Budget 2027

November 23, 2026

Today

Part 1

Clarifications

- Comparisons
- Compensation
- Investments
- HR, IT and offsets
- Economic Dev.

Part 2

What We Heard

- Operating and tax
- Utilities
- Capital
- Reserves

Part 3

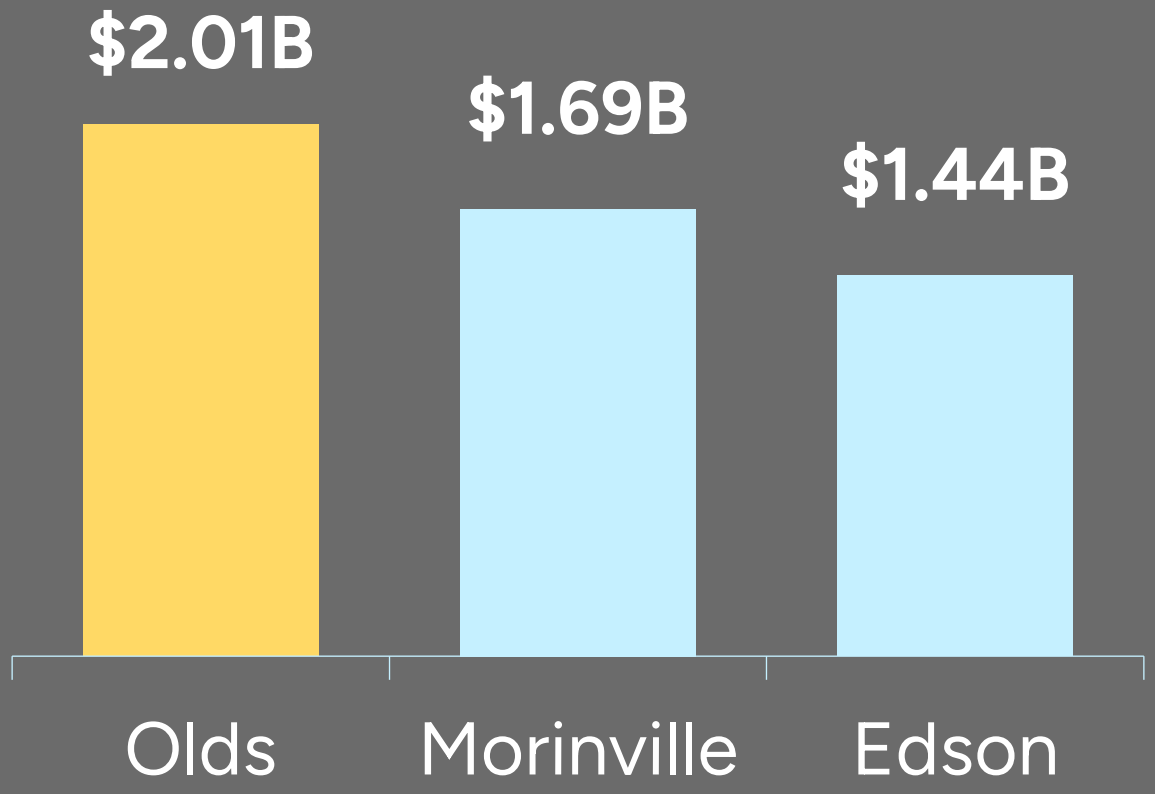
Next Steps

- Risk Management
- Tax Rate Stabilization
- Council direction

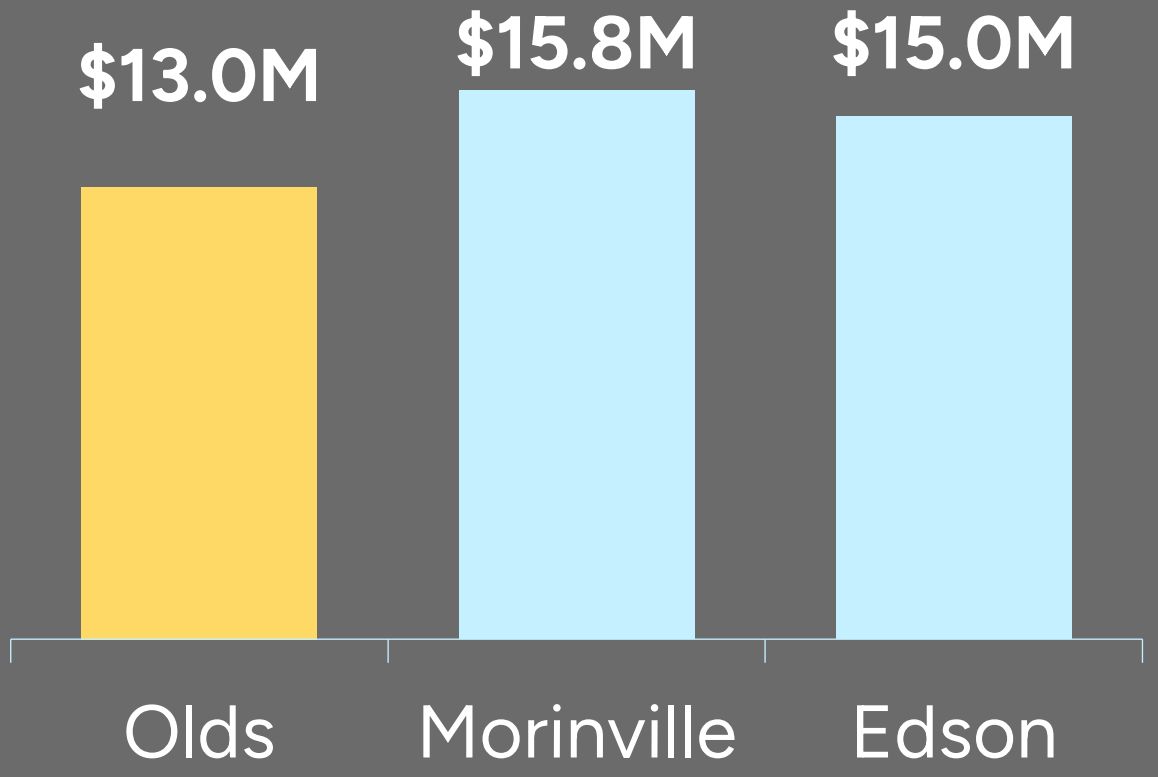
Part 1
Clarifications

Largest tax base, smallest levy

Taxable assessment

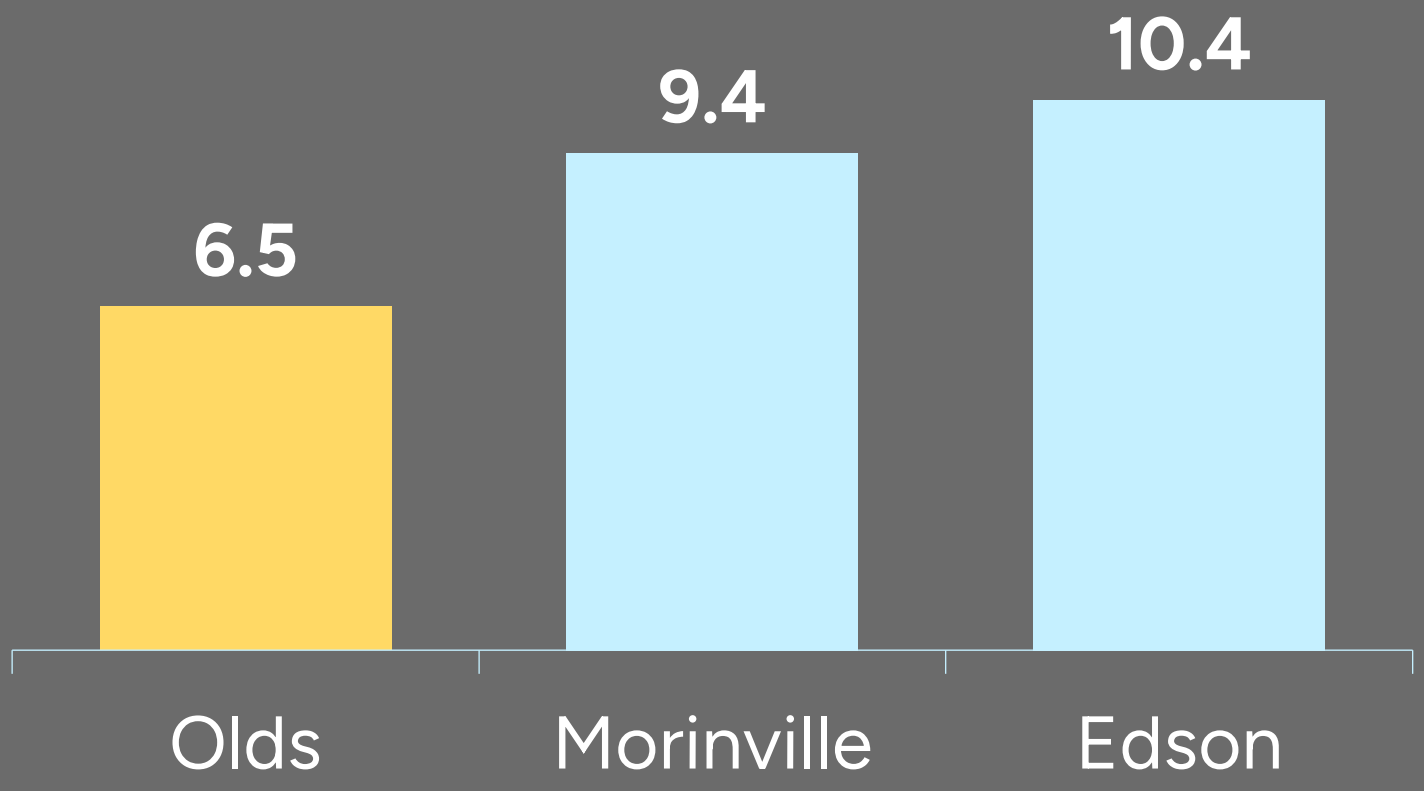


Municipal tax levy



The difference is the tax rate

Average tax rate (mills)

