

# 2023 BUDGET



Smoky Lake County



# PROPOSED BUDGET



# BUDGET SUMMARY

The 2023 balanced budget was compiled based on the following

- ✓ No change in service levels
- ✓ Equipment replacement has been deferred and where necessary will be leased or rented
- ✓ Maintenance costs will increase as a result of above
- ✓ The Road Plan is based on feedback from Council and Management
- ✓ The assumption that the MSI grant will be equal to the amount received in 2022
- ✓ **The predicted increase in policing costs of 50% (from \$127,404 to \$191,242)**
- ✓ **Escalation of costs due to inflation**
- ✓ No purchase or crushing of gravel
- ✓ Interest rates earned on funds will be approximately 5%





# OPERATIONS





	YTD BUDGET 2022	BUDGET 2023	VARIANCE	VAR %
<b>OPERATING EXPENSES</b>				
<b>Salaries, Wages, and Benefits</b>				
Salaries & Wages	5,797,149	5,789,298	-7,851	(0.14%)
Benefits	1,418,686	1,446,817	28,131	1.98%
Other Wages	12,750	10,000	-2,750	(21.57%)
<b>Contracted and General Services</b>				
Mileage	58,105	56,350	-1,755	(3.02%)
Meals and Lodgings	97,870	95,360	-2,510	(2.56%)
Membership & Conference Fees	56,215	59,015	2,800	4.98%
Freight, Express, Postage	40,060	44,450	4,390	10.96%
Telephone & Communication	97,112	99,410	2,298	2.37%
Training	119,000	126,000	7,000	5.88%
Advertising, Printing,				
Subscriptions	69,200	68,550	-650	(0.94%)
Accounting & Auditing	31,000	42,000	11,000	35.48%
Legal Fees	64,500	42,500	-22,000	(34.11%)
Assessor Fees	140,000	142,800	2,800	2.00%
Engineering Fees	110,001	173,520	63,519	57.74%
Other Consulting	62,300	62,350	50	0.08%
Computer Programing	148,990	148,750	-240	(0.16%)
Insurance	220,465	281,362	60,897	27.62%
Other Services	1,487,221	1,590,657	103,436	6.95%
<b>Materials, Goods, and Utilities</b>				
Office/Food/Janitorial Supplies	88,953	104,237	15,284	17.18%
Fuel/Parts/ Etc	84,863	-21,618	-106,481	(125.47%)
Gravel	0	0	0	
Chemicals	60,500	50,000	-10,500	(17.36%)
Computer Supplies	39,233	48,600	9,367	23.88%
Utilities	177,026	209,079	32,053	18.11%
Employee Recognition	25,000	26,000	1,000	4.00%
Other General Supplies	554,145	458,300	-95,845	(17.30%)
<b>Transfers to Local Boards &amp; Agencies</b>				
Agencies	1,377,055	758,865	-618,190	(44.89%)
Write Offs	3,000	3,000	0	0.00%
Bank Charges & Interest	5,950	6,000	50	0.84%
Requisitions	2,478,885	2,481,885	3,000	0.12%
Contingency	-1	267	268	(26800.00%)
Amortization	2,026,800	2,020,300	-6,500	(0.32%)
	16,952,033	16,424,103	-527,930	(3.11%)
<b>Total Operations</b>	<b>-629,550</b>	<b>-504,743</b>	<b>124,807</b>	<b>(19.82%)</b>

# MUNICIPAL OPERATING BUDGET

# Operating Revenues

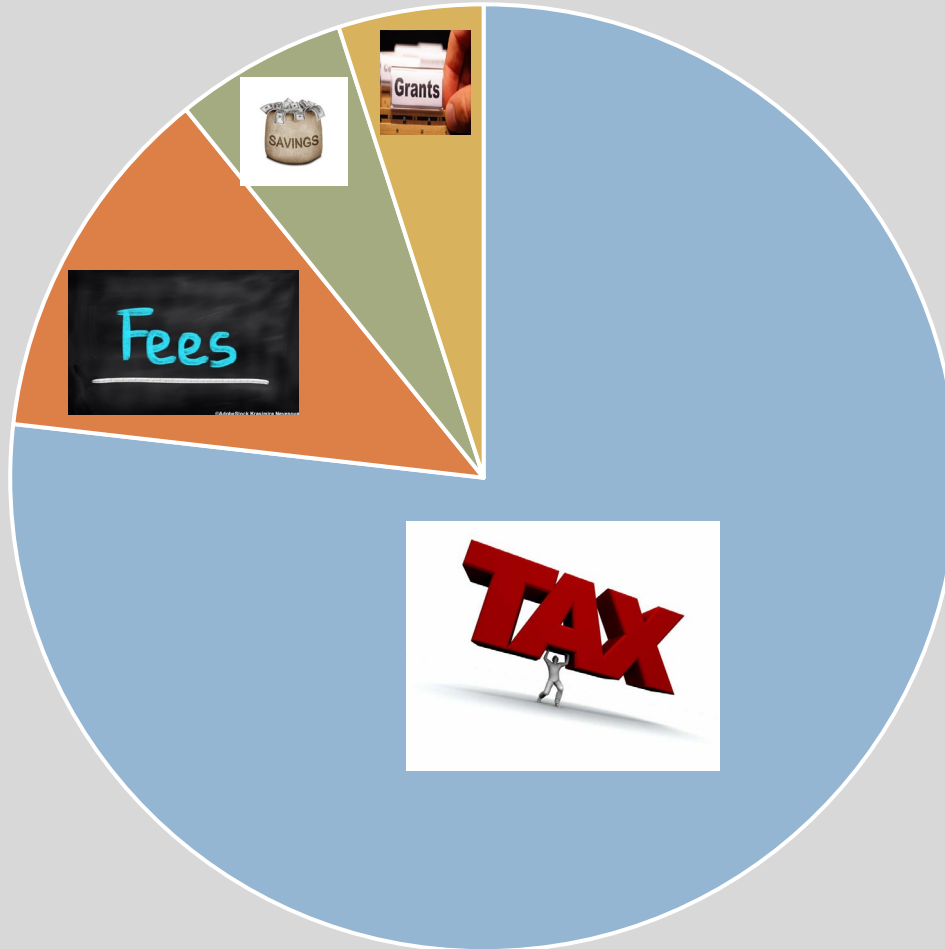
- Operating revenues will **decrease by \$403,123**
  - Tax revenue will **increase by \$437,000**
  - User fees **increase by \$101,000**
  - Operating grants **decrease by \$50,000**
  - Transfers from Operating reserves **decrease by \$891,000**

