

TOWN OF BONNYVILLE

REQUEST FOR DECISION

Date: April 17, 2025

Submitted By: Administration

Meeting Date: April 22, 2025

SUBJECT: 2025 Final Operating Budget

BACKGROUND: The 2025 proposed Final Operating Budget has been revised to reflect changes that have occurred since the passage of the Interim Budget in December. The transfer from the Operating Reserve required to balance the Interim Operating Budget was \$778,075 and has now decreased to \$774,975 in this final draft of the budget. The 2025 Interim Operating Budget was approved at the December 10th, 2024, Council meeting. The total 2025 Final Operating Budget totals \$34,069,360.

OTHER COMMENTS: Significant changes from the Interim Budget include:

MUNICIPAL TAXES

The Interim Budget included a 2% Residential tax dollar increase and a 4% Non-Residential tax dollar with a total municipal tax revenue for 2025 estimated at \$8,734,712. The total anticipated municipal tax revenue in the 2025 Final Operating Budget is \$8,739,020. This increase from the Interim Budget is due to a slight increase in assessment growth due to new development in some assessment classes.

SCHOOL TAXES

The School Tax Requisition has increased by **\$170,073**. This results in an increase in actual school tax for Residential of 3.65% and an increase in actual school tax for Non-Residential properties of 3.82%. Based on the Residential Assessments for School Tax purposes the Residential School Tax Rate will increase by 6.18%. Based on the Non-Residential Assessments for School Tax Purposes, the Non-Residential School Tax Rate will decrease by 0.2%. The Tax Rates will be set when we pass the tax rate Bylaw at the May 13th Council meeting.

Overall, when combining both residential and non-residential, there will be a resulting increase in school taxes of 3.73%.

OVERALL

As noted, this draft of the 2025 Operating Budget proposes an overall average 2% municipal tax increase for Residential Properties and a 4% municipal tax increase for Non-Residential Properties, a net school tax increase for residential and non-residential properties; there is also a small decrease in the Seniors Requisition on both residential and non-residential properties. The effective overall impact will be as follows:

- Residential Property tax will increase by approximately 1.81%
- Non-Residential property tax will decrease by approximately 4.6%.

Changes to note, from the Interim Budget include:

All Departments:

- A five-year analysis of all areas for minor increases/decreases based on prior trends
- Salaries and Employer Contributions have been adjusted to reflect any salary grid movements for employees as well as an increase in Benefit and Payroll Tax Rates
- Insurance Premiums have been updated to reflect Actual Costs

General Municipal:

- Increase in overall Municipal Taxes due to a 2% Residential and a 4% Non-Residential Tax Dollar Increase
- Decrease in Bad Debt expense due to Payment in Lieu of Tax Collection estimated at 25% of Revenue
- Increase in School Requisition due to Provincial Requisition
- Decrease in the Requisition for Lakeland Lodge & Housing
- Decrease in the Requisition for Designated Industrial Properties

General Government Services

- Increase in Property Tax Penalties to reflect Actuals to Date and Anticipated Penalties from July to December

General Government Services – Grants

- Addition of Contribution from reserve and Community Development Grant to include the carry over grants for the Beautification Program
- Increase in the Community Development Grant for the additional funding for the Primary Care Network

Council

- Increase in Volunteer Honorariums due to Lay Member Meetings
- Increase in Mileage & Subsistence to reflect prior year actuals
- Increase in Association Fees & Subscriptions to include Mid-Sized Towns and Annual Subscription Increases
- Increase in Materials to reflect prior year actuals
- Increase in Other Expenses to reflect prior year actuals

Administration

- Decrease in Interest Revenue to reflect actual interest rates
- Decrease in Contracted Costs to remove AB Counsel Contract
- Increase in Janitorial Contract and Building Repair & Maintenance to add the upstairs renovation
- Increase in Service Agreements due to the IT Upgrade
- Decrease in Insurance based on actual premium
- Increase in Power and Gas to reflect prior year's consumption

Occupational Health and Safety

- Increase in the Health and Wellness Program to reflect increased usage of the program

Police

- Increase in Lease Income due to ratio of members
- Decrease in Provincial Funding to reflect actual grant amount expected
- Increase in Police Contract to reflect anticipated cost per member
- Increase in Service Agreements to include a new Service Contract
- Decrease in Insurance based on actual premium
- Increase in Utilities to reflect prior year's consumption

Fire

- Decrease in Fire Contract
- Decrease in Insurance based on actual premium

Bylaws

- Increase in Enforcement Revenue and Expenses to reflect prior year's actuals
- Increase in Telephone due to Second CPO Position
- Increase in Insurance based on actual premium

911 Services

- Decrease in 911 Service Contract

Public Works Administration

- Increase in Freight & Postage and Lease Equipment based on prior year actuals
- Decrease in Insurance based on actual premium
- Decrease in Contribution to Reserves to Reflect Actual Equipment Purchases in 2024

Town Shop

- Increase of Revenue and Expense to Complete the Town Shop Building Repairs
- Increase in Training based on requests
- Decrease in Fuel based on rate
- Increase in Power based on prior years consumption

