                      | -                                | -                                | (4,790,850)         |
| Taxation                                  | (3,370,963)         | (3,574,160)              | (3,676,940)                      | -                                | -                                | (3,676,940)         |
| Requisitions Collected for Other Entities | (881,068)           | (928,070)                | (943,190)                        | -                                | -                                | (943,190)           |
| Other Revenues                            | (1,001,915)         | (2,064,256)              | (1,347,520)                      | (92,500)                         | -                                | (1,440,020)         |
| Insurance Proceeds                        | (2,370,716)         | (45,000)                 | (42,250)                         | -                                | -                                | (42,250)            |
| Transfers from Other Funds                | (2,359,819)         | (2,590,447)              | (385,010)                        | (208,000)                        | (1,905,280)                      | (2,498,290)         |
| Transfers from Other Entities             | (1,957,446)         | (1,468,116)              | (424,300)                        | (640,000)                        | (861,305)                        | (1,925,605)         |
| <b>Total Revenues</b>                     | <b>(16,369,121)</b> | <b>(15,275,239)</b>      | <b>(11,610,060)</b>              | <b>(940,500)</b>                 | <b>(2,766,585)</b>               | <b>(15,317,145)</b> |
| <b>Expenses</b>                           |                     |                          |                                  |                                  |                                  |                     |
| Salaries & Benefits                       | 2,959,006           | 3,170,750                | 3,277,140                        | -                                | -                                | 3,277,140           |
| Training & Development                    | 49,739              | 65,700                   | 78,820                           | -                                | -                                | 78,820              |
| Professional & Consultant Fees            | 1,316,583           | 1,267,480                | 1,362,090                        | -                                | -                                | 1,362,090           |
| Materials & Supplies                      | 565,809             | 644,020                  | 765,540                          | -                                | -                                | 765,540             |
| Repairs & Maintenance                     | 401,260             | 383,050                  | 304,170                          | -                                | -                                | 304,170             |
| Vehicle & Equipment                       | 288,103             | 285,450                  | 239,780                          | -                                | -                                | 239,780             |
| Utilities & Communications                | 1,051,546           | 1,104,200                | 1,058,150                        | -                                | -                                | 1,058,150           |
| Insurance                                 | 152,395             | 154,420                  | 170,030                          | -                                | -                                | 170,030             |
| Pumphouse Failure                         | 2,370,716           | -                        | -                                | -                                | -                                | -                   |
| Bank & Other Charges                      | 50,419              | 38,230                   | 48,490                           | -                                | -                                | 48,490              |
| Grants                                    | 195,013             | 258,330                  | 595,410                          | -                                | -                                | 595,410             |
| Special Projects                          | 146,699             | -                        | -                                | -                                | -                                | -                   |
| Remittances to Other Entities             | 923,240             | 928,070                  | 943,190                          | -                                | -                                | 943,190             |
| Capital Project Costs                     | 1,811,916           | 1,766,350                | -                                | 940,500                          | -                                | 940,500             |
| Transfers to Other Funds - Own Funds      | 2,200,833           | 2,215,447                | 1,905,280                        | -                                | 593,010                          | 2,498,290           |
| Trsf to Other Funds – Gov't Held Funds    | 957,335             | 470,177                  | -                                | -                                | 640,000                          | 640,000             |
| Debt Charges                              | 744,436             | 861,990                  | 861,970                          | -                                | -                                | 861,970             |
| <b>Total Expenses</b>                     | <b>16,185,048</b>   | <b>13,613,664</b>        | <b>11,610,060</b>                | <b>940,500</b>                   | <b>1,233,010</b>                 | <b>13,783,570</b>   |
| Change in Fund Balance                    | 184,073             | 1,661,575                | -                                | -                                | 1,533,575                        | 1,533,575           |
| <b>Ending Fund Balance</b>                | <b>59,285,598</b>   | <b>60,947,173</b>        | <b>-</b>                         | <b>51,980,847</b>                | <b>10,499,901</b>                | <b>62,480,748</b>   |

# Budget Overview

## Assessments

### Understanding Property Assessments

Your property assessment significantly influences the amount of property taxes you pay. On or before March 1 of each year, the Town makes the assessment roll public telling them the fair market value of their property as of July 1 of the prior year.

The Town contracts out assessment services to Wild Rose Assessment Services. Assessment practices and methodology are governed through the *Municipal Government Act (MGA)*.

In Alberta, market value is used to determine the assessed value of your property. Section 1(1)(n) of the *Municipal Government Act* defines market value as the amount that a property might be expected to realize if it is sold on the open market by a willing seller to a willing buyer. The market value of your property is determined by an Accredited Assessor. The Assessor takes many factors, as outlined by the *MGA*, into consideration when determining value.




In addition, the valuation date and condition date specified by the *MGA* are also used to determine the assessed value of your property. The valuation date is a fixed date at which time all properties are assessed, ensuring that all properties are valued as of the same date. For example, the valuation date for the 2024 tax year is July 1, 2023. The condition date is defined by Section 289(2)(a) as the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed.

It is important to know that an increase in your property assessment doesn't necessarily result in a significant increase to your property taxes. The most important factor is not how much your assessed value has changed, but how much your assessed value has changed relative to the average change for your property class within the Town.


### Understanding the impact of a property change in your assessment on property taxes

Remember that your property's assessment determines your share of taxes for your property class, assuming the Town and other taxing entities do not change their budgetary requirements.

Here is what could happen to your property taxes:

| Your property's value change   | Property tax impact               |
|--|-----------------------------------|
|  LOWER to the Average change for property class   | Taxes likely <b>DECREASE</b>      |
|  SIMILAR to the Average change for property class | Taxes likely <b>DO NOT CHANGE</b> |
|  HIGHER to the Average change for property class  | Taxes likely <b>INCREASE</b>      |

#### Example A:




Taxes likely **DECREASE**

Your property is currently assessed at **\$255,000** based on a valuation date of July 1 last year. Your previous assessment was **\$250,000**. Your property increased 2% in value, while the average increase for your property class was 4%.

Since your property value increased **less than** the average for your property class, you will likely see a **decrease** in your property taxes. Note: this example assumes that there are no changes in the budgetary requirements of the Town and/or other taxing entities.

#### Example B:



Taxes likely **INCREASE**

Your property is currently assessed at **\$265,000** based on a valuation date of July 1 last year. Your previous assessment was **\$250,000**. Your property increased 6% in value, while the average increase for your property class was 4%.

Since your property value increased **more than** the average for your property class, you will likely see a **increase** in your property taxes. Note: this example assumes that there are no changes in the budgetary requirements of the Town and/or other taxing entities.

# Budget Overview

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## Assessments and Property Taxes

Once assessments for all Town properties are known, the tax rate is calculated by dividing tax revenue requirements across property classifications and properties. Important items to remember are:

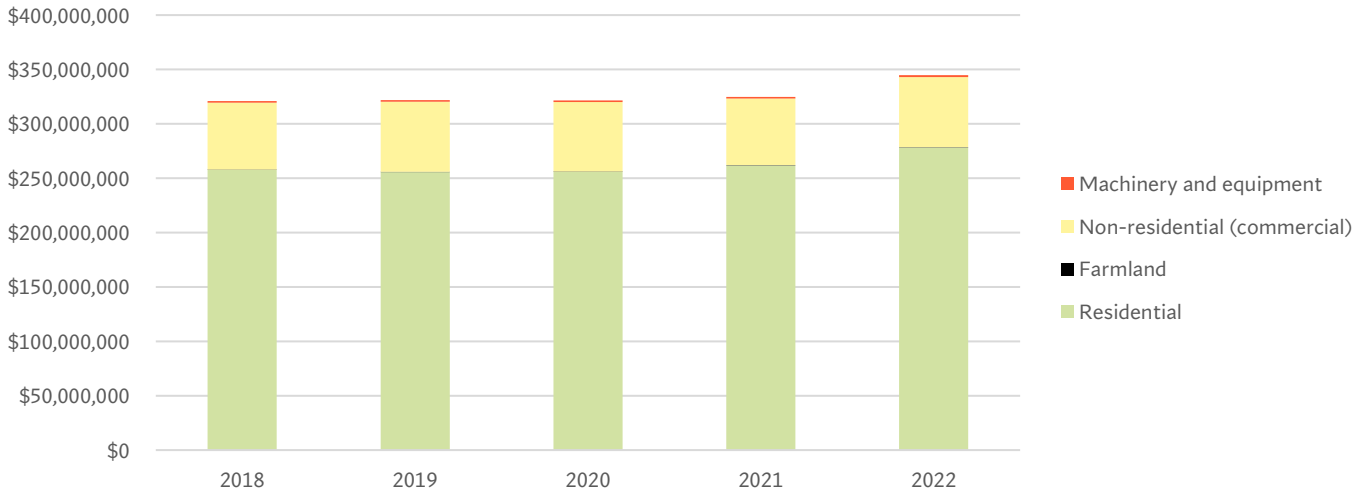
- The overall Town budget is developed based on the cost of delivering services to property owners. Taxes collected by the Town support protective services, roads maintenance, parks and recreation, administration, etc. The budget also predicts future spending and puts a portion of property taxes into reserves (savings accounts) to make sure future property taxes don't have big spikes from year to year.
- Your property tax notice is a bill for services that are available to you as a property owner. The amount you pay depends on the location and classification of your property, its assessed value, and the cost of the services.
- Your property taxes are calculated using tax rates that are set by Council. Tax rates are adjusted every year to make sure enough money is raised to provide these services. You can't appeal your property taxes, but you may be able to appeal your property assessment.
- Property tax notices are sent by the Town of Three Hills and you pay property taxes to the town. Of the property taxes collected, just over 78% remain with the Town. The rest is collected for other taxing authorities for educational and seniors housing purposes.
- Utilities, such as water, sanitary sewer, and solid waste management are generally self-funded through user fees. User fees are based on consumption, not your property's assessed value. The Town bills users directly for these services.

Note – comparing property taxes to other communities is difficult due to variables such as levels of service or industry and the number/type of commercial businesses within the comparative tax base. Comparing property tax rates to other municipalities can be done by comparing “representative homes” – ie an average valued home in Three Hills to an average valued home in another community for the average tax burden.



# Budget Overview

Five Year Taxable Assessment History



## Taxable Assessment History

Table 3

|                              | 2018               | 2019               | 2020               | 2021               | 2022               |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Residential                  | 257,852,130        | 255,638,490        | 256,056,730        | 261,876,920        | 278,361,500        |
| Farmland                     | 214,940            | 216,210            | 210,560            | 210,560            | 211,000            |
| Non-residential (commercial) | 61,526,650         | 64,572,510         | 63,853,910         | 61,284,140         | 64,420,370         |
| Machinery and equipment      | 1,327,030          | 1,322,790          | 1,329,330          | 1,360,280          | 1,656,090          |
| <b>Total Assessed Value</b>  | <b>320,920,750</b> | <b>321,750,000</b> | <b>321,450,530</b> | <b>324,731,900</b> | <b>344,648,960</b> |

For 2024 tax billings, the Town will receive 2023 assessments by February 29th. Although the numbers have not been finalized at the time of this information, the assessor has indicated that existing assessments should experience minor changes.

Staff will prepare detailed assessment information in advance of Council setting tax rates via the Tax Levy Bylaw, expected in March or April of 2024.

# Budget Overview

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## Water and Wastewater Rates

Water and wastewater operations provides for furnishing water and sanitary sewage disposal services to industrial, commercial and residential areas within the town and some surrounding areas.

The water & wastewater fund receives its revenues mostly from user fees, with users receiving a monthly bill based on actual consumption. Other revenues consist of bulk water sales, sewer dumping charges, interest on outstanding bills and other miscellaneous items.

In 2022 Council approved the External Utility Connection Fee Bylaw which approved a one-time cost for development outside the Town to connect to our utility infrastructure. While there is no financial benefit to this new program in this budget, staff anticipate that will occur in future years.



In 2023 Council received a water rate modeling analysis which proposed updates to rates charged to the various users of the regional water system. The implementation of these findings are ongoing and have not been factored into the 2024 budget.

For budget purposes, water & wastewater activities are accounted for separately than general fund accounts.

For 2024, Council approved a revenue increase of 2.3% or \$49,410 on existing revenues of \$3,106,800.

Council approved two additional service initiatives within the 2024 budget including:

- \$6,900 to initiative a Domestic Utility Relief Program, which would allow residential accounts to claim partial relief on high, unexplained water bills,
- \$90,000 to provide for additional project funding to deal with the phased replacements and failing infrastructure.

Provincial grants for capital purposes have been reduced from previous years, and infrastructure renewal is sorely needed on aging assets. The funding of these projects – either via the operating budget, utilization of debt or other sources – need to be incorporated into utility rates. More information on capital funding and future infrastructure replacement costs will be brought forward during budget deliberations.

See pages 53 to 55 for more information on water and wastewater details.

## Waste Management Rates

The Town offers garbage and recycling pickup to ratepayers, along with operating the landfill.

In 2021 Council approved the contracting out of garbage and recycling and moved to carts instead on placing bags on the street. This service started in late 2021 and was fully implemented in 2022.

In 2023 Council approved commercial recycling carts for businesses in Town; revenues generated by the service offset costs from the provider.

The waste and recycling agreement expires in 2024 and the local waste industry has experienced changes and consolidation. Because of this, staff are preparing for cost increases when the service is publicly tendered and have included these impacts as deliberation items for Council.

See pages 56 to 58 for more information on solid waste management details.

# Budget Overview

## Grants and Funding to Other Organizations

The town provides grants or funding for various reasons:

- to assist community groups in providing programming,
- towards youth or family programs,
- to organizations providing municipal services in lieu of the Town,
- for economic development, promotional or other purposes.

While most grants are known within the budget, Council allocates \$25,000 (\$20,000 in 2023) for the Grants to Community Groups program to assist eligible applicants during the year.

The Municipal Grants to Community Groups provides financial support to not-for-profit organizations and volunteer groups within the municipality which render a service to the residents of Three Hills. This support is provided in recognition of the value these organizations and groups provide to the well-being and growth of the community and in helping the Town of Three Hills retain a strong community focus. Grant requests are assessed in terms of the need for the project; cost-effectiveness, financial viability, contribution to the quality of life in the community and community involvement/response.

Notably in 2024 a \$330,010 grant is for our portion of a County fire apparatus under the regional fire service is shown. This grant is fully offset by a transfer from our reserves and has no impact on the operating budget.

## Grants and Funding to Other Organizations

Table 4

|  | Actual 2023    | Approved 2024  |
|--|----------------|----------------|
| Community Grants Program (unallocated)     | 20,000         | 25,000         |
| Town supported programs                    |                |                |
| Business Loan Interest Rebate program      | 2,500          | 1,750          |
| Shared Service Agreements                  |                |                |
| Kneehill County – fire apparatus           | -              | 330,010        |
| Municipal programming                      |                |                |
| Kneehill Regional FCSS                     | 42,180         | 44,650         |
| Marigold Library System                    | 20,400         | 20,750         |
| Three Hills Library                        | 108,000        | 108,000        |
| To other organizations                     |                |                |
| Kneehill Historical Society                | 2,750          | 2,750          |
| Three Hills Arts Academy                   | 5,000          | 5,000          |
| Three Hills & District Chamber of Commerce | 6,000          | 6,000          |
| Senior’s Outreach                          | 7,500          | 7,500          |
| Three Hills Beautification                 | 3,000          | 3,000          |
| Victim Services                            | 1,000          | 1,000          |
| Chamber of Commerce – Water Tower project  | -              | 40,000         |
| <b>Total</b>                               | <b>218,330</b> | <b>595,410</b> |

# Budget Overview

## Service Level Initiatives

Specific new initiatives or service level adjustments have been included in the budget. The specific items that Council approved during deliberations are summarized in Table 5.

These items in this table “Summary of Deliberation Items” present those items which staff felt should receive consideration by Council, or those items which

were referred to the budget process. During the review of the budget and during public consultations Council may receive additional requests for funding. Each of these potential new items were reviewed in the context of the overall financial viability and Council direction.

**These items can be identified throughout this book as they are preceded by a ✎ - this is a significant change from previous years.**

## Summary of Service Level Items

Table 5

|                                     | Service Level Adjustment | New program or Service | Subtotal       | Less Revenue Offset | Service Level Change |
|-------------------------------------|--------------------------|------------------------|----------------|---------------------|----------------------|
| <b>Expenses</b>                     |                          |                        |                |                     |                      |
| Grants to Groups increase           | 5,000                    | -                      | 5,000          | -                   | <b>5,000</b>         |
| Chamber – Water Tower Project       | -                        | 40,000                 | 40,000         | 40,000              | -                    |
| Domestic Utility Relief Program     | -                        | 6,900                  | 6,900          | -                   | <b>6,900</b>         |
| Capital project funding - utilities | 90,000                   | -                      | 90,000         | -                   | <b>90,000</b>        |
| Waste rate change allowance         | 25,650                   | -                      | 25,650         | -                   | <b>25,650</b>        |
| Recycle rate change allowance       | 14,800                   | -                      | 14,800         | -                   | <b>14,800</b>        |
| Mattress recycling program          | -                        | 8,070                  | 8,070          | 8,070               | -                    |
| Zamboni room flooring               | 15,000                   | -                      | 15,000         | -                   | <b>15,000</b>        |
| Capital project funding - general   | 132,000                  | -                      | 132,000        | -                   | <b>132,000</b>       |
| <b>Revenues</b>                     |                          |                        |                |                     |                      |
| Landfill fees                       | (6,000)                  | -                      | (6,000)        | -                   | <b>(6,000)</b>       |
| Pool fees                           | (6,000)                  | -                      | (6,000)        | -                   | <b>(6,000)</b>       |
| Arena fees                          | (3,500)                  | -                      | (3,500)        | -                   | <b>(3,500)</b>       |
| Campground fees                     | (7,500)                  | -                      | (7,500)        | -                   | <b>(7,500)</b>       |
|                                     | <b>259,450</b>           | <b>54,970</b>          | <b>314,420</b> | <b>48,070</b>       | <b>266,550</b>       |

# Budget Overview

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## Explanation of Service Level Initiatives

### Grants to Groups Increase - \$5,000

A proposed increase to the existing community grants program, this unallocated amount would provide Council with additional funding opportunities for community groups in need.

### Chamber of Commerce - Water Tower Project

The Chamber is seeking to enhance the visual appeal of "Alberta's Tallest Christmas Tree" by installing permanent LED lights on the water tower. This new lighting system will be used not only during the Christmas season but also for celebrations and events throughout the year.

At a total cost of \$77,700, the Town committed \$40,000 towards to funding of the project.

During deliberations Council approved an offsetting \$40,000 from the Mill Rate Stabilization Reserve to avoid a one-time spike to the tax rate.

### Domestic Utility Relief Program - \$6,900

In the summer of 2023 Council referred a proposed relief program for unexpected high-volume water consumption events experienced by ratepayers. The program would partial waive some of these costs within specified criteria.

Staff estimate that the potential volume and scope of requests could total up to \$6,900 for 2024.

### Capital Project Funding - Utilities - \$90,000

Staff are requesting that Council consider additional funding of the capital program out of the utility (water and wastewater) budget.

Water and wastewater infrastructure is approaching the age where replacements are necessary to ensure the delivery of these vital services. Preliminary internal capital asset modelling shows that our funding

towards these projects needs to be increased or accelerated to ensure proper maintenance.

More information will be provided to Council during budget deliberations.

### Waste Rate Change Allowance - \$25,650

The three year residential and commercial waste agreement with our provider expires in 2024.

Even though provision of the service will go through the public procurement process, staff are anticipating cost increases for the service due to inflationary changes since 2021 and local consolidation within the industry. It would be prudent to capture some of these expected changes within the 2024 budget and ameliorate rate impacts to properties in 2025 and beyond.

Staff will present more information and mitigation strategies during budget deliberations.

### Recycle Rate Change Allowance - \$14,800

Similar to waste, the residential recycle cart service is due to be renewed in 2024. Staff propose taking the same approach as the above waste allowance.

### Mattress Recycling Program

This is a new initiative to recycle box springs and mattresses at the recycle depot. This type of recycling service will reduce these bulky items from entering the landfill cell, therefore increasing the life span of the cell.

Recycling mattresses instead of discarding them offers several advantages. Firstly, it helps reduce the amount of waste in landfills, contributing to the conservation of space. Additionally, recycling mattresses allows for the recovery and reuse of valuable materials such as metal springs, wood, foam, and fabric, thereby minimizing the need for new raw materials and promoting resource conservation.

The project is expected to cost \$8,070 in 2024. During deliberations Council approved rates of \$20 per mattress/box spring, which will cover the cost of the program.



# Budget Overview

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## Zamboni Room Flooring - \$15,000

Centennial Place Arena's Olympia Room currently features a concrete floor that serves as the parking and dumping area for the Olympia machine. The condition of this concrete pad has gradually deteriorated over the years, making it increasingly challenging to maintain cleanliness and keep debris off the ice, which is essential for keeping it clean and pristine. To address this issue, plans are underway to replace the concrete driveway, restoring it to its original smooth surface. This replacement will significantly enhance the efficiency of the cleaning process, ensuring that the ice remains in impeccable condition while also reducing wear and tear on the Olympia's tires.

## Capital Project Funding - General - \$132,000

Similar to last year, staff are requesting that Council consider additional funding of the general fund capital program.

The town's infrastructure is at a critical juncture, as it has reached a point in its lifecycle where essential components require timely replacement to ensure the uninterrupted delivery of crucial services to our community. A careful examination through preliminary internal capital asset modeling has illuminated a pressing need for the augmentation and expeditious execution of our funding allocations for these projects. This adjustment is vital to guarantee the seamless functioning and long-term sustainability of our infrastructure, as it will enable us to carry out essential maintenance and modernization initiatives with the diligence and urgency required to meet the evolving demands of our growing town.

More information will be provided to Council during budget deliberations.

# Budget Overview

## Expenditures by Department

Total Expenditures by Department show the total departmental costs without any revenue offsets.

### Expenditures by Department

Table 6

|                               | 2022<br>Actual    | Projected<br>2023 Actual | 2023<br>Budget    | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|-------------------------------|-------------------|--------------------------|-------------------|-------------------------|----------------|---------------|
| Legislative                   | 197,648           | 261,520                  | 221,520           | 268,580                 | 47,060         | 21.2          |
| Administrative                | 832,225           | 971,090                  | 971,090           | 1,011,380               | 40,290         | 4.1           |
| Operations                    | 1,219,868         | 1,452,630                | 1,295,230         | 1,282,870               | (12,360)       | (1.0)         |
| Airport                       | 228,439           | 183,760                  | 183,760           | 198,090                 | 14,330         | 7.8           |
| Storm Water                   | 31,617            | 56,280                   | 56,280            | 41,560                  | (14,720)       | (26.2)        |
| Cemetery                      | 9,940             | 11,200                   | 11,200            | 12,860                  | 1,660          | 14.8          |
| Water Treatment               | 1,749,947         | 1,980,930                | 1,980,930         | 2,116,560               | 135,630        | 6.8           |
| Water Distribution            | 2,739,398         | 475,690                  | 475,690           | 430,030                 | (45,660)       | (9.6)         |
| Sewer                         | 588,788           | 572,090                  | 565,590           | 654,330                 | 88,740         | 15.7          |
| Solid Waste                   | 171,902           | 175,460                  | 175,460           | 211,570                 | 36,110         | 20.6          |
| Recycling                     | 78,744            | 79,620                   | 79,620            | 101,320                 | 21,700         | 27.3          |
| Landfill                      | 282,092           | 421,000                  | 384,700           | 405,430                 | 20,730         | 5.4           |
| Police Protection             | 115,820           | 176,000                  | 176,000           | 186,420                 | 10,420         | 5.9           |
| Fire Protection               | 193,838           | 196,450                  | 196,450           | 561,330                 | 364,880        | 185.7         |
| Disaster Services             | 53,104            | 55,720                   | 55,720            | 57,010                  | 1,290          | 2.3           |
| Bylaw Enforcement             | 31,828            | 34,410                   | 34,410            | 44,630                  | 10,220         | 29.7          |
| Planning                      | 85,808            | 86,270                   | 86,270            | 79,170                  | (7,100)        | (8.2)         |
| Subdivision                   | 1,550             | 2,600                    | 2,600             | 2,600                   | -              | -             |
| Economic Development          | 16,918            | 18,620                   | 18,620            | 19,370                  | 750            | 4.0           |
| Recreation Administration     | 75,485            | 80,010                   | 95,010            | 95,530                  | 520            | 0.5           |
| FCSS                          | 40,770            | 42,180                   | 42,180            | 44,650                  | 2,470          | 5.9           |
| Library Services              | 129,508           | 157,140                  | 157,140           | 159,700                 | 2,560          | 1.6           |
| Aquatic Centre                | 701,480           | 727,200                  | 725,900           | 710,630                 | (15,270)       | (2.1)         |
| Centennial Arena              | 666,418           | 674,140                  | 661,240           | 719,620                 | 58,380         | 8.8           |
| Parks & Playgrounds           | 395,245           | 421,420                  | 431,420           | 425,500                 | (5,920)        | (1.4)         |
| Splash Park                   | 11,749            | 36,470                   | 36,470            | 31,010                  | (5,460)        | (15.0)        |
| Campground                    | 125,604           | 139,540                  | 109,740           | 144,960                 | 35,220         | 32.1          |
| Community Centre              | 53,162            | 51,960                   | 51,960            | 56,970                  | 5,010          | 9.6           |
| General Government            | 519,491           | 532,450                  | 533,450           | 593,190                 | 59,740         | 11.2          |
| Remittances to Other Entities | 923,240           | 928,070                  | 928,070           | 943,190                 | 15,120         | 1.6           |
| <b>Total</b>                  | <b>12,271,626</b> | <b>11,001,920</b>        | <b>10,743,720</b> | <b>11,610,060</b>       | <b>866,340</b> | <b>8.1</b>    |

# Budget Overview

## Net Expenditures by Department

Net Expenditures by Department show total expenses less an activity revenue attributable to that department.

### Net Expenditures by Department

Table 7

|                           | 2022<br>Actual   | Projected<br>2023 Actual | 2023<br>Budget   | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|---------------------------|------------------|--------------------------|------------------|-------------------------|----------------|---------------|
| Legislative               | 197,508          | 261,520                  | 221,520          | 268,580                 | 47,060         | 21.2          |
| Administrative            | 791,717          | 937,750                  | 937,750          | 976,660                 | 38,910         | 4.1           |
| Operations                | 1,170,665        | 1,449,830                | 1,292,430        | 1,275,770               | (16,660)       | (1.3)         |
| Airport                   | 8,556            | (4,840)                  | (4,840)          | (11,410)                | (6,570)        | 135.7         |
| Storm Water               | 31,617           | 56,280                   | 56,280           | 41,560                  | (14,720)       | (26.2)        |
| Cemetery                  | (13,490)         | (8,430)                  | (8,430)          | (6,770)                 | 1,660          | (19.7)        |
| Water Treatment           | 229,489          | 285,340                  | 326,840          | 373,350                 | 46,510         | 14.2          |
| Water Distribution        | (3,409)          | 107,820                  | 107,820          | 53,420                  | (54,400)       | (50.5)        |
| Sewer                     | (315,448)        | (451,660)                | (434,660)        | (426,770)               | 7,890          | (1.8)         |
| Solid Waste               | (332,443)        | (302,600)                | (302,600)        | (293,380)               | 9,220          | (3.0)         |
| Recycling                 | (56,335)         | (59,640)                 | (59,640)         | (39,320)                | 20,320         | (34.1)        |
| Landfill                  | 142,198          | 283,700                  | 247,400          | 244,920                 | (2,480)        | (1.0)         |
| Police Protection         | 110,126          | 169,880                  | 169,880          | 182,100                 | 12,220         | 7.2           |
| Fire Protection           | 132,018          | 124,450                  | 124,450          | 162,320                 | 37,870         | 30.4          |
| Disaster Services         | 53,104           | 55,720                   | 55,720           | 57,010                  | 1,290          | 2.3           |
| Bylaw Enforcement         | 25,379           | 26,680                   | 26,680           | 37,980                  | 11,300         | 42.4          |
| Planning                  | 35,414           | 54,720                   | 54,720           | 52,020                  | (2,700)        | (4.9)         |
| Subdivision               | (550)            | 1,100                    | 1,100            | 1,100                   | -              | -             |
| Economic Development      | 16,918           | 18,620                   | 18,620           | 19,370                  | 750            | 4.0           |
| Recreation Administration | 75,485           | 80,010                   | 95,010           | 95,530                  | 520            | 0.5           |
| FCSS                      | 40,770           | 42,180                   | 42,180           | 44,650                  | 2,470          | 5.9           |
| Library Services          | 129,508          | 157,140                  | 157,140          | 159,700                 | 2,560          | 1.6           |
| Aquatic Centre            | 470,728          | 468,180                  | 466,880          | 444,090                 | (22,790)       | (4.9)         |
| Centennial Arena          | 504,735          | 511,890                  | 498,990          | 557,380                 | 58,390         | 11.7          |
| Parks & Playgrounds       | 385,383          | 380,050                  | 390,050          | 384,820                 | (5,230)        | (1.3)         |
| Splash Park               | 11,749           | 30,470                   | 30,470           | 25,010                  | (5,460)        | (17.9)        |
| Campground                | (34,271)         | (24,860)                 | (26,260)         | (28,740)                | (2,480)        | 9.4           |
| Community Centre          | 36,329           | 34,510                   | 39,710           | 41,320                  | 1,610          | 4.1           |
| General Government        | 169,854          | 86,450                   | 237,950          | 332,190                 | 94,240         | 39.6          |
| <b>Total</b>              | <b>4,013,305</b> | <b>4,772,260</b>         | <b>4,763,160</b> | <b>5,024,460</b>        | <b>261,300</b> | <b>5.5</b>    |

# Budget Overview

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## Description of Revenue and Expenditure Types

To assist the reader, these descriptions explain the categories shown in the departmental and summary tables.