	BUDGET 2022	BUDGET 2023	VARIANCE	VAR %
<b>OPERATING REVENUE</b>				
<b>Taxes</b>				
Farmland & Residential	\$3,839,874	\$3,956,392	\$116,518	3.03%
Machinery & Equipment	1,116,699	1,188,096	71,397	6.39%
Non - Residential	1,220,845	1,270,155	49,310	4.04%
Linear	6,113,204	6,310,864	197,660	3.23%
Provincial Government	66,753	68,756	2,003	3.00%
Sewer Levy	9,040	9,040	0	0.00%
<b>Other Income</b>				
Well Drilling/Drill Rigs	5,500	5,500	0	0.00%
Penalties	85,300	80,200	-5,100	(5.98%)
User Fees and Sales of Goods	668,140	629,309	-38,832	(5.81%)
Investment Income	200,000	350,000	150,000	75.00%
Development Levies	62,000	30,000	-32,000	(51.61%)
Licenses and Permits	180,500	224,500	44,000	24.38%
<b>Sales to Other Governments</b>	<b>358,713</b>	<b>342,135</b>	<b>-16,578</b>	<b>(4.62%)</b>
<b>Grants</b>				
Provincial Conditional - Operating	590,215	552,215	-38,000	(6.44%)
CLC	125,700	113,230	-12,470	(9.92%)
<b>Transfer from Operating Reserve</b>	<b>1,680,000</b>	<b>788,969</b>	<b>-891,031</b>	<b>(53.04%)</b>
<b>TOTAL OPERATING REVENUE</b>	<b>16,322,483</b>	<b>15,919,360</b>	<b>-403,123</b>	<b>(2.47%)</b>



# REVENUES

## Where do County revenues come from?



Some revenues such as grants are **NOT** within our control

Some revenues such as taxes and fees are within our control

To help the shortfall we can transfer from our reserves

## User Fees include:

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

## Operating Grants:

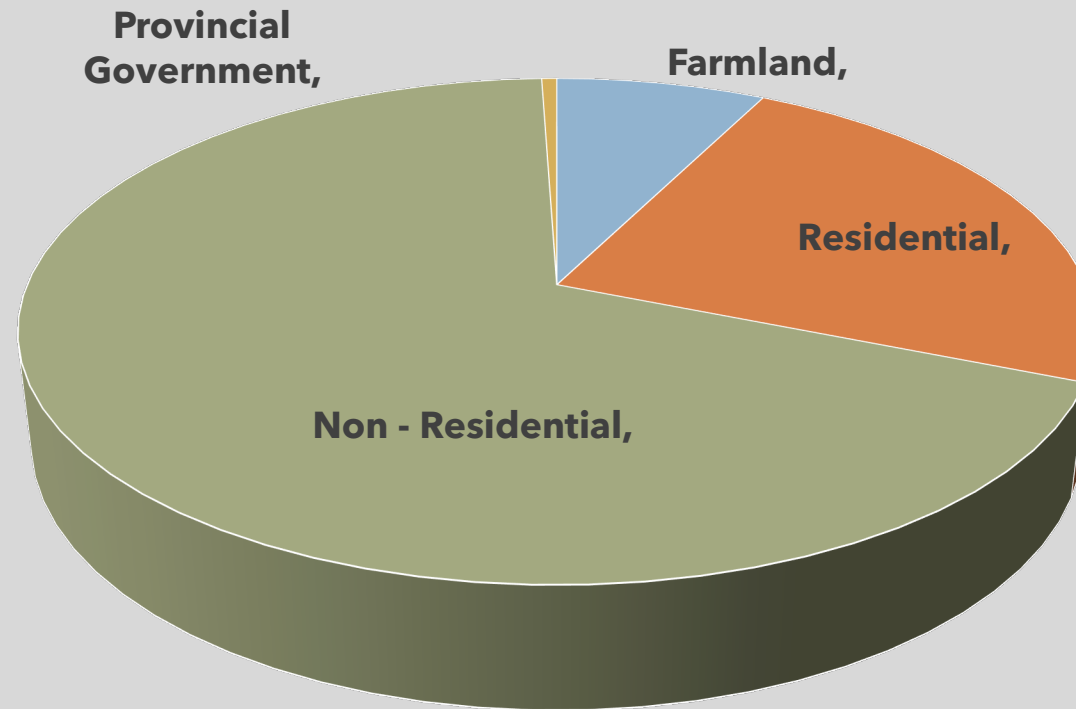
- ✓ Community Adult Learning
- ✓ Family and Community Social Services
- ✓ Alberta Community Partnership Grant
- ✓ Agriculture Services Grant
- ✓ Municipal Sustainability Operating Grant



# Property Taxes

The budget proposes tax revenue of \$12,794,263. This includes predicted requisitions of \$2,478,885.