Roads, Streets, Walks & Lighting

- Decrease in Contracted Costs to reflect actuals from prior years
- Increase in Streetlight Power to add the lights to be installed in 2025
- Decrease in Contribution to Reserves to Reflect Actual Equipment Purchases in 2024

Water Distribution

- Increase of Revenue to include new rates for custom work and paper invoices
- Decrease in LIT Revenue as one was fully paid in 2024
- Increase in Training based on requests
- Decrease in Contracted Costs to reflect actuals from prior years
- Increase in Service Agreements for updated costs for 2025
- Increase in Insurance based on actual premium
- Increase in Meters based on actual replacements planned for 2025
- Increase in Testing and Analysis based on prior year's actuals
- Increase in Power and Gas based on prior year consumption

Sanitary Sewer

- Decrease in LIT Revenue as one was fully paid in 2024
- Increase in Annual Line Repairs based on expected work to be completed

Sewer Disposal

- Increase in Disposal Sales to reflect new rates and increased usage
- Increase in Revenue and Expense to the SE Lift Station Cleaning
- Decrease in Insurance based on actual premium
- Increase in Power and Gas based on prior years consumption

Solid Waste

- Updates to Recycling Revenue and Expenses to include the EPR Program
- Increase in Service Agreements based on actual costs

Landfill & Transfer Station

- Increase in Transfer Station Revenue and BRRWMC Contract based on prior years tonnage
- Increase in Class III Revenue based on prior years tonnage
- Increase on Contracted Costs for the Ground Water Monitoring Program
- Decrease in Insurance based on actual premium
- Increase in Power to reflect prior years consumption

FCSS

- Budget reallocated to reflect operations

Parent Child Centre

- Update to reflect rent for the building

Family Resource Network – Hub and Spoke

- Budget reallocated to reflect operations

Community Programs

- Budget reallocated to reflect carry over from 2024

Planning & Development

- Increase in Revenue and Expense to include the Demolition Grant Program
- Increase in Contracted Costs to complete Joint Use Planning Agreements
- Increase in Insurance based on actual premium

Economic Development

- Increase Revenue and Expense to include banners and signage
- Increase in Conference Costs, Contracted Costs and Association Fees to reflect actuals

Subdivision and Land Development

- Increase in Revenue and Expenses to include the Multi-Unit Housing Program
- Reallocated expenses for the Nelson Lumber Building to Recreation

Recreation

- Reallocation of the expenses for the Nelson Lumber Building

Pool

- Addition of Revenue for the Canada Summer Jobs Employment Program
- Decrease in Insurance based on actual premium

Parks

- Increase in Revenue for Rental of Ball Diamonds
- Increase in Insurance based on actual premium
- Increase in Power based on prior year consumption
- Decrease in Contribution to Reserves to Reflect Actual Equipment Purchases in 2024

Programs

- Increase in Revenue for the Heritage Canada Grant

Handi-Bus

- Increase in Other Grants to Reflect Remaining Funding from the IOR Grant
- Increase in Contribution from Operating Reserve for the Additional Expense Required for the Handi-Bus

Contingency

- Increase in Revenue and Expenses for ID349 Funding based on prior year
- Decrease in Drawn from Operating Reserve to Balance the 2025 Operating Budget

Throughout the year Administration will be reviewing all departments to ensure maximum cost savings are realized.

REPORT/DOCUMENT: ☒Attached ☐Available ☐NIL

1. 2025 Final Operating Budget
2. 2025 Tax Calculation Spreadsheet
3. 2025 Tax Comparisons – Residential, Multi-Family, Non-Residential
4. 2025 Tax Rate Calculations – Municipal, School, Seniors, Designated Industrial Property
5. 2024 Reserve Account Balances
6. Budget Worksheet

KEY ISSUE(S)/CONCEPT: Section 242 of the Municipal Government Act states that Council must adopt an operating budget for each calendar year.

DESIRED OUTCOMES: That Council approve the 2025 Operating Budget as presented.

PREFERRED STRATEGY: Approval of the 2025 Operating Budget as presented which maintains and enhances service delivery for quality of life for the citizens of the Town and surrounding area.

OPTIONS:

1. Approve the 2025 Operating Budget as presented.
2. Amend the 2025 Operating Budget and approve.
3. Approve an alternative Operating Budget.

RELEVANCE TO STRATEGIC PLAN:



**Communications
Strategy**



**Economic
Growth**



**Recreation &
Wellness**



**Service
Excellence**



**Value Added
Services**

RECOMMENDATION: THAT Council approve the 2025 Operating Budget as presented.

IMPLICATIONS OF RECOMMENDATION: Amortization amounts of \$7,034,813 for 2025 will be added as part of the approved budget.

IMPLEMENTATION/COMMUNICATIONS: The Council for the Town of Bonnyville has taken the necessary steps to ensure quality of life for its citizens by approving a balanced 2025 Operating Budget with an overall residential municipal tax dollar increase of 2% and non-residential tax dollar increase of 4%.

Renee Stoyles
Acting Chief Administrative Officer