### Revenues

Municipal revenues are summarized or consolidated on the individual departmental tables. More information on specific types of revenues can be found starting on page 77.

#### Departmental Revenue

Departmental revenue includes revenues that can be directly attributable to the activities of a department or program. These revenues are broken down into three categories:

- revenue that is generated due to the actions of the department. Examples of activity revenue are water & wastewater connection charges and fees, planning fees and recreation revenues for day camps or programs,
- revenues that includes grants from third parties that are allocated to specific programs or activities; examples of grants are funding for protective services or recreation programs, and
- revenue that cannot be generally categorized within other revenues but attributable to a specific department. This includes the water & wastewater rate or internal allocations.

#### Tax Revenue

Taxation is the major source of revenue for the town. Tax rates to be applied to the various property classes are determined by the total tax levy requirement and the allocation by class of the assessed current market values of real property within the town. This category includes general levies, payments in lieu of taxes and local improvement rates.

More information on Town assessments and their link to taxation can be found on page 30.

#### Other Corporate Revenue

Includes revenues that cannot be generally attributable to any one department or activity. Examples of other corporate revenue include interest revenue, equalization grants, utility dividends and other general grants or miscellaneous income.

#### Requisitions Collected for Other Entities

Funds collected for third-party organizations that have the ability to requisition property taxes on our residents, in this case for the Kneehill Housing Corporation and for educational purposes.



# Budget Overview

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## Expenditures

### Salaries & Benefits

Remuneration for salary, benefit and honorarium expenses.

### Training & Development

Expenses consist of mileage claims, meeting costs, training, conferences and memberships.

### Professional and Consultant Fees

Includes services such as legal and audit charges, along with engineering and consultant fees.

### Materials & Supplies

Includes most general purchases including office supplies and equipment, hardware & software, tools and equipment, along with other miscellaneous items.

### Repairs & Maintenance

Refers to repairs and maintenance costs associated with building or larger pieces of equipment, such as pumps or building components.

### Vehicle & Equipment

Fuel, repairs, maintenance and insurance costs relating to vehicles and smaller or mobile pieces of equipment.

### Utilities & Communications

Telephone, internet and building utility costs (gas, electricity, water and sewer.)

### Insurance

Insurance costs incurred by the Town.

### Bank & Other Charges

Banking and interest charges along with other items such as easement fee and miscellaneous items.

### Grants

Amounts budgeted to support other agencies or services, or grants provided to the community.

### Remittances to Other Entities

Amounts remitted to other organizations that were collected via Town property tax bills.

### Debt & Capital Charges

Includes principal and interest charges for long term debt, contributions to reserves or contributions to the capital program.





# Legislative Services

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## Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | -         |
| Total Tax Levy Requirement:     | \$268,580 |
| Net Budget Change (\$):         | \$47,060  |
| Net Budget Change (%):          | 21.2%     |
| Annual Cost per Resident:       | \$84.70   |

Portion of  
Total Expenses  
(From Table 5)



2.3%

# Legislative Services

Town Council is the legislative and policy-making body of the Town government and represents the residents of Three Hills.

Council is the governing body of the municipal corporation and the custodian of its powers, both legislative and administrative. The Municipal Government Act provides that Council can only exercise the powers of the municipal corporation in the proper form, either by bylaw or resolution.

The Mayor and four councillors are elected for a four-year term. The Mayor is elected at large and the Deputy Mayor appointed for a one-year term at the organizational meeting from the councillors elected at large.

Overall the Council functions are:

- Support and enhancement of Town policies,
- Providing for compliance with and implementation of policy,
- Public relations and communications,
- Overall financial management stability,
- Ensure compliance with all legal requirements,
- Appoint advisory committees and commissions,
- Participate in various county or regional intergovernmental relationships,
- Serve as “ombudsman” to help address constituent complaints and problems, and
- Setting the overall tone, attitude, vision and strategic direction for the organization.

## Legislative Services

Table 8

|                                   | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|-----------------------------------|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Legislative Services</b>       |                |                          |                |                         |                |               |
| Salaries & Benefits               | 108,793        | 119,120                  | 119,120        | 125,830                 | 6,710          | 5.6           |
| Training & Development            | 13,479         | 16,130                   | 16,130         | 14,100                  | (2,030)        | (12.6)        |
| Materials & Supplies              | 29,435         | 38,420                   | 38,420         | 35,410                  | (3,010)        | (7.8)         |
| Vehicle & Equipment               | 1,200          | 3,600                    | 3,600          | 3,600                   | -              | -             |
| Utilities & Communications        | 375            | -                        | -              | 390                     | 390            | -             |
| Insurance                         | 44,246         | 84,250                   | 44,250         | 89,250                  | 45,000         | 101.7         |
| Grants                            | 44,246         | 84,250                   | 44,250         | 44,250                  | -              | -             |
| ⌘ Grants to Groups increase       | -              | -                        | -              | 45,000                  | 45,000         | 100.0         |
| <b>Total Legislative Services</b> | <b>197,648</b> | <b>261,520</b>           | <b>221,520</b> | <b>230,780</b>          | <b>9,260</b>   | <b>4.2</b>    |
| Departmental Revenues             | (140)          | -                        | -              | -                       | -              | -             |
| <b>Net Operating Expenditures</b> | <b>197,508</b> | <b>261,520</b>           | <b>221,520</b> | <b>268,580</b>          | <b>47,060</b>  | <b>21.2</b>   |
| Debt and Capital Charges          | -              | -                        | -              | -                       | -              | -             |
| <b>Tax Levy Requirement</b>       | <b>197,508</b> | <b>261,520</b>           | <b>221,520</b> | <b>268,580</b>          | <b>47,060</b>  | <b>21.2</b>   |

# Administrative Services Department

The Administrative Services Department includes Town administration, legislative support and financial services departments.

## 2023 Accomplishments

The following list provides a status update for departmental objectives outlined in the 2023 fiscal year budget document and other tasks completed during the fiscal year. The status list is current as of the date this document was published.

- Improve communications and response times with residents and ratepayers\*.
- Continue development of various employee wellness initiatives.
- Continue to support Local Government Administration Association of Alberta board activities.
- Ensure Town policies are reviewed and updated on a three year cycle and approved by Council\*.
- Update the Community Grants to Groups program.
- Update internal records management system.
- Asset management and asset condition information provided to Council\*.
- Obtain Government Finance Officers Association (GFOA) budget award for 2023.
- Improve internal financial reporting for managers and supervisors.
- Prepare and issue unqualified audited financial statements.
- Issue and award request for proposal for Auditing Services.
- Complete Water Rate Modelling Study to review allocation of water charges to affected users\*.

## 2024 Objectives

- Update water agreements with regional users.
- Respond to Freedom of Information Act (FOIPOP) requests within the legislated timeframe.
- Obtain Government Finance Officers Association (GFOA) budget award for 2024.
- Prepare and present a Fiscal Sustainability Report as identified in Council’s strategic plan\*.
- Update leases at the Three Hills airport.
- Implement electronic fund transfer process to reduce cheques issued by the Town.

\* directly supports Council Strategic Plan

## Performance Measures and Statistics

The Town has recently implemented performance measures related to Council’s Strategic Plan to assist linking budgetary decisions to the intended outcomes. Output, efficiency, and outcome measures are used to provide a tangible link from Town services and strategies to the Strategic Plan. **Starting in 2024** targets are set during the budget process, not to determine success or failure, but to continuously improve service delivery and provide core services in the most cost-effective manner possible. Additional measures and strategies will be featured in subsequent budgets.

| Strategy / Measure  | 2022   | 2023   |        | 2024   |
|---|--------|--------|--------|--------|
|   | Actual | Target | Actual | Target |
| <b>Administration</b>   |        |        |        |        |
| Respond to FOIP requests within legislated timelines  | n/a    | 100%   | 100%   | 100%   |
| Pass internal/external health and safety audits to maintain Certificate of Recognition status | Yes    | Yes    | Yes    | Yes    |
| <b>Finance</b>  |        |        |        |        |
| Obtain GFOA Distinguished Budget Award  | n/a    | Yes    | Yes    | Yes    |
| Increase number of tax accounts on monthly pre-authorized payment plan                        | n/a    | n/a    | 39%    | 45%    |
| Increase number of utility customers on monthly pre-authorized payment plan                   | n/a    | n/a    | 33%    | 40%    |
| Electronic payment of AP vendors (% uptake by year end)                                       | n/a    | n/a    | n/a    | 75%    |
| Issue unqualified financial statements  | Yes    | Yes    | Yes    | Yes    |

# Administrative Services Department

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## Administrative Services

### Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | 6.9       |
| Total Tax Levy Requirement:     | \$976,660 |
| Net Budget Change (\$):         | \$38,910  |
| Net Budget Change (%):          | 4.1%      |
| Annual Cost per Resident:       | \$308.00  |

Portion of  
Total Expenses  
(From Table 5)





# Administrative Services Department

## Administration and Finance

The Chief Administrative Officer (CAO), who is appointed by Council, is the head of the Administrative Department and is responsible for leading, planning, organizing and directing the administration of the Town of Three Hills toward the fulfillment of the goals, objectives and policies as determined by the Council.

The CAO coordinates the day-to-day activities of the Town, introduces new methods and procedures among Town departments and appraises the Mayor and Council on operational results. The department also provides support services to the Town's departments in the form of:

- personnel management,
- records management,
- ensure legal compliance of the organization,
- maintenance of Bylaws and Policies,
- agenda preparation for Council meetings,
- apply for grants to fund Town projects, and

- facilitate annual review of the Strategic Work Plan. For budgeting and reporting purposes, Administrative Services includes the Office of the CAO, support staff and the Finance Department.

The Finance Department is responsible the management of the fiscal affairs of the Town and supporting the financial related operations of other Town departments. It collects, records, deposits and disburses all funds for the Town. The department is also responsible for development of the annual budget, long-range financial plans, assisting Town leadership with policy decisions that may impact Town finances and developing and implementing policies and procedures that serve to protect all Town assets.

Other department responsibilities include accounting, financial reporting, property tax administration, utility billings and collections, debt management, cash management, payroll and general customer support duties

## Administration and Financial Services

Table 9

|                                      | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|--------------------------------------|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Administrative Services</b>       |                |                          |                |                         |                |               |
| Salaries & Benefits                  | 586,714        | 666,770                  | 666,770        | 688,500                 | 21,730         | 3.3           |
| Training & Development               | 18,512         | 21,730                   | 21,730         | 30,490                  | 8,760          | 40.3          |
| Professional & Consultant Fees       | 121,712        | 117,580                  | 117,580        | 108,840                 | (8,740)        | (7.4)         |
| Materials & Supplies                 | 24,899         | 64,560                   | 64,560         | 83,860                  | 19,300         | 29.9          |
| Repairs & Maintenance                | 4,968          | 9,150                    | 9,150          | 4,500                   | (4,650)        | (50.8)        |
| Vehicle & Equipment                  | 13,700         | 4,570                    | 4,570          | 4,850                   | 280            | 6.1           |
| Utilities & Communications           | 41,976         | 41,860                   | 41,860         | 42,870                  | 1,010          | 2.4           |
| Insurance                            | 11,998         | 12,040                   | 12,040         | 14,040                  | 2,000          | 16.6          |
| Bank & Other Charges                 | 5,246          | 4,820                    | 4,820          | 4,320                   | (500)          | (10.4)        |
| <b>Total Administrative Services</b> | <b>829,725</b> | <b>943,080</b>           | <b>943,080</b> | <b>982,270</b>          | <b>39,190</b>  | <b>4.2</b>    |
| Departmental Revenues                | (40,508)       | (33,340)                 | (33,340)       | (34,720)                | (1,380)        | 4.1           |
| <b>Net Operating Expenditures</b>    | <b>789,217</b> | <b>909,740</b>           | <b>909,740</b> | <b>947,550</b>          | <b>37,810</b>  | <b>4.2</b>    |
| Debt and Capital Charges             | 2,500          | 28,010                   | 28,010         | 29,110                  | 1,100          | 3.9           |
| <b>Tax Levy Requirement</b>          | <b>791,717</b> | <b>937,750</b>           | <b>937,750</b> | <b>976,660</b>          | <b>38,910</b>  | <b>4.1</b>    |



# Works and Infrastructure Department

The Works and Infrastructure Department includes Town operations (or public works), municipal airport, storm water, cemetery, waste management (waste, recycling and landfill) along with utility (water and wastewater) services.

## 2023 Accomplishments

The following list provides a status update for departmental objectives outlined in the 2023 fiscal year budget document and other tasks completed during the fiscal year. The status list is current as of the date this document was published.

- Update Town snow clearing policy.
- Replaced backwash pumps at water treatment plant.
- Golf course service line is in operation and the lagoon intake repairs that were completed.
- Improved recycling facilities/options at landfill\*.
- Expanded landfill hours and access\*.

## 2024 Objectives

- Oversee 2024 capital projects.
- Improve communications to residents on upcoming operating or capital work\*.
- Development of a comprehensive Infrastructure Master Plan\*.
- Completion of a Regional Water Distribution System Study\*.
- Create policy to determine service level standards at the Three Hills airport.
- Maintain water operation and facility certifications.

\* directly supports Council Strategic Plan

## Performance Measures and Statistics

The Town has recently implemented performance measures related to Council’s Strategic Plan to assist linking budgetary decisions to the intended outcomes. Output, efficiency, and outcome measures are used to provide a tangible link from Town services and strategies to the Strategic Plan. **Starting in 2024** targets are set during the budget process, not to determine success or failure, but to continuously improve service delivery and provide core services in the most cost-effective manner possible. Additional measures and strategies will be featured in subsequent budgets.

| Strategy / Measure                                     | 2022      | 2023   |           | 2024   |
|--|-----------|--------|-----------|--------|
|  | Actual    | Target | Actual    | Target |
| Perform project reviews for Town construction projects | n/a       | n/a    | n/a       | Yes    |
| <b>Operations</b>                                      |           |        |           |        |
| Complete street sweeping 3 times per year              | n/a       | 3      | 3         | 3      |
| Pothole repairs within 5 days of work order            | n/a       | 5      | 4.1       | 5      |
| <b>Utilities</b>                                       |           |        |           |        |
| Annual water main valve exercising                     | 40%       | 100%   | 20%       | 100%   |
| Hydrant flushing - every year                          | Yes       | Yes    | Yes       | Yes    |
| Water meter replacement within 15 days of failure      | 28        | <15    | 19        | <15    |
| Sewer main flushing                                    | 25%       | 25%    | 25%       | 25%    |
| Monthly manhole flushing                               | 4         | 12     | 6         | 12     |
| Cubic meters of potable water sold – town accounts     | 270,058   | n/a    | 277,617   | n/a    |
| Cubic meters of potable water sold – regional accounts | 240,870   | n/a    | 242,869   | n/a    |
| <b>Waste Management</b>                                |           |        |           |        |
| Landfill – residential black cart waste (kg)           | 536,150   | n/a    | 553,940   | n/a    |
| Landfill – residential and commercial waste (kg)       | 1,530,820 | n/a    | 1,734,340 | n/a    |
| Landfill – branches and compost (kg)                   | 546,530   | n/a    | 396,090   | n/a    |
| Mattresses / box springs recycled                      | n/a       | n/a    | n/a       | 400    |

# Works and Infrastructure Department

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## Quick Facts

|                                 |             |
|---------------------------------|-------------|
| Full Time Equivalent Positions: | 5.8         |
| Total Tax Levy Requirement:     | \$1,299,150 |
| Net Budget Change (\$):         | (\$36,290)  |
| Net Budget Change (%):          | (2.7%)      |
| Annual Cost per Resident:       | \$409.70    |

Portion of  
Total Expenses  
(From Table 5)



13.3%

# Works and Infrastructure Department

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Public Works (or Operations) is responsible for maintaining the integrity and safety of Three Hill's transportation infrastructure.

The Operations Division is a major contributor to the community's public safety with snow removal and sanding of roads, clearing sidewalks, pathways and sweeping winters mess up in the spring.

Equipment operators complete the road line painting and repair street signage and potholes through out the year. The department works along side the Utility Department running equipment during infrastructure repairs and assisting all other departments as required in the maintenance of all town facilities.



The department is also responsible for storm water management and maintenance of the related public storm sewers, and retention/detention ponds that are under the town's authority.

Three Hills Airport is located 4 kilometers east of Three Hills. Public works staff are responsible for the maintenance of the airport, including snow and ice control operations.

The Prairie Aviation Training Centre (PATC), an affiliate of Prairie College, utilizes this airport as its training base. PATC offers a two-year Associate of Arts in Mission Aviation degree to successful graduates of the program.

The Town of Three Hills Cemetery is located on the outskirts of Town. Over the last ten years we have expanded the cemetery to allow for future

development. The Town Cemetery consists of four main sections and the Catholic Church has a private area located to the east of the Town Cemetery.



# Works and Infrastructure Department

## Works and Infrastructure

Table 10

|                                       | 2022<br>Actual   | Projected<br>2023 Actual | 2023<br>Budget   | Approved<br>2024 Budget | Change<br>(\$)  | Change<br>(%) |
|---------------------------------------|------------------|--------------------------|------------------|-------------------------|-----------------|---------------|
| <b>Operations</b>                     |                  |                          |                  |                         |                 |               |
| Salaries & Benefits                   | 556,476          | 499,520                  | 548,620          | 530,790                 | (17,830)        | (3.2)         |
| Training & Development                | 204              | 2,600                    | 2,600            | 2,600                   | -               | -             |
| Professional & Consultant Fees        | 20,803           | 35,360                   | 35,360           | 28,260                  | (7,100)         | (20.1)        |
| Materials & Supplies                  | 29,927           | 36,490                   | 36,490           | 38,230                  | 1,740           | 4.8           |
| Repairs & Maintenance                 | 91,504           | 88,500                   | 88,500           | 80,000                  | (8,500)         | (9.6)         |
| Vehicle & Equipment                   | 139,779          | 133,890                  | 102,090          | 95,220                  | (6,870)         | (6.7)         |
| Utilities & Communications            | 210,643          | 233,580                  | 208,880          | 220,550                 | 11,670          | 5.6           |
| Insurance                             | 15,586           | 14,780                   | 14,780           | 16,810                  | 2,030           | 13.7          |
| Bank & Other Charges                  | 8,561            | 400                      | 400              | 400                     | -               | -             |
| <b>Total Operations</b>               | <b>1,073,483</b> | <b>1,045,120</b>         | <b>1,037,720</b> | <b>1,012,860</b>        | <b>(24,860)</b> | <b>(2.4)</b>  |
| <b>Airport</b>                        |                  |                          |                  |                         |                 |               |
| Professional & Consultant Fees        | 31,496           | 16,000                   | 16,000           | 12,960                  | (3,040)         | (19.0)        |
| Materials & Supplies                  | 168,679          | 142,300                  | 142,300          | 155,250                 | 12,950          | 9.1           |
| Repairs & Maintenance                 | 2,250            | 2,000                    | 2,000            | 3,220                   | 1,220           | 61.0          |
| Vehicle & Equipment                   | 2,114            | 100                      | 100              | 120                     | 20              | 20.0          |
| Utilities & Communications            | 9,027            | 10,190                   | 10,190           | 9,490                   | (700)           | (6.9)         |
| Insurance                             | 13,315           | 5,420                    | 5,420            | 8,800                   | 3,380           | 62.4          |
| Bank & Other Charges                  | 1,558            | -                        | -                | -                       | -               | -             |
| <b>Total Airport</b>                  | <b>228,439</b>   | <b>176,010</b>           | <b>176,010</b>   | <b>189,840</b>          | <b>13,830</b>   | <b>7.9</b>    |
| <b>Storm Water</b>                    |                  |                          |                  |                         |                 |               |
| Professional & Consultant Fees        | 18,492           | 30,000                   | 30,000           | 15,000                  | (15,000)        | (50.0)        |
| Repairs & Maintenance                 | 5,490            | 5,000                    | 5,000            | 5,000                   | -               | -             |
| Utilities & Communications            | 1,635            | 1,880                    | 1,880            | 1,470                   | (410)           | (21.8)        |
| Bank & Other Charges                  | 6,000            | 6,000                    | 6,000            | 6,000                   | -               | -             |
| <b>Total Storm Water</b>              | <b>31,617</b>    | <b>42,880</b>            | <b>42,880</b>    | <b>27,470</b>           | <b>(15,410)</b> | <b>(35.9)</b> |
| <b>Cemetery</b>                       |                  |                          |                  |                         |                 |               |
| Professional & Consultant Fees        | 868              | 500                      | 500              | 1,700                   | 1,200           | 240.0         |
| Materials & Supplies                  | 512              | 3,900                    | 3,900            | 3,920                   | 20              | 0.5           |
| Repairs & Maintenance                 | 340              | 800                      | 800              | 500                     | (300)           | (37.5)        |
| Vehicle & Equipment                   | 647              | 600                      | 600              | 800                     | 200             | 33.3          |
| Bank & Other Charges                  | 73               | 600                      | 600              | -                       | (600)           | (100.0)       |
| <b>Total Cemetery</b>                 | <b>2,440</b>     | <b>6,400</b>             | <b>6,400</b>     | <b>6,920</b>            | <b>520</b>      | <b>8.1</b>    |
| <b>Total Works and Infrastructure</b> | <b>1,335,979</b> | <b>1,270,410</b>         | <b>1,263,010</b> | <b>1,237,090</b>        | <b>(25,920)</b> | <b>(2.1)</b>  |
| Departmental Revenues                 | (300,862)        | (211,030)                | (211,030)        | (236,230)               | (25,200)        | 11.9          |
| <b>Net Operating Expenses</b>         | <b>1,035,117</b> | <b>1,059,380</b>         | <b>1,051,980</b> | <b>1,000,860</b>        | <b>(51,120)</b> | <b>(4.9)</b>  |
| Debt and Capital Charges              | 153,885          | 433,460                  | 283,460          | 298,290                 | 14,830          | 5.2           |
| <b>Tax Levy Requirement</b>           | <b>1,189,002</b> | <b>1,492,840</b>         | <b>1,335,440</b> | <b>1,299,150</b>        | <b>(36,290)</b> | <b>(2.7)</b>  |





## Water and Wastewater

### Quick Facts

|                                 |     |
|---------------------------------|-----|
| Full Time Equivalent Positions: | 6.5 |
| Total Tax Levy Requirement:     | n/a |
| Net Budget Change (\$):         | n/a |
| Net Budget Change (%):          | n/a |
| Annual Cost per Resident:       | n/a |

Portion of  
Total Expenses  
(From Table 5)



27.6%



# Works and Infrastructure Department

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## Water and Wastewater

Water and Wastewater (or Utilities) has the responsibility for the repair and continued maintenance of the Water Treatment Plant, Water Distribution, Wastewater Treatment, Wastewater Collection and Stormwater Management systems. Utility operators also play a key role in assisting in the development of operating and capital infrastructure projects.

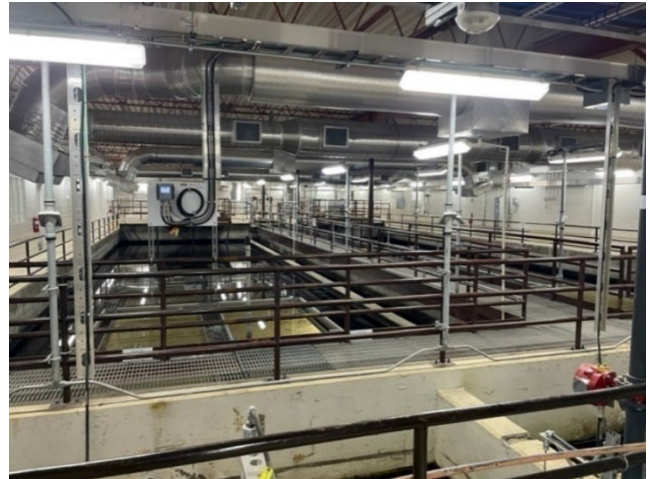
In addition, the Utility Department is responsible for meter reading and continued maintenance of the water meter program. Utility operators work closely with Alberta Environment to meet the required Approvals and staying on top of their education and training for CEU's to meet their requirements as a Utility Operator in the Town of Three Hills.

The Town of Three Hills owns and operates the water treatment plant that provides Three Hills, Trochu and portions of Kneehill County with water. The water that enters the plant is drawn from the Red Deer River east of the Town of Three Hills. Staff work hard to protect health by delivering clean, reliable drinking water to the community.

Wastewater is water that has been used in homes and businesses in ways that negatively impact its quality. It is largely made up of human waste, oils, grease, chemicals, dirt and soaps from sinks, showers and washing machines and effluent from industries, commercial businesses and institutions.

This water is removed from homes and businesses by over 26km of sewer pipes and ends up at the sewage lagoons located south of Three Hills. Once treated, a portion of this water is recycled and used to water the beautiful Three Hills Golf Course.

Note about tax impact: Properties are charged water and wastewater fees through utility billings and not via general taxation. Revenues generated via these billings offset expenses to provide the service, so there is no impact on tax rates; that is why the tax levy requirement and annual cost per resident are shown as n/a.



# Works and Infrastructure Department

## Water and Wastewater

Table 11

|                                   | 2022<br>Actual     | Projected<br>2023 Actual | 2023<br>Budget     | Approved<br>2024 Budget | Change<br>(\$)   | Change<br>(%) |
|-----------------------------------|--------------------|--------------------------|--------------------|-------------------------|------------------|---------------|
| <b>Water Treatment</b>            |                    |                          |                    |                         |                  |               |
| Salaries & Benefits               | 174,385            | 311,530                  | 311,530            | 321,240                 | 9,710            | 3.1           |
| Training & Development            | 3,940              | 5,500                    | 5,500              | 5,650                   | 150              | 2.7           |
| Professional & Consultant Fees    | 150,898            | 176,940                  | 176,940            | 201,880                 | 24,940           | 14.1          |
| Materials & Supplies              | 161,641            | 136,800                  | 136,800            | 202,920                 | 66,120           | 48.3          |
| Repairs & Maintenance             | 27,502             | 66,200                   | 66,200             | -                       | (66,200)         | (100.0)       |
| Vehicle & Equipment               | 27,448             | 16,310                   | 16,310             | 14,790                  | (1,520)          | (9.3)         |
| Utilities & Communications        | 256,296            | 242,790                  | 242,790            | 234,910                 | (7,880)          | (3.2)         |
| Insurance                         | 34,205             | 42,960                   | 42,960             | 39,400                  | (3,560)          | (8.3)         |
| Bank & Other Charges              | 790                | -                        | -                  | -                       | -                | -             |
| ⌘ Domestic Utility Relief Program | -                  | -                        | -                  | 6,900                   | 6,900            | 100.0         |
| <b>Total Water Treatment</b>      | <b>837,105</b>     | <b>999,030</b>           | <b>999,030</b>     | <b>1,027,690</b>        | <b>28,660</b>    | <b>2.9</b>    |
| <b>Water Distribution</b>         |                    |                          |                    |                         |                  |               |
| Salaries & Benefits               | 291,399            | 224,600                  | 224,600            | 215,220                 | (9,380)          | (4.2)         |
| Training & Development            | 2,791              | 2,000                    | 2,000              | 2,000                   | -                | -             |
| Professional & Consultant Fees    | 78,150             | 60,160                   | 60,160             | 66,730                  | 6,570            | 10.9          |
| Materials & Supplies              | 3,484              | 24,260                   | 24,260             | 31,900                  | 7,640            | 31.5          |
| Repairs & Maintenance             | 73,627             | 90,300                   | 90,300             | 35,600                  | (54,700)         | (60.6)        |
| Vehicle & Equipment               | 13,710             | 29,610                   | 29,610             | 25,530                  | (4,080)          | (13.8)        |
| Utilities & Communications        | 28,571             | 40,410                   | 40,410             | 47,460                  | 7,050            | 17.4          |
| Insurance                         | 4,995              | 4,350                    | 4,350              | 5,590                   | 1,240            | 28.5          |
| Pumphouse Failure                 | 2,147,716          | -                        | -                  | -                       | -                | -             |
| <b>Total Water Distribution</b>   | <b>2,644,443</b>   | <b>475,690</b>           | <b>475,690</b>     | <b>430,030</b>          | <b>(45,660)</b>  | <b>(9.6)</b>  |
| <b>Wastewater</b>                 |                    |                          |                    |                         |                  |               |
| Salaries & Benefits               | 132,378            | 116,810                  | 116,810            | 111,920                 | (4,890)          | (4.2)         |
| Training & Development            | 524                | 500                      | 500                | 500                     | -                | -             |
| Professional & Consultant Fees    | 119,652            | 71,010                   | 64,510             | 80,080                  | 15,570           | 24.1          |
| Materials & Supplies              | 10,404             | 29,910                   | 29,910             | 38,420                  | 8,510            | 28.5          |
| Repairs & Maintenance             | 60,870             | 40,100                   | 40,100             | 60,100                  | 20,000           | 49.9          |
| Vehicle & Equipment               | 794                | 100                      | 100                | 120                     | 20               | 20.0          |
| Utilities & Communications        | 10,153             | 9,910                    | 9,910              | 9,130                   | (780)            | (7.9)         |
| Insurance                         | 3,481              | 3,670                    | 3,670              | 3,980                   | 310              | 8.4           |
| Bank & Other Charges              | 5,600              | 5,600                    | 5,600              | 5,600                   | -                | -             |
| <b>Total Wastewater</b>           | <b>343,856</b>     | <b>277,610</b>           | <b>271,110</b>     | <b>309,850</b>          | <b>38,740</b>    | <b>14.3</b>   |
| <b>Total Water and Wastewater</b> | <b>3,825,404</b>   | <b>1,752,330</b>         | <b>1,745,830</b>   | <b>1,767,570</b>        | <b>21,740</b>    | <b>1.2</b>    |
| Departmental Revenues             | (5,167,501)        | (3,087,210)              | (3,022,210)        | (3,154,290)             | (132,080)        | 4.4           |
| ⌘ Utility Rate Changes            | -                  | -                        | -                  | (46,630)                | (46,630)         | 100.0         |
| <b>Net Operating Expenses</b>     | <b>(1,342,097)</b> | <b>(1,334,880)</b>       | <b>(1,276,380)</b> | <b>(1,433,350)</b>      | <b>(156,970)</b> | <b>12.3</b>   |
| Debt and Capital Charges          | 1,252,729          | 1,276,380                | 1,276,380          | 1,343,350               | 66,970           | 5.2           |
| ⌘ Capital Project Funding         | -                  | -                        | -                  | 90,000                  | 90,000           | 100.0         |
| <b>Tax Levy Requirement</b>       | <b>(89,368)</b>    | <b>(58,500)</b>          | -                  | -                       | -                | -             |

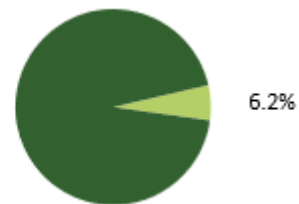


## Waste Management

### Quick Facts

|                                 |            |
|---------------------------------|------------|
| Full Time Equivalent Positions: | 1.2        |
| Total Tax Levy Requirement:     | (\$87,780) |
| Net Budget Change (\$):         | \$27,060   |
| Net Budget Change (%):          | (23.6%)    |
| Annual Cost per Resident:       | n/a        |

Portion of  
Total Expenses  
(From Table 5)



# Works and Infrastructure Department

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## Waste Management

Effective December 2021, residential and commercial waste and recycling pickup and disposal services in Three Hills are contracted to C&S Disposal.