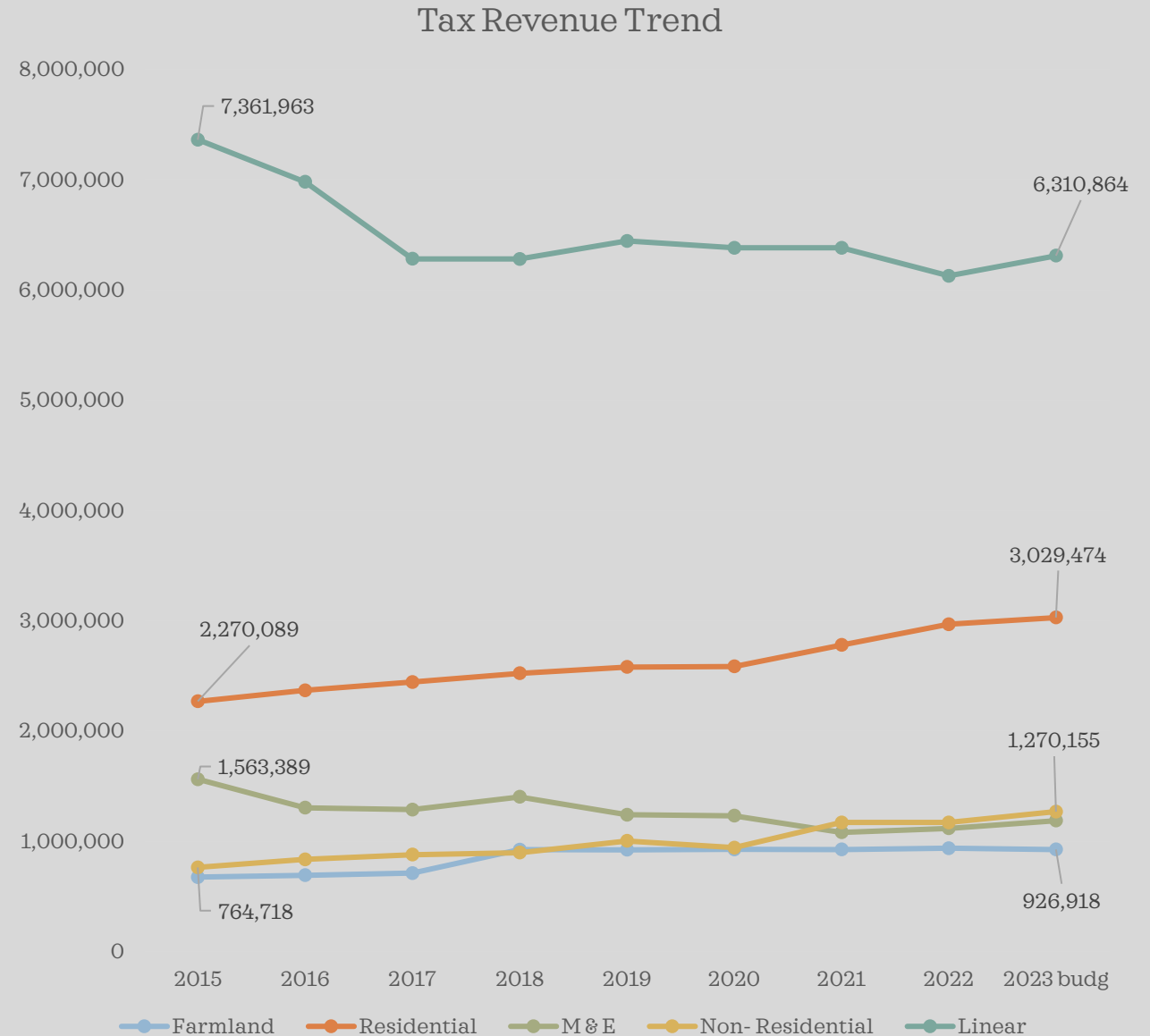
Smoky Lake County will receive \$10,315,378

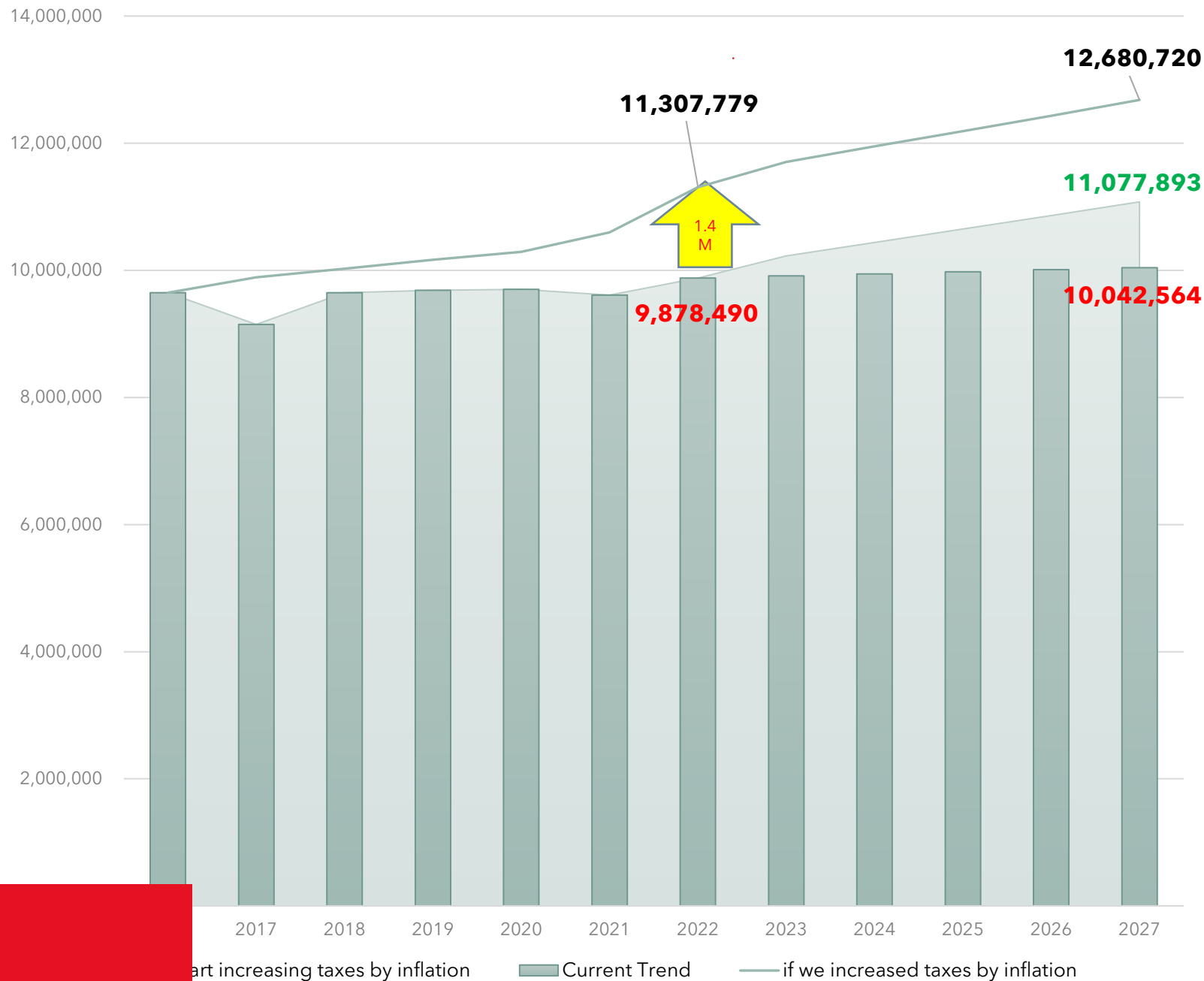


**In 2023 we will bill \$86,147 more in Municipal Taxes then billed in 2015.**

**This equals an average annual increase less than 0.1%**

- ❖ Residential and Farmland have had to make up some of the losses in tax revenue from the Oil and Gas industry