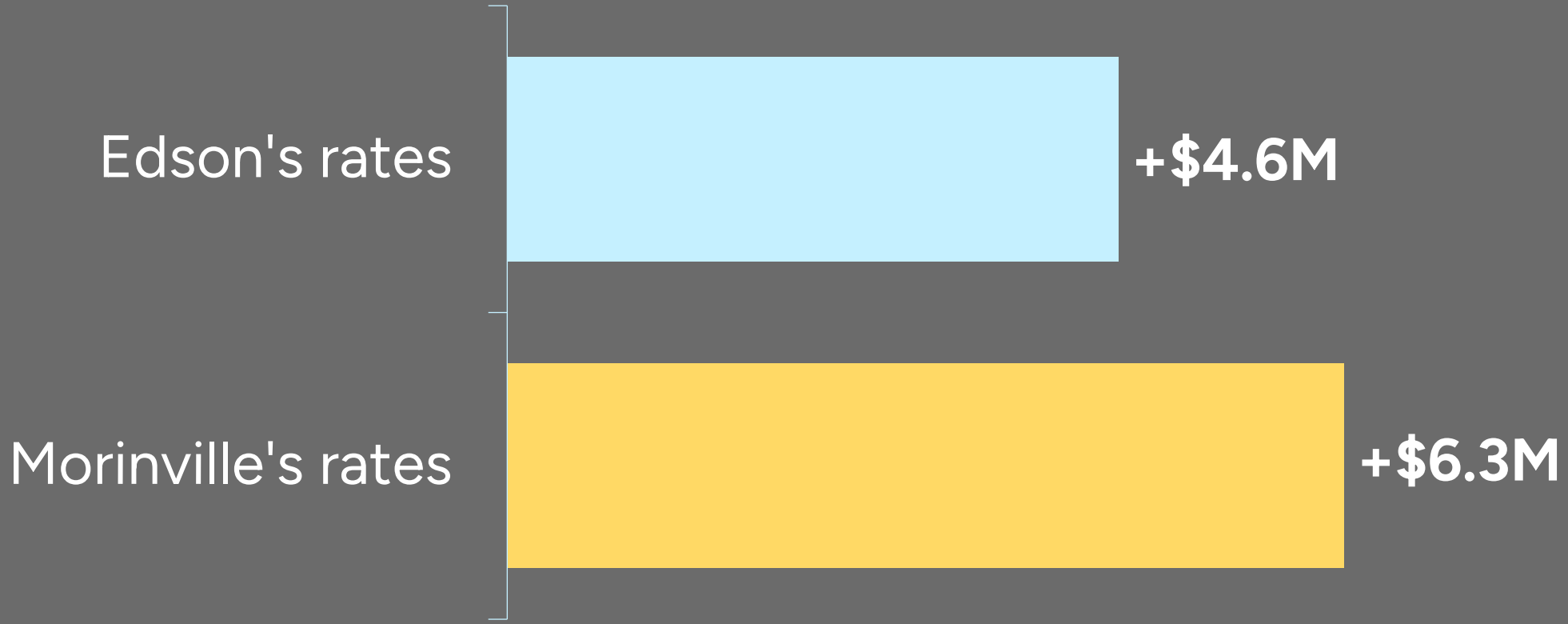


$2M

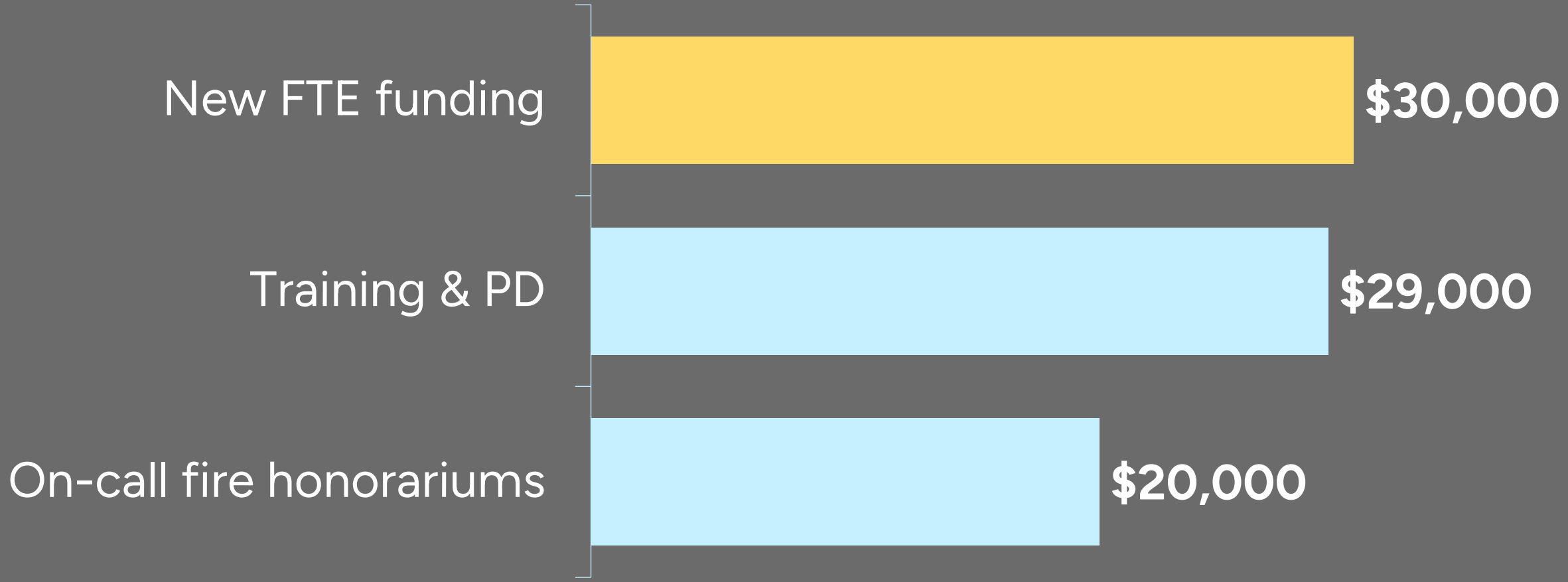
One mill on the Olds base, per year

What this means for Olds

Extra revenue our 2026 base would raise at their rates



Misc. salary expense



Investment rate and return

$10.3M

Cash in ABMunis savings

%

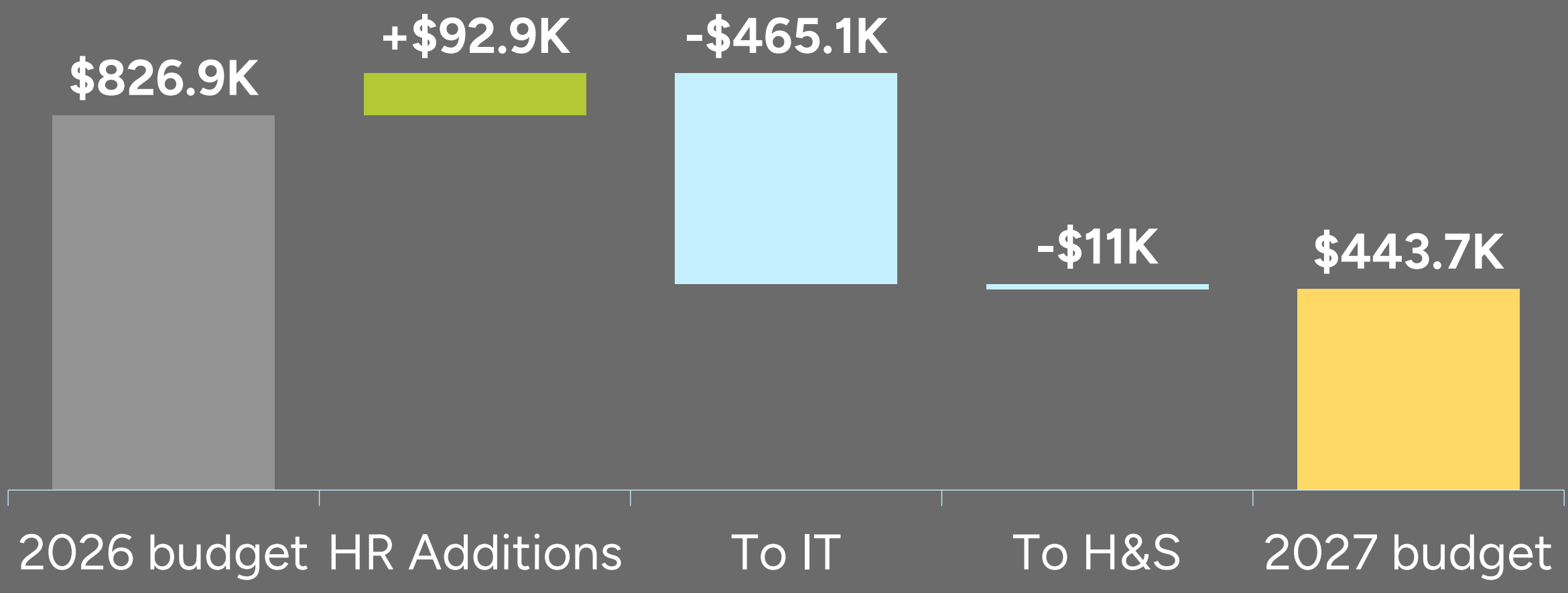
3.15%

Current interest rate

$136.9K

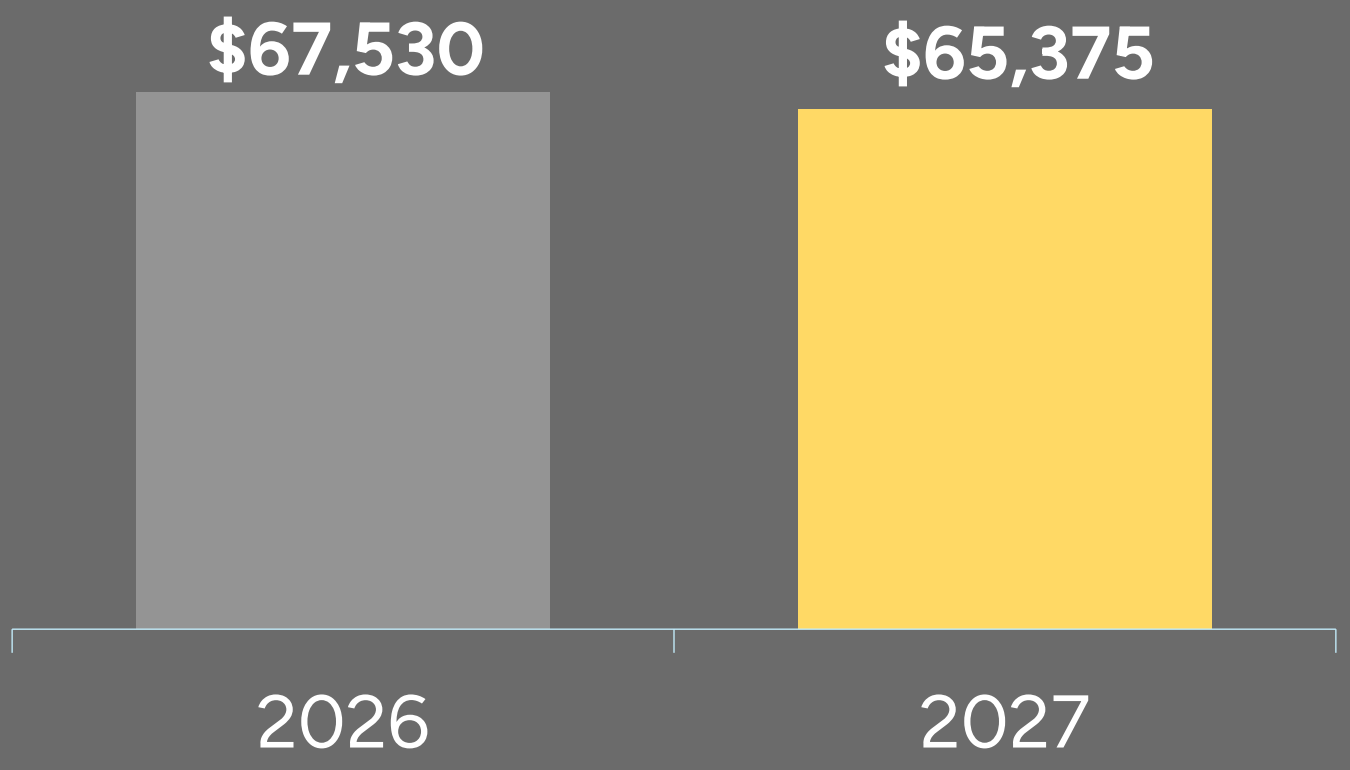
Interest earned so far in 2026