Residential properties have curbside waste pickup weekly and recycling pickup every second week. Commercial properties utilize bins and carts for their pickups.

The Town also operates the Three Hills Landfill, located west of the Town. The landfill accepts most types of common refuse, and the Town accepts recyclables at the site.

Note about tax impact: Properties are charged solid waste and recycling fees through utility billings and not via general taxation. While the sub-department shows that revenues exceed expenditures, the town does not allocate municipal expenses (such as some staffing, Council, administration or other costs) towards solid waste; if that was done, the service would likely be cost neutral.



# Works and Infrastructure Department

## Waste Management

Table 12

|                                 | 2022<br>Actual   | Projected<br>2023 Actual | 2023<br>Budget   | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|---------------------------------|------------------|--------------------------|------------------|-------------------------|----------------|---------------|
| <b>Solid Waste</b>              |                  |                          |                  |                         |                |               |
| Professional & Consultant Fees  | 164,193          | 172,280                  | 172,280          | 167,900                 | (4,380)        | (2.5)         |
| ⌘ Waste Rate Change Allowance   | -                | -                        | -                | 25,650                  | 25,650         | 100.0         |
| Materials & Supplies            | 5,283            | 3,180                    | 3,180            | 17,590                  | 14,410         | 453.1         |
| Vehicle & Equipment             | 2,095            | -                        | -                | -                       | -              | -             |
| Insurance                       | 331              | -                        | -                | 430                     | 430            | -             |
| <b>Total Solid Waste</b>        | <b>171,902</b>   | <b>175,460</b>           | <b>175,460</b>   | <b>211,570</b>          | <b>36,110</b>  | <b>20.6</b>   |
| <b>Recycling</b>                |                  |                          |                  |                         |                |               |
| Professional & Consultant Fees  | 63,925           | 65,840                   | 65,840           | 67,350                  | 1,690          | 2.6           |
| ⌘ Recycle Rate Change Allowance | -                | -                        | -                | 14,800                  | 14,800         | 100.0         |
| Materials & Supplies            | 4,809            | 3,160                    | 3,160            | 8,590                   | 5,430          | 171.8         |
| Vehicle & Equipment             | 138              | -                        | -                | -                       | -              | -             |
| Utilities & Communications      | 7,363            | 7,790                    | 7,790            | 6,890                   | (900)          | (11.6)        |
| Insurance                       | 806              | 830                      | 830              | 1,010                   | 180            | 21.7          |
| Bank & Other Charges            | 1,703            | 2,000                    | 2,000            | 1,500                   | (500)          | (25.0)        |
| <b>Total Recycling</b>          | <b>78,744</b>    | <b>79,620</b>            | <b>79,620</b>    | <b>101,320</b>          | <b>21,700</b>  | <b>27.3</b>   |
| <b>Landfill</b>                 |                  |                          |                  |                         |                |               |
| Salaries & Benefits             | 120,770          | 158,200                  | 158,200          | 167,380                 | 9,180          | 5.8           |
| Training & Development          | 350              | 600                      | 600              | 1,100                   | 500            | 83.3          |
| Professional & Consultant Fees  | 41,178           | 33,240                   | 33,240           | 51,970                  | 18,730         | 56.3          |
| ⌘ Mattress Recycling Program    | -                | -                        | -                | 8,070                   | 8,070          | 100.0         |
| Materials & Supplies            | 22,803           | 35,100                   | 35,100           | 20,300                  | (14,800)       | (42.2)        |
| Repairs & Maintenance           | 2,928            | 4,000                    | 4,000            | 3,500                   | (500)          | (12.5)        |
| Vehicle & Equipment             | 29,118           | 24,210                   | 24,210           | 22,960                  | (1,250)        | (5.2)         |
| Utilities & Communications      | 4,985            | 6,990                    | 6,990            | 5,700                   | (1,290)        | (18.5)        |
| Insurance                       | 2,960            | 4,160                    | 4,160            | 3,640                   | (520)          | (12.5)        |
| Bank & Other Charges            | -                | -                        | -                | 1,000                   | 1,000          | -             |
| <b>Total Landfill</b>           | <b>225,092</b>   | <b>266,500</b>           | <b>266,500</b>   | <b>285,620</b>          | <b>19,120</b>  | <b>7.2</b>    |
| <b>Total Waste Management</b>   | <b>475,738</b>   | <b>521,580</b>           | <b>521,580</b>   | <b>598,510</b>          | <b>76,930</b>  | <b>14.7</b>   |
| Departmental Revenues           | (779,318)        | (754,620)                | (754,620)        | (792,030)               | (37,410)       | 5.0           |
| ⌘ Revenue Changes               | -                | -                        | -                | (14,070)                | (14,070)       | 100.0         |
| <b>Net Operating Expenses</b>   | <b>(303,580)</b> | <b>(233,040)</b>         | <b>(233,040)</b> | <b>(207,590)</b>        | <b>25,450</b>  | <b>(10.9)</b> |
| Debt and Capital Charges        | 57,000           | 154,500                  | 118,200          | 119,810                 | 1,610          | 1.4           |
| <b>Tax Levy Requirement</b>     | <b>(246,580)</b> | <b>(78,540)</b>          | <b>(114,840)</b> | <b>(87,780)</b>         | <b>27,060</b>  | <b>(23.6)</b> |



# Community Services Department

The Community Services Department is responsible for protective services, bylaw enforcement, emergency management, planning and development along with parks, recreation and facilities.

## 2023 Accomplishments

The following list provides a status update for departmental objectives outlined in the 2023 fiscal year budget document and other tasks completed during the fiscal year. The status list is current as of the date this document was published.

- Updated information technology security processes.
- Refreshed website – new version works well on both desktop and mobile devices\*.
- Issued and award request for proposal for Safety Code Services.
- Certify/recertify pool staff in lifeguarding skills/water safety instruction.
- Increased attendance at pool over prior year(s), offering free community swims and new programs such as Introduction to SCUBA.
- Installed ice early at arena to facilitate user group requests.
- Implemented a new app (Catch Corner) to assist arena users in finding and booking ice-time.
- Planted 35 trees along Highway 583\*.

## 2024 Objectives

- Maintain and strengthen volunteer fire fighter personnel numbers.
- Continue to ensure firefighter are trained to service level standards.
- Incorporate new fire apparatus received in 2024.
- Proactively enforce community standards bylaws.
- Prepare development incentive policies and bylaws for Council consideration\*.
- Increase sales of town’s vacant residential lots.
- Introduce new programming at pool to reach a variety of age groups.
- Upgrade existing trail network to ensure safety standards.
- Work with community groups to obtain funding to replace Kinsman Park playground structures.

\* directly supports Council Strategic Plan

## Performance Measures and Statistics

The Town has recently implemented performance measures related to Council’s Strategic Plan to assist linking budgetary decisions to the intended outcomes. Output, efficiency, and outcome measures are used to provide a tangible link from Town services and strategies to the Strategic Plan. **Starting in 2024** targets are set during the budget process, not to determine success or failure, but to continuously improve service delivery and provide core services in the most cost-effective manner possible. Additional measures and strategies will be featured in subsequent budgets.

| Strategy / Measure                     | 2022   | 2023   |        | 2024   |
|--|--------|--------|--------|--------|
|  | Actual | Target | Actual | Target |
| <b>Protective Services</b>             |        |        |        |        |
| Fire department responses              | 148    | n/a    | 152    | n/a    |
| <b>Planning and Development</b>        |        |        |        |        |
| Development permit applications        | 42     | n/a    | 21     | 30     |
| <b>Pool</b>                            |        |        |        |        |
| Pool memberships                       | 550    | 560    | 567    | 570    |
| <b>Arena</b>                           |        |        |        |        |
| Arena ice-time booked (hours)          | 905    | 1,000  | 1,243  | 1,300  |
| <b>Parks</b>                           |        |        |        |        |
| Total number of trees planted          | 20     | 45     | 36     | 20     |
| Developed park area maintained (Acres) | 46.6   | n/a    | 46.6   | n/a    |

# Community Services Department

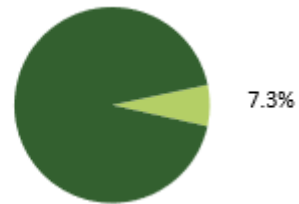
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## Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | 1.0       |
| Total Tax Levy Requirement:     | \$439,410 |
| Net Budget Change (\$):         | \$62,680  |
| Net Budget Change (%):          | 16.6%     |
| Annual Cost per Resident:       | \$138.57  |

Portion of  
Total Expenses  
(From Table 5)



# Community Services Department

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The Town strives to ensure that Three Hills remains a "vibrant and safe community." As such we are honored to have a number of volunteers and professionals that constitute the Protective Services sector of our Town. Protective Services is made up of Police Protection, Fire Protection, Disaster Services (Emergency Management) and Bylaw Enforcement.

## Police Protection

The Town contributes towards a portion of RCMP detachment costs based on calculations provided by the Provincial government. 2023 represents the final increase in policing costs imposed by the Province in 2019.

## Fire Protection

The department moved into their new building in the Spring of 2012. The prior building served as their home when it was converted from the Town Public Works Shop to the Fire Hall in 1956. The new building was built to accommodate both Town trucks as well as trucks from Kneehill County.

The Three Hills Fire Department is our first line of defence against fires and other emergencies in Town. The department trains regularly and is able to provide a number of protective services.

The department helps to protect residents and minimize the risk of fires in the community. The fire department works with local groups and agencies to provide education and to assist in planning and prepping for emergency situations. By planning and educating, we're striving to keep Three Hills safe.

## Disaster Services

The Town of Three Hills operates under a Ministerial Order from the Province of Alberta. This Ministerial Order allows the town to have a partnership with surrounding municipalities for Emergency Management.

The Town is an active member in the Kneehill Regional Emergency Management Partnership. This partnership consists of one County, three Villages and two Towns. The Regional group meets on a regular basis and shares an Emergency Plan.

All town staff have the Basic Emergency Management Course as well as the ICS 100 course.

## Bylaw Enforcement

The Bylaw Department is responsible for the enforcement of bylaws passed by Council for the Town of Three Hills. Bylaw Enforcement is committed to serve, protect and provide a desired quality of life for citizens and visitors to the Town through education to raise awareness of community standards, and enforcement of Town Bylaws to ensure timely compliance with a professional, unbiased approach.

Kneehill County Peace Officers provide municipal enforcement for the Town, working to ensure compliance with bylaws and investigate incoming complaints. Spot enforcement operations are also conducted in high-traffic or problem areas in the Town.



# Community Services Department

## Protective Services

Table 13

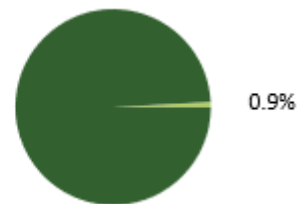
|                                  | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|----------------------------------|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Police Protection</b>         |                |                          |                |                         |                |               |
| Professional & Consultant Fees   | 115,820        | 175,000                  | 175,000        | 185,420                 | 10,420         | 6.0           |
| Grants                           | -              | 1,000                    | 1,000          | 1,000                   | -              | -             |
| <b>Total Police Protection</b>   | <b>115,820</b> | <b>176,000</b>           | <b>176,000</b> | <b>186,420</b>          | <b>10,420</b>  | <b>5.9</b>    |
| <b>Fire Protection</b>           |                |                          |                |                         |                |               |
| Salaries & Benefits              | 75,211         | 65,420                   | 65,420         | 79,540                  | 14,120         | 21.6          |
| Training & Development           | 231            | 4,750                    | 4,750          | 8,200                   | 3,450          | 72.6          |
| Professional & Consultant Fees   | 24,235         | 16,520                   | 16,520         | 19,500                  | 2,980          | 18.0          |
| Materials & Supplies             | 15,244         | 14,090                   | 14,090         | 19,000                  | 4,910          | 34.8          |
| Repairs & Maintenance            | 11,155         | 4,000                    | 4,000          | 8,100                   | 4,100          | 102.5         |
| Vehicle & Equipment              | 3,743          | 9,960                    | 9,960          | 10,550                  | 590            | 5.9           |
| Utilities & Communications       | 29,134         | 28,330                   | 28,330         | 28,440                  | 110            | 0.4           |
| Insurance                        | 9,885          | 9,510                    | 9,510          | 11,920                  | 2,410          | 25.3          |
| Grants                           | -              | -                        | -              | 330,010                 | 330,010        | -             |
| <b>Total Fire Protection</b>     | <b>168,838</b> | <b>152,580</b>           | <b>152,580</b> | <b>515,260</b>          | <b>362,680</b> | <b>237.7</b>  |
| <b>Disaster Services</b>         |                |                          |                |                         |                |               |
| Salaries & Benefits              | 27,358         | 28,390                   | 28,390         | 29,740                  | 1,350          | 4.8           |
| Training & Development           | -              | 1,430                    | 1,430          | 1,430                   | -              | -             |
| Utilities & Communications       | 746            | 900                      | 900            | 840                     | (60)           | (6.7)         |
| <b>Total Disaster Services</b>   | <b>28,104</b>  | <b>30,720</b>            | <b>30,720</b>  | <b>32,010</b>           | <b>1,290</b>   | <b>4.2</b>    |
| <b>Bylaw Enforcement</b>         |                |                          |                |                         |                |               |
| Salaries & Benefits              | 13,679         | 14,190                   | 14,190         | 21,590                  | 7,400          | 52.1          |
| Professional & Consultant Fees   | 16,460         | 17,380                   | 17,380         | 19,900                  | 2,520          | 14.5          |
| Materials & Supplies             | 550            | 100                      | 100            | 100                     | -              | -             |
| Insurance                        | 1,139          | 680                      | 680            | 870                     | 190            | 27.9          |
| <b>Total Bylaw Enforcement</b>   | <b>31,828</b>  | <b>32,350</b>            | <b>32,350</b>  | <b>42,460</b>           | <b>10,110</b>  | <b>31.3</b>   |
| <b>Total Protective Services</b> | <b>344,590</b> | <b>391,650</b>           | <b>391,650</b> | <b>776,150</b>          | <b>384,500</b> | <b>98.2</b>   |
| Departmental Revenues            | (73,963)       | (85,850)                 | (85,850)       | (409,980)               | (324,130)      | 377.6         |
| <b>Net Operating Expenses</b>    | <b>270,627</b> | <b>305,800</b>           | <b>305,800</b> | <b>366,170</b>          | <b>60,370</b>  | <b>19.7</b>   |
| Debt and Capital Charges         | 50,000         | 70,930                   | 70,930         | 73,240                  | 2,310          | 3.3           |
| <b>Tax Levy Requirement</b>      | <b>320,627</b> | <b>376,730</b>           | <b>376,730</b> | <b>439,410</b>          | <b>62,680</b>  | <b>16.6</b>   |



### Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | 0.7       |
| Total Tax Levy Requirement:     | \$72,490  |
| Net Budget Change (\$):         | (\$1,950) |
| Net Budget Change (%):          | (2.6%)    |
| Annual Cost per Resident:       | \$22.86   |

Portion of  
Total Expenses  
(From Table 5)





# Community Services Department

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Planning and Development manages land use planning processes within the Town of Three Hills. The purpose of Planning and Development is to ensure that the environmental, social, and fiscal effects of development are considered in decision making.

The department advises Council, its Committees, in particular the Municipal Planning Commission, and other Town Departments on issues related to the development within the community.



Planning and Development works to ensure that change and development take place in an organized, well-planned way, and in compliance with provincial legislation and municipal regulations and bylaws, while also maintaining and enhancing the natural and man-made environments that contribute to a high quality-of-life.

Economic Development is also part of the Planning and Development department, serving the community to enhance our quality of life by working with existing and prospective businesses and community partners to create a diverse economy that is resilient to change. The primary role of Economic Development is to support the organization in the areas of Marketing (Business Retention and Expansion, Investment Readiness/Attraction and Partnership Marketing) and Entrepreneurship and Small Business Assistance.

# Community Services Department

## Planning and Development

Table 14

|                                       | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|---------------------------------------|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Planning</b>                       |                |                          |                |                         |                |               |
| Salaries & Benefits                   | 42,329         | 45,330                   | 45,330         | 46,540                  | 1,210          | 2.7           |
| Training & Development                | 2,199          | 2,650                    | 2,650          | 2,440                   | (210)          | (7.9)         |
| Professional & Consultant Fees        | 36,307         | 27,070                   | 27,070         | 21,020                  | (6,050)        | (22.3)        |
| Materials & Supplies                  | 4,642          | 10,890                   | 10,890         | 8,740                   | (2,150)        | (19.7)        |
| Insurance                             | 331            | 330                      | 330            | 430                     | 100            | 30.3          |
| <b>Total Planning</b>                 | <b>85,808</b>  | <b>86,270</b>            | <b>86,270</b>  | <b>79,170</b>           | <b>(7,100)</b> | <b>(8.2)</b>  |
| <b>Subdivision</b>                    |                |                          |                |                         |                |               |
| Professional & Consultant Fees        | 1,000          | 2,500                    | 2,500          | 2,500                   | -              | -             |
| Materials & Supplies                  | 550            | 100                      | 100            | 100                     | -              | -             |
| <b>Total Subdivision</b>              | <b>1,550</b>   | <b>2,600</b>             | <b>2,600</b>   | <b>2,600</b>            | <b>-</b>       | <b>-</b>      |
| <b>Economic Development</b>           |                |                          |                |                         |                |               |
| Professional & Consultant Fees        | 5,520          | 5,520                    | 5,520          | 5,520                   | -              | -             |
| Materials & Supplies                  | 8,564          | 7,500                    | 7,500          | 9,500                   | 2,000          | 26.7          |
| Vehicle & Equipment                   | 127            | 600                      | 600            | 320                     | (280)          | (46.7)        |
| Utilities & Communications            | 1,283          | 1,380                    | 1,380          | 1,060                   | (320)          | (23.2)        |
| Insurance                             | 413            | 420                      | 420            | 470                     | 50             | 11.9          |
| Grants                                | 1,011          | 2,500                    | 2,500          | 1,750                   | (750)          | (30.0)        |
| <b>Total Economic Development</b>     | <b>16,918</b>  | <b>17,920</b>            | <b>17,920</b>  | <b>18,620</b>           | <b>700</b>     | <b>3.9</b>    |
| <b>Total Planning and Development</b> | <b>104,276</b> | <b>106,790</b>           | <b>106,790</b> | <b>100,390</b>          | <b>(6,400)</b> | <b>(6.0)</b>  |
| Departmental Revenues                 | (52,494)       | (33,050)                 | (33,050)       | (28,650)                | 4,400          | (13.3)        |
| <b>Net Operating Expenses</b>         | <b>51,782</b>  | <b>73,740</b>            | <b>73,740</b>  | <b>71,740</b>           | <b>(2,000)</b> | <b>(2.7)</b>  |
| Debt and Capital Charges              | -              | 700                      | 700            | 750                     | 50             | 7.1           |
| <b>Tax Levy Requirement</b>           | <b>51,782</b>  | <b>74,440</b>            | <b>74,440</b>  | <b>72,490</b>           | <b>(1,950)</b> | <b>(2.6)</b>  |

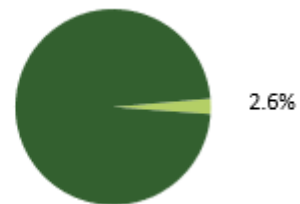


## Recreation and Cultural Programs

### Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | 1.0       |
| Total Tax Levy Requirement:     | \$299,880 |
| Net Budget Change (\$):         | \$5,550   |
| Net Budget Change (%):          | 1.9%      |
| Annual Cost per Resident:       | \$94.57   |

Portion of  
Total Expenses  
(From Table 5)



# Community Services Department

The Recreation and Cultural Programs division is comprised of three areas: Recreation Administration, Family and Community Support Services (FCSS), and the Public Library.

The recreation administration program is responsible for the oversight, operations and scheduling of all outdoor recreational areas, parks, and indoor recreational buildings such as the arena and community centre.

Family and Community Support Services (FCSS) is a partnership between the municipal and provincial governments established to develop, support and fund preventive social programming to enhance the well being of individuals, families, and communities. The program is municipally driven and governed by the Family and Community Support Services Act which

emphasizes prevention, volunteerism, and local autonomy.

The Three Hills Library opened in August of 1949. The Three Hills Library mission is to create connections that inspire discovery, growth, and imagination by sharing ideas, resources, and experiences with the community it serves.

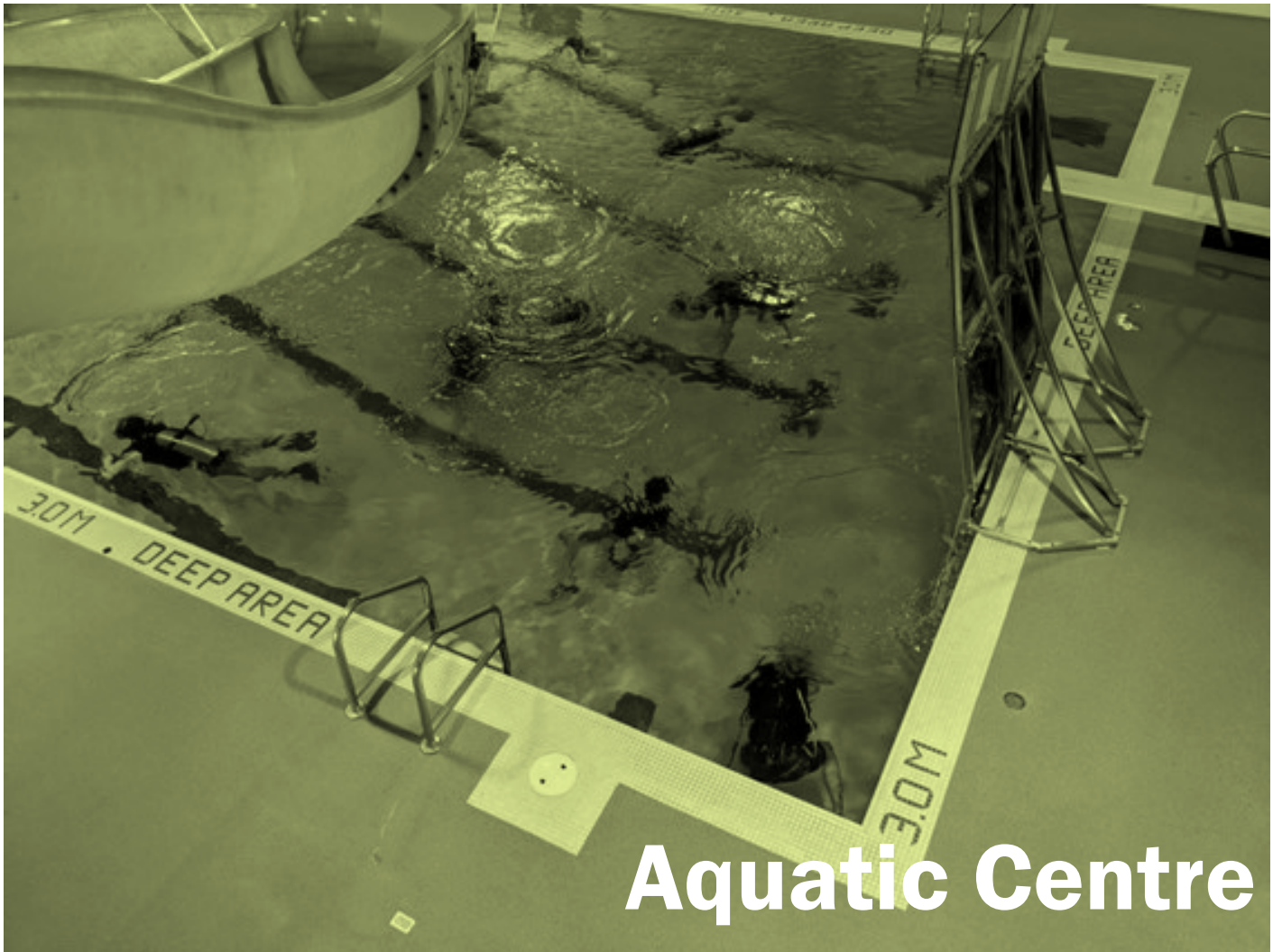
Currently, 1,622 Three Hills residents have a library card, which represents 52% of the Town of Three Hills. An additional 313 Kneehill county residents also have library cards. Our current collection stands at 17,475 items.

The Three Hills Library offers a variety of programs for patrons of all ages. Library services are delivered by 3 part-time staff members, and 1 full-time library manager.

## Recreation and Cultural Programs

Table 15

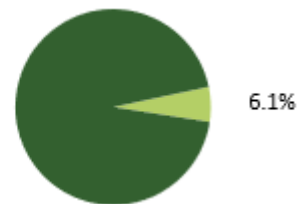
|   | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|---|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Recreation Administration</b>              |                |                          |                |                         |                |               |
| Salaries & Benefits                           | 73,584         | 76,180                   | 91,180         | 88,970                  | (2,210)        | (2.4)         |
| Training & Development                        | 1,317          | 1,660                    | 1,660          | 3,290                   | 1,630          | 98.2          |
| Materials & Supplies                          | 213            | 1,090                    | 1,090          | 2,190                   | 1,100          | 100.9         |
| Utilities & Communications                    | 371            | 1,080                    | 1,080          | 1,080                   | -              | -             |
| <b>Total Recreation Administration</b>        | <b>75,485</b>  | <b>80,010</b>            | <b>95,010</b>  | <b>95,530</b>           | <b>520</b>     | <b>0.5</b>    |
| <b>FCSS</b>                                   |                |                          |                |                         |                |               |
| Grants  | 40,770         | 42,180                   | 42,180         | 44,650                  | 2,470          | 5.9           |
| <b>Total FCSS</b>                             | <b>40,770</b>  | <b>42,180</b>            | <b>42,180</b>  | <b>44,650</b>           | <b>2,470</b>   | <b>5.9</b>    |
| <b>Library</b>                                |                |                          |                |                         |                |               |
| Professional & Consultant Fees                | 425            | 3,180                    | 3,180          | 830                     | (2,350)        | (73.9)        |
| Repairs & Maintenance                         | 1,293          | 2,500                    | 2,500          | 2,500                   | -              | -             |
| Utilities & Communications                    | 12,576         | 12,300                   | 12,300         | 13,020                  | 720            | 5.9           |
| Insurance                                     | 3,728          | 3,860                    | 3,860          | 7,350                   | 3,490          | 90.4          |
| Grants  | 108,986        | 128,400                  | 128,400        | 128,750                 | 350            | 0.3           |
| <b>Total Library</b>                          | <b>127,008</b> | <b>150,240</b>           | <b>150,240</b> | <b>152,450</b>          | <b>2,210</b>   | <b>1.5</b>    |
| <b>Total Recreation and Cultural Programs</b> | <b>243,263</b> | <b>272,430</b>           | <b>287,430</b> | <b>292,630</b>          | <b>5,200</b>   | <b>1.8</b>    |
| Departmental Revenues                         | -              | -                        | -              | -                       | -              | -             |
| <b>Net Operating Expenses</b>                 | <b>243,263</b> | <b>272,430</b>           | <b>287,430</b> | <b>292,630</b>          | <b>5,200</b>   | <b>1.8</b>    |
| Debt and Capital Charges                      | 2,500          | 6,900                    | 6,900          | 7,250                   | 350            | 5.1           |
| <b>Tax Levy Requirement</b>                   | <b>245,763</b> | <b>279,330</b>           | <b>294,330</b> | <b>299,880</b>          | <b>5,550</b>   | <b>1.9</b>    |



## Quick Facts

|                                 |            |
|---------------------------------|------------|
| Full Time Equivalent Positions: | 8.4        |
| Total Tax Levy Requirement:     | \$444,090  |
| Net Budget Change (\$):         | (\$22,790) |
| Net Budget Change (%):          | (4.9%)     |
| Annual Cost per Resident:       | \$140.05   |

Portion of  
Total Expenses  
(From Table 5)





# Community Services Department

The Town of Three Hills Aquatic Centre is one of the most popular facilities in Three Hills among visitors and residents alike. Over 50,000 visitors come to the pool on an annual basis.