# Tax Revenues vs Inflation

- ❖ The past 0 tax increase practice has created a gap between what tax revenue would have been if we followed inflation . **At 2022 the revenue lost per year is \$1.4 million**
- ❖ This means that the gap between what we need to pay for items and our revenue gets bigger each year.

# OPERATING EXPENSES

In spite of high inflation,  
expenses  
**DECREASE by \$527,930**

- Inventory will be reduced
- Transfers to other boards decreases
- Expenditures have been cut wherever possible



	BUDGET 2022	BUDGET 2023	VARIANCE	VAR %
<b>OPERATING EXPENSES</b>				
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<b>Transfers to Local Boards &amp; Agencies</b>	<b>1,377,055</b>	<b>758,865</b>	<b>-618,190</b>	<b>(44.89%)</b>
Write Offs	3,000	3,000	0	0.00%
Bank Charges & Interest	5,950	6,000	50	0.84%
Requisitions	2,478,885	2,481,885	3,000	0.12%
Contingency	-1	267	268	(26800.00%)
Amortization	2,026,800	2,020,300	-6,500	(0.32%)
	<b>16,952,033</b>	<b>16,424,103</b>	<b>-527,930</b>	<b>(3.11%)</b>

# Operation Budget 2023 Department Summary

## Tax

	2022 Budget	2023 Budget	Increase
<b>Taxes</b>			
Farmland & Residential:			
Residential	2,912,956	3,029,474	
Farmland	911,096	911,096	
Taxes - Minimum Tax Levy	15,822	15,822	
Machinery & Equipment:	1,116,699	1,188,096	
Non - Residential:	1,220,845	1,270,155	
Linear:	6,113,204	6,310,864	
Provincial Government:	66,753	68,756	
	12,357,375	12,794,263	
<b>Less Requisitions</b>			
SL Foundation	468,927	468,927	
ASFF - Residential	916,127	916,127	
Lakeland - Res	1,070,958	1,070,958	
DIP	22,873	22,873	
	2,478,885	2,478,885	
<b>Net Municipal Taxes</b>	<b>9,878,490</b>	<b>10,315,378</b>	<b>436,888</b>

- The Assessors are predicting further market increases for residential properties
- The budget is estimating a 5% increase in residential assessment (due to property value increases) and no change to non-residential and farmland assessments.



# Operation Budget 2023 Department Summary

## Council

Council Department expenses include salary, benefits, expenses, and computer and supplies.

Expenses are tracked per Councillor and are reported on the financial statements

- The budget for council will decrease from \$513,428 to **\$511,243**
- The decrease is a result in the decrease of IT costs allocated to Council



# Operation Budget 2023 Department Summary

## Administration

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

- The net cost = \$729,492
  - \$181,000 reduction in transfers from reserves
  - \$150,000 increase in expected interest revenue

## New 2023 initiatives:

- ✓ **The addition of a part time position to provide cross training and backup**



# Operation Budget 2023 Department Summary

## **Intergovernmental Relations**

This Department expenses include costs for inter governmental meetings, elections, promotional items, as well as contributions or grants to organizations

- The net cost = \$53,950
- \$29,000 is available to grant to local individuals and organizations

## **2023 initiatives:**

- ✓ **We expect to payout our commitment to contribute \$445,000 to the new HAK school (funded from reserves)**



# Operation Budget 2023 Department Summary

## Protective Services

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

	2022 Budget	2023 Budget	% Increase
Policing	\$127,404.00	\$192,000.00	51%
Fire	\$592,845.00	\$738,119.00	25%
Disaster	\$10,300.00	\$10,300.00	0%
Bylaw	\$154,802.00	\$210,978.00	36%
	<u>\$885,351.00</u>	<u>\$1,151,397.00</u>	<u>30%</u>

The net cost = \$1,151,397

### 2023 initiatives:

- ✓ **In 2019, the Province began charging municipalities for policing. The cost will increase by \$64,596 in 2023.**
- ✓ **A part time position was added in 2022 which will increase 2023 payroll budget.**
- ✓ **A Bylaw Officer was hired fall of 2022. He will be working towards a CPO designation**



# Operation Budget 2023 Department Summary

## Public Works

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

- The net cost of operations is \$6,049,718
- The net cost of bridge inspections is 78,520

### 2023 initiatives:

- ✓ **Crushing for 2023 has been removed to reduce costs. Inventory will be depleted.**
- ✓ **Part time Licensed Mechanic Position will become full time to ensure repairs can be made on our aging fleet**



# Operation Budget 2023 Department Summary

## **Environmental Services**

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

- The net cost of Water operations is \$410,591
- The net cost of Sewer operations is \$70,952
- The net cost of Landfill operations is \$474,487



# Operation Budget 2023 Department Summary

## **Family and Community Social Services**

○ The net cost is \$23,327

- ✓ Family School Liaison Program
- ✓ Donations to local qualifying programs



# Operation Budget 2023 Department Summary

## Planning Services

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

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

- The net cost of Planning is \$363,216

### 2023 initiatives:

- ✓ **Apply for a grant for an environmental sensitivity analysis standards**  
**\$200,000**



# Operation Budget 2023 Department Summary

## **Agricultural Services Board**

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

- The net cost of Agricultural Services is \$790,541.