HR budget: IT moved out in full



Advertising: moved, not increased

Town-wide advertising budget

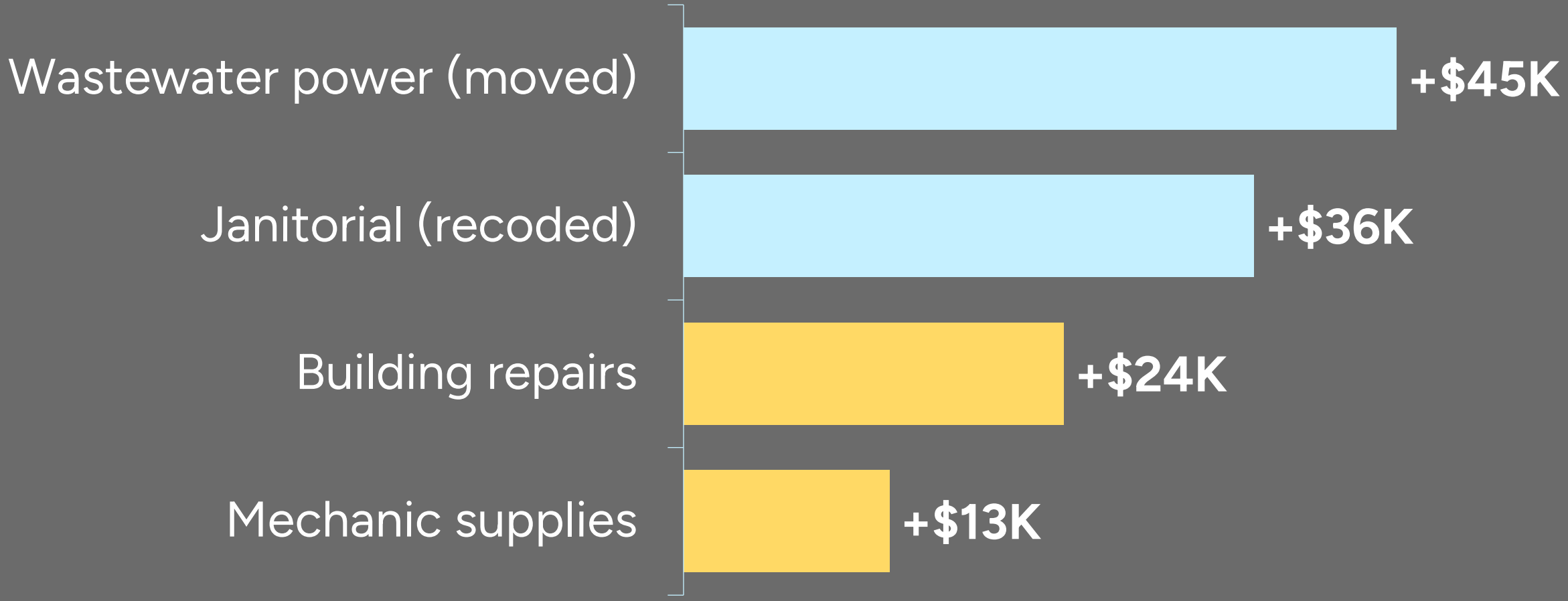


Communications line

$10K to **$42.5K**

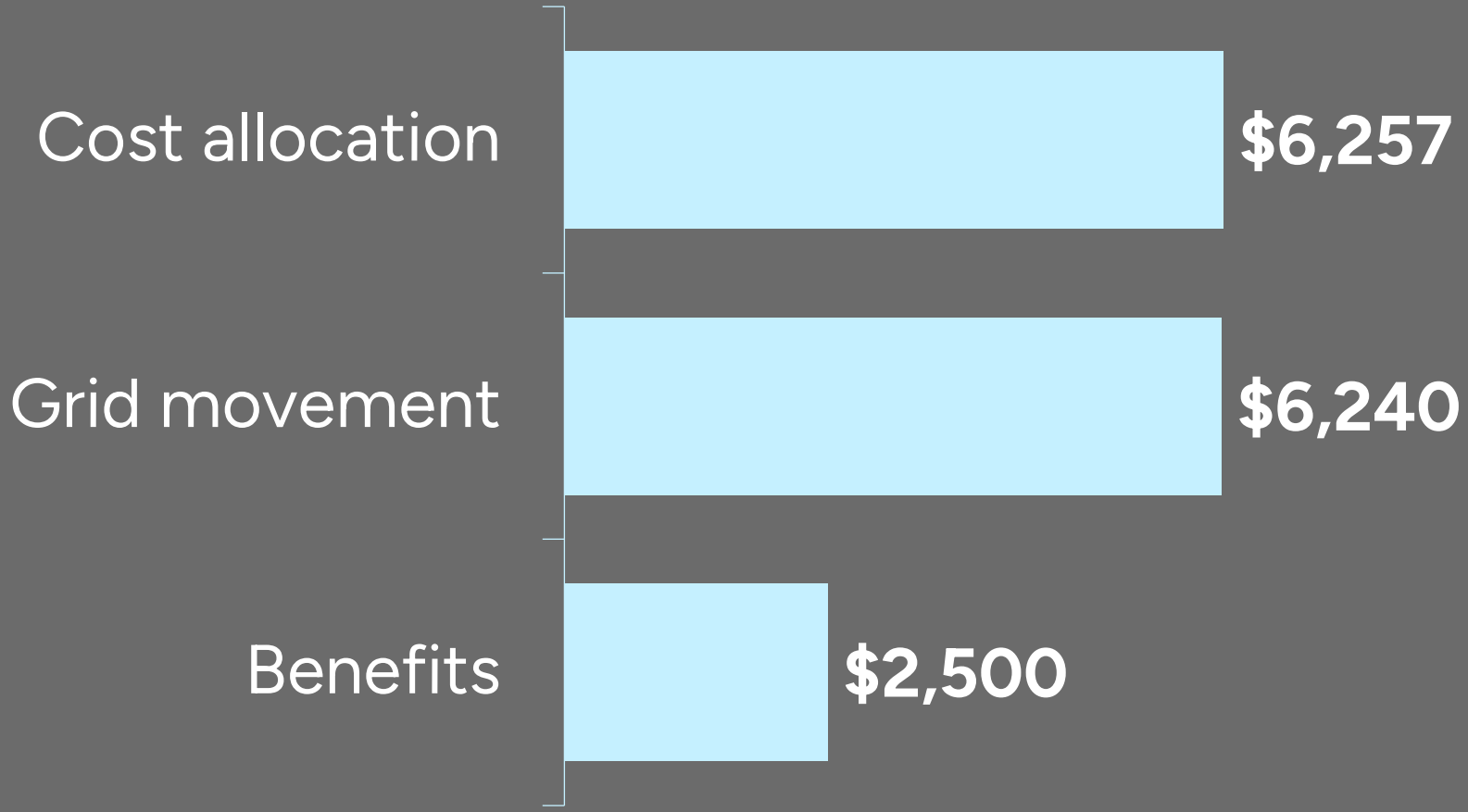
A change in where costs are recorded

Common Services: main drivers



Economic Development

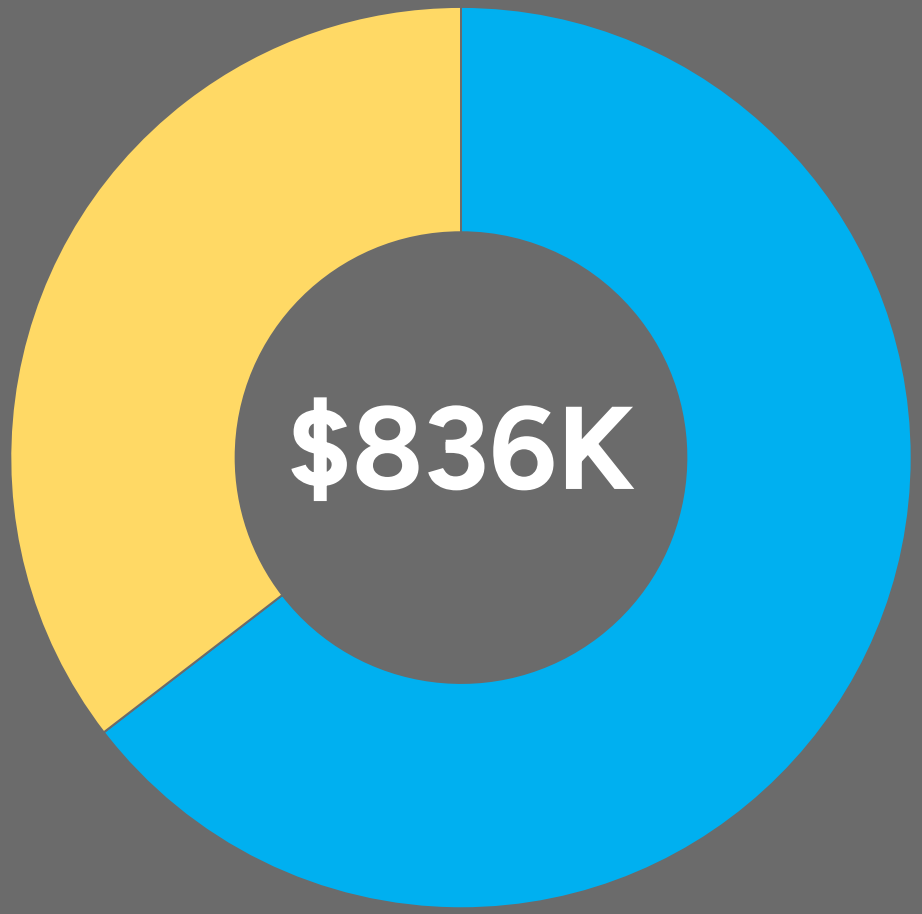
Salaries: up about $15,000



1 FTE

But 2 positions partially coded from P&D