This fabulous facility was built and opened to the public in June 1987. The pool has many attractions that cater to our wide range of visitors, from a waterslide for our more adventurous users to a steam room and hot tub for those that like to take it easy.

In addition to its physical features, the pool hosts a full range of programming options, from Aqua Aerobics to Senior/Adult classes.

A main mandate of the pool is to provide courses and classes to the community focused on water safety education, fitness and enjoyment in the water for all ages. The Pool offers annually:

- Standard First Aid
- Aqua Aerobics classes
- Red Cross Swimming Lessons
- Lifesaving Lessons
- Lifeguarding Course
- Bronze Medallion Courses
- Bronze Cross Courses



Other programs include lessons for all ages, 6 months to 99+. Summer and after school lessons are offered to the town residents and surrounding community. The pool has a significant and successful partnership with the local schools (intown and out of town) offering Red Cross School Swimming Lessons to help improve skills, fitness and prevent injury.

## Aquatic Centre

Table 16

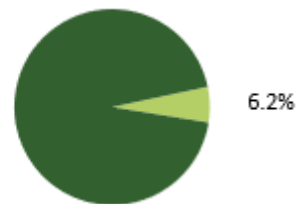
|                                | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$)  | Change<br>(%) |
|--------------------------------|----------------|--------------------------|----------------|-------------------------|-----------------|---------------|
| <b>Aquatic Centre</b>          |                |                          |                |                         |                 |               |
| Salaries & Benefits            | 403,775        | 442,280                  | 442,280        | 435,130                 | (7,150)         | (1.6)         |
| Training & Development         | 994            | 2,000                    | 2,000          | 2,000                   | -               | -             |
| Professional & Consultant Fees | 15,608         | 17,120                   | 17,120         | 16,250                  | (870)           | (5.1)         |
| Materials & Supplies           | 31,104         | 27,140                   | 27,140         | 31,300                  | 4,160           | 15.3          |
| Repairs & Maintenance          | 17,450         | 15,500                   | 15,500         | 16,250                  | 750             | 4.8           |
| Vehicle & Equipment            | 8,037          | 16,500                   | 16,500         | 16,500                  | -               | -             |
| Utilities & Communications     | 161,310        | 168,830                  | 167,530        | 152,120                 | (15,410)        | (9.2)         |
| Insurance                      | 10,386         | 10,720                   | 10,720         | 11,830                  | 1,110           | 10.4          |
| Bank & Other Charges           | 2,816          | 3,110                    | 3,110          | 4,130                   | 1,020           | 32.8          |
| <b>Total Aquatic Centre</b>    | <b>651,480</b> | <b>703,200</b>           | <b>701,900</b> | <b>685,510</b>          | <b>(16,390)</b> | <b>(2.3)</b>  |
| Departmental Revenues          | (230,752)      | (259,020)                | (259,020)      | (260,540)               | (1,520)         | 0.6           |
| Pool Rate Changes              | -              | -                        | -              | (6,000)                 | (6,000)         | 100.0         |
| <b>Net Operating Expenses</b>  | <b>420,728</b> | <b>444,180</b>           | <b>442,880</b> | <b>418,970</b>          | <b>(23,910)</b> | <b>(5.4)</b>  |
| Debt and Capital Charges       | 50,000         | 24,000                   | 24,000         | 25,120                  | 1,120           | 4.7           |
| <b>Tax Levy Requirement</b>    | <b>470,728</b> | <b>468,180</b>           | <b>466,880</b> | <b>444,090</b>          | <b>(22,790)</b> | <b>(4.9)</b>  |



## Quick Facts

|                                 |           |
|---------------------------------|-----------|
| Full Time Equivalent Positions: | 2.0       |
| Total Tax Levy Requirement:     | \$557,380 |
| Net Budget Change (\$):         | \$58,390  |
| Net Budget Change (%):          | 11.7%     |
| Annual Cost per Resident:       | \$175.77  |

Portion of  
Total Expenses  
(From Table 5)



# Community Services Department



The Three Hills Centennial Arena is a state-of-the-art recreational facility containing the following features:

- 200' x 85' ice surface
- multiple large meeting rooms for events
- commercial concession kitchen

- seating for over 660 spectators
- heating 1st and 2nd floor viewing mezzanines
- administration office
- new R513a Ice Plant

The Parks and Recreation Department along with the Recreation Administration Department are responsible for the operations, scheduling and upkeep of this recreational facility. Many tasks related to the upkeep of this building include:

- ice maintenance and resurfacing
- building maintenance
- janitorial duties
- building snow removal and outdoor landscape maintenance

The Centennial Place Arena is primarily utilized by ice users but the meetings rooms host training courses, political events and local sport groups.

## Centennial Arena

Table 17

|                                | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$) | Change<br>(%) |
|--------------------------------|----------------|--------------------------|----------------|-------------------------|----------------|---------------|
| <b>Centennial Arena</b>        |                |                          |                |                         |                |               |
| Salaries & Benefits            | 160,443        | 173,450                  | 183,450        | 181,630                 | (1,820)        | (1.0)         |
| Training & Development         | 84             | 200                      | 200            | 130                     | (70)           | (35.0)        |
| Professional & Consultant Fees | 27,875         | 27,900                   | 27,900         | 28,300                  | 400            | 1.4           |
| Materials & Supplies           | 16,224         | 18,590                   | 18,590         | 20,610                  | 2,020          | 10.9          |
| Repairs & Maintenance          | 79,107         | 23,200                   | 23,200         | 42,700                  | 19,500         | 84.1          |
| ⌘ Olympia Room Floor Treatment | -              | -                        | -              | 15,000                  | 15,000         | 100.0         |
| Vehicle & Equipment            | 12,150         | 17,070                   | 17,070         | 20,640                  | 3,570          | 20.9          |
| Utilities & Communications     | 192,793        | 198,330                  | 175,430        | 188,700                 | 13,270         | 7.6           |
| Insurance                      | 25,546         | 26,660                   | 26,660         | 28,220                  | 1,560          | 5.9           |
| Bank & Other Charges           | 1,959          | 1,500                    | 1,500          | 2,040                   | 540            | 36.0          |
| <b>Total Arena</b>             | <b>516,181</b> | <b>486,900</b>           | <b>474,000</b> | <b>527,970</b>          | <b>53,970</b>  | <b>11.4</b>   |
| Departmental Revenues          | (161,683)      | (162,250)                | (162,250)      | (158,740)               | 3,510          | (2.2)         |
| ⌘ Arena Rate Changes           | -              | -                        | -              | (3,500)                 | (3,500)        | 100.0         |
| <b>Net Operating Expenses</b>  | <b>354,498</b> | <b>324,650</b>           | <b>311,750</b> | <b>365,730</b>          | <b>53,980</b>  | <b>17.3</b>   |
| Debt and Capital Charges       | 150,237        | 187,240                  | 187,240        | 191,650                 | 4,410          | 2.4           |
| <b>Tax Levy Requirement</b>    | <b>504,735</b> | <b>511,890</b>           | <b>498,990</b> | <b>557,380</b>          | <b>58,390</b>  | <b>11.7</b>   |

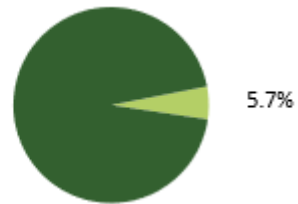


## Parks and Recreation Facilities

### Quick Facts

|                                 |            |
|---------------------------------|------------|
| Full Time Equivalent Positions: | 3.1        |
| Total Tax Levy Requirement:     | \$422,410  |
| Net Budget Change (\$):         | (\$11,560) |
| Net Budget Change (%):          | (2.7%)     |
| Annual Cost per Resident:       | \$133.21   |

Portion of  
Total Expenses  
(From Table 5)



# Community Services Department

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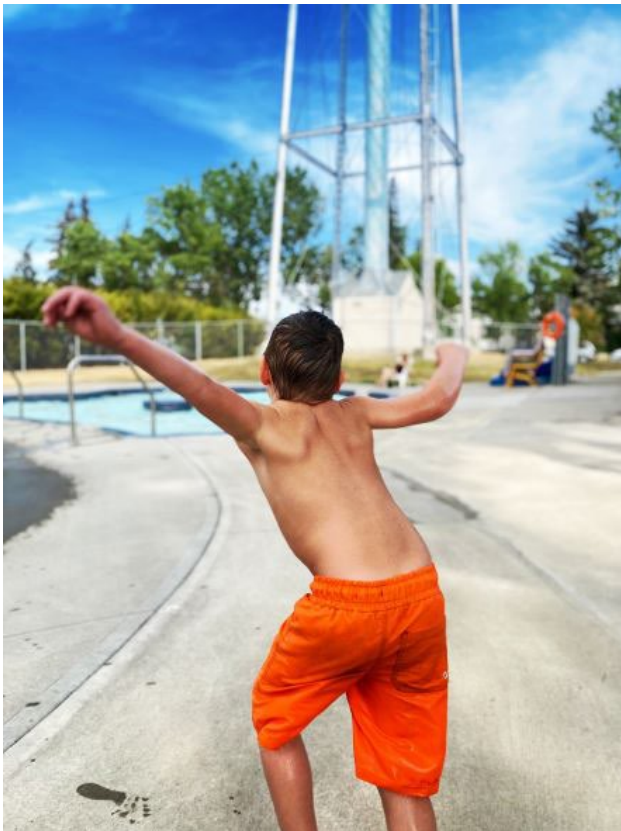
The Recreation and Community Facilities department is comprised of all Municipal Parks and Playgrounds, the Rob Naylor Splash Park, Three Hills Campground, and the Community Memorial Centre.

The Parks and Recreation Department along with the Recreation Administration department are responsible for the operations, scheduling and upkeep of 5 municipal playgrounds and over 30 acres of public green space. These departments are also responsible for the maintenance, janitorial and scheduling of the Community Memorial Centre.

The Community Memorial Centre features a large kitchen with commercial appliances, a main auditorium with sounds system and stage, 2 large auxiliary rooms and 4 full bathrooms. The Community Centre is heavily utilized for local sport organizations, wedding receptions, family gatherings and corporate events.

The Rob Naylor Splash Park opened in 2011 and consists of a heated wading pool and numerous water features. The park was named after a beloved teacher and Councillor. His dream was to offer this type of facility to the residents of Three Hills. The Splash Park offers free family fun to the residents of the Town.

The Three Hills Campground currently has 47 sites, camp concession which is available for rent, shower facilities, three ball diamonds and a new playground.





# Community Services Department

## Parks and Recreation Facilities

Table 18

|                                   | 2022<br>Actual | Projected<br>2023 Actual | 2023<br>Budget | Approved<br>2024 Budget | Change<br>(\$)  | Change<br>(%) |
|-----------------------------------|----------------|--------------------------|----------------|-------------------------|-----------------|---------------|
| <b>Parks</b>                      |                |                          |                |                         |                 |               |
| Salaries & Benefits               | 191,711        | 228,960                  | 238,960        | 233,120                 | (5,840)         | (2.4)         |
| Training & Development            | 5,114          | 3,950                    | 3,950          | 4,890                   | 940             | 23.8          |
| Professional & Consultant Fees    | 61,728         | 42,000                   | 42,000         | 46,190                  | 4,190           | 10.0          |
| Materials & Supplies              | 19,417         | 23,140                   | 23,140         | 23,180                  | 40              | 0.2           |
| Repairs & Maintenance             | 17,044         | 18,800                   | 18,800         | 15,200                  | (3,600)         | (19.1)        |
| Vehicle & Equipment               | 33,196         | 26,830                   | 26,830         | 23,380                  | (3,450)         | (12.9)        |
| Utilities & Communications        | 13,079         | 13,450                   | 13,450         | 12,340                  | (1,110)         | (8.3)         |
| Insurance                         | 3,956          | 4,790                    | 4,790          | 4,530                   | (260)           | (5.4)         |
| Bank & Other Charges              | -              | 1,000                    | 1,000          | 1,300                   | 300             | 30.0          |
| <b>Total Parks</b>                | <b>345,245</b> | <b>362,920</b>           | <b>372,920</b> | <b>364,130</b>          | <b>(8,790)</b>  | <b>(2.4)</b>  |
| <b>Splash Park</b>                |                |                          |                |                         |                 |               |
| Professional & Consultant Fees    | 3,350          | 4,400                    | 4,400          | 4,400                   | -               | -             |
| Materials & Supplies              | 381            | 1,850                    | 1,850          | 1,800                   | (50)            | (2.7)         |
| Repairs & Maintenance             | -              | 5,800                    | 5,800          | 800                     | (5,000)         | (86.2)        |
| Vehicle & Equipment               | 908            | 3,000                    | 3,000          | 3,000                   | -               | -             |
| Utilities & Communications        | 5,708          | 6,880                    | 6,880          | 5,560                   | (1,320)         | (19.2)        |
| Insurance                         | 1,402          | 1,440                    | 1,440          | 1,680                   | 240             | 16.7          |
| <b>Total Splash Park</b>          | <b>11,749</b>  | <b>23,370</b>            | <b>23,370</b>  | <b>17,240</b>           | <b>(6,130)</b>  | <b>(26.2)</b> |
| <b>Campground</b>                 |                |                          |                |                         |                 |               |
| Professional & Consultant Fees    | 79,480         | 80,270                   | 67,670         | 82,670                  | 15,000          | 22.2          |
| Materials & Supplies              | 1,450          | 3,350                    | 3,350          | 4,050                   | 700             | 20.9          |
| Repairs & Maintenance             | 1,904          | 3,200                    | 3,200          | 4,200                   | 1,000           | 31.3          |
| Utilities & Communications        | 32,872         | 45,680                   | 28,480         | 43,650                  | 15,170          | 53.3          |
| Insurance                         | 1,850          | 1,890                    | 1,890          | 2,230                   | 340             | 18.0          |
| Bank & Other Charges              | 3,048          | 150                      | 150            | 2,580                   | 2,430           | 1,620.0       |
| <b>Total Campground</b>           | <b>120,604</b> | <b>134,540</b>           | <b>104,740</b> | <b>139,380</b>          | <b>34,640</b>   | <b>33.1</b>   |
| <b>Community Centre</b>           |                |                          |                |                         |                 |               |
| Professional & Consultant Fees    | 804            | 1,610                    | 1,610          | 1,710                   | 100             | 6.2           |
| Materials & Supplies              | 2,615          | 2,100                    | 2,100          | 3,740                   | 1,640           | 78.1          |
| Repairs & Maintenance             | 3,826          | 4,000                    | 4,000          | 6,000                   | 2,000           | 50.0          |
| Vehicle & Equipment               | 280            | 2,100                    | 2,100          | 1,000                   | (1,100)         | (52.4)        |
| Utilities & Communications        | 29,825         | 28,040                   | 28,040         | 29,270                  | 1,230           | 4.4           |
| Insurance                         | 5,708          | 5,910                    | 5,910          | 6,410                   | 500             | 8.5           |
| <b>Total Community Centre</b>     | <b>43,162</b>  | <b>43,960</b>            | <b>43,960</b>  | <b>48,510</b>           | <b>4,550</b>    | <b>10.4</b>   |
| <b>Total Parks and Facilities</b> | <b>520,760</b> | <b>564,790</b>           | <b>544,990</b> | <b>569,260</b>          | <b>24,270</b>   | <b>4.5</b>    |
| Departmental Revenues             | (186,570)      | (229,220)                | (195,620)      | (228,530)               | (32,910)        | 16.8          |
| ⌘ Campground Rate Changes         | -              | -                        | -              | (7,500)                 | (7,500)         | 100.0         |
| <b>Net Operating Expenses</b>     | <b>334,190</b> | <b>335,570</b>           | <b>349,370</b> | <b>333,230</b>          | <b>(16,140)</b> | <b>(4.6)</b>  |
| Debt and Capital Charges          | 65,000         | 84,600                   | 84,600         | 89,180                  | 4,580           | 5.4           |
| <b>Tax Levy Requirement</b>       | <b>399,190</b> | <b>420,170</b>           | <b>433,970</b> | <b>422,410</b>          | <b>(11,560)</b> | <b>(2.7)</b>  |

# General Government

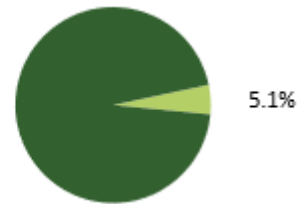
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## Quick Facts

|                                 |               |
|---------------------------------|---------------|
| Full Time Equivalent Positions: | -             |
| Total Tax Levy Requirement:     | (\$4,692,271) |
| Net Budget Change (\$):         | (\$167,060)   |
| Net Budget Change (%):          | 3.7%          |
| Annual Cost per Resident:       | n/a           |

Portion of  
Total Expenses  
(From Table 5)



# General Government

The General Government section of the operating budget is comprised of several elements which have not been identified within specific departments. Expenditures and revenues in this classification generally pertain to town operations as a whole or the benefits are shared across the entire Town; examples include bank charges or legal fees.

In addition to taxation revenue, revenues consist of interest charged on outstanding accounts, investment income, transfers from reserves or general contributions from other municipalities.

General Government are financial items that support the general operations of the town, with the focus being on revenue collection, accounting for requisitions collected for other entities and internal fund transfers.

## General Government

Table 19

|   | 2022<br>Actual     | Projected<br>2023 Actual | 2023<br>Budget     | Approved<br>2024 Budget | Change<br>(\$)   | Change<br>(%) |
|---|--------------------|--------------------------|--------------------|-------------------------|------------------|---------------|
| <b>General Government</b>                 |                    |                          |                    |                         |                  |               |
| Professional & Consultant Fees            | 51,264             | 68,100                   | 69,100             | 76,510                  | 7,410            | 10.7          |
| Materials & Supplies                      | 2,980              | 16,000                   | 16,000             | 4,840                   | (11,160)         | (69.8)        |
| Bank & Other Charges                      | 11,700             | 12,850                   | 12,850             | 12,340                  | (510)            | (4.0)         |
| Remittances to Other Entities             | 923,240            | 928,070                  | 928,070            | 943,190                 | 15,120           | 1.6           |
| <b>Total General Government</b>           | <b>989,184</b>     | <b>1,025,020</b>         | <b>1,026,020</b>   | <b>1,036,880</b>        | <b>10,860</b>    | <b>1.1</b>    |
| <b>Revenues</b>                           |                    |                          |                    |                         |                  |               |
| Tax Revenue                               | (3,370,589)        | (3,573,780)              | (3,537,480)        | (3,552,400)             | (14,920)         | 0.4           |
| ⌘ Tax Revenue Increases                   | -                  | -                        | -                  | (124,120)               | (124,120)        | 3.5           |
| Requisitions Collected for Other Entities | (881,068)          | (928,070)                | (928,070)          | (943,190)               | (15,120)         | 1.6           |
| Other Revenue                             | (1,393,959)        | (1,739,680)              | (1,521,180)        | (1,608,940)             | (87,760)         | 5.8           |
| <b>Total Revenues</b>                     | <b>(5,645,616)</b> | <b>(6,241,530)</b>       | <b>(5,986,730)</b> | <b>(6,228,650)</b>      | <b>(241,920)</b> | <b>4.0</b>    |
| <b>Net Operating Expenses</b>             | <b>(4,656,432)</b> | <b>(5,216,510)</b>       | <b>(4,960,710)</b> | <b>(5,191,770)</b>      | <b>(231,060)</b> | <b>4.7</b>    |
| Debt and Capital Charges                  | 453,547            | 435,500                  | 435,500            | 367,500                 | (68,000)         | (15.6)        |
| ⌘ Capital Project Funding                 | -                  | -                        | -                  | 132,000                 | 132,000          | 100.0         |
| <b>Tax Levy Requirement</b>               | <b>(4,202,885)</b> | <b>(4,781,010)</b>       | <b>(4,525,210)</b> | <b>(4,692,270)</b>      | <b>(167,060)</b> | <b>3.7</b>    |

# Revenues

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Revenues have been broken down into three categories; departmental revenues that can be allocated towards a specific department or activity (which reduces that department's Tax Levy Requirement), requisitions collected for other entities, and corporate revenues are considered general in nature. The tables below show a breakdown of the different revenue types.

## Departmental Revenues

### Activity Revenues

Activity revenues are revenues that are a direct result of the operations of individual departments. Recreation programs and planning fees are examples of activity revenues.

Most activity revenues are budgeted using trend analysis mixed with anticipated usage or uptake, and may be variable from year to year. Others, such as utility rates, are based on base and consumption fees set by the Town.

### Grants

Grants are transfers from other levels of government or agencies, normally to cover shared or purchased services. Employment grants from federal and provincial agencies are also shown here.

Grants amounts are generally known during budgeting as they are negotiated amounts or based on prior year actuals.

### Revenues from Own Sources

Includes revenues or transfers controlled by the town and approved during the budget process.

## Requisitions Collected for Other Entities

Funds collected for third-party organizations that have the ability to requisition property taxes on our residents, in this case for Kneehill Housing Corporation and for educational purposes.

## Corporate Revenues

### Taxation

Taxation represents the largest source of revenue for the General Fund, providing nearly 34% of the operating revenue.

Wild Rose Assessment Services is responsible for property assessments on behalf of the town. This physical assessment of the entire Town takes place over the span of five years, which is then broken down into a period of annual physical assessments. Each year, typically throughout the fall season, a property assessor comes and physically views 20 per cent in the town. Assessment rolls for the year are delivered to the town in the spring to allow for tax billing purposes.

Allowances and contingencies for appeals and other changes to property values are estimated within the budget.

During deliberations Council focuses on tax revenue requirements, not the tax rate. Once tax revenue requirements are known, the tax rate is derived using the prevailing assessment data. More information on assessments can be found on page 32.

### Other Revenues

Includes revenues generated by the town through general operations, and cannot be allocated to any one department or activity, such as interest on outstanding taxes.

These revenues are estimated using historic data with future projections, and tend to be conservative in nature.

# Revenues

## Departmental Revenues

Table 20

|  | 2022<br>Actual     | Projected<br>2023 Actual | 2023<br>Budget     | Approved<br>2024 Budget | Change<br>(\$)   | Change<br>(%) |
|--|--------------------|--------------------------|--------------------|-------------------------|------------------|---------------|
| <b>Activity Revenues</b>               |                    |                          |                    |                         |                  |               |
| Administration & Finance               | (4,900)            | (4,980)                  | (4,980)            | (4,200)                 | 780              | (15.7)        |
| Business Licences                      | (21,556)           | (21,860)                 | (21,860)           | (21,940)                | (80)             | 0.4           |
| Police Protection                      | (5,694)            | (6,120)                  | (6,120)            | (4,320)                 | 1,800            | (29.4)        |
| Fire Protection                        | (7,970)            | (20,000)                 | (20,000)           | (17,000)                | 3,000            | (15.0)        |
| Bylaw Enforcement                      | (6,449)            | (7,730)                  | (7,730)            | (6,650)                 | 1,080            | (14.0)        |
| Municipal Airport                      | (194,883)          | (163,600)                | (163,600)          | (184,500)               | (20,900)         | 12.8          |
| Water Revenues                         | (1,892,548)        | (2,018,460)              | (1,976,960)        | (2,077,570)             | (100,610)        | 5.1           |
| Insurance Proceeds - Water             | (2,370,716)        | (45,000)                 | (45,000)           | (42,250)                | 2,750            | (6.1)         |
| Wastewater Services                    | (904,236)          | (1,023,750)              | (1,000,250)        | (1,081,100)             | (80,850)         | 8.1           |
| Garbage Collection                     | (504,345)          | (478,060)                | (478,060)          | (489,950)               | (11,890)         | 2.5           |
| Recycling Charges                      | (135,079)          | (139,260)                | (139,260)          | (140,640)               | (1,380)          | 1.0           |
| Municipal Landfill                     | (139,894)          | (137,300)                | (137,300)          | (160,510)               | (23,210)         | 16.9          |
| Cemetery Revenues                      | (23,430)           | (19,630)                 | (19,630)           | (19,630)                | -                | -             |
| Planning Fees                          | (52,494)           | (33,050)                 | (33,050)           | (28,650)                | 4,400            | (13.3)        |
| Aquatic Centre                         | (230,752)          | (217,020)                | (217,020)          | (224,540)               | (7,520)          | 3.5           |
| Centennial Arena                       | (102,588)          | (120,250)                | (120,250)          | (120,240)               | 10               | (0.0)         |
| Campground Revenues                    | (159,875)          | (164,400)                | (136,000)          | (173,700)               | (37,700)         | 27.7          |
| Recreation Revenues                    | (5,542)            | (5,770)                  | (5,770)            | (6,480)                 | (710)            | 12.3          |
| Community Hall Rentals                 | (16,833)           | (17,450)                 | (12,250)           | (15,650)                | (3,400)          | 27.8          |
| Miscellaneous                          | (18,126)           | (6,500)                  | (6,500)            | (13,580)                | (7,080)          | 108.9         |
| <b>Total Activity Revenues</b>         | <b>(6,797,910)</b> | <b>(4,650,190)</b>       | <b>(4,551,590)</b> | <b>(4,833,100)</b>      | <b>(281,510)</b> | <b>6.2</b>    |
| <b>Grants</b>                          |                    |                          |                    |                         |                  |               |
| Federal Grants                         |                    |                          |                    |                         |                  |               |
| Employment                             | (8,640)            | (8,400)                  | (8,400)            | (6,300)                 | 2,100            | (25.0)        |
| Provincial Grants                      |                    |                          |                    |                         |                  |               |
| MSI Operating                          | (124,833)          | (221,000)                | (110,500)          | (221,000)               | (110,500)        | 100.0         |
| Program Related                        | (98,099)           | -                        | -                  | -                       | -                | -             |
| Municipal Contributions                |                    |                          |                    |                         |                  |               |
| Fire Protection                        | (52,000)           | (52,000)                 | (52,000)           | (52,000)                | -                | -             |
| Municipal Airport                      | (25,000)           | (25,000)                 | (25,000)           | (25,000)                | -                | -             |
| Recreation Programs                    | (120,000)          | (120,000)                | (120,000)          | (120,000)               | -                | -             |
| <b>Total Grants</b>                    | <b>(428,572)</b>   | <b>(426,400)</b>         | <b>(315,900)</b>   | <b>(424,300)</b>        | <b>(108,400)</b> | <b>34.3</b>   |
| <b>Revenues from Own Sources</b>       |                    |                          |                    |                         |                  |               |
| Sale of Assets                         | (146,976)          | (95,000)                 | (95,000)           | -                       | 95,000           | (100.0)       |
| Transfer from Operating Reserve        | -                  | (130,000)                | (90,000)           | (40,000)                | 50,000           | (55.6)        |
| Transfer from Capital Reserve          | (12,000)           | -                        | -                  | (345,010)               | (345,010)        | -             |
| <b>Total Revenues from Own Sources</b> | <b>(158,976)</b>   | <b>(225,000)</b>         | <b>(185,000)</b>   | <b>(385,010)</b>        | <b>(200,010)</b> | <b>108.1</b>  |
| <b>Total Departmental Revenues</b>     | <b>(7,385,458)</b> | <b>(5,301,590)</b>       | <b>(5,052,490)</b> | <b>(5,642,410)</b>      | <b>(589,920)</b> | <b>11.7</b>   |



# Revenues

## Requisitions Collected for Other Entities

Table 21

|                                     | 2022<br>Actual   | Projected<br>2023 Actual | 2023<br>Budget   | Approved<br>2024 Budget | Change<br>(\$)  | Change<br>(%) |
|-------------------------------------|------------------|--------------------------|------------------|-------------------------|-----------------|---------------|
| <b>Requisitions Collected</b>       |                  |                          |                  |                         |                 |               |
| Educational Purposes                | (868,758)        | (915,270)                | (915,270)        | (929,150)               | (13,880)        | 1.5           |
| Seniors Housing                     | (12,310)         | (12,800)                 | (12,800)         | (14,040)                | (1,240)         | 9.7           |
| <b>Total Requisitions Collected</b> | <b>(881,068)</b> | <b>(928,070)</b>         | <b>(928,070)</b> | <b>(943,190)</b>        | <b>(15,120)</b> | <b>1.6</b>    |

## Corporate Revenues

Table 22

|                              | 2022<br>Actual     | Projected<br>2023 Actual | 2023<br>Budget     | Approved<br>2024 Budget | Change<br>(\$)   | Change<br>(%) |
|------------------------------|--------------------|--------------------------|--------------------|-------------------------|------------------|---------------|
| <b>Taxation</b>              |                    |                          |                    |                         |                  |               |
| Residential Taxes            | (2,571,493)        | (2,729,250)              | (2,695,450)        | (2,812,620)             | (117,170)        | 4.3           |
| Commercial Taxes             | (700,595)          | (731,920)                | (739,020)          | (753,190)               | (14,170)         | 1.9           |
| Machinery & Equipment Taxes  | (17,745)           | (18,740)                 | (18,640)           | (19,260)                | (620)            | 3.3           |
| Farmland Taxes               | (4,511)            | (4,540)                  | (4,740)            | (4,600)                 | 140              | (3.0)         |
| Taxes - Utilities            | (64,025)           | (71,590)                 | (67,290)           | (73,660)                | (6,370)          | 9.5           |
| Grants in Lieu of Taxes      | (12,594)           | (18,120)                 | (12,720)           | (13,610)                | (890)            | 7.0           |
| <b>Total Taxation</b>        | <b>(3,370,963)</b> | <b>(3,574,160)</b>       | <b>(3,537,860)</b> | <b>(3,676,940)</b>      | <b>(139,080)</b> | <b>3.9</b>    |
| <b>Other Revenue</b>         |                    |                          |                    |                         |                  |               |
| Power & Gas Franchises       | (407,744)          | (469,200)                | (469,200)          | (527,160)               | (57,960)         | 12.4          |
| Rentals & Leases             | (16,473)           | (15,260)                 | (15,260)           | (15,260)                | -                | -             |
| Administration Fees          | (286,720)          | (291,350)                | (291,350)          | (315,700)               | (24,350)         | 8.4           |
| Interest on Overdue Accounts | (44,441)           | (57,610)                 | (57,610)           | (57,800)                | (190)            | 0.3           |
| Interest on Investments      | (246,537)          | (459,880)                | (391,880)          | (431,600)               | (39,720)         | 10.1          |
| <b>Total Other Revenue</b>   | <b>(1,001,915)</b> | <b>(1,293,300)</b>       | <b>(1,225,300)</b> | <b>(1,347,520)</b>      | <b>(122,220)</b> | <b>10.0</b>   |

# Reserves and Reserve Funds

Reserve and reserve funds receive annual contributions from the operating budget and external sources to assist with the creation of a solid financial position to support the Town’s future cash requirements. Maintaining sufficient balances in reserves and reserve funds is a critical component of a municipality’s long term financial plan as it strengthens its long term financial sustainability, helps to minimize fluctuations in the tax rate and provides funding to sustain infrastructure.