# Operation Budget 2023 Department Summary

## **Economic Development Services**

Economic Development includes

- ✓ Funding for county specific economic development programs and advertising
- ✓ \$20,000 for Doctor recruitment and retention
- ✓ \$77,452 for the Regional Community Development Committee

- The net cost of Economic Development is \$106,265

- ✓ **RCDC has not provided an approved budget**



# Operation Budget 2023 Department Summary

## **Recreation and Culture Services**

Includes

- ✓\$15,700 for Heritage
- ✓\$25,750 for Northern Lights Library
- ✓\$322,724 for Parks and Recreation



# Operation Budget 2023 Department Summary

## **Natural Gas Services**

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

The Gas department operates financially independent of Smoky Lake County.

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



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

	BUDGET	BUDGET			
	2022	2023	VARIANCE	VAR %	Note
<b>Operations</b>					
Administration	-867,575	-914,578	-47,003	5%	
Distribution	823,957	743,078	-80,879	-10%	includes purchase and sale of natural gas
Oderant	58,118	96,000	37,882	65%	
CNG Trailer	15,500	15,500	0	0%	
<b>Total Operations</b>	<b>30,000</b>	<b>-60,000</b>	<b>-90,000</b>	<b>-300%</b>	
<b>Capital</b>					
<b>Capital Funding</b>					
Sale of Capital Assets	12,500	10,000	-2,500	-20%	
Provincial Capital Grants	0	0	0		
Transfer from Reserve	243,000	105,500	-137,500	-57%	
<b>Capital Funding</b>	<b>255,500</b>	<b>115,500</b>	<b>-140,000</b>	<b>-55%</b>	
<b>Capital Expenses</b>					
Buildings & Land	200,000	140,000	-60,000	-30%	
Transfer to Reserve	190,000	50,000	-140,000	-74%	
Equipment	53,000	22,000	-31,000	-58%	
Vehicles	72,500	73,500	1,000	1%	
<b>Capital Expenses</b>	<b>515,500</b>	<b>285,500</b>	<b>-230,000</b>	<b>-45%</b>	
<b>Total Capital</b>	<b>-260,000</b>	<b>-170,000</b>	<b>90,000</b>	<b>-35%</b>	
<b>Net Profit/ Loss</b>	<b>-230,000</b>	<b>-230,000</b>	<b>0</b>		
<b>Remove Amortization</b>	<b>230,000</b>	<b>230,000</b>	<b>0</b>		
<b>Adjusted Surplus (Deficit)</b>	<b>0</b>	<b>0</b>			



# CAPITAL



# 2023 Capital Budget Details

To balance the budget without increasing taxes further, proposed capital purchases have been deferred, will be leased, or are being funded from reserves.



## Capital Funding

Sale of Capital Assets  
Provincial Capital Grants  
Transfer from Reserve

## Capital Funding

## Capital Expenses

Buildings & Land  
Transfer to Reserve  
Land Improvements  
Engineering Structure  
Engineering Structure - Road  
Engineering Structure - Bridge  
Equipment  
Vehicles

## Capital Expenses

## Total Capital

BUDGET	BUDGET		
2022	2023	VARIANCE	VAR %
222,000	343,800		
3,388,587	1,977,489		
1,459,426	1,447,759	417,000	
<b>5,070,013</b>	<b>3,769,048</b>	<b>-1,300,965</b>	<b>(25.66%)</b>
646,025	0		
489,000	1,014,000		
578,000	15,000		
26,000	0		
2,068,075	2,421,877		
1,003,611	991,669		
1,213,552	341,755		
443,000	500,304		
<b>6,467,263</b>	<b>5,284,605</b>	<b>-1,182,658</b>	<b>(18.29%)</b>
<b>-1,397,250</b>	<b>-1,515,557</b>	<b>-118,307</b>	<b>8.47%</b>

# 2023 Capital Budget Details

## **Bridge Plan Cost \$ 991,659**

Funding will come from Alberta Transportation grant and the Federal Gas Tax Grant

### **2023 initiatives:**

✓ **BF 13398**

✓ **BF78004**

✓ **Applications for more grants for bridge work have been submitted, however we will not know if anything is approved until later in 2023**



# 2023 Capital Detail

	EXPENSE	FUNDING			
	BUDGET	GRANT	RESERVE	SALE	OPERATION
AGGREGATE LICENSE REV TO RESERVE	200,000				200,000
ADMIN BUILDING RESERVE	50,000				50,000
ORTHO PHOTOS	109,255		109,255		-
PEACE OFFICER TRUCK LIGHTS ETC	40,000		40,000		-
FIRE BUILDING RESERVE	75,000				75,000
FIRE EQUIPMENT RESERVE	10,000				10,000
FIRE APPARATUS RESERVE	162,000				162,000
AFRRCS RADIO SOFTWARE UPDATE	15,000		15,000		-
PROTECTIVE SERVICES DRONE	9,500		9,500		-
GRADER RESERVE	300,000		300,000		-
REPLACE SANDING TRUCK 195	100,000		70,000	30,000	-
REPLACE WHEEL LOADER	100,000		100,000		-
MOTION 840-22 REPLACE 101C	63,500		13,500	50,000	-
MOTION 840-22 REPLACE 101A	63,500		13,500	50,000	-
REPLACE CREW TRUCKS 109 & 100A	142,804		79,004	63,800	-
GRAVEL SALES TO RESERVE	27,000				27,000
MOTION 840-22 REPLACE 239A	63,500		13,500	50,000	-
MOTION 840-22 REPLACE 226B	63,500		13,500	50,000	-



Items removed from original proposal:  
Service tracker for all vehicles  
Grader, Streetsweeper, Mower, Tilt Trailer and grapple attachment

	EXPENSE	FUNDING			
	BUDGET	GRANT	RESERVE	SALE	OPERATION
MOTION 840-22 REPLACE 227	63,500		13,500	50,000	-
RESERVE FOR SEWER	5,000				5,000
GARBAGE TRUCK RESERVE	50,000				50,000
HISTORIC DESIGNATION PLAQUE	15,000		15,000		-
RESERVE FOR EQUIPMENT	135,000				135,000
UTILITY SNOWMOBILE	8,000		8,000		-
	<b>1,871,059</b>	<b>-</b>	<b>813,259</b>	<b>343,800</b>	<b>714,000</b>
Infrastructure Line Replacement	50,000				50,000
RMO REPLACEMENT	140,000		70,000		70,000
RMO MODEM REPLACEMENT	22,000		22,000		-
REFURBISH TRUCK BOX (UNIT 202)	13,500		13,500		-
TRUCK REPLACMENT - ENTERPRISE	60,000			10,000	50,000
<b>NATURAL GAS</b>	<b>285,500</b>	<b>-</b>	<b>105,500</b>	<b>10,000</b>	<b>170,000</b>
<b>CAPITAL</b>	<b>2,156,559</b>	<b>-</b>	<b>918,759</b>	<b>353,800</b>	<b>884,000</b>