Who pays for Economic Development



65% Grants and partners

35% Town of Olds

$1.82

Externally for every Town dollar

Contracted services

$641,627

Grant-funded contract team, to April 2028

-$143K

Lower than 2026, due to grant timing and accruals

2026 So Far...

96

Homes completed

131

Homes under way

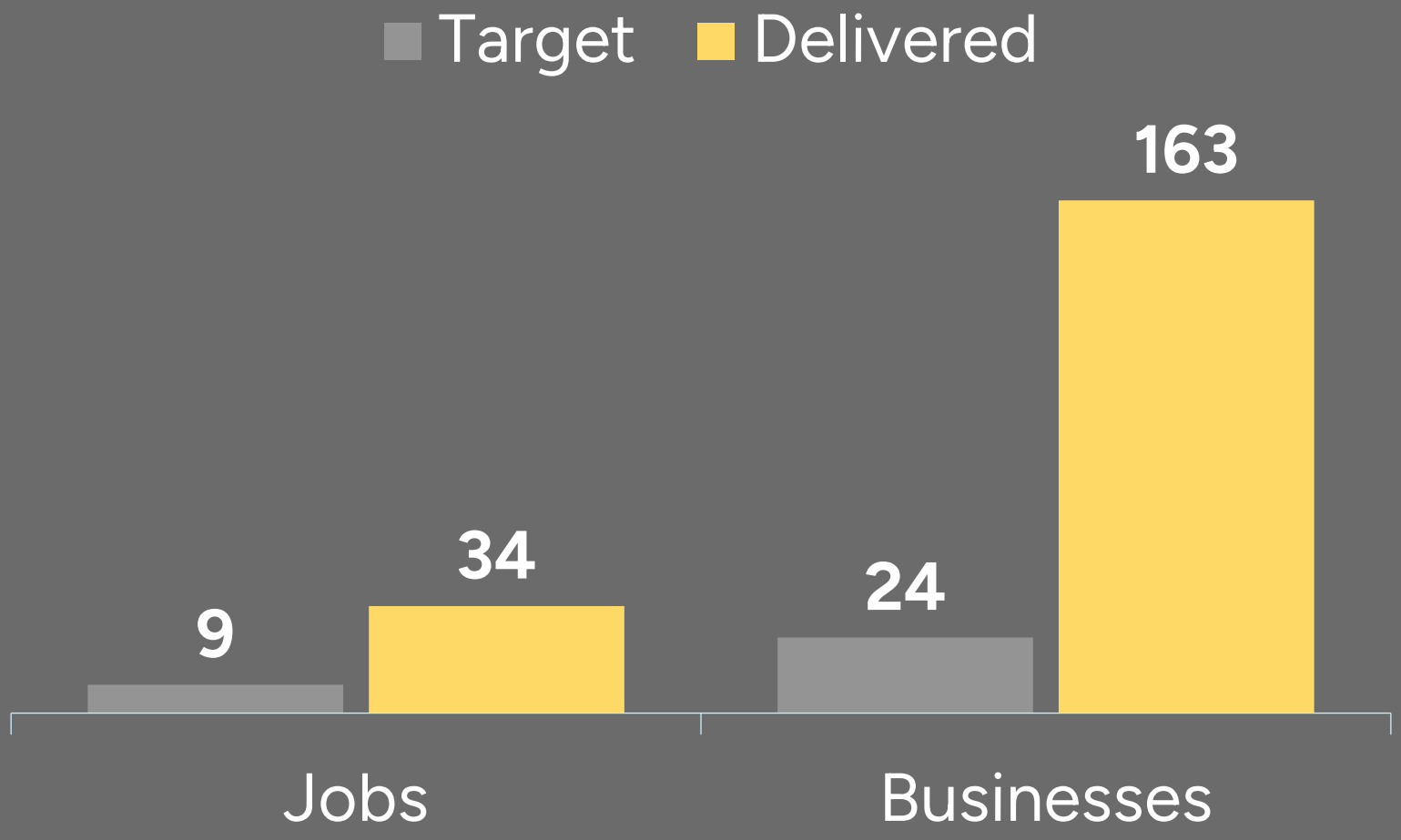
70

New business licenses

36

Investment leads

Regional business support results



56%