## Reserves and Reserve Funds

A reserve is an appropriation from net revenue at the discretion of Council. The town does not apply interest earned to the specific reserves; it is reported as General Fund earnings.

A reserve fund is an allocation of accumulated net revenue. A reserve fund differs from a reserve in that reserve fund assets are segregated and restricted to meet the purpose of the reserve fund. There are two types of reserve funds: obligatory reserve funds and discretionary reserve funds. Obligatory reserve funds are created whenever statute requires. Discretionary reserve funds are established by Council to finance a future expenditure for which it has authority to spend money.

## Operating Reserves

Operating Reserves are used to offset extraordinary and unforeseen expenditure requirements, one-time expenditures, revenue shortfalls, to minimize fluctuations on the general tax rate and to manage cash flows.

### General Operating Reserve

The General Operating Reserve shall be used to:

- provide funding for unanticipated operating expenses in the course of providing municipal services;
- to provide funding for unforeseen general operating emergency expenses;
- to balance the current year deficit; and/or
- for non-budgeted items that require funding and Council approval during the year.

### Mill Rate Stabilization Reserve

The Mill Rate Stabilization Reserve shall be used to establish dedicated funds that can be used to stabilize the level of municipal property tax increases over future years.

### Cemetery Perpetual Care Reserve

The Cemetery Perpetual Care Reserve shall be used to provide funds for the improvement, maintenance, management, control, and operation of Town cemeteries once closed for future internments.

### Water/Wastewater Operating Reserve

The Water/Wastewater Operating Reserve shall be used to provide funding for water/wastewater expenses of an operating nature.

## Operating Reserves

Table 23

|                                 | December 31, 2022<br>Balance | December 31, 2023<br>Estimated Balance | December 31, 2024<br>Projected Balance |
|---------------------------------|------------------------------|--|--|
| <b>Operating Reserves</b>       |                              |  |  |
| General Operating               | 806,528                      | 1,021,758                              | 1,084,258                              |
| Mill Rate Stabilization         | 304,994                      | 614,994                                | 914,994                                |
| Cemetery Perpetual Care         | 26,399                       | 28,899                                 | 32,399                                 |
| Water/Wastewater Operating      | 299,577                      | 282,577                                | 307,577                                |
| <b>Total Operating Reserves</b> | <b>1,437,498</b>             | <b>1,948,228</b>                       | <b>2,339,228</b>                       |

# Reserves and Reserve Funds

## Government Funded Reserves

These reserve funds are established to track the revenues received from Provincial or Federal governments for eligible infrastructure programs. Funding received from other levels of government will be used in future budgets as per the guidelines of each program.

### Local Government Fiscal Framework

Formally known as the Municipal Sustainability Initiative (or MSI) fund, Alberta municipalities are receiving a total of \$722 million in capital funding in 2024. Communities have been able to build and rehabilitate:

- roadways and bridges
- water and wastewater systems
- public transit facilities
- recreation and sport facilities
- other key local priorities

The Town’s allocation has increased from \$367,057 in 2023 to \$656,823 in 2024.

### Canada Community Building Fund

Formerly known as the Federal Gas Tax Fund, the Canada Community-Building Fund (CCBF) provides all municipalities across the country with a permanent, stable and indexed source of infrastructure funding. It was made permanent in 2011 at \$2 billion per year, and is indexed at 2 per cent per year, starting in 2014-15. Under the CCBF, Alberta will receive \$499

million in 2021-22, for a total of \$2.3 billion since 2014-15.

Municipalities determine projects and activities based on local priorities within the general qualification criteria set out in the program guidelines. Communities select how best to direct the funds with the flexibility to make strategic investments across the following project categories:

- public transit, highways, local roads and bridges
- drinking water and wastewater infrastructure
- solid waste management
- community energy systems
- capacity building
- local and regional airports, short-line rail short-sea shipping
- disaster mitigation
- broadband and connectivity
- brownfield redevelopment
- culture and tourism, sport and recreation
- fire halls

The funding provided under this program is in addition to other provincial grant funding, such as the Local Government Fiscal Framework, and non-grant funding of municipal infrastructure.

It is intended to cover capital costs only and may not be used for maintenance or operating costs, debt reduction, or replacement of existing municipal infrastructure expenditures.

## Government Funded Reserves

Table 24

|   | December 31, 2022<br>Balance | December 31, 2023<br>Estimated Balance | December 31, 2024<br>Projected Balance |
|---|------------------------------|--|--|
| <b>Government Funded Reserves</b>       |                              |  |  |
| Local Government Fiscal Framework       | 1,258,439                    | 582,796                                | 599,619                                |
| Canada Community Building Fund          | 995,121                      | 754,497                                | 958,979                                |
| <b>Total Government Funded Reserves</b> | <b>2,253,560</b>             | <b>1,337,293</b>                       | <b>1,558,598</b>                       |

# Reserves and Reserve Funds

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## Capital Reserves

Capital reserves are used to fund specific replacements or renewals of capital assets. As the assets of the Town increase, so should the contribution from the operating budget to these reserves for the replacement and refurbishment needs of the underlying capital asset, based on lifecycle costing.

As staff proceed with the development of life cycle costing, the composition, utilization and target balances of the capital reserves will be reviewed.

### General Capital Reserve

The General Capital Reserve shall be used to provide funding to accommodate current year capital funding requirements that have not been previously established from existing reserves.

This reserve is intended for use to, at least partially, fund one-time emergent capital projects that require additional funds that exceed the approval annual budget. This may be due to scope changes in work, natural disasters, unique requirements based on ratepayers' requests, reduced funding from other sources (i.e. Government grants) or a dramatic increase in costs due to a one-time special circumstance.

### Administration Building Capital Reserve

The Administration Building Capital Reserve shall be used to provide funds for the capital improvement or replacement of the Town Administration building (i.e. structural improvements, roof replacement, floor coverings, etc.) and major equipment (i.e. electronic data processing hardware, software, printers/scanners, etc.).

### Emergency Services Reserve

The Emergency Services Reserve shall be used to provide funds for the replacement of the Town Fire Hall and other fire infrastructure and equipment within the Town of Three Hills. This reserve fund may also be used for the purchase of fire apparatus. Such infrastructure and equipment may include Engine 51, Engine 52, Command 50, Rescue 54, Tanker 55, and Squad 56. This reserve does not include funds for purchasing turn-out gear.

### Transportation Reserve

The Transportation Reserve shall be used to provide funds for capital transportation infrastructure needs within the Town. Such needs may include construction, repair, or replacement of arterial roadways including all related appurtenances (i.e. including, but not limited to, sidewalks, asphalt pathways, street lighting, storm sewers, traffic control devices, etc.).

### Airport Reserve

The Airport Capital Reserve shall be used to fund capital projects at the Three Hills Airport.

### Solid Waste Capital Reserve

The Solid Waste Capital Reserve shall be used to:

- fund the lifecycle replacement of capital infrastructure or future capital acquisitions relating to solid waste collection services;
- fund the lifecycle replacement of capital infrastructure or future capital acquisitions relating to solid waste recycling services; and/or
- fund the replacement of capital infrastructure or future capital acquisitions relating to the landfill.

### Land Development Reserve

The Land Development Reserve shall be used to purchase and develop lands for the economic development of the Town. Proceeds from the sale of Town-owned lands shall go back into this reserve.

### Municipal Reserve

The Municipal Reserve shall be used to fund capital projects for repair, renovation, renewal, replacement, of lands designated as Municipal Reserves (MR).

### Cemetery Reserve

The Cemetery Reserve shall be used to fund capital projects relating to Town-operated cemeteries. Such projects may include expansion of a cemetery and repairs, replacements or upgrades to columbaria.

# Reserves and Reserve Funds

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## **Aquatic Centre Reserve**

The Aquatic Centre Reserve shall be used to fund capital projects for repair, renovation, renewal, and replacement of the Three Hills Aquatic Centre. This reserve does not include repairs, renovations, renewal or replacement of the Three Hills Splash Park.

## **Centennial Arena Reserve**

The Centennial Arena Reserve shall be used to fund capital projects for repair, renovation, renewal, and replacement of the Three Hills Centennial Arena.

## **Campground Reserve**

The Campground Reserve shall be used to fund capital projects for repair, renovation, renewal, replacement, and/or expansion of the Three Hills Campground.

## **Parks & Playgrounds Reserve**

The Parks & Playgrounds Reserve shall be used to fund the development and/or upgrades of Town parks and playgrounds, including the Three Hills Splash Park.

## **Community Centre Reserve**

The Community Centre Reserve shall be used to fund capital projects for repair, renovation, renewal, and replacement of the Three Hills Community Memorial Centre.

## **Library Capital Reserve**

The Library Capital Reserve shall only be used to provide funds for the capital improvement or replacement of the Three Hills Library building (i.e. structural improvements, roof replacement, floor coverings, etc.). This reserve shall not be used for cosmetic capital improvements or replacements.

## **Wastewater Capital Reserve**

The Wastewater Capital Reserve shall be used to provide funds for replacement or construction of wastewater collection systems and networks and storm drainage systems.

## **Water Capital Reserve**

The Water Capital Reserve shall be used to provide funds for replacement of construction of water supply and distribution systems and networks. This reserve may include:

- replacement of equipment for the Water Treatment Plant;
- replacement of equipment for the Water Distribution network (i.e. pumphouse, lift stations, etc.);
- repairs or replacement of water lines;
- repairs, replacement, or construction of other water infrastructure.



# Reserves and Reserve Funds

## Capital Reserves

Table 25

|                               | December 31, 2022<br>Balance | December 31, 2023<br>Estimated Balance | December 31, 2024<br>Projected Balance |
|-------------------------------|------------------------------|--|--|
| <b>Capital Reserves</b>       |                              |  |  |
| General Capital               | 1,236,152                    | 1,461,152                              | 1,588,152                              |
| Administration Building       | 55,000                       | 57,500                                 | 69,110                                 |
| Disaster Services             | 503,730                      | 528,730                                | 246,964                                |
| Transportation                | 686,746                      | (20,554)                               | 194,296                                |
| Airport                       | -                            | -                                      | 8,250                                  |
| Solid Waste                   | 386,664                      | 326,722                                | 381,532                                |
| Land Development              | 664,383                      | 664,383                                | 664,383                                |
| Municipal Reserves            | 98,516                       | 122,974                                | 122,974                                |
| Cemetery                      | 20,000                       | 30,000                                 | 32,440                                 |
| Aquatic Centre                | 388,894                      | 401,894                                | 427,014                                |
| Arena                         | 203,256                      | 226,383                                | 299,803                                |
| Campground                    | 88,141                       | 93,141                                 | 98,721                                 |
| Parks & Playgrounds           | 352,752                      | 332,752                                | 300,392                                |
| Community Centre              | 120,000                      | 130,000                                | 138,460                                |
| Library                       | 27,500                       | 32,500                                 | 39,750                                 |
| Wastewater                    | 591,599                      | 261,599                                | 461,599                                |
| Water                         | 1,688,028                    | 575,938                                | 1,022,548                              |
| <b>Total Capital Reserves</b> | <b>7,111,361</b>             | <b>5,225,114</b>                       | <b>6,096,388</b>                       |

## Dedicated Reserves

The Town also maintains dedicated or other reserves  
 – for landfill closure and post closure costs and for  
 developer contributions received in the past.

## Dedicated Reserves

Table 26

|                                      | December 31, 2022<br>Balance | December 31, 2023<br>Estimated Balance | December 31, 2024<br>Projected Balance |
|--------------------------------------|------------------------------|--|--|
| <b>Dedicated Reserves</b>            |                              |  |  |
| Landfill Environmental/Closure       | 359,467                      | 409,467                                | 459,467                                |
| Developer Contributions – Water      | 31,437                       | 31,437                                 | 31,437                                 |
| Developer Contributions - Wastewater | 14,787                       | 14,787                                 | 14,787                                 |
| <b>Total Dedicated Reserves</b>      | <b>405,691</b>               | <b>455,691</b>                         | <b>505,691</b>                         |

# Reserves and Reserve Funds

## Schedule of Movements

Table 27

|   | December 31,<br>2023 Estimated<br>Balance | Contributions<br>From<br>Operating<br>Fund | Other<br>Revenue | Transfer for<br>Capital<br>Projects | Transfer to<br>Operating<br>Fund | December 31,<br>2024<br>Projected<br>Balance |
|---|---|--|------------------|-------------------------------------|----------------------------------|--|
| <b>Operating Reserves</b>               |   |  |                  |                                     |                                  |  |
| General Operating                       | 1,021,758                                 | 62,500                                     | -                | -                                   | -                                | 1,084,258                                    |
| Mill Rate Stabilization                 | 614,994                                   | 340,000                                    | -                | -                                   | (40,000)                         | 914,994                                      |
| Cemetery Perpetual Care                 | 28,899                                    | 3,500                                      | -                | -                                   | -                                | 32,399                                       |
| Water/Wastewater Operating              | 282,577                                   | 25,000                                     | -                | -                                   | -                                | 307,577                                      |
| <b>Total Operating Reserves</b>         | <b>1,948,228</b>                          | <b>431,000</b>                             | <b>-</b>         | <b>-</b>                            | <b>(40,000)</b>                  | <b>2,339,228</b>                             |
| <b>Government Funded Reserves</b>       |   |  |                  |                                     |                                  |  |
| Local Government Fiscal Framework       | 582,796                                   | -  | 656,823          | (640,000)                           | -                                | 599,619                                      |
| Canada Community Building Fund          | 754,497                                   | -  | 204,482          | -                                   | -                                | 958,979                                      |
| <b>Total Government Funded Reserves</b> | <b>1,337,293</b>                          | <b>-</b>                                   | <b>861,305</b>   | <b>(640,000)</b>                    | <b>-</b>                         | <b>1,558,598</b>                             |
| <b>Capital Reserves</b>                 |   |  |                  |                                     |                                  |  |
| General Capital                         | 1,461,152                                 | 132,000                                    | -                | (5,000)                             | -                                | 1,588,152                                    |
| Administration Building                 | 57,500                                    | 29,110                                     | -                | (17,500)                            | -                                | 69,110                                       |
| Disaster Services                       | 528,730                                   | 48,240                                     | -                | -                                   | (330,006)                        | 246,964                                      |
| Transportation                          | (20,554)                                  | 274,850                                    | -                | (60,000)                            | -                                | 194,296                                      |
| Airport                                 | -   | 8,250                                      | -                | -                                   | -                                | 8,250  |
| Solid Waste                             | 326,722                                   | 69,810                                     | -                | -                                   | (15,000)                         | 381,532                                      |
| Land Development                        | 664,383                                   | -  | -                | -                                   | -                                | 664,383                                      |
| Municipal Reserves                      | 122,974                                   | -  | -                | -                                   | -                                | 122,974                                      |
| Cemetery                                | 30,000                                    | 2,440                                      | -                | -                                   | -                                | 32,440                                       |
| Aquatic Centre                          | 401,894                                   | 25,120                                     | -                | -                                   | -                                | 427,014                                      |
| Arena                                   | 226,383                                   | 91,420                                     | -                | (18,000)                            | -                                | 299,803                                      |
| Campground                              | 93,141                                    | 5,580                                      | -                | -                                   | -                                | 98,721                                       |
| Parks & Playgrounds                     | 332,752                                   | 75,140                                     | -                | (107,500)                           | -                                | 300,392                                      |
| Community Centre                        | 130,000                                   | 8,460                                      | -                | -                                   | -                                | 138,460                                      |
| Library                                 | 32,500                                    | 7,250                                      | -                | -                                   | -                                | 39,750                                       |
| Wastewater                              | 261,599                                   | 200,000                                    | -                | -                                   | -                                | 461,599                                      |
| Water                                   | 575,938                                   | 446,610                                    | -                | -                                   | -                                | 1,022,548                                    |
| <b>Total Capital Reserves</b>           | <b>5,225,114</b>                          | <b>1,424,280</b>                           | <b>-</b>         | <b>(208,000)</b>                    | <b>(345,006)</b>                 | <b>6,096,388</b>                             |
| <b>Dedicated Reserves</b>               |   |  |                  |                                     |                                  |  |
| Landfill Environmental/Closure          | 409,467                                   | 50,000                                     | -                | -                                   | -                                | 459,467                                      |
| Developer Cont – Water                  | 31,437                                    | -  | -                | -                                   | -                                | 31,437                                       |
| Developer Cont - Wastewater             | 14,787                                    | -  | -                | -                                   | -                                | 14,787                                       |
| <b>Total Dedicated Reserves</b>         | <b>455,691</b>                            | <b>50,000</b>                              | <b>-</b>         | <b>-</b>                            | <b>-</b>                         | <b>505,691</b>                               |
| <b>Total Reserves</b>                   | <b>8,966,326</b>                          | <b>1,905,280</b>                           | <b>861,305</b>   | <b>(848,000)</b>                    | <b>(385,006)</b>                 | <b>10,499,905</b>                            |

# Capital Budget

The purpose of the capital improvement plan is to forecast and match projected revenues and major capital needs over a five-year period. Capital planning is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the town.

The Town of Three Hills faces the challenge of meeting the needs of its residents for public services and facilities with increasing costs and relatively fixed revenues. To be able to effectively set project priorities, the town prepares a Capital Improvement Plan (CIP.)

## Capital Improvement Planning

A Capital Improvement Plan is the preparation and updating of a schedule of public works projects and related equipment to be built or purchased by the Town within a period of five years. It covers the entire range of public facility and service requirements. The CIP lists all future projects along with cost estimates and the anticipated means of financing each project.

Capital improvements are public improvements involving the expenditure of public funds, over and above normal annual operating expenses, for the purchase, construction or replacement of specific physical facilities or assets of the community. Examples include, but are not limited to:

- the construction of bicycle & pedestrian pathways,
- parks improvements,
- the renovation of community owned buildings,
- the purchase of land,
- vehicle or equipment purchases,
- construction of water and sewage treatment facilities,
- extension of water and sanitary sewer lines,
- and others.

The town defines capital expenditures as any expenditure of major value that recurs irregularly, results in the acquisition of a fixed asset, and has a useful life greater than one (1) year.

The first year in the plan is referred to as the “capital budget” and includes those projects scheduled to be funded in the upcoming fiscal year. The succeeding

years’ schedule of projects make up the Capital Improvements Plan and serve as a mechanism for tracking and planning for future needs.



## Benefits of a Capital Improvement Plan

The CIP is updated annually in order to fine-tune the capital budget to reflect changing economic conditions and to reflect the need for additional projects or adjust the priority of projects as necessary.

The capital improvement plan is simply that – a plan. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by Council. Because priorities can change, projects included in outward planning years are not guaranteed for funding.

The Three Hills CIP achieves five major objectives as a component of the Town’s budget and financial planning process:

- Helps the town rationally and intelligently plan for the repair, replacement, and acquisition of capital items that are necessary in providing high quality services to the citizens of Three Hills.
- Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures (as part of the financial plan).
- Insures better coordination, evaluation, and planning of projects to serve the community and its needs.

# Capital Budget

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- The CIP, together with the Financial Plan, serves as a guide to decision-making for Council, the CAO, and employees.

The systematic and comprehensive analysis of capital needs increases the probability of making rational (and correct) budgetary judgments since improvements are identified, prioritized, and matched to the projected fiscal resources of the town.

## Capital Improvement Plan Funding

The capital improvement plan has been prioritized and projected based on need and the expected levels of funding available to fund the plan. The town's contributions to the CIP can be defined within two categories:

- Funded from reserves – projects are partially or fully funded through capital reserves. Capital reserves balances can be funded through contributions from the operating budget, contributions from developers contributions or by the sale of capital assets.
- Debt – projects are partially or fully funded through the use of long term debt.

Contributions from other governments or organizations can also fund the capital program and include the following categories:

- Canada Community Building Fund (formerly the Federal Gas Tax fund) - currently provides \$192,500 annually in federal funding to invest in eligible municipal infrastructure, such as water, wastewater and transportation projects.
- Local Government Fiscal Framework - helps support local infrastructure priorities and build strong, safe and resilient communities. Three Hills will receive \$656,823 in 2024 (\$342,060 in 2023) with expected inflationary increases in the future.
- Other Provincial Funding – includes conditional funding from programs offered through provincial departments; examples would be the Watershed Resiliency and Restoration Program (WRRP) or the Alberta Municipal Water/Wastewater Partnership (AMWWP)/ Water for Life program.

- Other Revenue – includes funding from other municipalities, third parties or development charges

Other funding indicates future year projects where the funding has not yet been identified, either internally or externally. Funding for these projects will be identified as they become current, or they will be dropped from the capital improvement plan.

## Interest Rate Impacts

In light of rising interest rates in 2022 and 2023, the Town has modified capital funding strategies to minimize its utilization of long term debt in 2024 and beyond. This will be done by increasing capital funding via our own reserves rather than incur debt, and higher interest charges, until at least 2025. While this will reduce the Town's reserve balances over those years, the savings on avoiding higher interest charges would be substantial.

Staff will monitor and report the results and impact to Council throughout the year.



# Capital Budget

## Long Term Debt

The total current debt obligations are budgeted at \$6,044,644 (\$6,710,859 in 2023) at the end of 2024.

For 2024, the Town currently has 5 loans or debentures for capital projects done in prior years.

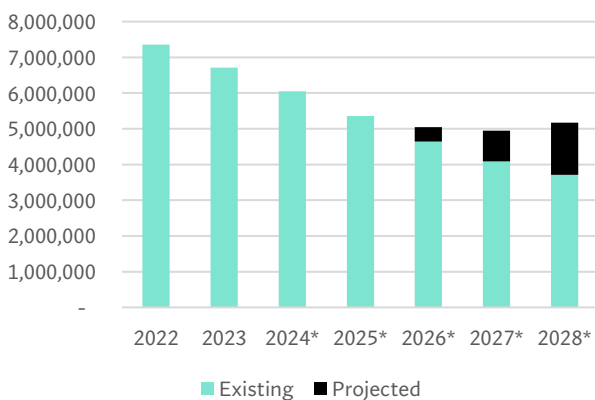
## Long Term Debt

Table 28

| Purpose                | Issuance     | Rate   | Original Amount | Balance at Dec 31, 2022 | Balance at Dec 31, 2023 | Projected Balance at Dec 31, 2024 | 2024 Principal Payments | 2024 Interest Payments |
|------------------------|--------------|--------|-----------------|-------------------------|-------------------------|-----------------------------------|-------------------------|------------------------|
| <b>Water Treatment</b> |              |        |                 |                         |                         |                                   |                         |                        |
| WTP Upgrades           | ACFA 4002668 | 2.683% | 5,871,767       | 5,177,571               | 4,933,564               | 4,682,967                         | 250,597                 | 130,673                |
| WTP Upgrades           | ACFA 4003084 | 4.630% | 1,050,000       | 954,894                 | 758,416                 | 553,278                           | 205,138                 | 30,855                 |
| <b>Wastewater</b>      |              |        |                 |                         |                         |                                   |                         |                        |
| Sewer Lagoons          | RBC-022      | 2.560% | 1,660,057       | 624,414                 | 494,402                 | 361,023                           | 133,379                 | 11,099                 |
| <b>Arena</b>           |              |        |                 |                         |                         |                                   |                         |                        |
| Lobby                  | ACFA 4000660 | 4.915% | 800,000         | 348,483                 | 301,761                 | 252,715                           | 49,046                  | 14,236                 |
| Lobby                  | ACFA 4001068 | 4.124% | 500,000         | 249,650                 | 222,717                 | 194,661                           | 28,056                  | 8,899                  |
|                        |              |        |                 | <b>7,355,139</b>        | <b>6,710,859</b>        | <b>6,044,644</b>                  | <b>666,216</b>          | <b>195,762</b>         |

Based on the approved Capital Improvement Plan, the 2024 funding includes no debt being used for capital project funding, with incremental increases needed starting in 2025. Existing debt in shown below in blue.

Total Long Term Debt



Projected debt based on the five year capital funding plan is shown in black. This includes the \$2,235,000

in debt required to fund the Capital Improvement Plan (Table 34) in its entirety.

Water, wastewater and transportation infrastructure replacements will likely incur significant debt funding over next five years and are one reason for the proposed increase in 2024.

Future years capital expenditures have been planned to strive to avoid significant increases in tax rate and water rates. With the withdrawal of Federal and Provincial funds from infrastructure programs, which have been mainly cost shared, rate increases may be required to fund the required rehabilitation needs. The forecasted debt to be outstanding is illustrated in the following chart.

The movement towards funding capital projects through the tax rate will stabilize our reliance on debt and leave the town in good financial shape while providing flexibility to fund future projects.



# Capital Budget

## Debt Limits

The debt limit (maximum allowable debt) is calculated at 1.5 times the revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit (annual debt payments) is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired.

## Actual and Projected Debt Limit

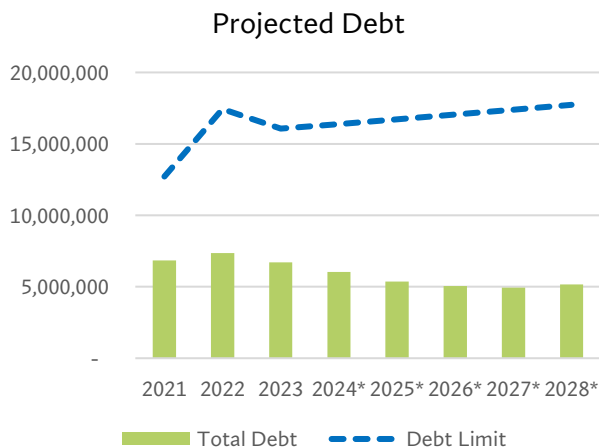
Table 29

| Year  | Total Debt Limit | Total Debt | Total Debt Limit |        |
|-------|------------------|------------|------------------|--------|
|       |                  |            | Available        | % Used |
| 2021  | 12,715,338       | 6,834,800  | 5,880,538        | 53.8%  |
| 2022  | 17,425,107       | 7,355,139  | 10,069,968       | 42.2%  |
| 2023* | 16,061,300       | 6,710,859  | 9,350,441        | 41.8%  |
| 2024* | 16,382,500       | 6,044,643  | 10,337,857       | 36.9%  |
| 2025* | 16,710,200       | 5,355,554  | 11,354,646       | 32.0%  |
| 2026* | 17,044,400       | 5,042,751  | 12,001,649       | 29.6%  |
| 2027* | 17,385,300       | 4,943,562  | 12,441,738       | 28.4%  |
| 2028* | 17,733,000       | 5,167,187  | 12,565,813       | 29.1%  |

\* projected

## Projected Debt

Based on projections, the Town's debt limit peaked at approximately 53.8% by the end of 2021 and slowly decrease down to 29.1% by 2028. This will still provide the Town with borrowing capacity, and the repayment of this debt has been built into the operating budget.



## Approved 2024 Capital Budget

The Approved 2024 Capital Budget includes 11 projects totalling \$940,500. The projects incorporated in the CIP for 2024 have been classified by department or service area, and are shown in detail on Table 30 on page 90. Only projects that would commence in 2024 have detailed project information.

The projects have been classified on the basis of the predominate department to indicate what the impact would be on the tax rate or water & wastewater for the town. This classification also allows the reader to gain a clearer understanding of each of the major capital expenditure envelopes, the source of financing, specific pressures and impacts on the users due to rate increases in the general tax rate or specific user fees.

**In addition to the new projects there are 6 projects Council had already approved to be completed in 2024 totalling \$5,132,000.** These projects are shown on Table 29 in the "Previously Approved" column.