<b>BRIDGE REPAIR REHAB TOTAL</b>	<b>991,659</b>	<b>915,239</b>	<b>-</b>		<b>76,420</b>
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<b>ROAD PLAN TOTAL</b>	<b>2,421,877</b>	<b>1,062,250</b>	<b>634,500</b>	<b>-</b>	<b>725,127</b>
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# Capital Budget 2023 Road Plan

Road Plan Cost \$2,421,877

is funded by the MSI grant, Federal Gas Tax Grant, Aggregate License Revenue, and Tax Revenue

OIL TREATMENT/PAVING							
Project Name	Code	# Days	Length/Miles	Res #s	Estimate Costs	Actual Cost	Funding
Victoria Tr. between RR 171A- RR 172	P2313	2	0.5		\$ 65,000.00		MSIMO
Twp 612 between Hwy 855- RR 174	P2314	2	1		\$ 352,500.00		Aggregate Levy
		4		Total	\$ 417,500.00	\$0.00	

REHABILITATION							
Project Name	Code	# Days	Length/Miles	Res #s	Estimate Costs	Actual Cost	Funding
Victoria Tr. between RR 171A- RR 172	R2313	2	0.5		\$ 10,000.00		MSIMO
		2		Total	\$ 10,000.00	\$0.00	

M380 BASE STABILIZATION							
Project Name	Code	# Days	Length/Miles	Res #s	Estimate Costs	Actual Cost	Funding
Twp 584 between Hwy 859- RR 144	MG2322	7	5		\$ 100,000.00		MSIMO
RR 173 between Twp 584- Twp 583A	MG2323	1	0.5		\$ 10,000.00		MSIMO
RR 170 between Twp 590- Twp 592A	MG2333	4	2.5		\$ 55,000.00		MSIMO
Twp 612 between RR 174- RR 174A	MG2314	1	0.5		\$ 13,000.00		MSIMO
RR 180 between Twp 594- Twp 594A	MG2315	1	0.5		\$ 15,000.00		MSIMO
Twp 612 between RR 174A- RR 180	MG2325	2	1.5		\$ 35,000.00		MSIMO
RR 180 between Twp 612A- Twp 614	MG2335	3	1.5		\$ 35,000.00		MSIMO
Twp 604 between RR 191- RR 192A	MG2355	3	1.5		\$ 50,000.00		MSIMO
Twp 590 between RR 174(n)- 180(s)	MG2353	2	1.25		\$ 20,000.00		MSIMO
RR 130 between Twp 602- Twp 610	MG2311	6	4		\$ 100,000.00		MSIMO
Twp 600 between RR 181- RR 182	MG2345	2	1		\$ 25,000.00		MSIMO
RR 191 between Hwy 28- Twp 594	MG2365	2	1.5		\$ 37,000.00		MSIMO
Twp 604 between RR 181- RR 183	MG2375	3	2		\$ 50,000.00		MSIMO
RR 124 between Twp 601- Twp 603A	MG2321	4	2.5		\$ 60,000.00		MSIMO
		41		Total	\$ 605,000.00	\$0.00	



CONSTRUCTION							
Project Name	Code	# Days	Length/Miles	Res #s	Estimate Costs	Actual Cost	Funding
		3		Total		\$0.00	

M3 HAIL ROADS-PWST							
Project Name	Code	# Days	Length/Miles	Res #s	Estimate Costs	Actual Cost	Funding
Twp 584 between Hwy 855- RR 165	MG2313	4	5.5		\$ 121,000.00		Aggregate Reserve
		4		Total	\$ 121,000.00	\$0.00	

GRAVELLING							
Mile per Division	Code	Proposed Miles	Proposed Gravel	Estimate Costs	Actual Gravel	Actual Cost	Funding
144	PW43	40	6,767.00	\$ 196,243.00	0.00	\$0.00	RTD
218.5	PW46	81.5	13,148.00	\$ 354,996.00			RTD
159.5	PW47	38	5,990.00	\$ 149,750.00			RTD
167	PW48	45.5	7,144.50	\$ 171,468.00			RTD
219	PW49	66	10,420.00	\$ 270,920.00			RTD
908		271.0	43,469.5	\$ 1,143,377.00			
Contingency:			5,000.00	\$ 125,000.00			
Total			48,469.50	\$ 1,268,377.00			
Road Repair PW90:							Unbudgeted Cost of gravel only

Five-Year Road Plan: Year 2023-2027

# 5 year capital budget (including roads and bridges)

	2023	2024	2025	2026	2027
<b>Expense Budget</b>					
Buildings/Land	-	-	-	-	-
Transfer to Reserve	1,014,000.00	1,113,000.00	918,000.00	993,000.00	993,000.00
Land Improvement	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Equipment	341,755.00	2,883,000.00	1,852,006.00	1,855,520.00	1,006,588.00
Vehicle	500,304.00	91,800.00	208,000.00	247,700.00	69,000.00
Roads	2,421,877.00	2,272,186.00	2,185,794.00	2,105,669.00	1,774,529.00
Eng Structure - Bridge	991,659.00	4,182,900.00	1,015,253.00	1,666,000.00	428,000.00
<b>Total Cost</b>	<b>5,284,595.00</b>	<b>10,557,886.00</b>	<b>6,194,053.00</b>	<b>6,882,889.00</b>	<b>4,286,117.00</b>
<b>Funding</b>					
Reserve	1,553,259	335,000	301,000	0	0
Grant	1,977,489	3,737,175	1,511,440	1,999,500	1,071,000
Sale of Asset	353,800	335,000	301,000	191,000	191,000
<b>Municipal Operations</b>	<b>1,515,547</b>	<b>6,136,941</b>	<b>4,080,613</b>	<b>4,692,389</b>	<b>3,024,117</b>
<b>Gas Operations</b>	<b>170,000</b>	<b>13,770</b>	<b>0</b>	<b>0</b>	<b>0</b>