of business visits were in Olds

IT Equipment & ERP

Microsoft is retiring our system

2025-26

GP licence sales end

Jan 2029

Olds go-live target

Dec 2029

GP support ends

Apr 2031

Security patches end

It runs the Town's core business



Finance



Payroll and HR



Tax and utility billing

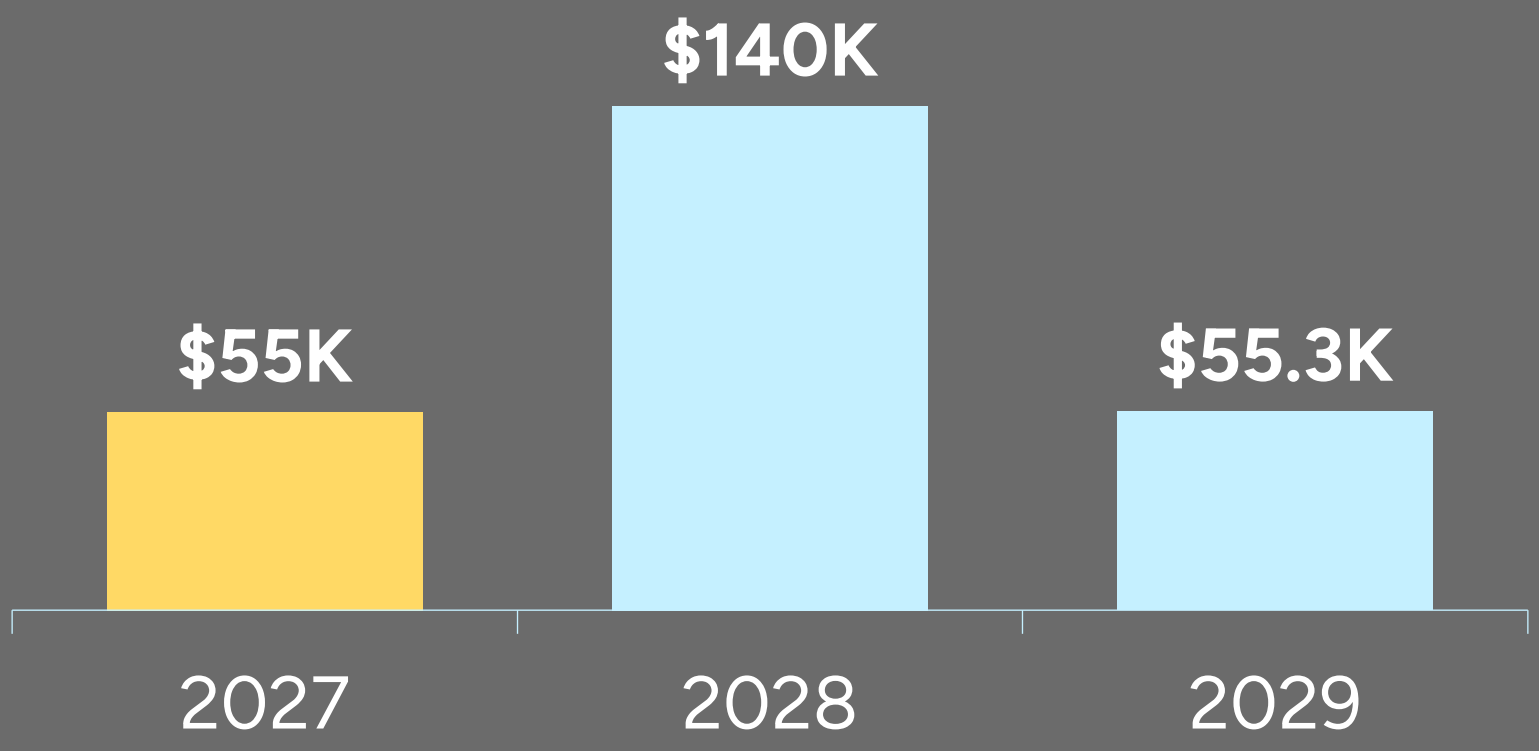


Inventory



Purchasing

IT equipment: Servers deferred to 2028

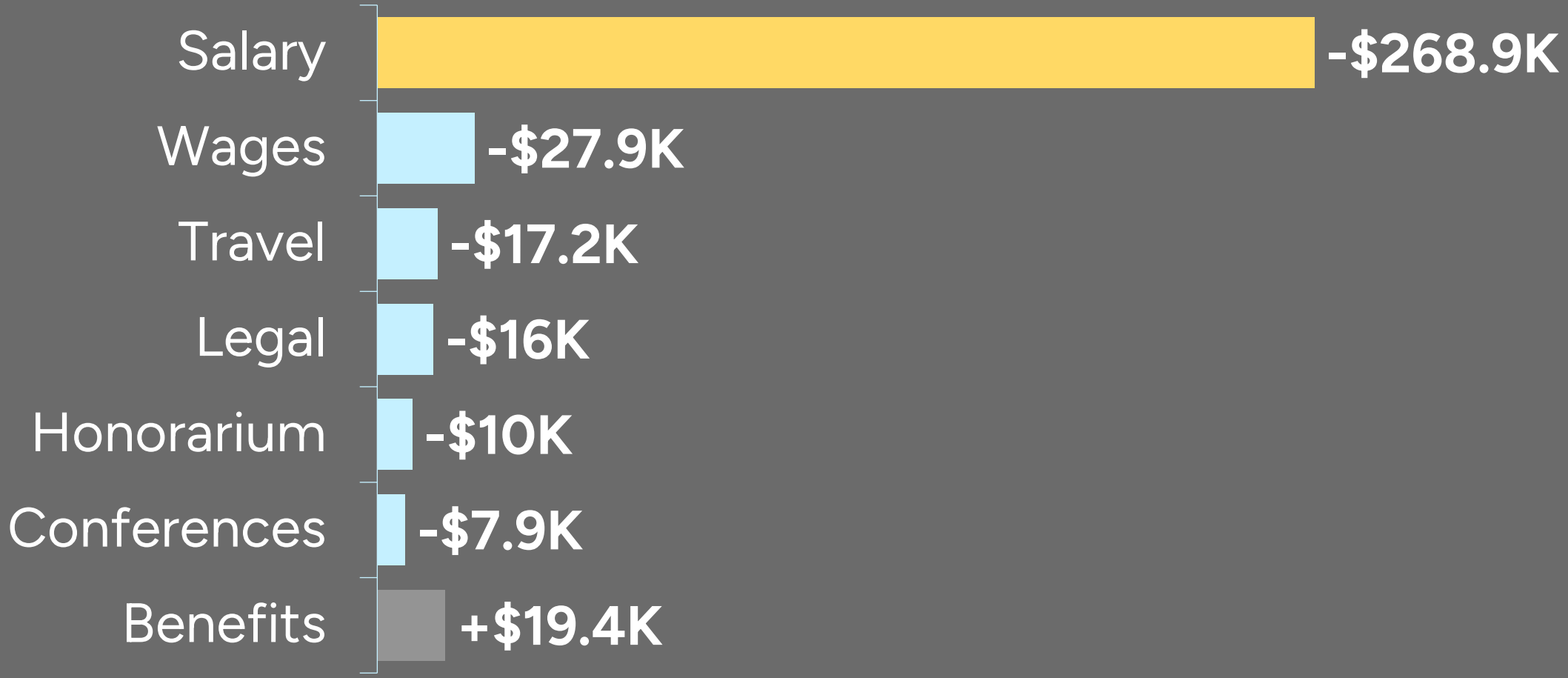


2027