# Capital Budget

## Approved 2024 Capital Projects and Funding Sources

Table 30

|  | Previously Approved | Total          | Water/Sewer Capital Reserves | General Capital Reserves | Canada Community Building Fund | Local Gov't Fiscal Framework | Other Funding | Long Term Debt |
|--|---------------------|----------------|------------------------------|--------------------------|--------------------------------|------------------------------|---------------|----------------|
| <b>Administration</b>                            |                     |                |                              |                          |                                |                              |               |                |
| Hardware Replenishment                           | -                   | 17,500         | -                            | 17,500                   | -                              | -                            | -             | -              |
| <b>Total Administration</b>                      | -                   | <b>17,500</b>  | -                            | <b>17,500</b>            | -                              | -                            | -             | -              |
| <b>Transportation &amp; Infrastructure</b>       |                     |                |                              |                          |                                |                              |               |                |
| 1 <sup>st</sup> St N/E - Resurfacing             | 844,200             | -              | -                            | -                        | -                              | -                            | -             | -              |
| Asphalt Maint. & Resurfacing Program             | -                   | 325,000        | -                            | -                        | -                              | 325,000                      | -             | -              |
| Fleet Vehicles                                   | -                   | 60,000         | -                            | 60,000                   | -                              | -                            | -             | -              |
| Decorative Lighting                              | -                   | 5,000          | -                            | 5,000                    | -                              | -                            | -             | -              |
| <b>Total Transportation &amp; Infrastructure</b> | <b>844,200</b>      | <b>390,000</b> | -                            | <b>65,000</b>            | -                              | <b>325,000</b>               | -             | -              |
| <b>Waste Management</b>                          |                     |                |                              |                          |                                |                              |               |                |
| Cell Construction                                | 510,000             | -              | -                            | -                        | -                              | -                            | -             | -              |
| <b>Total Waste Management</b>                    | <b>510,000</b>      | -              | -                            | -                        | -                              | -                            | -             | -              |
| <b>Recreation and Facilities</b>                 |                     |                |                              |                          |                                |                              |               |                |
| Arena - Hot Water Tank Replacement               | -                   | 18,000         | -                            | 18,000                   | -                              | -                            | -             | -              |
| Arena - Dehumidifier Replacement                 | -                   | 100,000        | -                            | -                        | -                              | 100,000                      | -             | -              |
| Arena - Roof Repairs                             | -                   | 100,000        | -                            | -                        | -                              | 100,000                      | -             | -              |
| Pool - Changeroom Furnace                        | -                   | 55,000         | -                            | -                        | -                              | 55,000                       | -             | -              |
| Mower Replacement Program                        | -                   | 15,000         | -                            | 15,000                   | -                              | -                            | -             | -              |
| Kinsman Park Rehabilitation                      | -                   | 185,000        | -                            | 92,500                   | -                              | -                            | 92,500        | -              |
| <b>Total Recreation and Facilities</b>           | -                   | <b>473,000</b> | -                            | <b>125,500</b>           | -                              | <b>255,000</b>               | <b>92,500</b> | -              |

# Capital Budget

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|                                  | Previously<br>Approved | Total          | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|----------------------------------|------------------------|----------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Water and Sewer</b>           |                        |                |                                    |                             |                                      |                                    |                  |                   |
| WTP Residual Retention Pond      | 1,935,000              | -              | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Pumphouse Replacement            | 200,000                | -              | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Utilities Replacement 1st St N/E | 1,567,800              | -              | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Equity Pump Station Facility     | 75,000                 | -              | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Fleet Vehicles                   | -                      | 60,000         | -                                  | -                           | -                                    | 60,000                             | -                | -                 |
| <b>Total Water and Sewer</b>     | <b>3,777,800</b>       | <b>60,000</b>  | -                                  | -                           | -                                    | <b>60,000</b>                      | -                | -                 |
| <b>Total Capital Program</b>     | <b>5,132,000</b>       | <b>940,500</b> | -                                  | <b>208,000</b>              | -                                    | <b>640,000</b>                     | <b>92,500</b>    | -                 |

# Capital Budget

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## Capital Project Information Sheet

|  |  |
|--|--|
| <b>PROJECT</b><br>Hardware Replenishment   |  |
| <b>DEPARTMENT</b><br>Administration  | <b>EXPECTED LIFESPAN</b><br>5 – 10 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>Replacement of town hardware and network infrastructure – town systems need to be replenished on a regular schedule to ensure adequate performance. Work for 2024 includes system and printer replacements.<br><br>Future years include system, printer, copier and network upgrades. |  |
| <b>LOCATION</b><br>Throughout the organization.  |  |
| <b>EFFECT ON OPERATING BUDGET</b><br>n/a   |  |

| Approved Funding               | 2024          | 2025          | 2026          | 2027          | 2028          | Total          |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Administration Capital Reserve | 17,500        | 17,500        | 30,000        | 15,000        | 20,000        | 100,000        |
|                                |               |               |               |               |               |                |
|                                |               |               |               |               |               |                |
| <b>Total</b>                   | <b>17,500</b> | <b>17,500</b> | <b>30,000</b> | <b>15,000</b> | <b>20,000</b> | <b>100,000</b> |

# Capital Budget

## Capital Project Information Sheet

|  |   |
|--|---|
| <b>PROJECT</b><br>Asphalt Maintenance and Resurfacing Program  |   |
| <b>DEPARTMENT</b><br>Transportation and Infrastructure   | <b>EXPECTED LIFESPAN</b><br>20 – 30 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br><p>Roadway and sidewalk surface failure is normally caused by a lack of sub-grade/base preparation or negative storm water flows and ponding. The budget funds are allocated for surface repair and maintenance. In the spring, Administration assesses these areas and determines the locations for repairs. Generally, Administration repairs smaller sections of roadway that need repairs to make this section safe for the community. The amount of capital funds spent on one section of roadway should be assessed against the condition of the deep infrastructure i.e. water and sewer. If the deep infrastructure is in need of future replacement, then the road repair will be kept to a minimum.</p> <p>The funds are also allocated for sidewalk repair and maintenance on concrete sidewalks which deteriorate over time or see settlement of the base material beneath the sidewalk. Sidewalks are sloped to shed water towards the curb &amp; gutter next to the asphalt roadway. When water finds its way under the sidewalk, water saturates and weakens the sub-grade causing asphalt roadway deficiencies. Sidewalk settlements that are cracked should be replaced to support the longevity of the roadway and create a safer sidewalk for the community. In the spring administration also assesses these areas and determines the locations to replace in conjunction with possible road repairs.</p> |   |
| <b>LOCATION</b><br>Throughout the Town – locations to be determined.   |   |
| <b>EFFECT ON OPERATING BUDGET</b><br>May see slight reduction in some maintenance costs.   |   |

| Approved Funding                  | 2024           | 2025           | 2026           | 2027           | 2028           | Total            |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Transportation Capital Reserve    | -              | 150,000        | 225,000        | 150,000        | 125,000        | <b>650,000</b>   |
| Local Government Fiscal Framework | 325,000        | 200,000        | 125,000        | 100,000        | 100,000        | <b>850,000</b>   |
| Long Term Debt                    | -              | -              | -              | 125,000        | 150,000        | <b>275,000</b>   |
| <b>Total</b>                      | <b>325,000</b> | <b>350,000</b> | <b>350,000</b> | <b>375,000</b> | <b>375,000</b> | <b>1,775,000</b> |



# Capital Budget

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## Capital Project Information Sheet

|   |   |
|---|---|
| <b>PROJECT</b><br>Fleet Vehicles  |   |
| <b>DEPARTMENT</b><br>Transportation and Infrastructure  | <b>EXPECTED LIFESPAN</b><br>10 – 12 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>Fleet vehicles need to be replaced regularly to reduce operating costs and remove unsafe vehicles. |   |
| <b>LOCATION</b><br>n/a  |   |
| <b>EFFECT ON OPERATING BUDGET</b><br>Operating and maintenance costs will be reduced as older vehicles are phased out.                      |   |

| Approved Funding               | 2024          | 2025          | 2026     | 2027          | 2028     | Total          |
|--------------------------------|---------------|---------------|----------|---------------|----------|----------------|
| Transportation Capital Reserve | 60,000        | 60,000        | -        | 60,000        | -        | 180,000        |
|                                |               |               |          |               |          |                |
| <b>Total</b>                   | <b>60,000</b> | <b>60,000</b> | <b>-</b> | <b>60,000</b> | <b>-</b> | <b>180,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|  |  |
|--|--|
| <b>PROJECT</b><br>Decorative Lighting  |  |
| <b>DEPARTMENT</b><br>Transportation and Infrastructure   | <b>EXPECTED LIFESPAN</b><br>8 – 10 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>Updating of existing winter pole lighting used by the Town. |  |
| <b>LOCATION</b><br>Downtown area.  |  |
| <b>EFFECT ON OPERATING BUDGET</b><br>n/a   |  |

| Approved Funding        | 2024         | 2025     | 2026          | 2027     | 2028     | Total         |
|-------------------------|--------------|----------|---------------|----------|----------|---------------|
| General Capital Reserve | 5,000        | -        | 20,000        | -        | -        | 25,000        |
|                         |              |          |               |          |          |               |
|                         |              |          |               |          |          |               |
| <b>Total</b>            | <b>5,000</b> | <b>-</b> | <b>20,000</b> | <b>-</b> | <b>-</b> | <b>25,000</b> |

# Capital Budget

## Capital Project Information Sheet

|  |   |
|--|---|
| <b>PROJECT</b><br>Arena – Hot Water Tank Replacement   |   |
| <b>DEPARTMENT</b><br>Recreation and Facilities   | <b>EXPECTED LIFESPAN</b><br>10 – 12 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br><p>The Olympia room is currently equipped with two hot water tanks, which were installed in January 2010. These tanks are responsible for heating the water used in the melt pit and for ice flooding in the Olympia area.</p> <p>These two hot water tanks have reached the end of the recommended useful life. The reason for replacing these two tanks is that there is a potential risk of equipment and building damage, as well as potential downtime for the arena if hot water is not readily available. Exploring high-efficiency alternatives may also be beneficial to help reduce energy costs. Both of these existing hot water tanks are of commercial-grade quality and operate on electricity, with a capacity of 100 gallons each.</p> |   |
| <b>LOCATION</b><br>Arena   |   |
| <b>EFFECT ON OPERATING BUDGET</b><br>May be minor operating (utility) costs.   |   |

| Approved Funding      | 2024          | 2025 | 2026 | 2027 | 2028 | Total         |
|-----------------------|---------------|------|------|------|------|---------------|
| Arena Capital Reserve | 18,000        | -    | -    | -    | -    | <b>18,000</b> |
|                       |               |      |      |      |      |               |
|                       |               |      |      |      |      |               |
| <b>Total</b>          | <b>18,000</b> | -    | -    | -    | -    | <b>18,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|  |                                      |
|--|--------------------------------------|
| <b>PROJECT</b><br>Arena – Dehumidifier Replacement   |                                      |
| <b>DEPARTMENT</b><br>Recreation and Facilities   | <b>EXPECTED LIFESPAN</b><br>20 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>Without an effective dehumidification system, moisture-laden air leaking into the arena cools to its dewpoint and makes fog causing dripping and other serious problems for the facility. The dehumidifier that is currently in the arena was installed in October 2002 and contains R22 refrigerant. The R22 refrigerant is no longer supported and unfortunately, we are not able to get the machine recharged. |                                      |
| <b>LOCATION</b><br>Arena   |                                      |
| <b>EFFECT ON OPERATING BUDGET</b><br>n/a   |                                      |

| Approved Funding                  | 2024           | 2025     | 2026     | 2027     | 2028     | Total          |
|-----------------------------------|----------------|----------|----------|----------|----------|----------------|
| Local Government Fiscal Framework | 100,000        | -        | -        | -        | -        | <b>100,000</b> |
|                                   |                |          |          |          |          |                |
| <b>Total</b>                      | <b>100,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>100,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|  |                                       |
|--|---------------------------------------|
| <b>PROJECT</b><br>Arena – Roof Repairs   |                                       |
| <b>DEPARTMENT</b><br>Recreation and Facilities   | <b>EXPECTED LIFESPAN</b><br>20+ years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>In recent years, our staff have observed a recurring issue during the fall and spring seasons. Specifically, water has been consistently dripping from the roof into the dressing rooms and onto the ice surface or cement slab. While Administration has undertaken some minor repairs to address specific trouble spots, it has become evident that cleaning and application of sealant is necessary to completely rectify the problem. |                                       |
| <b>LOCATION</b><br>Arena   |                                       |
| <b>EFFECT ON OPERATING BUDGET</b><br>n/a   |                                       |

| Approved Funding                  | 2024           | 2025     | 2026     | 2027     | 2028     | Total          |
|-----------------------------------|----------------|----------|----------|----------|----------|----------------|
| Local Government Fiscal Framework | 100,000        | -        | -        | -        | -        | <b>100,000</b> |
|                                   |                |          |          |          |          |                |
| <b>Total</b>                      | <b>100,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>100,000</b> |



# Capital Budget

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## Capital Project Information Sheet

|   |   |
|---|---|
| <b>PROJECT</b><br>Pool – Changeroom Furnaces  |   |
| <b>DEPARTMENT</b><br>Recreation and Facilities  | <b>EXPECTED LIFESPAN</b><br>15 – 20 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>The changeroom furnaces at the Aquatic Centre were last replaced in November 2007, which means they've been in use for nearly two decades. Our facility operates in a challenging environment, characterized by high humidity and elevated air temperatures. Additionally, during the winter months, we need to deal with the entry of extremely cold air, leading to issues such as rusting and the deterioration of various furnace components. It is recommended to replace the furnaces in their entirety as they have reached the end of their useful life. |   |
| <b>LOCATION</b><br>Pool   |   |
| <b>EFFECT ON OPERATING BUDGET</b><br>Possible minor operating (utility) costs.  |   |

| Approved Funding                  | 2024          | 2025     | 2026     | 2027     | 2028     | Total         |
|-----------------------------------|---------------|----------|----------|----------|----------|---------------|
| Local Government Fiscal Framework | 55,000        | -        | -        | -        | -        | 55,000        |
|                                   |               |          |          |          |          |               |
|                                   |               |          |          |          |          |               |
| <b>Total</b>                      | <b>55,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>55,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|  |  |
|--|--|
| <b>PROJECT</b><br>Mower Replacement Program  |  |
| <b>DEPARTMENT</b><br>Recreation and Facilities   | <b>EXPECTED LIFESPAN</b><br>7 – 10 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>The Town Parks Staff are responsible for mowing all town owned parks and green spaces (including Highway 583). It is essential that we start replacing the older mowers as we have seen an increase in maintenance costs. The Town currently has four mowers that are continually used throughout the summer and fall months. |  |
| <b>LOCATION</b><br>n/a   |  |
| <b>EFFECT ON OPERATING BUDGET</b><br>Reduced operating costs as older equipment is phased out.   |  |

| Approved Funding      | 2024          | 2025     | 2026     | 2027     | 2028     | Total         |
|-----------------------|---------------|----------|----------|----------|----------|---------------|
| Parks Capital Reserve | 15,000        | -        | -        | -        | -        | 15,000        |
|                       |               |          |          |          |          |               |
|                       |               |          |          |          |          |               |
| <b>Total</b>          | <b>15,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>15,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|   |                                       |
|---|---------------------------------------|
| <b>PROJECT</b><br>Kinsman Park Rehabilitation   |                                       |
| <b>DEPARTMENT</b><br>Recreation and Facilities  | <b>EXPECTED LIFESPAN</b><br>20+ years |
| <p><b>DESCRIPTION • NEED FOR PROJECT</b></p> <p>The existing playground, dating back to 1999, has presented numerous safety concerns over the years. Staff has been actively addressing these issues by removing unsafe elements from the site. Unfortunately, replacing them has been a challenge.</p> <p>On September 11, 2023, Administration presented a Request for Decision to Council concerning the revitalization of Kinsman Park, a project hopefully partially funded through the Community Facility Enhancement Program (CFEP). This grant application was a collaborative effort with the Three Hills Elks.</p> <p>Should the Town and the Elks secure the grant, the project will move forward, as per the Council's direction.</p> |                                       |
| <b>LOCATION</b><br>Kinsman Park   |                                       |
| <b>EFFECT ON OPERATING BUDGET</b><br>n/a  |                                       |

| Approved Funding           | 2024           | 2025     | 2026     | 2027     | 2028     | Total          |
|----------------------------|----------------|----------|----------|----------|----------|----------------|
| Parks Capital Reserve      | 92,500         | -        | -        | -        | -        | 92,500         |
| Other Funding (CFEP grant) | 92,500         | -        | -        | -        | -        | 92,500         |
| <b>Total</b>               | <b>185,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>185,000</b> |

# Capital Budget

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## Capital Project Information Sheet

|   |   |
|---|---|
| <b>PROJECT</b><br>Utilities Fleet Vehicles  |   |
| <b>DEPARTMENT</b><br>Water and Sewer  | <b>EXPECTED LIFESPAN</b><br>10 – 12 years |
| <b>DESCRIPTION • NEED FOR PROJECT</b><br>Fleet vehicles need to be replaced regularly to reduce operating costs and remove unsafe vehicles. |   |
| <b>LOCATION</b><br>n/a  |   |
| <b>EFFECT ON OPERATING BUDGET</b><br>Reduced operating costs as older equipment is phased out.  |   |

| Approved Funding                  | 2024          | 2025     | 2026     | 2027     | 2028     | Total         |
|-----------------------------------|---------------|----------|----------|----------|----------|---------------|
| Local Government Fiscal Framework | 60,000        | -        | -        | -        | -        | 60,000        |
|                                   |               |          |          |          |          |               |
| <b>Total</b>                      | <b>60,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>60,000</b> |

# Capital Budget

## 2025 Capital Projects and Funding Sources

Table 31

|  | Total            | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Administration</b>                            |                  |                                    |                             |                                      |                                    |                  |                   |
| Hardware Replenishment                           | 17,500           | -                                  | 17,500                      | -                                    | -                                  | -                | -                 |
| Town Hall Lift Replacement                       | 36,750           | -                                  | 36,750                      | -                                    | -                                  | -                | -                 |
| <b>Total Administration</b>                      | <b>54,250</b>    | <b>-</b>                           | <b>54,250</b>               | <b>-</b>                             | <b>-</b>                           | <b>-</b>         | <b>-</b>          |
| <b>Transportation &amp; Infrastructure</b>       |                  |                                    |                             |                                      |                                    |                  |                   |
| Asphalt Maint. & Resurfacing Program             | 350,000          | -                                  | 150,000                     | -                                    | 200,000                            | -                | -                 |
| Fleet Vehicles                                   | 60,000           | -                                  | 60,000                      | -                                    | -                                  | -                | -                 |
| Roll Off Flatbed Deck                            | 25,500           | -                                  | 25,500                      | -                                    | -                                  | -                | -                 |
| Gravel Truck                                     | 130,000          | -                                  | 130,000                     | -                                    | -                                  | -                | -                 |
| Grader   | 450,000          | -                                  | -                           | -                                    | 200,000                            | -                | 250,000           |
| Road Resurfacing (Utilities)                     | 350,000          | -                                  | -                           | 200,000                              | -                                  | -                | 150,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>1,365,500</b> | <b>-</b>                           | <b>365,500</b>              | <b>200,000</b>                       | <b>400,000</b>                     | <b>-</b>         | <b>400,000</b>    |
| <b>Recreation and Facilities</b>                 |                  |                                    |                             |                                      |                                    |                  |                   |
| Arena - Brine Headers                            | 30,000           | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| Pool - Changeroom Floors                         | 30,000           | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| Pool - Slide Replacement                         | 100,000          | -                                  | -                           | -                                    | 100,000                            | -                | -                 |
| Grantville Park Rehabilitation                   | 125,000          | -                                  | 75,000                      | -                                    | -                                  | 50,000           | -                 |
| <b>Total Recreation and Facilities</b>           | <b>285,000</b>   | <b>-</b>                           | <b>135,000</b>              | <b>-</b>                             | <b>100,000</b>                     | <b>50,000</b>    | <b>-</b>          |
| <b>Water and Sewer</b>                           |                  |                                    |                             |                                      |                                    |                  |                   |
| Equity Pump Station Facility                     | 150,000          | 150,000                            | -                           | -                                    | -                                  | -                | -                 |
| Water Line Replacement Program                   | 450,000          | 200,000                            | -                           | 150,000                              | 100,000                            | -                | -                 |
| Sewer Line Replacement Program                   | 200,000          | 50,000                             | -                           | 100,000                              | 50,000                             | -                | -                 |
| Sewer Lagoon Aeration                            | 175,000          | 25,000                             | -                           | 100,000                              | 50,000                             | -                | -                 |
| <b>Total Water and Sewer</b>                     | <b>975,000</b>   | <b>425,000</b>                     | <b>-</b>                    | <b>350,000</b>                       | <b>200,000</b>                     | <b>-</b>         | <b>-</b>          |
| <b>Total Capital Program</b>                     | <b>2,679,750</b> | <b>425,000</b>                     | <b>554,750</b>              | <b>550,000</b>                       | <b>700,000</b>                     | <b>50,000</b>    | <b>400,000</b>    |

# Capital Budget

## 2026 Capital Projects and Funding Sources

Table 32

|  | Total            | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Administration</b>                            |                  |                                    |                             |                                      |                                    |                  |                   |
| Hardware Replenishment                           | 30,000           | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| <b>Total Administration</b>                      | <b>30,000</b>    | <b>-</b>                           | <b>30,000</b>               | <b>-</b>                             | <b>-</b>                           | <b>-</b>         | <b>-</b>          |
| <b>Transportation &amp; Infrastructure</b>       |                  |                                    |                             |                                      |                                    |                  |                   |
| Asphalt Maint. & Resurfacing Program             | 350,000          | -                                  | 225,000                     | -                                    | 125,000                            | -                | -                 |
| Decorative Lighting                              | 20,000           | -                                  | 20,000                      | -                                    | -                                  | -                | -                 |
| Iron Shield Drainage                             | 1,000,000        | -                                  | -                           | -                                    | -                                  | 700,000          | 300,000           |
| Infrastructure Master Plan                       | 150,000          | -                                  | 150,000                     | -                                    | -                                  | -                | -                 |
| Road Resurfacing (Utilities)                     | 280,000          | -                                  | 80,000                      | 100,000                              | -                                  | -                | 100,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>1,800,000</b> | <b>-</b>                           | <b>475,000</b>              | <b>100,000</b>                       | <b>125,000</b>                     | <b>700,000</b>   | <b>400,000</b>    |
| <b>Recreation and Facilities</b>                 |                  |                                    |                             |                                      |                                    |                  |                   |
| Arena - Zamboni Replacement                      | 300,000          | -                                  | 100,000                     | -                                    | 200,000                            | -                | -                 |
| Comm Centre - LED Lighting                       | 30,000           | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| <b>Total Recreation and Facilities</b>           | <b>330,000</b>   | <b>-</b>                           | <b>130,000</b>              | <b>-</b>                             | <b>200,000</b>                     | <b>-</b>         | <b>-</b>          |
| <b>Water and Sewer</b>                           |                  |                                    |                             |                                      |                                    |                  |                   |
| Water Line Replacement Program                   | 360,000          | 200,000                            | -                           | 100,000                              | 60,000                             | -                | -                 |
| Sewer Line Replacement Program                   | 160,000          | 60,000                             | -                           | -                                    | -                                  | -                | 100,000           |
| Fleet Vehicles                                   | 60,000           | 60,000                             | -                           | -                                    | -                                  | -                | -                 |
| Sewer Treatment Upgrades                         | 75,000           | 75,000                             | -                           | -                                    | -                                  | -                | -                 |
| Water Treatment Plant Upgrades                   | 150,000          | 50,000                             | -                           | 100,000                              | -                                  | -                | -                 |
| <b>Total Water and Sewer</b>                     | <b>805,000</b>   | <b>445,000</b>                     | <b>-</b>                    | <b>200,000</b>                       | <b>60,000</b>                      | <b>-</b>         | <b>100,000</b>    |
| <b>Total Capital Program</b>                     | <b>2,965,000</b> | <b>445,000</b>                     | <b>635,000</b>              | <b>300,000</b>                       | <b>385,000</b>                     | <b>700,000</b>   | <b>500,000</b>    |



# Capital Budget

## 2027 Capital Projects and Funding Sources

Table 33

|  | Total            | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Administration</b>                            |                  |                                    |                             |                                      |                                    |                  |                   |
| Hardware Replenishment                           | 15,000           | -                                  | 15,000                      | -                                    | -                                  | -                | -                 |
| <b>Total Administration</b>                      | <b>15,000</b>    | <b>-</b>                           | <b>15,000</b>               | <b>-</b>                             | <b>-</b>                           | <b>-</b>         | <b>-</b>          |
| <b>Transportation &amp; Infrastructure</b>       |                  |                                    |                             |                                      |                                    |                  |                   |
| Asphalt Maint. & Resurfacing Program             | 375,000          | -                                  | 150,000                     | -                                    | 100,000                            | -                | 125,000           |
| Fleet Vehicles                                   | 60,000           | -                                  | 60,000                      | -                                    | -                                  | -                | -                 |
| Loader   | 290,000          | -                                  | 90,000                      | -                                    | 200,000                            | -                | -                 |
| Road Resurfacing (Utilities)                     | 350,000          | -                                  | 105,000                     | 100,000                              | -                                  | -                | 250,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>1,180,000</b> | <b>-</b>                           | <b>405,000</b>              | <b>100,000</b>                       | <b>300,000</b>                     | <b>-</b>         | <b>375,000</b>    |
| <b>Recreation and Facilities</b>                 |                  |                                    |                             |                                      |                                    |                  |                   |
| Arena - Puckboard Replacement                    | 35,000           | -                                  | 35,000                      | -                                    | -                                  | -                | -                 |
| Arena - Life Breath Unit (air exchange)          | 20,000           | -                                  | 20,000                      | -                                    | -                                  | -                | -                 |
| Parks Fleet Vehicles                             | 60,000           | -                                  | 60,000                      | -                                    | -                                  | -                | -                 |
| <b>Total Recreation and Facilities</b>           | <b>115,000</b>   | <b>-</b>                           | <b>115,000</b>              | <b>-</b>                             | <b>-</b>                           | <b>-</b>         | <b>-</b>          |
| <b>Water and Sewer</b>                           |                  |                                    |                             |                                      |                                    |                  |                   |
| Water Line Replacement Program                   | 585,000          | 275,000                            | -                           | 100,000                              | -                                  | -                | 210,000           |
| Sewer Line Replacement Program                   | 260,000          | 185,000                            | -                           | 75,000                               | -                                  | -                | -                 |
| Sewer Treatment Upgrades                         | 100,000          | -                                  | -                           | -                                    | -                                  | -                | 100,000           |
| Water Treatment Plant Upgrades                   | 100,000          | -                                  | -                           | -                                    | 100,000                            | -                | -                 |
| <b>Total Water and Sewer</b>                     | <b>1,045,000</b> | <b>460,000</b>                     | <b>-</b>                    | <b>175,000</b>                       | <b>100,000</b>                     | <b>-</b>         | <b>310,000</b>    |
| <b>Total Capital Program</b>                     | <b>2,355,000</b> | <b>460,000</b>                     | <b>535,000</b>              | <b>275,000</b>                       | <b>400,000</b>                     | <b>-</b>         | <b>685,000</b>    |

# Capital Budget

## 2028 Capital Projects and Funding Sources

Table 34

|  | Total            | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Administration</b>                            |                  |                                    |                             |                                      |                                    |                  |                   |
| Hardware Replenishment                           | 20,000           | -                                  | 20,000                      | -                                    | -                                  | -                | -                 |
| <b>Total Administration</b>                      | <b>20,000</b>    | <b>-</b>                           | <b>20,000</b>               | <b>-</b>                             | <b>-</b>                           | <b>-</b>         | <b>-</b>          |
| <b>Transportation &amp; Infrastructure</b>       |                  |                                    |                             |                                      |                                    |                  |                   |
| Asphalt Maint. & Resurfacing Program             | 375,000          | -                                  | 125,000                     | -                                    | 100,000                            | -                | 150,000           |
| Vehicle Shelter                                  | 100,000          | -                                  | 100,000                     | -                                    | -                                  | -                | -                 |
| Road Resurfacing (Utilities)                     | 525,000          | -                                  | 250,000                     | 175,000                              | -                                  | -                | 100,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>1,000,000</b> | <b>-</b>                           | <b>475,000</b>              | <b>175,000</b>                       | <b>100,000</b>                     | <b>-</b>         | <b>250,000</b>    |
| <b>Recreation and Facilities</b>                 |                  |                                    |                             |                                      |                                    |                  |                   |
| Comm Centre - Main Auditorium Walls              | 60,000           | -                                  | -                           | -                                    | 60,000                             | -                | -                 |
| <b>Total Recreation and Facilities</b>           | <b>60,000</b>    | <b>-</b>                           | <b>-</b>                    | <b>-</b>                             | <b>60,000</b>                      | <b>-</b>         | <b>-</b>          |
| <b>Water and Sewer</b>                           |                  |                                    |                             |                                      |                                    |                  |                   |
| Water Line Replacement Program                   | 675,000          | 175,000                            | -                           | 100,000                              | 100,000                            | -                | 300,000           |
| Sewer Line Replacement Program                   | 300,000          | 100,000                            | -                           | -                                    | 100,000                            | -                | 100,000           |
| <b>Total Water and Sewer</b>                     | <b>975,000</b>   | <b>275,000</b>                     | <b>-</b>                    | <b>100,000</b>                       | <b>200,000</b>                     | <b>-</b>         | <b>400,000</b>    |
| <b>Total Capital Program</b>                     | <b>2,055,000</b> | <b>275,000</b>                     | <b>495,000</b>              | <b>275,000</b>                       | <b>360,000</b>                     | <b>-</b>         | <b>650,000</b>    |