Equipment replacement has been pushed out, so that next year we will need over \$6 million to cover purchases in 2024



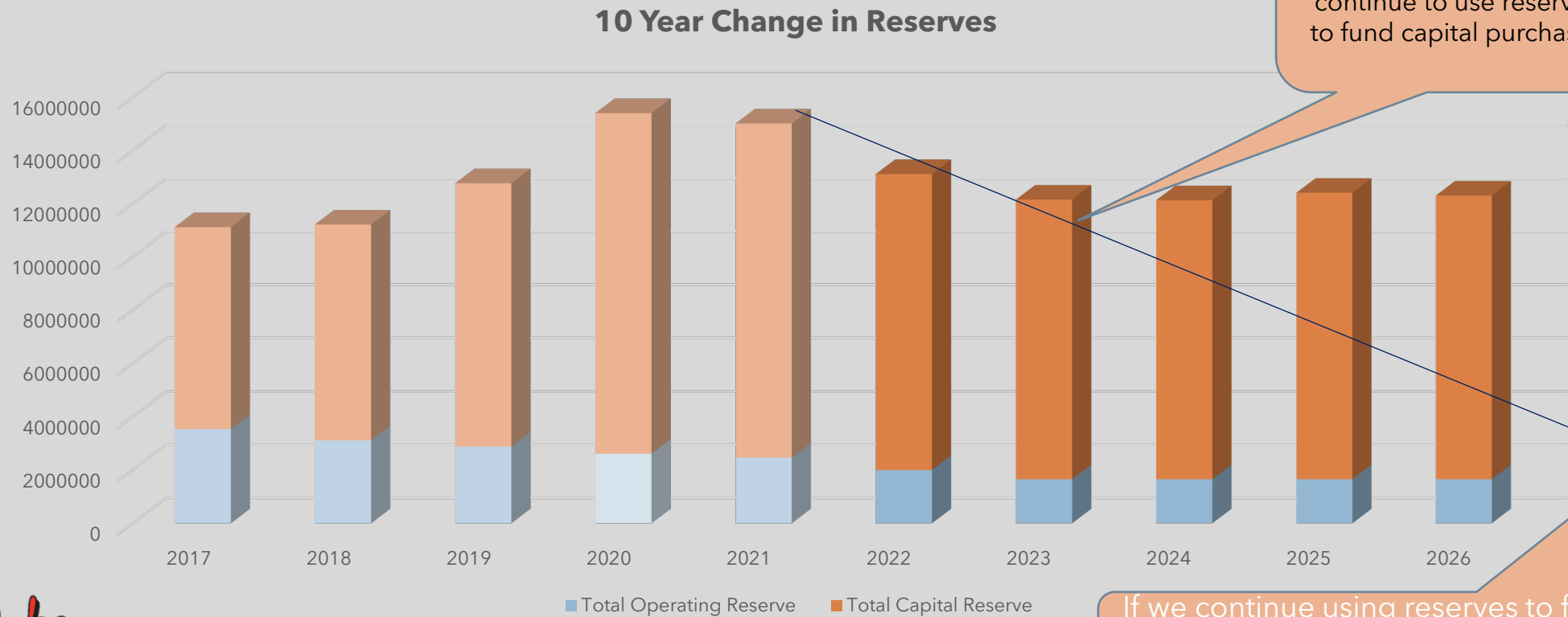
# Restricted Surplus Accounts are Reserves set aside for specific future needs

We will transfer \$2,236,728 from reserves, and invest \$1,014,000 in

Restricted Surplus		2021	2022	2023	2024	2025	2026
Economic Development	Funds collected from members of the Regional Community Development Committee (RCDC) for future projects	59,223	0	0	0	0	0
Municipal Reserve	Funds collected in lieu of subdivision natural reserve	47,295	47,295	47,295	47,295	47,295	47,295
General Operating	Reserves not allocated to projects as well as reserves carried forward to the next year - funding source property taxes	2,354,858	1,947,675	1,603,706	1,603,706	1,603,706	1,603,706
General Capital	Primarily for specific purchases and projects - funding source property taxes	3,461,875	2,861,875	1,628,116	1,697,116	1,766,116	1,765,116
Building Reserve	Building repairs & rehabilitation - funding source property taxes	1,197,539	990,265	1,040,265	1,091,365	1,142,465	1,192,465
Fire	For Fire equipment replacement and fire emergencies - funding source property taxes	1,342,335	1,514,335	1,736,835	1,368,835	1,472,335	949,335
Landfill	For waste equipment and landfill improvements - funding source property taxes	249,160	294,160	344,160	394,160	444,160	494,160
Transportation	For specific public works projects and equipment - funding source property taxes	1,224,496	449,496	749,496	749,496	405,496	405,496
Road Development	For roads damaged by natural resource extraction - funding source aggregate license fee	1,623,575	1,563,575	1,129,075	1,173,381	1,222,292	1,275,481
Gravel Pit Reclamation	For the reclamation of gravel pits - funding source gravel sales	462,922	475,922	488,922	502,527	516,431	530,613
Gravel Pit Development	For the development of new gravel pits - funding source gravel sales	107,874	121,874	135,874	150,525	165,498	180,770
Connectivity	For the development or improvement of internet services - funding source was the sale of CCI shares in 2020	476,523	476,523	476,523	476,523	476,523	476,523
Street Sweeper	For the replacement of a regional street sweeper - funding source - fees charged for street sweeping services	61,060	61,060	61,060	61,060	61,060	61,060
Water	For water and sewer projects - funding source property taxes	261,233	240,233	245,233	250,233	255,233	260,233
Agriculture Services	For Agricultural Equipment replacement - funding source property taxes	0	40,000	175,000	145,000	145,000	245,000
Gas Reserve	For natural gas projects - funding source gas, odorant, and compressed natural gas sales	2,080,298	2,027,298	2,290,658	2,417,172	2,686,909	2,819,641
<b>Total Reserves</b>		<b>15,010,267</b>	<b>13,111,587</b>	<b>12,152,219</b>	<b>12,128,395</b>	<b>12,410,520</b>	<b>12,306,895</b>