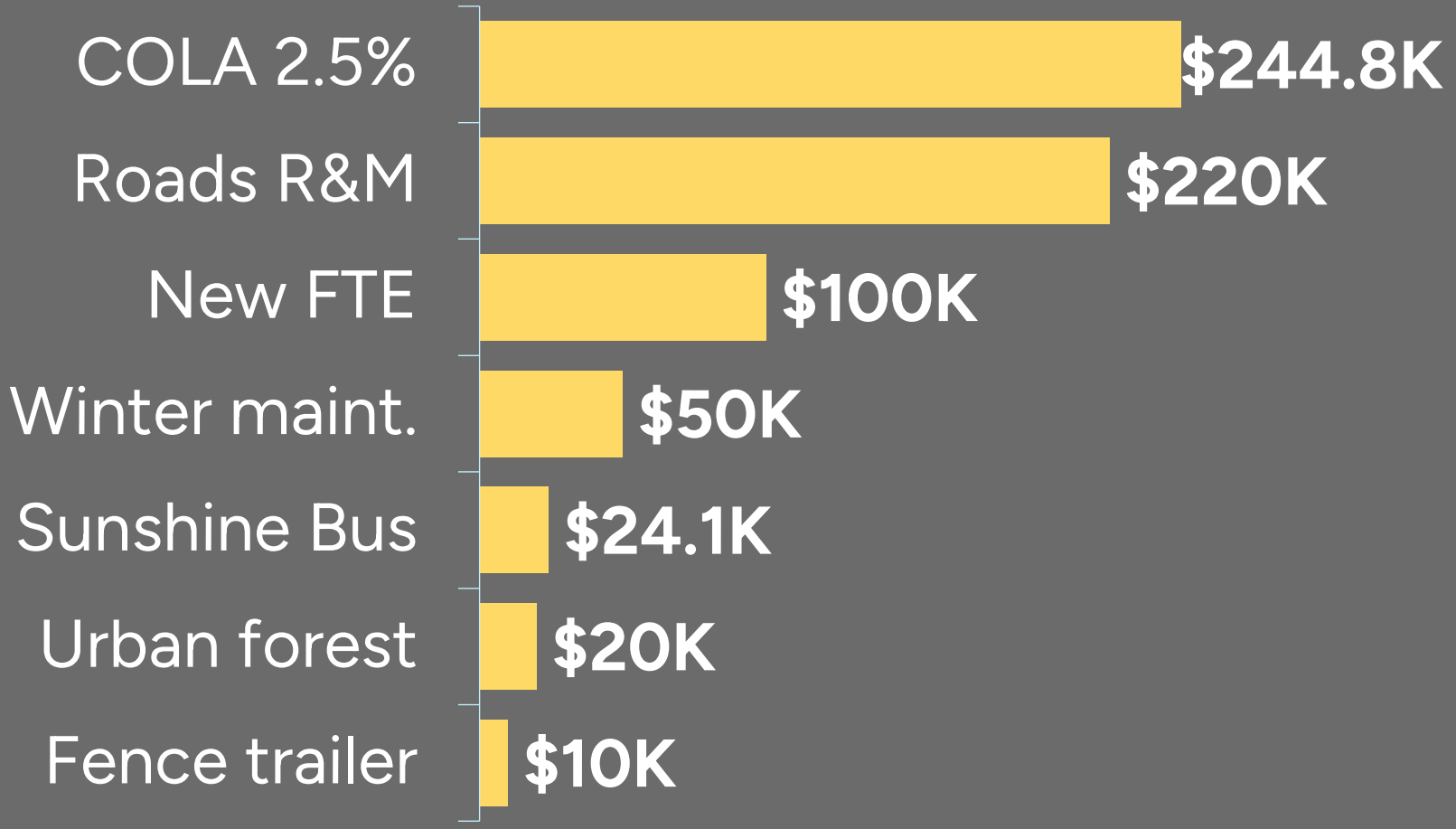
Replacement policy to Council

Part 2
What We Heard

Admin changes: $328,507 less



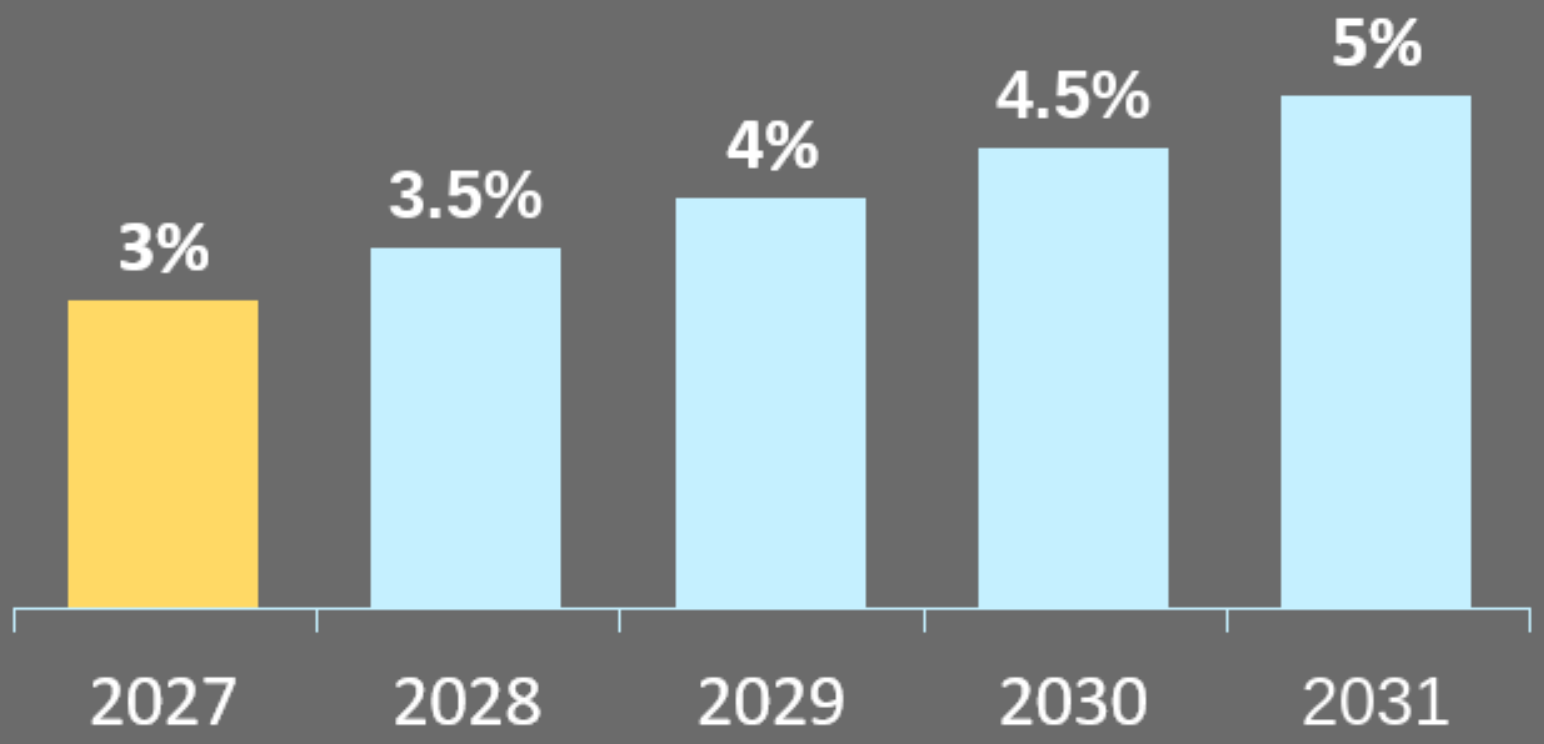
Operating projects proceeding



Not proceeding

- Bay 1 air line
- Social needs analysis

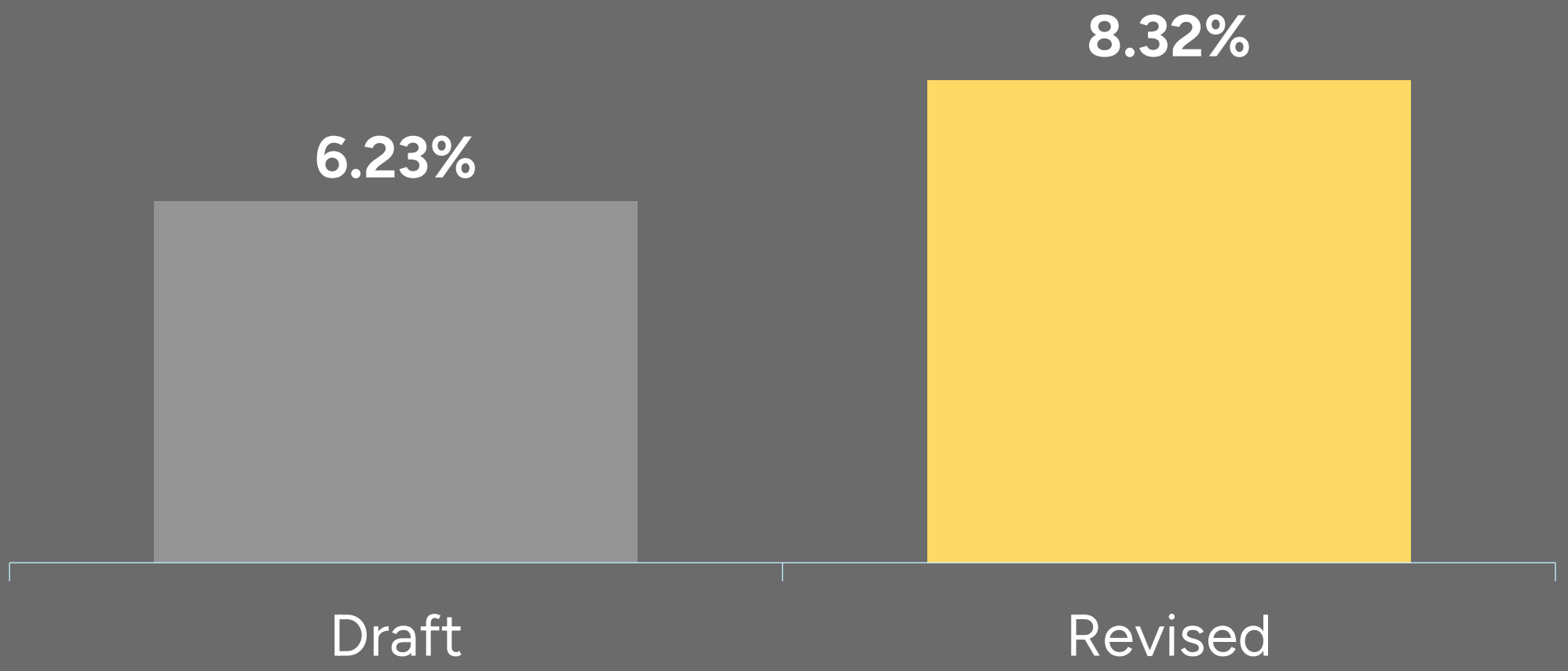
Reserve strategy: 3% in 2027



$390K

Additional to reserves in 2027

Property tax revenue: +8.32%



Monthly impact of taxes

+$20.91

Average home ($453,700)