# Capital Budget

Five Year Funding Forecast  
Table 35

|  | Previously<br>Approved | Total            | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------------|------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| <b>Administration</b>                            |                        |                  |                                    |                             |                                      |                                    |                  |                   |
| Hardware Replenishment                           | -                      | 100,000          | -                                  | 100,000                     | -                                    | -                                  | -                | -                 |
| Town Hall Lift Replacement                       | -                      | 36,750           | -                                  | 36,750                      | -                                    | -                                  | -                | -                 |
| <b>Total Administration</b>                      | -                      | <b>136,750</b>   | -                                  | <b>136,750</b>              | -                                    | -                                  | -                | -                 |
| <b>Transportation &amp; Infrastructure</b>       |                        |                  |                                    |                             |                                      |                                    |                  |                   |
| 1 <sup>st</sup> St N/E - Resurfacing             | 844,200                | -                | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Asphalt Maint. & Resurfacing Program             | -                      | 1,775,000        | -                                  | 850,000                     | -                                    | 650,000                            | -                | 275,000           |
| Fleet Vehicles                                   | -                      | 180,000          | -                                  | 180,000                     | -                                    | -                                  | -                | -                 |
| Decorative Lighting                              | -                      | 25,000           | -                                  | 25,000                      | -                                    | -                                  | -                | -                 |
| Roll Off Flatbed Deck                            | -                      | 25,500           | -                                  | 25,500                      | -                                    | -                                  | -                | -                 |
| Gravel Truck                                     | -                      | 130,000          | -                                  | 130,000                     | -                                    | -                                  | -                | -                 |
| Grader   | -                      | 450,000          | -                                  | -                           | -                                    | 200,000                            | -                | 250,000           |
| Iron Shield Drainage                             | -                      | 1,000,000        | -                                  | -                           | -                                    | -                                  | 700,000          | 300,000           |
| Infrastructure Master Plan                       | -                      | 150,000          | -                                  | 150,000                     | -                                    | -                                  | -                | -                 |
| Loader   | -                      | 290,000          | -                                  | 90,000                      | -                                    | 200,000                            | -                | -                 |
| Vehicle Shelter                                  | -                      | 100,000          | -                                  | 100,000                     | -                                    | -                                  | -                | -                 |
| Road Resurfacing (Utilities)                     | -                      | 1,610,000        | -                                  | 435,000                     | 575,000                              | -                                  | -                | 600,000           |
| <b>Total Transportation &amp; Infrastructure</b> | <b>844,200</b>         | <b>5,735,500</b> | -                                  | <b>1,785,500</b>            | <b>575,000</b>                       | <b>1,250,000</b>                   | <b>700,000</b>   | <b>1,425,000</b>  |
| <b>Waste Management</b>                          |                        |                  |                                    |                             |                                      |                                    |                  |                   |
| Cell Construction                                | 510,000                | 510,000          | -                                  | -                           | -                                    | -                                  | -                | -                 |
| <b>Total Waste Management</b>                    | <b>510,000</b>         | <b>510,000</b>   | -                                  | -                           | -                                    | -                                  | -                | -                 |
| <b>Recreation and Facilities</b>                 |                        |                  |                                    |                             |                                      |                                    |                  |                   |
| Arena - Brine Headers                            |                        | 30,000           | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| Arena - Hot Water Tank Replacement               |                        | 18,000           | -                                  | 18,000                      | -                                    | -                                  | -                | -                 |
| Arena - Dehumidifier Replacement                 |                        | 100,000          | -                                  | -                           | -                                    | 100,000                            | -                | -                 |
| Arena - Roof Repairs                             |                        | 100,000          | -                                  | -                           | -                                    | 100,000                            | -                | -                 |
| Arena - Zamboni Replacement                      |                        | 300,000          | -                                  | 100,000                     | -                                    | 200,000                            | -                | -                 |
| Arena - Puckboard Replacement                    |                        | 35,000           | -                                  | 35,000                      | -                                    | -                                  | -                | -                 |
| Arena - Life Breath Unit (air exchange)          |                        | 20,000           | -                                  | 20,000                      | -                                    | -                                  | -                | -                 |

# Capital Budget

|  | Previously<br>Approved | Total             | Water/Sewer<br>Capital<br>Reserves | General Capital<br>Reserves | Canada<br>Community<br>Building Fund | Local Gov't<br>Fiscal<br>Framework | Other<br>Funding | Long Term<br>Debt |
|--|------------------------|-------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|------------------|-------------------|
| Pool - Changeroom Furnace              |                        | 55,000            | -                                  | -                           | -                                    | 55,000                             | -                | -                 |
| Pool - Changeroom Floors               |                        | 30,000            | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| Pool - Slide Replacement               |                        | 100,000           | -                                  | -                           | -                                    | 100,000                            | -                | -                 |
| Comm Centre - LED Lighting             |                        | 30,000            | -                                  | 30,000                      | -                                    | -                                  | -                | -                 |
| Comm Centre - Main Auditorium Walls    |                        | 60,000            | -                                  | -                           | -                                    | 60,000                             | -                | -                 |
| Parks Fleet Vehicles                   |                        | 60,000            | -                                  | 60,000                      | -                                    | -                                  | -                | -                 |
| Mower Replacement Program              |                        | 15,000            | -                                  | 15,000                      | -                                    | -                                  | -                | -                 |
| Kinsman Park Rehabilitation            |                        | 185,000           | -                                  | 92,500                      | -                                    | -                                  | 92,500           | -                 |
| Grantville Park Rehabilitation         |                        | 125,000           | -                                  | 75,000                      | -                                    | -                                  | 50,000           | -                 |
| <b>Total Recreation and Facilities</b> |                        | <b>1,263,000</b>  | <b>-</b>                           | <b>505,500</b>              | <b>-</b>                             | <b>615,000</b>                     | <b>142,500</b>   | <b>-</b>          |
| <b>Water and Sewer</b>                 |                        |                   |                                    |                             |                                      |                                    |                  |                   |
| WTP Residual Retention Pond            | 1,935,000              | -                 | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Pumphouse Replacement                  | 200,000                | -                 | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Utilities Replacement 1st St N/E       | 1,567,800              | -                 | -                                  | -                           | -                                    | -                                  | -                | -                 |
| Equity Pump Station Facility           | 75,000                 | 150,000           | 150,000                            | -                           | -                                    | -                                  | -                | -                 |
| Water Line Replacement Program         | -                      | 2,070,000         | 850,000                            | -                           | 450,000                              | 260,000                            | -                | 510,000           |
| Sewer Line Replacement Program         | -                      | 920,000           | 395,000                            | -                           | 175,000                              | 150,000                            | -                | 200,000           |
| Fleet Vehicles                         | -                      | 120,000           | 600,000                            | -                           | -                                    | 60,000                             | -                | -                 |
| Sewer Treatment Upgrades               | -                      | 175,000           | 75,000                             | -                           | -                                    | -                                  | -                | 100,000           |
| Sewer Lagoon Aeration                  | -                      | 175,000           | 25,000                             | -                           | 100,000                              | 50,000                             | -                | -                 |
| Water Treatment Plant Upgrades         | -                      | 250,000           | 50,000                             | -                           | 100,000                              | 100,000                            | -                | -                 |
| <b>Total Water and Sewer</b>           | <b>3,777,800</b>       | <b>3,860,000</b>  | <b>1,605,000</b>                   | <b>-</b>                    | <b>825,000</b>                       | <b>620,000</b>                     | <b>-</b>         | <b>810,000</b>    |
| Total General Fund                     | 1,354,200              | 7,135,250         | -                                  | 2,427,750                   | 575,000                              | 1,865,000                          | 842,500          | 1,425,000         |
| Total Water Fund                       | 3,777,800              | 3,860,000         | 1,605,000                          | -                           | 825,000                              | 620,000                            | -                | 810,000           |
| <b>Total Capital Program</b>           | <b>5,132,000</b>       | <b>10,995,250</b> | <b>1,605,000</b>                   | <b>2,427,750</b>            | <b>1,400,000</b>                     | <b>2,485,000</b>                   | <b>842,500</b>   | <b>2,235,000</b>  |

# Capital Budget

## Capital Improvement Plan by Year

Table 36

|  | Total             | 2024           | 2025             | 2026             | 2027             | 2028             |
|--|-------------------|----------------|------------------|------------------|------------------|------------------|
| <b>Administration</b>                            |                   |                |                  |                  |                  |                  |
| Hardware Replenishment                           | 100,000           | 17,500         | 17,500           | 30,000           | 15,000           | 20,000           |
| Town Hall Lift Replacement                       | 36,750            | -              | 36,750           | -                | -                | -                |
| <b>Total Administration</b>                      | <b>136,750</b>    | <b>17,500</b>  | <b>54,250</b>    | <b>30,000</b>    | <b>15,000</b>    | <b>20,000</b>    |
| <b>Transportation &amp; Infrastructure</b>       |                   |                |                  |                  |                  |                  |
| Resurfacing Program                              | 1,775,000         | 325,000        | 350,000          | 350,000          | 375,000          | 375,000          |
| Fleet Vehicles                                   | 180,000           | 60,000         | 60,000           | -                | 60,000           | -                |
| Decorative Lighting                              | 25,000            | 5,000          | -                | 20,000           | -                | -                |
| Roll Off Flatbed Deck                            | 25,500            | -              | 25,500           | -                | -                | -                |
| Gravel Truck                                     | 130,000           | -              | 130,000          | -                | -                | -                |
| Grader   | 450,000           | -              | 450,000          | -                | -                | -                |
| Iron Shield Drainage                             | 1,000,000         | -              | -                | 1,000,000        | -                | -                |
| Infrastructure Master Plan                       | 150,000           | -              | -                | 150,000          | -                | -                |
| Loader   | 290,000           | -              | -                | -                | 290,000          | -                |
| Vehicle Shelter                                  | 100,000           | -              | -                | -                | -                | 100,000          |
| Road Resurfacing (Utilities)                     | 1,610,000         | -              | 350,000          | 280,000          | 455,000          | 525,000          |
| <b>Total Transportation &amp; Infrastructure</b> | <b>5,735,500</b>  | <b>390,000</b> | <b>1,365,500</b> | <b>1,800,000</b> | <b>1,180,000</b> | <b>1,000,000</b> |
| <b>Recreation and Facilities</b>                 |                   |                |                  |                  |                  |                  |
| Arena - Brine Headers                            | 30,000            | -              | 30,000           | -                | -                | -                |
| Arena - Hot Water Tank Replacement               | 18,000            | 18,000         | -                | -                | -                | -                |
| Arena - Dehumidifier Replacement                 | 100,000           | 100,000        | -                | -                | -                | -                |
| Arena - Roof Repairs                             | 100,000           | 100,000        | -                | -                | -                | -                |
| Arena - Zamboni Replacement                      | 300,000           | -              | -                | 300,000          | -                | -                |
| Arena - Puckboard Replacement                    | 35,000            | -              | -                | -                | 35,000           | -                |
| Arena - Life Breath Unit (air exchange)          | 20,000            | -              | -                | -                | 20,000           | -                |
| Pool - Changeroom Furnace                        | 55,000            | 55,000         | -                | -                | -                | -                |
| Pool - Changeroom Floors                         | 30,000            | -              | 30,000           | -                | -                | -                |
| Pool - Slide Replacement                         | 100,000           | -              | 100,000          | -                | -                | -                |
| Comm Centre - LED Lighting                       | 30,000            | -              | -                | 30,000           | -                | -                |
| Comm Centre - Main Auditorium Walls              | 60,000            | -              | -                | -                | -                | 60,000           |
| Parks Fleet Vehicles                             | 60,000            | -              | -                | -                | 60,000           | -                |
| Mower Replacement Program                        | 15,000            | 15,000         | -                | -                | -                | -                |
| Kinsman Park Rehabilitation                      | 185,000           | 185,000        | -                | -                | -                | -                |
| Grantville Park Rehabilitation                   | 125,000           | -              | 125,000          | -                | -                | -                |
| <b>Total Recreation and Facilities</b>           | <b>1,263,000</b>  | <b>473,000</b> | <b>285,000</b>   | <b>330,000</b>   | <b>115,000</b>   | <b>60,000</b>    |
| <b>Water and Sewer</b>                           |                   |                |                  |                  |                  |                  |
| Equity Pump Station Facility                     | 150,000           | -              | 150,000          | -                | -                | -                |
| Water Line Replacement Program                   | 2,070,000         | -              | 450,000          | 360,000          | 585,000          | 675,000          |
| Sewer Line Replacement Program                   | 920,000           | -              | 200,000          | 160,000          | 260,000          | 300,000          |
| Fleet Vehicles                                   | 120,000           | 60,000         | -                | 60,000           | -                | -                |
| Sewer Treatment Upgrades                         | 175,000           | -              | -                | 75,000           | 100,000          | -                |
| Sewer Lagoon Aeration                            | 175,000           | -              | 175,000          | -                | -                | -                |
| Water Treatment Plant Upgrades                   | 250,000           | -              | -                | 150,000          | 100,000          | -                |
| <b>Total Water and Sewer</b>                     | <b>3,860,000</b>  | <b>60,000</b>  | <b>975,000</b>   | <b>805,000</b>   | <b>1,045,000</b> | <b>975,000</b>   |
| <b>Total Capital Program</b>                     | <b>10,995,250</b> | <b>940,500</b> | <b>2,679,750</b> | <b>2,965,000</b> | <b>2,355,000</b> | <b>2,055,000</b> |

# Appendices

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## Appendix I · Glossary

The annual budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the annual budget document in understanding these terms, a budget glossary has been included in the document.

### **ACCRUAL ACCOUNTING**

The town's sources of financing and expenditures are recorded using the accrual basis of accounting. This basis recognizes revenues as they become available and measurable and expenditures as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation to pay. This is also the basis for developing the town's budget.

### **APPROVED BUDGET**

The final budget passed by Council, which will govern the operations and reporting during the fiscal year.

### **ASSESSMENT**

A value established by the town's assessors for real property for use as a basis of levying property taxes for municipal purposes.

### **ASSETS**

All property, both tangible and intangible, owned by an entity.

### **AUDIT**

A comprehensive examination of the manner in which the town's resources were actually utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the town's appropriations.

### **BALANCED BUDGET**

A plan of financial operation where total revenues match total expenditures. It is a requirement of the town to approve a balanced budget annually.

### **BASE BUDGET**

Budget resources that are required to maintain service at the level provided in the previous year's budget.

### **BUDGET**

A financial plan for a specified period of time (year) that matches with all planned revenues and expenditures with various town services.

### **BUDGET CALENDAR**

The schedule of key dates or milestones which the town departments follow in the preparation, adoption and administration of the budget.

### **BUDGET MESSAGE**

The opening section of the budget which provides Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years and the views and recommendations of the Director of Finance.

### **BUDGET RESOLUTION**

The official enactment by Council establishing the legal authority for the town to obligate and expend resources.

### **CAPITAL BUDGET**

A plan of approved capital expenditures to be incurred in the current year and over a period of subsequent future years (long term), identifying each capital project and the method of financing.

### **CAPITAL PROJECT**

Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a building or infrastructure.

### **CHARGE FOR SERVICE**

User charge for services provided by the town.

### **CONTINGENCY ACCOUNT**

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

### **DEBT**

A financial obligation resulting from the borrowing of money. Debts of governments include bonds, notes, and land contracts.



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## **DEBT LIMIT**

The amount of debt allowable by Municipal Affairs without requiring additional approval from the Minister. Per regulation, the debt limit is calculated at 1.5 times the Town's reported revenue.

## **DEBT SERVICE**

Amount necessary for the payment of principal, interest, and related costs of the general long-term debt of the town.

## **DEFICIT**

The excess of an entity's liabilities over its assets (see Fund Balance). The excess of expenditures or expenses over revenues during a single accounting period.

## **DEPARTMENT**

A major administrative subset of the town which indicates overall management responsibility for an operation or a group of related operations within a functional area. A department is often comprised of several divisions.

## **ENCUMBRANCE**

The commitment of appropriated funds to purchase an item for service. To encumber funds means to set aside or commit funds for a future expenditure.

## **EXPENDITURE**

Use of financial resource for current operating expenses, debt service, capital outlay, and intergovernmental transfers.

## **FIXED ASSETS**

Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

## **FULL TIME EQUIVALENT POSITION**

A measure to account for all staffing dollars in terms of their value as a staffing unit. For example two (2) half-time positions would equate to one (1) FTE.

## **FUND**

An accounting entity with a self-balancing set of accounts containing its own assets, liabilities and fund balance. A fund is established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

## **FUND BALANCE**

The difference between revenues and expenditures. The beginning fund balance represents the residual funds brought forward from the previous year (ending balance).

## **GENERAL FUND**

The general fund is the general accounting fund of the town. It is used to account for all financial resources except those required to be accounted for in another fund.

## **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

Criteria used by auditors to determine if financial statements are fairly presented.

## **GRANT**

A monetary contribution by one governmental unit or other organization to another. Typically, these contributions are made to local governments by the Provincial and Federal Governments.

## **GRANTS IN LIEU OF TAXES**

A contribution by benefactors of town services who are tax exempt, i.e. government agencies, certain utilities, who chose or must pay a "tax equivalent amount".

## **INFLATION**

A rise in price levels caused by economic activity.

## **INFRASTRUCTURE**

The facilities and assets employed by the town to deliver services. These facilities and assets are numerous and are not limited to roads, water & wastewater, buildings and vehicles.

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## **INTERGOVERNMENTAL REVENUE**

Revenue received from another government in the form of grants and shared revenues.

## **INTERMUNICIPAL COLLABORATION FRAMEWORKS**

Municipalities are required to have collaboration frameworks that specify what and how services are funded and delivered.

## **INTERMUNICIPAL DEVELOPMENT PLAN**

A plan developed jointly by two or more neighbouring municipalities to manage decision-making for an area of land in close proximity to the shared boundary.

## **INVESTMENT INCOME**

Interest and dividend income received from investments and cash balances.

## **LIABILITY**

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

## **LINE ITEM**

A basis for distinguishing types of revenues and expenditures.

## **MISCELLANEOUS REVENUES**

Revenues which are not required to be accounted for elsewhere.

## **MUNICIPAL AFFAIRS**

The Provincial Ministry that assists municipalities in providing well-managed, collaborative, and accountable local government to Albertans.

## **PROGRAM**

A group of activities, operations or organizational units directed to attain specific objectives and are accounted for as such.

## **PUBLIC SECTOR ACCOUNTING BOARD (PSAB)**

The subcommittee of the Canadian Institute of Chartered Accountants which provides recommendations and issues pronouncements to enhance the financial reporting information of public sector bodies.

## **PURCHASED SERVICES**

Services rendered to the town by private firms, individuals, or other government agencies. Examples include equipment maintenance, janitorial services, and professional services.

## **RESERVED FUND BALANCE**

For governmental funds and expendable trust funds, the portion of fund balance that is not available for appropriation because it is either legally restricted (e.g., encumbrances) or not spendable (e.g., long-term receivables).

## **RETAINED EARNINGS**

Net income and losses of all prior periods adjusted for transfers and amounts of depreciation charged to contributed capital.

## **REVENUE**

Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

## **SALARIES & BENEFITS**

Items of expenditure in the operating budget for salaries and wages paid for services performed by town employees.

## **TAXES**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.

## **TAX LEVY**

The total amount to be raised by general property taxes for operating and debt services purposes.

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## **TAX LEVY REQUIREMENT (TLR)**

This represents the total gross expenditures required with consideration given to non-taxation revenues including all non-taxation revenue sources. The gross expenditure minus the non-tax revenue sources represents the impact on the tax rate. If the impact results in a positive number, additional pressures would result on the tax rate; conversely, a negative number shows the initiative has a positive impact on the tax rate.

## **TAX RATE**

The rate levied on each real property according to assessed property value and property class. In Alberta, the amount is levied for each \$1,000 of valuation.

## **TRAINING & DEVELOPMENT**

Items of expenditure for travel and training costs incurred by the town on behalf of employees. These include mileage, meals, courses, conferences, training sessions, conventions and other travel.

## **UNIFORM ASSESSMENT**

The total of the taxable property assessment plus the value of grants it receives from special property tax arrangements. One measure of a municipality's financial health is its own-source revenue base as represented by the total uniform assessment.

## **USER CHARGE/FEE**

The payment for direct receipt of a public service by the party benefiting from the service.

## **WATER & WASTEWATER FUND**

The water & wastewater fund tracks water and wastewater revenues and expenses; this is done within the general fund but is segregated with its own discreet accounts. As industrial and institutional users are significant users and funders of the system, expenses of the fund are kept separate of the general fund for billing purposes.



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## Appendix II · Abbreviations

**ABMunis**

Alberta Municipalities (organization)

**ACFA**

Alberta Capital Finance Authority

**AFRRCS**

Alberta First Responders Radio Communications System

**AMSC**

Alberta Municipal Services Corporation

**AMWWP**

Alberta Municipal Water/Wastewater Partnership

**CAEP**

Central Alberta Economic Partnership

**CAO**

Chief Administrative Officer

**CCBF**

Canada Community Building Fund

**CIP**

Capital Investment Plan

**CPI**

Consumer Price Index (Alberta)

**CPP**

Canada Pension Plan

**CUPE**

Canadian Union of Public Employees

**EI**

Employment Insurance

**EMO**

Emergency Management Operations

**FCSS**

Family & Community Support Services

**FTE**

Full time equivalent

**GAAP**

Generally Accepted Accounting Principals

**GILT**

Grants In Lieu of Taxes

**GIS**

Geographical Information System

**GST**

Goods and Services Tax

**ICF**

Intermunicipal Collaboration Frameworks

**ICFC**

Intermunicipal Collaborative Framework Committee

**ICS**

Incident Command System

**IDP**

Intermunicipal Development Plan

**IT**

Information Technology

**KHC**

Kneehill Housing Corporation

**KM**

Kilometre

**KRP**

Kneehill Regional Partnership

**LAPP**

Local Authorities Pension Plan

**LGFF**

Local Government Fiscal Framework (successor of the MSI Program)

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**LIC**

Local Improvement Charge

**MOU**

Memorandum of Understanding

**MPC**

Municipal Planning Commission

**R & M**

Repairs & maintenance

**RDMUG**

Red Deer River Municipal Users Group

**RSDAB**

Regional Subdivision & Development Appeal Board

**PAC**

Police Advisory Committee (Three Hills Detachment)

**PSAB**

Public Sector Accounting Board

**SCBA**

Self Contained Breathing Apparatus

**SAEWA**

Southern Alberta Energy from Waste Association

**TLR**

Tax Levy Requirement

**VFD**

Variable Frequency Drive

**WRRP**

Watershed Resiliency and Restoration Program

**WTP**

Water Treatment Plant

**WWTP**

Wastewater (or Sewer) Treatment Plant

# Appendices

## Appendix III · Approved Staffing

Staffing is expressed in terms of full-time equivalents or FTE's. One FTE is equal to 1,950 or 2,080 hours per year, depending on position. FTE's may consist of full time, part time, temporary, seasonal and casual positions.

### Approved Staffing Complement

Table 37

|                             | Approved<br>FTE 2022 | Approved<br>FTE 2023 | Approved<br>FTE 2024 |
|-----------------------------|----------------------|----------------------|----------------------|
| Administration              | 7.0                  | 6.9                  | 6.9                  |
| Fire Protection             | 0.5                  | 0.5                  | 0.5                  |
| Bylaw and Disaster Services | 0.5                  | 0.5                  | 0.5                  |
| Public Works                | 6.8                  | 6.8                  | 5.8                  |
| Water and Sewer             | 7.5                  | 6.5                  | 6.5                  |
| Waste Management            | 1.2                  | 1.2                  | 1.2                  |
| Planning                    | 0.7                  | 0.7                  | 0.7                  |
| Recreation Administration   | 1.0                  | 1.0                  | 1.0                  |
| Pool                        | 7.2                  | 8.7                  | 8.4                  |
| Arena                       | 2.0                  | 2.0                  | 2.0                  |
| Parks                       | 4.0                  | 3.3                  | 3.1                  |
| <b>Total</b>                | <b>38.3</b>          | <b>38.1</b>          | <b>36.6</b>          |

### Schedule of Changes - 2023 to 2024

Table 38

|                     | Approved<br>FTE 2024 |
|---------------------|----------------------|
| <b>Public Works</b> |                      |
| Equipment Operator  | (1.0)                |
| <b>Pool</b>         |                      |
| Lifeguards          | (0.3)                |
| <b>Parks</b>        |                      |
| Seasonal staff      | (0.2)                |
| <b>Total</b>        | <b>(1.5)</b>         |

Changes for 2024 include:

- Reduction of an equipment operator position.
- Minor decrease (0.3 FTE) of lifeguard hours compared to 2023; this will not impact operations.
- Reduction in seasonal parks staffing totaling 0.2 FTE.



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## Appendix IV · Three Year Operating Budget

In addition to the 2024 budget, the Town of Three Hills forecasts a full three year operating budget.

The three year budget forecast is for presentation and planning purposes and includes known or reasonably anticipated revenue and expenditure items – for example, costs for major or scheduled repairs on infrastructure are included in the forecast.

By preparing a three year budget forecast, Council and staff are able to plan and prepare for upcoming expenditures, identify revenue gaps and fully comprehend the impacts of current decisions on future years.

Generally, revenue and expenditure types are projected into future years by increasing by a fixed percent. Examples of these amounts are:

### Revenues

- Sale of town services – 0.0% to 3.0%
- Facility revenues (pool, arena, museum) – 0.5% to 2.5%

### Expenses

- Salaries – 2.5% to 3.5% – this includes potential future wage settlements and increases in actual staffing levels. Benefits are also pressuring increases here.
- Contracted or consulting services – 4.0% to 7.0%
- Training and development – 0.0% to 5.0%
- Utilities – negative 2.0% to 2.0% - the utility rate increase impacted the 2022 and 2023 budgets. Starting in 2024, the Town expects utility expense decreases due to our participation in the ABMuni's Power+ program.
- Vehicle costs – 2.0% to 5.0% - vehicle and fuel cost are expected to peak in 2023, and decrease in future years.
- Insurance – 8.0% to 10.2%
- Materials, equipment and supplies – 2.8% to 5.5%
- Contributions to reserves – start at 6.0%
- Building costs – 2.0% to 4.0%

## Basis of Forecasting

The three year budget forecast is prepared by projecting all accounts based on reasonably assumed percentage increases. Staff then review and make adjustments for known costs or other changes to these percentage increases. Example of these include:

- Addition or removal of single year initiatives from the budget. For example, the approved 2024 budget shows a grant (contribution) to assist in the funding of regional fire equipment, and this was backed out in future years.
- Known revenue or expenditure items, such as our locked in energy rates or changes in MSI operating funds.
- Potential or likely revenue or expenditure items. Examples include potential changes to garbage and recycle contracted services costs or ongoing increased costs for professional services.

It is important to note that these are forecasts only and used for planning purposes. Council approves its single year budget, including gross expenditures and tax requisition amounts, annually and is not bound by these projections.

The tables in this section are grouped by functions – i.e. Protective Services includes police, fire and bylaw enforcement while Recreation and Cultural Programs includes recreation administration, FCSS and library services.

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## Summary by Department – Three Year Operating Budget Forecast

Table 39

|                                  | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast  | Change<br>(\$)   | Change<br>(%) | 2026<br>Forecast  | Change<br>(\$) | Change<br>(%) |
|----------------------------------|--------------------------|----------------------------|-------------------|------------------|---------------|-------------------|----------------|---------------|
| Legislative Services             | 261,520                  | 268,580                    | 272,740           | 4,160            | 1.5           | 277,360           | 4,620          | 1.7           |
| Administrative Services          | 943,080                  | 982,270                    | 1,005,160         | 22,890           | 2.3           | 1,039,030         | 33,870         | 3.3           |
| Protective Services              | 391,650                  | 776,150                    | 452,400           | (323,750)        | (41.7)        | 466,550           | 14,150         | 3.0           |
| Works and Infrastructure         | 1,270,410                | 1,237,090                  | 1,255,370         | 18,280           | 1.5           | 1,300,060         | 44,690         | 3.4           |
| Water and Wastewater             | 1,752,330                | 1,767,570                  | 1,784,080         | 16,510           | 0.9           | 1,853,840         | 69,760         | 3.8           |
| Waste Management                 | 521,580                  | 598,510                    | 697,820           | 99,310           | 16.6          | 755,810           | 57,990         | 7.7           |
| Planning and Development         | 106,790                  | 100,390                    | 106,120           | 5,730            | 5.7           | 107,210           | 1,090          | 1.0           |
| Recreation and Cultural Programs | 272,430                  | 292,630                    | 286,250           | (6,380)          | (2.2)         | 293,760           | 7,510          | 2.6           |
| Recreation Facilities            | 1,754,890                | 1,782,740                  | 1,777,930         | (4,810)          | (0.3)         | 1,814,470         | 36,540         | 2.0           |
| Corporate Expenses               | 1,025,020                | 1,036,880                  | 1,060,970         | 24,090           | 2.3           | 1,094,140         | 33,170         | 3.0           |
| <b>Operating Expenses</b>        | <b>8,299,700</b>         | <b>8,842,810</b>           | <b>8,698,840</b>  | <b>(143,970)</b> | <b>(1.6)</b>  | <b>9,002,230</b>  | <b>303,390</b> | <b>3.4</b>    |
| Debt and Capital Charges         | 2,702,220                | 2,767,250                  | 2,902,620         | 135,370          | 4.9           | 3,055,450         | 152,830        | 5.0           |
| <b>Total Expenses</b>            | <b>11,001,920</b>        | <b>11,610,060</b>          | <b>11,601,460</b> | <b>(8,600)</b>   | <b>(0.1)</b>  | <b>12,057,680</b> | <b>456,220</b> | <b>3.8</b>    |
| Departmental Revenues            | (6,594,890)              | (6,989,930)                | (6,891,080)       | 98,850           | (1.4)         | (7,213,460)       | (322,380)      | 4.5           |
| Remittances Collected            | (928,070)                | (943,190)                  | (972,430)         | (29,240)         | 3.1           | (1,001,600)       | (29,170)       | 2.9           |
| <b>Net Operating Expenses</b>    | <b>3,478,960</b>         | <b>3,676,940</b>           | <b>3,737,950</b>  | <b>61,010</b>    | <b>1.7</b>    | <b>3,842,620</b>  | <b>104,670</b> | <b>2.7</b>    |
| Tax Revenue                      | (3,574,160)              | (3,676,940)                | (3,737,950)       | (61,010)         | 1.7           | (3,842,620)       | (104,670)      | 2.7           |
| <b>General (Surplus)/Deficit</b> | <b>(95,200)</b>          | -                          | -                 | -                | -             | -                 | -              | -             |

Based on these forecasts, net operating expenditures (departmental revenues less total expenses) are projected to increase by 1.7% in 2025 and by 2.7% in 2026. To potentially fund these increases, tax revenues could increase by 1.7% in 2025 and then by 2.7% in 2026. Projected increases to required tax revenue are forecasts only could be mitigated by Council by constraining expenses or through alternative revenue sources, reducing impacts to ratepayers.