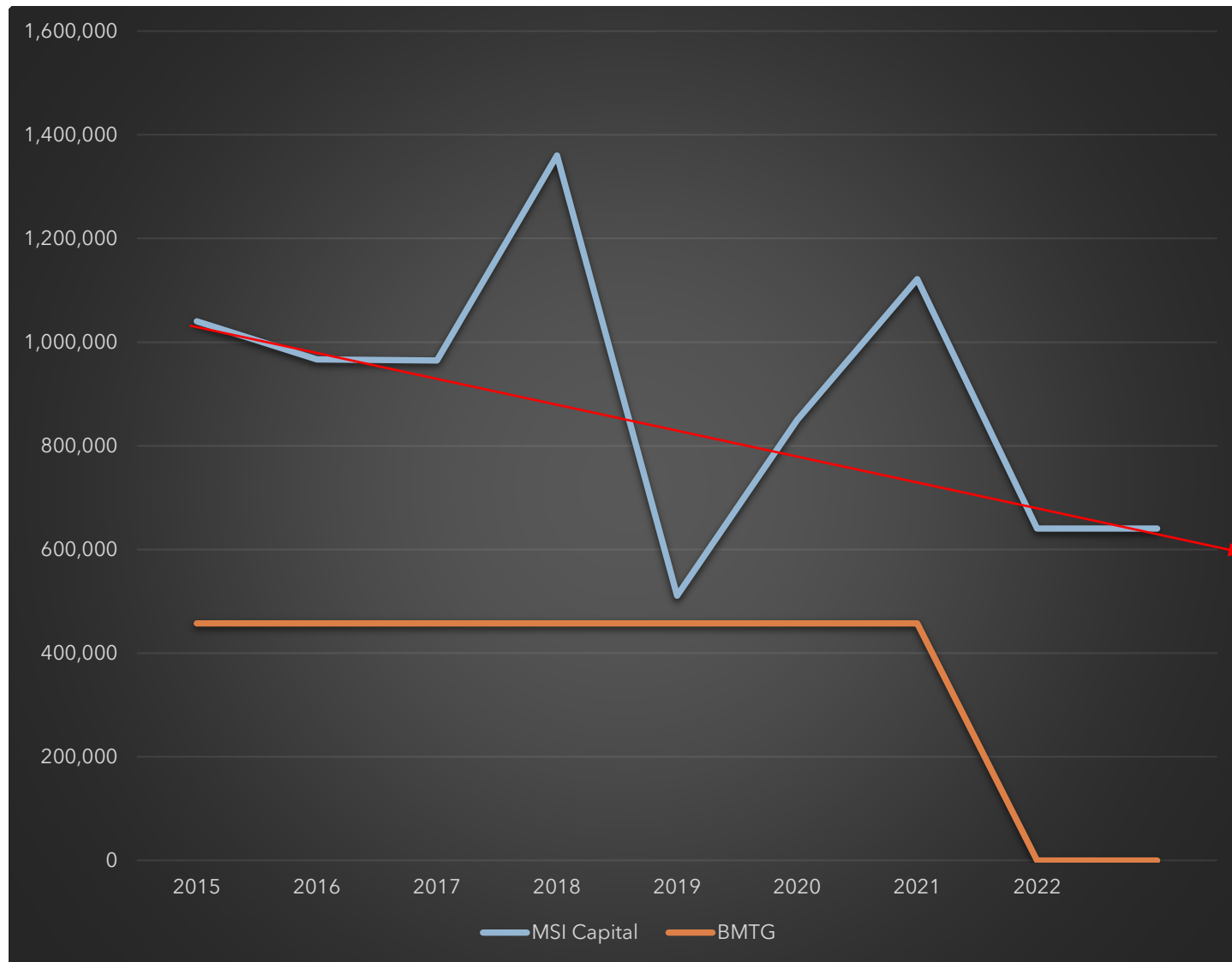
# Changes in reserve balances as budgeted in the 2022-2026 financial plan



The 5 year capital plan assumes that we will not continue to use reserves to fund capital purchases

If we continue using reserves to fund capital without replacing them





The MSI has been key to funding the grader purchases as well as the road program

- Until 2022 we received an average of \$1m in MSI capital grant. This was used to purchase the graders and fund the road plan
- In 2022 the allocation dropped by 40% to 640,000
- We have budgeted an allocation of 640,000 for 2023
- In 2024 the program changes to the LGFF. At this time, it is uncertain what the funding will be





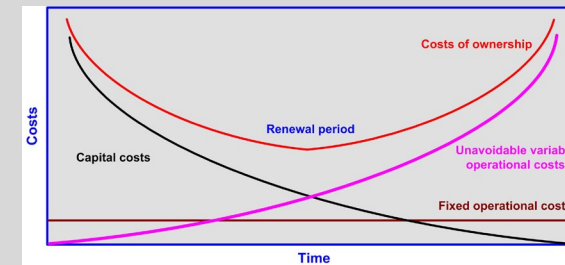
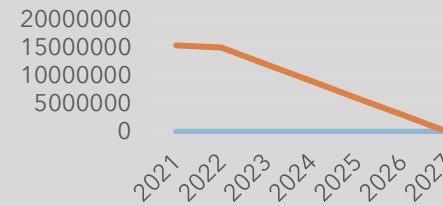
WE HAVE BALANCED THE 2023 BUDGET .  
OVER THE NEXT YEAR, WE WILL NEED TO FIND  
LONG TERM SUSTAINABLE SOLUTIONS TO  
FUND CAPITAL NEEDS



# Becoming Sustainable

It is important to the future sustainability of Smoky Lake County to solve the 2023 budget while understanding how decisions today will affect the future

1. Using reserves will deplete our ability to meet future needs. If we continue to use reserves to cover capital, we will be out of savings
2. Cutting all capital purchases will increase maintenance costs throughout the future. We will need to have a strategy to identify how we will eventually replace equipment
3. Increasing taxes at the level that is needed to fund the Capital needs going forward would increase tax property taxes by an unacceptable amount



To be sustainable we need to find new revenue and consider changing service levels



# QUESTIONS