+$45.43

Average non-residential ($611,100)

Utility projects

Proceeding

$360,000

Wastewater repair

$7,500

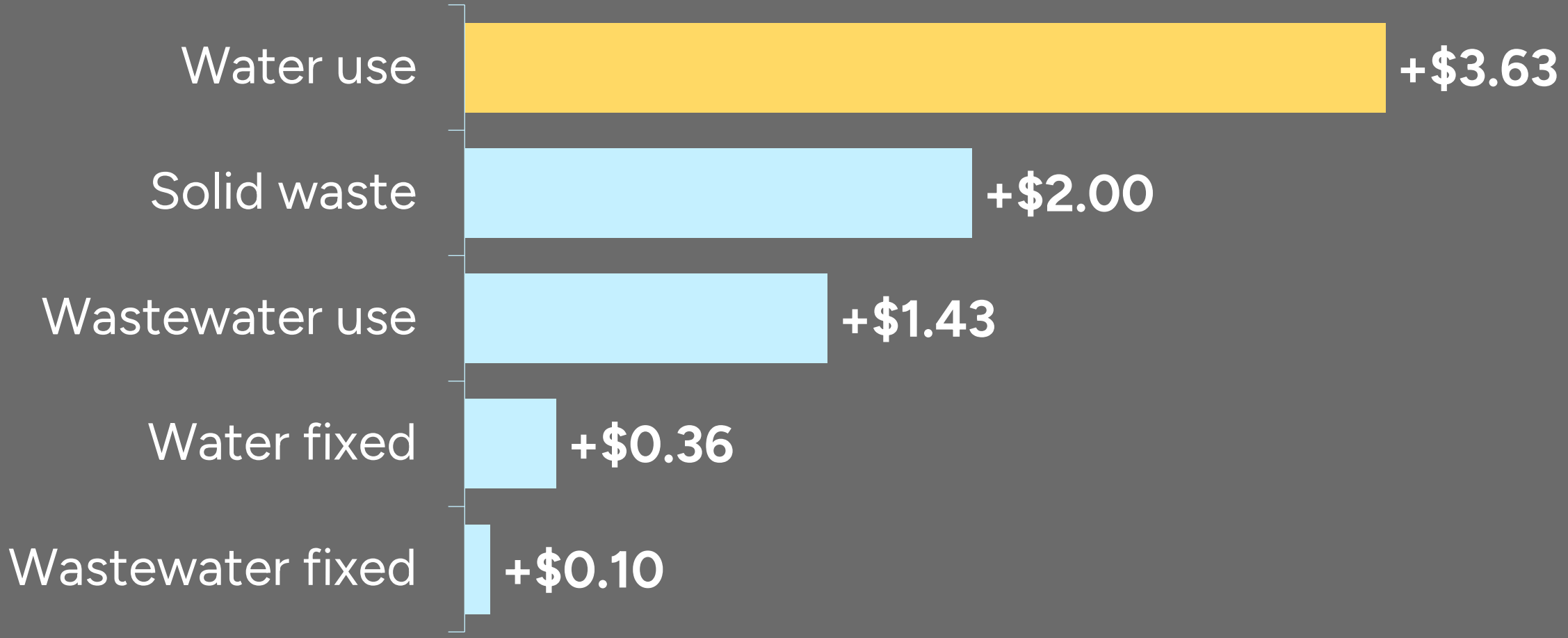
Utility trailer

Not proceeding

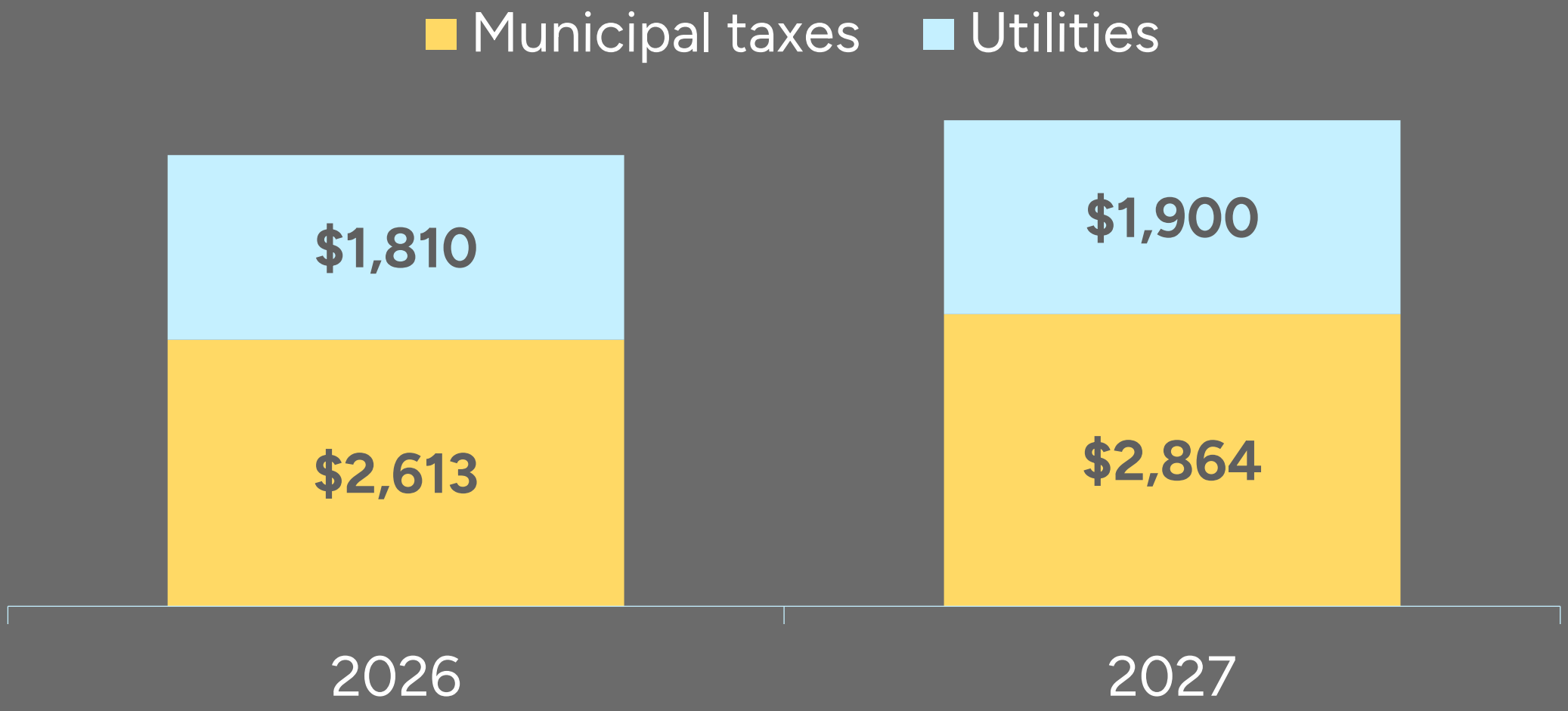
$70,000

Water and wastewater rate reviews

Utility rates: +$7.52 a month



Average household: +$28.43/month

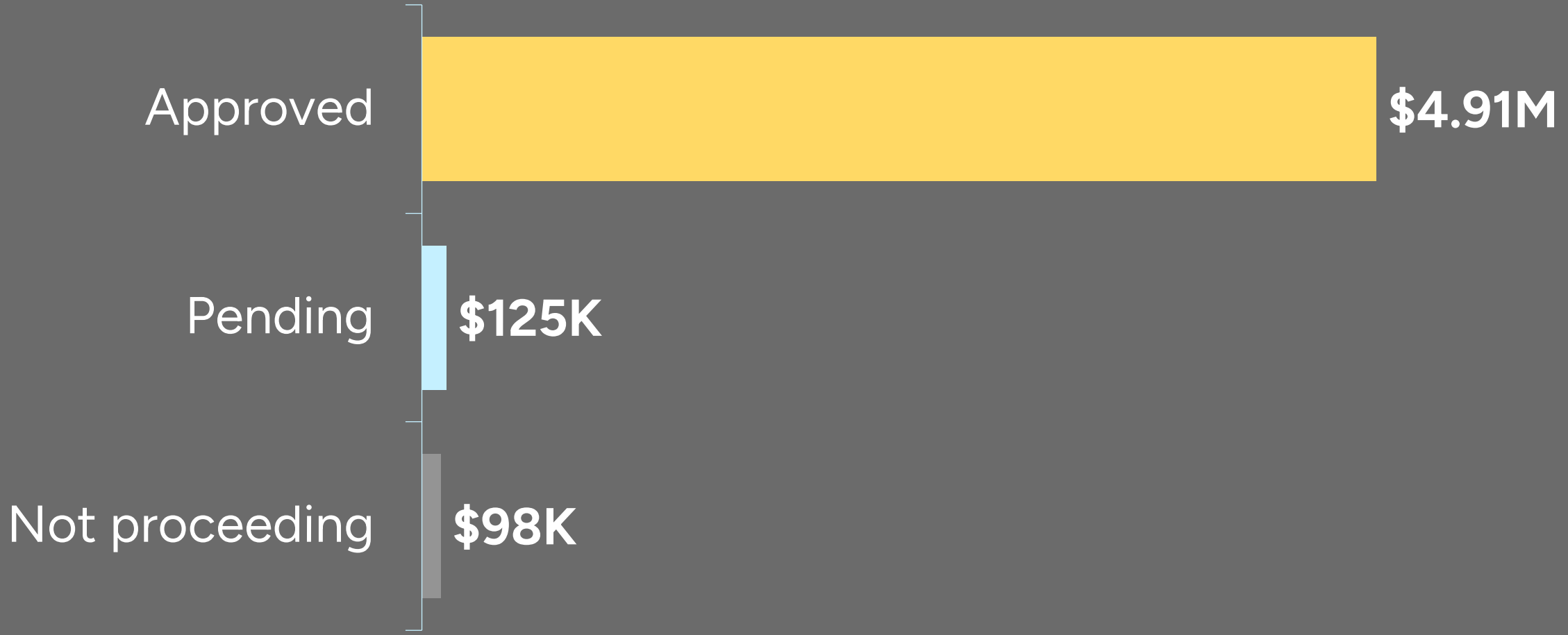


Tax Rate Summary

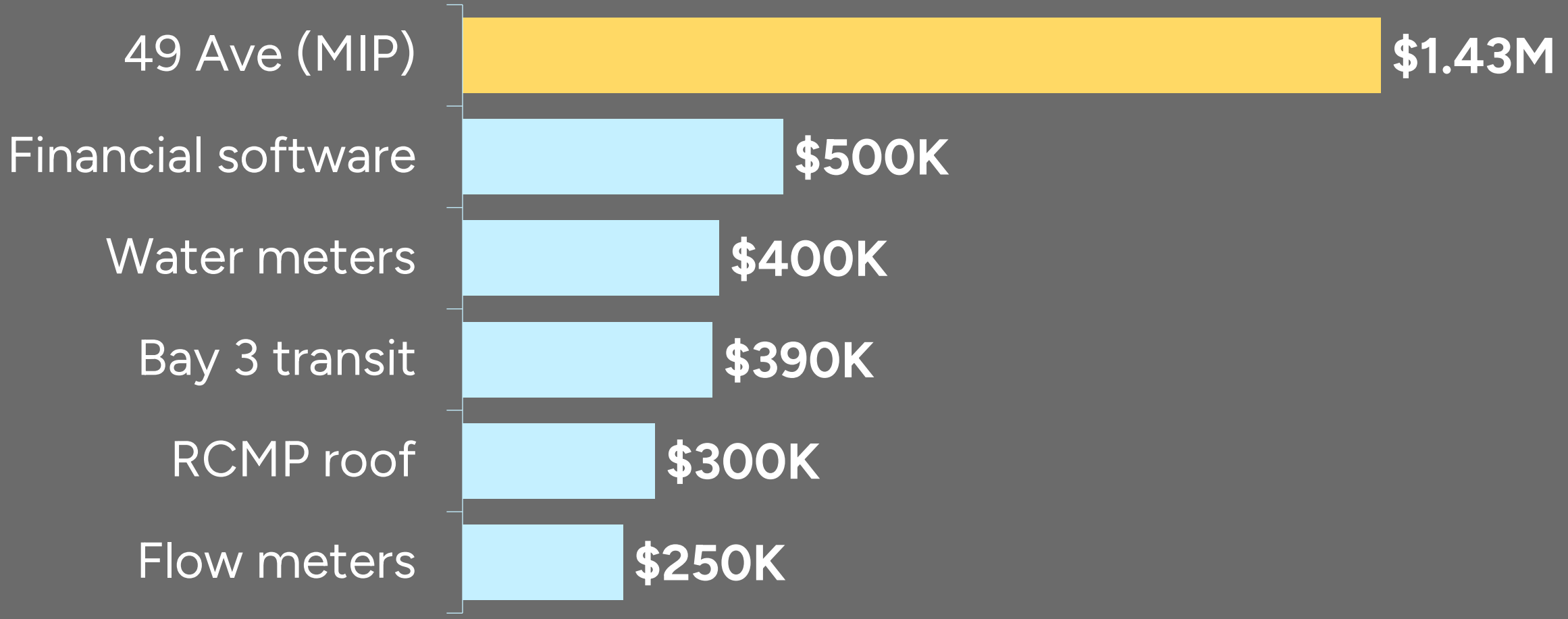
2027 Operating Budget Adjustments

Description	Revenue	Expense	Requirement	Change
Opening position – Revenue Requirement			**$810,200**	**6.23%**