# Appendices

Summary by Component – Three Year Operating Budget Forecast  
Table 40

|                                | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$)   | Change<br>(%) | 2026<br>Forecast | Change<br>(\$)  | Change<br>(%) |
|--------------------------------|--------------------------|----------------------------|------------------|------------------|---------------|------------------|-----------------|---------------|
| Salaries & Benefits            | 3,170,750                | 3,277,140                  | 3,392,640        | 115,500          | 3.5           | 3,486,030        | 93,390          | 2.7           |
| Training & Development         | 65,700                   | 78,820                     | 89,010           | 10,190           | 12.9          | 92,670           | 3,660           | 3.9           |
| Professional & Consultant Fees | 1,267,480                | 1,362,090                  | 1,404,990        | 42,900           | 3.1           | 1,489,070        | 84,080          | 5.6           |
| Materials & Supplies           | 644,020                  | 765,540                    | 769,680          | 4,140            | 0.5           | 800,100          | 30,420          | 3.8           |
| Repairs & Maintenance          | 383,050                  | 304,170                    | 288,640          | (15,530)         | (5.1)         | 300,420          | 11,780          | 3.9           |
| Vehicle & Equipment            | 285,450                  | 239,780                    | 253,240          | 13,460           | 5.6           | 266,530          | 13,290          | 5.0           |
| Utilities & Communications     | 1,104,200                | 1,058,150                  | 1,034,390        | (23,760)         | (2.2)         | 1,055,150        | 20,760          | 2.0           |
| Insurance                      | 154,420                  | 170,030                    | 186,090          | 16,060           | 9.4           | 196,560          | 10,470          | 5.3           |
| Bank & Other Charges           | 38,230                   | 48,490                     | 50,130           | 1,640            | 3.4           | 52,530           | 2,400           | 4.6           |
| Grants                         | 258,330                  | 595,410                    | 257,600          | (337,810)        | (56.7)        | 261,570          | 3,970           | 1.5           |
| Remittances to Other Entities  | 928,070                  | 943,190                    | 972,430          | 29,240           | 3.1           | 1,001,600        | 29,170          | 2.9           |
| <b>Total</b>                   | <b>8,299,700</b>         | <b>8,842,810</b>           | <b>8,698,840</b> | <b>(143,970)</b> | <b>(1.6)</b>  | <b>9,002,230</b> | <b>303,390</b>  | <b>3.4</b>    |
| Departmental Revenues          | (6,594,890)              | (6,989,930)                | (6,891,080)      | 98,850           | (1.4)         | (7,213,460)      | (322,380)       | 4.5           |
| Remittances Collected          | (928,070)                | (943,190)                  | (972,430)        | (29,240)         | 3.1           | (1,001,600)      | (29,170)        | 2.9           |
| <b>Net Operating Expenses</b>  | <b>776,740</b>           | <b>909,690</b>             | <b>835,330</b>   | <b>(74,360)</b>  | <b>(8.2)</b>  | <b>787,170</b>   | <b>(48,160)</b> | <b>(6.1)</b>  |
| Debt and Capital Charges       | 2,702,220                | 2,767,250                  | 2,902,620        | 135,370          | 4.9           | 3,055,450        | 152,830         | 5.0           |
| <b>Tax Levy Requirement</b>    | <b>3,574,160</b>         | <b>3,676,940</b>           | <b>3,737,950</b> | <b>61,010</b>    | <b>1.7</b>    | <b>3,842,620</b> | <b>104,670</b>  | <b>2.7</b>    |

# Appendices

## Legislative Services – Three Year Operating Budget Forecast

Table 44

|                                   | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|-----------------------------------|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits               | 119,120                  | 125,830                    | 127,970          | 2,140          | 1.7           | 130,660          | 2,690          | 2.1           |
| Training & Development            | 16,130                   | 14,100                     | 15,100           | 1,000          | 7.1           | 15,550           | 450            | 2.9           |
| Materials & Supplies              | 38,420                   | 35,410                     | 36,400           | 990            | 2.8           | 37,860           | 1,460          | 3.9           |
| Utilities & Communications        | 3,600                    | 3,600                      | 3,600            | -              | -             | 3,600            | -              | -             |
| Insurance                         | -                        | 390                        | 420              | 30             | 7.7           | 440              | 20             | 4.5           |
| Grants                            | 84,250                   | 89,250                     | 89,250           | -              | -             | 89,250           | -              | -             |
| <b>Total Legislative Services</b> | <b>261,520</b>           | <b>268,580</b>             | <b>272,740</b>   | <b>4,160</b>   | <b>1.5</b>    | <b>277,360</b>   | <b>4,620</b>   | <b>1.7</b>    |
| Departmental Revenues             | -                        | -                          | -                | -              | -             | -                | -              | -             |
| <b>Net Operating Expenses</b>     | <b>261,520</b>           | <b>268,580</b>             | <b>272,740</b>   | <b>4,160</b>   | <b>1.5</b>    | <b>277,360</b>   | <b>4,620</b>   | <b>1.7</b>    |
| Debt and Capital Charges          | -                        | -                          | -                | -              | -             | -                | -              | -             |
| <b>Tax Levy Requirement</b>       | <b>261,520</b>           | <b>268,580</b>             | <b>272,740</b>   | <b>4,160</b>   | <b>1.5</b>    | <b>277,360</b>   | <b>4,620</b>   | <b>1.7</b>    |

## Administrative Services – Three Year Operating Budget Forecast

Table 42

|                                      | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|--------------------------------------|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits                  | 666,770                  | 688,500                    | 709,840          | 21,340         | 3.1           | 733,260          | 23,420         | 3.2           |
| Training & Development               | 21,730                   | 30,490                     | 34,180           | 3,690          | 12.1          | 35,790           | 1,610          | 4.5           |
| Professional & Consultant Fees       | 117,580                  | 108,840                    | 97,090           | (11,750)       | (10.8)        | 101,940          | 4,850          | 4.8           |
| Materials & Supplies                 | 64,560                   | 83,860                     | 97,360           | 13,500         | 16.1          | 99,700           | 2,340          | 2.3           |
| Repairs & Maintenance                | 9,150                    | 4,500                      | 4,590            | 90             | 2.0           | 4,950            | 360            | 7.3           |
| Vehicle & Equipment                  | 4,570                    | 4,850                      | 1,260            | (3,590)        | (74.0)        | 1,400            | 140            | 10.0          |
| Utilities & Communications           | 41,860                   | 42,870                     | 41,160           | (1,710)        | (4.0)         | 41,700           | 540            | 1.3           |
| Insurance                            | 12,040                   | 14,040                     | 15,360           | 1,320          | 9.4           | 15,880           | 520            | 3.3           |
| Bank & Other Charges                 | 4,820                    | 4,320                      | 4,320            | -              | -             | 4,410            | 90             | 2.0           |
| <b>Total Administrative Services</b> | <b>943,080</b>           | <b>982,270</b>             | <b>1,005,160</b> | <b>22,890</b>  | <b>2.3</b>    | <b>1,039,030</b> | <b>33,870</b>  | <b>3.3</b>    |
| Departmental Revenues                | (33,340)                 | (34,720)                   | (35,450)         | (730)          | 2.1           | (36,510)         | (1,060)        | 2.9           |
| <b>Net Operating Expenses</b>        | <b>909,740</b>           | <b>947,550</b>             | <b>969,710</b>   | <b>22,160</b>  | <b>2.3</b>    | <b>1,002,520</b> | <b>32,810</b>  | <b>3.3</b>    |
| Debt and Capital Charges             | 28,010                   | 29,110                     | 30,860           | 1,750          | 6.0           | 33,020           | 2,160          | 6.5           |
| <b>Tax Levy Requirement</b>          | <b>937,750</b>           | <b>976,660</b>             | <b>1,000,570</b> | <b>23,910</b>  | <b>2.4</b>    | <b>1,035,540</b> | <b>34,970</b>  | <b>3.4</b>    |

# Appendices

## Works and Infrastructure – Three Year Operating Budget Forecast

Table 43

|   | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|---|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits                     | 499,520                  | 530,790                    | 542,470          | 11,680         | 2.2           | 558,200          | 15,730         | 2.8           |
| Training & Development                  | 2,600                    | 2,600                      | 3,640            | 1,040          | 40.0          | 4,090            | 450            | 11.0          |
| Professional & Consultant Fees          | 81,860                   | 57,920                     | 60,760           | 2,840          | 4.9           | 64,220           | 3,460          | 5.4           |
| Materials & Supplies                    | 182,690                  | 197,400                    | 191,280          | (6,120)        | (3.1)         | 200,270          | 8,990          | 4.5           |
| Repairs & Maintenance                   | 96,300                   | 88,720                     | 91,120           | 2,400          | 2.7           | 92,940           | 1,820          | 2.0           |
| Vehicle & Equipment                     | 134,590                  | 96,140                     | 103,160          | 7,020          | 7.3           | 107,290          | 4,130          | 3.8           |
| Utilities & Communications              | 245,650                  | 231,510                    | 229,190          | (2,320)        | (1.0)         | 237,900          | 8,710          | 3.7           |
| Insurance                               | 20,200                   | 25,610                     | 27,350           | 1,740          | 6.8           | 27,980           | 630            | 2.3           |
| Bank & Other Charges                    | 7,000                    | 6,400                      | 6,400            | -              | -             | 7,170            | 770            | 10.7          |
| <b>Total Works &amp; Infrastructure</b> | <b>1,270,410</b>         | <b>1,237,090</b>           | <b>1,255,370</b> | <b>18,280</b>  | <b>1.5</b>    | <b>1,300,060</b> | <b>44,690</b>  | <b>3.4</b>    |
| Departmental Revenues                   | (211,030)                | (236,230)                  | (255,360)        | (19,130)       | 8.1           | (265,570)        | (10,210)       | 3.8           |
| <b>Net Operating Expenses</b>           | <b>1,059,380</b>         | <b>1,000,860</b>           | <b>1,000,010</b> | <b>(850)</b>   | <b>(0.1)</b>  | <b>1,034,490</b> | <b>34,480</b>  | <b>3.3</b>    |
| Debt and Capital Charges                | 433,460                  | 298,290                    | 321,560          | 23,270         | 7.8           | 350,500          | 28,940         | 8.3           |
| <b>Tax Levy Requirement</b>             | <b>1,492,840</b>         | <b>1,299,150</b>           | <b>1,321,570</b> | <b>22,420</b>  | <b>1.7</b>    | <b>1,384,990</b> | <b>63,420</b>  | <b>4.6</b>    |

## Water and Wastewater – Three Year Operating Budget Forecast

Table 44

|                                   | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast   | Change<br>(\$)  | Change<br>(%) | 2026<br>Forecast   | Change<br>(\$)  | Change<br>(%) |
|-----------------------------------|--------------------------|----------------------------|--------------------|-----------------|---------------|--------------------|-----------------|---------------|
| Salaries & Benefits               | 652,940                  | 648,380                    | 704,790            | 56,410          | 8.7           | 728,750            | 23,960          | 3.3           |
| Training & Development            | 8,000                    | 8,150                      | 9,290              | 1,140           | 14.0          | 9,540              | 250             | 2.6           |
| Professional & Consultant Fees    | 308,110                  | 348,690                    | 308,940            | (39,750)        | (11.4)        | 324,080            | 15,140          | 4.7           |
| Materials & Supplies              | 190,970                  | 273,240                    | 267,780            | (5,460)         | (2.0)         | 280,900            | 13,120          | 4.7           |
| Repairs & Maintenance             | 196,600                  | 95,700                     | 100,580            | 4,880           | 5.1           | 104,600            | 4,020           | 3.8           |
| Vehicle & Equipment               | 46,020                   | 40,440                     | 41,610             | 1,170           | 2.9           | 44,560             | 2,950           | 6.6           |
| Utilities & Communications        | 293,110                  | 291,500                    | 281,590            | (9,910)         | (3.4)         | 285,530            | 3,940           | 1.4           |
| Insurance                         | 50,980                   | 48,970                     | 57,000             | 8,030           | 16.4          | 63,380             | 6,380           | 10.1          |
| Bank & Other Charges              | 5,600                    | 12,500                     | 12,500             | -               | -             | 12,500             | -               | -             |
| <b>Total Water and Wastewater</b> | <b>1,752,330</b>         | <b>1,767,570</b>           | <b>1,784,080</b>   | <b>16,510</b>   | <b>0.9</b>    | <b>1,853,840</b>   | <b>69,760</b>   | <b>3.8</b>    |
| Departmental Revenues             | (3,087,210)              | (3,200,920)                | (3,305,420)        | (104,500)       | 3.3           | (3,469,100)        | (163,680)       | 4.7           |
| <b>Net Operating Expenses</b>     | <b>(1,334,880)</b>       | <b>(1,433,350)</b>         | <b>(1,521,340)</b> | <b>(87,990)</b> | <b>6.1</b>    | <b>(1,615,260)</b> | <b>(93,920)</b> | <b>5.8</b>    |
| Debt and Capital Charges          | 1,276,380                | 1,433,350                  | 1,519,350          | 86,000          | 6.0           | 1,610,510          | 91,160          | 5.7           |
| <b>Tax Levy Requirement</b>       | <b>(58,500)</b>          | <b>-</b>                   | <b>(1,990)</b>     | <b>(1,990)</b>  | <b>-</b>      | <b>(4,750)</b>     | <b>(2,760)</b>  | <b>58.1</b>   |

# Appendices

## Waste Management – Three Year Operating Budget Forecast

Table 45

|                                | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|--------------------------------|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits            | 158,200                  | 167,380                    | 171,400          | 4,020          | 2.4           | 174,660          | 3,260          | 1.9           |
| Training & Development         | 600                      | 1,100                      | 1,600            | 500            | 45.5          | 1,850            | 250            | 13.5          |
| Professional & Consultant Fees | 271,360                  | 335,920                    | 427,290          | 91,370         | 27.2          | 476,430          | 49,140         | 10.3          |
| Materials & Supplies           | 41,440                   | 46,480                     | 44,760           | (1,720)        | (3.7)         | 45,660           | 900            | 2.0           |
| Repairs & Maintenance          | 4,000                    | 4,500                      | 4,500            | -              | -             | 4,820            | 320            | 6.6           |
| Vehicle & Equipment            | 24,210                   | 22,960                     | 26,730           | 3,770          | 16.4          | 30,470           | 3,740          | 12.3          |
| Utilities & Communications     | 14,780                   | 12,590                     | 13,610           | 1,020          | 8.1           | 13,880           | 270            | 1.9           |
| Insurance                      | 4,990                    | 5,080                      | 5,430            | 350            | 6.9           | 5,540            | 110            | 2.0           |
| Bank & Other Charges           | 2,000                    | 2,500                      | 2,500            | -              | -             | 2,500            | -              | -             |
| <b>Total Waste Management</b>  | <b>521,580</b>           | <b>598,510</b>             | <b>697,820</b>   | <b>99,310</b>  | <b>16.6</b>   | <b>755,810</b>   | <b>57,990</b>  | <b>7.7</b>    |
| Departmental Revenues          | (754,620)                | (806,100)                  | (842,130)        | (36,030)       | 4.5           | (901,920)        | (59,790)       | 6.6           |
| <b>Net Operating Expenses</b>  | <b>(233,040)</b>         | <b>(207,590)</b>           | <b>(144,310)</b> | <b>63,280</b>  | <b>(30.5)</b> | <b>(146,110)</b> | <b>(1,800)</b> | <b>1.2</b>    |
| Debt and Capital Charges       | 154,500                  | 119,810                    | 127,000          | 7,190          | 6.0           | 135,890          | 8,890          | 6.5           |
| <b>Tax Levy Requirement</b>    | <b>(78,540)</b>          | <b>(87,780)</b>            | <b>(17,310)</b>  | <b>70,470</b>  | <b>(80.3)</b> | <b>(10,220)</b>  | <b>7,090</b>   | <b>(69.4)</b> |

## Protective Services – Three Year Operating Budget Forecast

Table 46

|                                  | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$)   | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|----------------------------------|--------------------------|----------------------------|------------------|------------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits              | 108,000                  | 130,870                    | 136,370          | 5,500            | 4.2           | 141,010          | 4,640          | 3.3           |
| Training & Development           | 6,180                    | 9,630                      | 10,690           | 1,060            | 11.0          | 10,260           | (430)          | (4.2)         |
| Professional & Consultant Fees   | 208,900                  | 224,820                    | 219,420          | (5,400)          | (2.4)         | 226,220          | 6,800          | 3.0           |
| Materials & Supplies             | 14,190                   | 19,100                     | 22,390           | 3,290            | 17.2          | 23,600           | 1,210          | 5.1           |
| Repairs & Maintenance            | 4,000                    | 8,100                      | 8,430            | 330              | 4.1           | 8,260            | (170)          | (2.1)         |
| Vehicle & Equipment              | 9,960                    | 10,550                     | 11,930           | 1,380            | 13.1          | 12,880           | 950            | 7.4           |
| Utilities & Communications       | 29,230                   | 29,280                     | 28,370           | (910)            | (3.1)         | 28,770           | 400            | 1.4           |
| Insurance                        | 10,190                   | 12,790                     | 13,800           | 1,010            | 7.9           | 14,550           | 750            | 5.2           |
| Grants                           | 1,000                    | 331,010                    | 1,000            | (330,010)        | (99.7)        | 1,000            | -              | -             |
| <b>Total Protective Services</b> | <b>391,650</b>           | <b>776,150</b>             | <b>452,400</b>   | <b>(323,750)</b> | <b>(41.7)</b> | <b>466,550</b>   | <b>14,150</b>  | <b>3.0</b>    |
| Departmental Revenues            | (85,850)                 | (409,980)                  | (100,470)        | 309,510          | (75.5)        | (105,190)        | (4,720)        | 4.5           |
| <b>Net Operating Expenses</b>    | <b>305,800</b>           | <b>366,170</b>             | <b>351,930</b>   | <b>(14,240)</b>  | <b>(3.9)</b>  | <b>361,360</b>   | <b>9,430</b>   | <b>2.6</b>    |
| Debt and Capital Charges         | 70,930                   | 73,240                     | 76,900           | 3,660            | 5.0           | 81,900           | 5,000          | 6.1           |
| <b>Tax Levy Requirement</b>      | <b>376,730</b>           | <b>439,410</b>             | <b>428,830</b>   | <b>(10,580)</b>  | <b>(2.4)</b>  | <b>443,260</b>   | <b>14,430</b>  | <b>3.3</b>    |



# Appendices

## Planning and Development – Three Year Operating Budget Forecast

Table 47

|                                       | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|---------------------------------------|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits                   | 45,330                   | 46,540                     | 47,940           | 1,400          | 3.0           | 48,990           | 1,050          | 2.1           |
| Training & Development                | 2,650                    | 2,440                      | 3,440            | 1,000          | 41.0          | 4,020            | 580            | 14.4          |
| Professional & Consultant Fees        | 35,090                   | 29,040                     | 32,290           | 3,250          | 11.2          | 31,320           | (970)          | (3.1)         |
| Materials & Supplies                  | 18,490                   | 18,340                     | 18,340           | -              | -             | 18,740           | 400            | 2.1           |
| Vehicle & Equipment                   | 600                      | 320                        | 320              | -              | -             | 320              | -              | -             |
| Utilities & Communications            | 1,380                    | 1,060                      | 1,040            | (20)           | (1.9)         | 1,030            | (10)           | (1.0)         |
| Insurance                             | 750                      | 900                        | 1,000            | 100            | 11.1          | 1,040            | 40             | 3.8           |
| Grants                                | 2,500                    | 1,750                      | 1,750            | -              | -             | 1,750            | -              | -             |
| <b>Total Planning and Development</b> | <b>106,790</b>           | <b>100,390</b>             | <b>106,120</b>   | <b>5,730</b>   | <b>5.7</b>    | <b>107,210</b>   | <b>1,090</b>   | <b>1.0</b>    |
| Departmental Revenues                 | (33,050)                 | (28,650)                   | (30,680)         | (2,030)        | 7.1           | (31,600)         | (920)          | 2.9           |
| <b>Net Operating Expenses</b>         | <b>73,740</b>            | <b>71,740</b>              | <b>75,440</b>    | <b>3,700</b>   | <b>5.2</b>    | <b>75,610</b>    | <b>170</b>     | <b>0.2</b>    |
| Debt and Capital Charges              | 700                      | 750                        | 800              | 50             | 6.7           | 860              | 60             | 7.0           |
| <b>Tax Levy Requirement</b>           | <b>74,440</b>            | <b>72,490</b>              | <b>76,240</b>    | <b>3,750</b>   | <b>5.2</b>    | <b>76,470</b>    | <b>230</b>     | <b>0.3</b>    |

## Recreation and Cultural Programs – Three Year Operating Budget Forecast

Table 48

|  | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|--|--------------------------|----------------------------|------------------|----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits                    | 76,180                   | 88,970                     | 90,220           | 1,250          | 1.4           | 92,660           | 2,440          | 2.6           |
| Training & Development                 | 1,660                    | 3,290                      | 2,790            | (500)          | (15.2)        | 2,870            | 80             | 2.8           |
| Professional & Consultant Fees         | 3,180                    | 830                        | 870              | 40             | 4.8           | 870              | -              | -             |
| Materials & Supplies                   | 1,090                    | 2,190                      | 2,610            | 420            | 19.2          | 2,900            | 290            | 10.0          |
| Repairs & Maintenance                  | 2,500                    | 2,500                      | 2,500            | -              | -             | 2,670            | 170            | 6.4           |
| Utilities & Communications             | 13,380                   | 14,100                     | 13,820           | (280)          | (2.0)         | 13,960           | 140            | 1.0           |
| Insurance                              | 3,860                    | 7,350                      | 7,840            | 490            | 6.7           | 8,260            | 420            | 5.1           |
| Grants                                 | 170,580                  | 173,400                    | 165,600          | (7,800)        | (4.5)         | 169,570          | 3,970          | 2.3           |
| <b>Total Rec and Cultural Programs</b> | <b>272,430</b>           | <b>292,630</b>             | <b>286,250</b>   | <b>(6,380)</b> | <b>(2.2)</b>  | <b>293,760</b>   | <b>7,510</b>   | <b>2.6</b>    |
| Departmental Revenues                  | -                        | -                          | -                | -              | -             | -                | -              | -             |
| <b>Net Operating Expenses</b>          | <b>272,430</b>           | <b>292,630</b>             | <b>286,250</b>   | <b>(6,380)</b> | <b>(2.2)</b>  | <b>293,760</b>   | <b>7,510</b>   | <b>2.6</b>    |
| Debt and Capital Charges               | 6,900                    | 7,250                      | 7,690            | 440            | 6.1           | 8,230            | 540            | 6.6           |
| <b>Tax Levy Requirement</b>            | <b>279,330</b>           | <b>299,880</b>             | <b>293,940</b>   | <b>(5,940)</b> | <b>(2.0)</b>  | <b>301,990</b>   | <b>8,050</b>   | <b>2.7</b>    |

# Appendices

## Parks and Facilities – Three Year Operating Budget Forecast

Table 49

|                                   | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast | Change<br>(\$)  | Change<br>(%) | 2026<br>Forecast | Change<br>(\$) | Change<br>(%) |
|-----------------------------------|--------------------------|----------------------------|------------------|-----------------|---------------|------------------|----------------|---------------|
| Salaries & Benefits               | 844,690                  | 849,880                    | 861,640          | 11,760          | 1.4           | 877,840          | 16,200         | 1.8           |
| Training & Development            | 6,150                    | 7,020                      | 8,280            | 1,260           | 17.9          | 8,700            | 420            | 4.8           |
| Professional & Consultant Fees    | 173,300                  | 179,520                    | 187,940          | 8,420           | 4.7           | 190,360          | 2,420          | 1.3           |
| Materials & Supplies              | 76,170                   | 84,680                     | 82,950           | (1,730)         | (2.0)         | 84,430           | 1,480          | 1.8           |
| Repairs & Maintenance             | 70,500                   | 100,150                    | 76,920           | (23,230)        | (23.2)        | 82,180           | 5,260          | 6.4           |
| Vehicle & Equipment               | 65,500                   | 64,520                     | 68,230           | 3,710           | 5.8           | 69,610           | 1,380          | 2.0           |
| Utilities & Communications        | 461,210                  | 431,640                    | 422,010          | (9,630)         | (2.2)         | 428,780          | 6,770          | 1.6           |
| Insurance                         | 51,410                   | 54,900                     | 57,890           | 2,990           | 5.4           | 59,490           | 1,600          | 2.7           |
| Bank & Other Charges              | 5,960                    | 10,430                     | 12,070           | 1,640           | 15.7          | 13,080           | 1,010          | 7.7           |
| <b>Total Parks and Facilities</b> | <b>1,754,890</b>         | <b>1,782,740</b>           | <b>1,777,930</b> | <b>(4,810)</b>  | <b>(0.3)</b>  | <b>1,814,470</b> | <b>36,540</b>  | <b>2.0</b>    |
| Departmental Revenues             | (650,490)                | (664,810)                  | (696,960)        | (32,150)        | 4.8           | (713,960)        | (17,000)       | 2.4           |
| <b>Net Operating Expenses</b>     | <b>1,104,400</b>         | <b>1,117,930</b>           | <b>1,080,970</b> | <b>(36,960)</b> | <b>(3.3)</b>  | <b>1,100,510</b> | <b>19,540</b>  | <b>1.8</b>    |
| Debt and Capital Charges          | 295,840                  | 305,950                    | 318,960          | 13,010          | 4.3           | 335,040          | 16,080         | 4.8           |
| <b>Tax Levy Requirement</b>       | <b>1,400,240</b>         | <b>1,423,880</b>           | <b>1,399,930</b> | <b>(23,950)</b> | <b>(1.7)</b>  | <b>1,435,550</b> | <b>35,620</b>  | <b>2.5</b>    |

## Corporate Expenses – Three Year Operating Budget Forecast

Table 50

|                                 | Projected<br>2023 Actual | Approved<br>2024<br>Budget | 2025<br>Forecast   | Change<br>(\$) | Change<br>(%) | 2026<br>Forecast   | Change<br>(\$)  | Change<br>(%) |
|---------------------------------|--------------------------|----------------------------|--------------------|----------------|---------------|--------------------|-----------------|---------------|
| Professional & Consultant Fees  | 68,100                   | 76,510                     | 70,390             | (6,120)        | (8.0)         | 73,630             | 3,240           | 4.4           |
| Materials & Supplies            | 16,000                   | 4,840                      | 5,810              | 970            | 20.0          | 6,040              | 230             | 3.8           |
| Bank & Other Charges            | 12,850                   | 12,340                     | 12,340             | -              | -             | 12,870             | 530             | 4.1           |
| Remittances to Other Entities   | 928,070                  | 943,190                    | 972,430            | 29,240         | 3.1           | 1,001,600          | 29,170          | 2.9           |
| <b>Total Corporate Expenses</b> | <b>1,025,020</b>         | <b>1,036,880</b>           | <b>1,060,970</b>   | <b>24,090</b>  | <b>2.3</b>    | <b>1,094,140</b>   | <b>33,170</b>   | <b>3.0</b>    |
| Departmental Revenues           | (6,241,530)              | (6,228,650)                | (6,244,740)        | (16,090)       | 0.3           | (6,309,740)        | (65,000)        | 1.0           |
| <b>Net Operating Expenses</b>   | <b>(5,216,510)</b>       | <b>(5,191,770)</b>         | <b>(5,183,770)</b> | <b>8,000</b>   | <b>(0.2)</b>  | <b>(5,215,600)</b> | <b>(31,830)</b> | <b>0.6</b>    |
| Debt and Capital Charges        | 435,500                  | 499,500                    | 499,500            | -              | -             | 499,500            | -               | -             |
| <b>Tax Levy Requirement</b>     | <b>(4,781,010)</b>       | <b>(4,692,270)</b>         | <b>(4,684,270)</b> | <b>8,000</b>   | <b>(0.2)</b>  | <b>(4,716,100)</b> | <b>(31,830)</b> | <b>0.7</b>    |



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