Bay 1 air line relocation		($10,000)	**$800,200**	**6.16%**
Social needs gap analysis		(25,000)	**$775,200**	**5.96%**
Payroll adjustments		(312,507)	**$462,693**	**3.56%**
Reduction in legal expenses		(16,000)	**$446,693**	**3.44%**
COLA		244,842	**$691,535**	**5.32%**
Reserve contribution – 3%		**390,000**	**$1,081,535**	**8.32%**

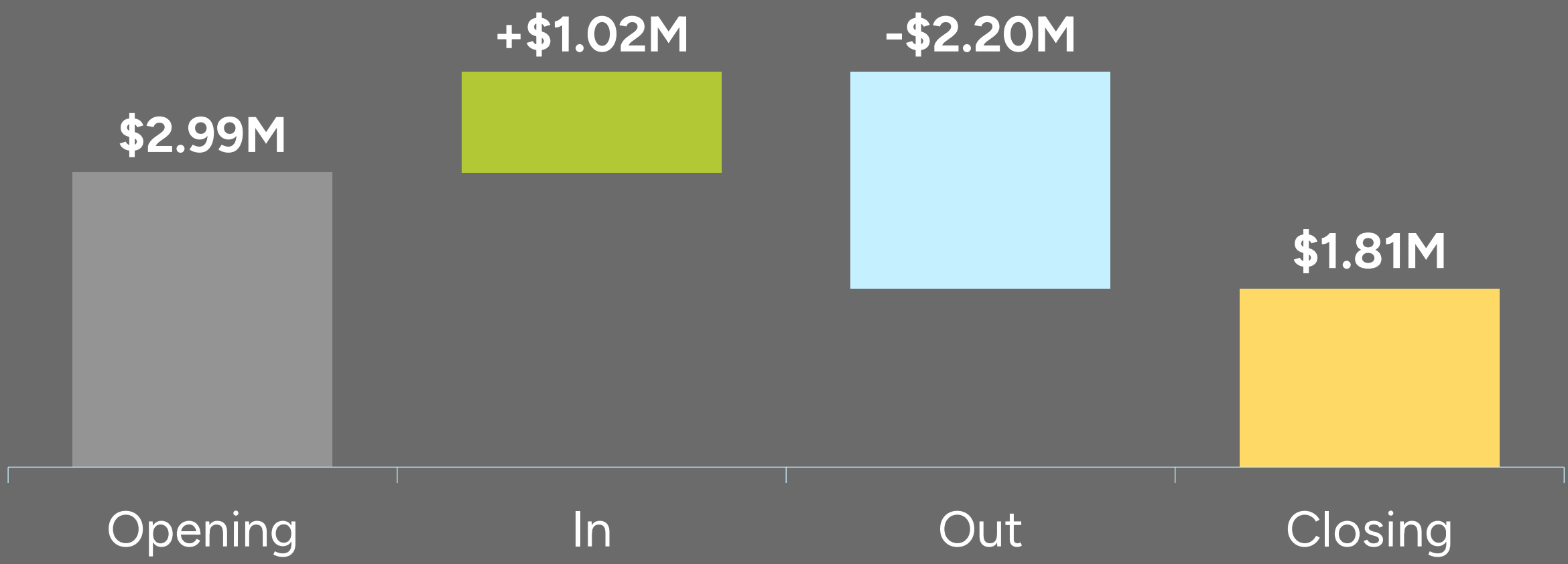
Capital: $5.13M considered



Largest approved capital projects



Capital reserve: 2027 projection



Part 3
Next Steps

Managing risk while we invest

3% to 6%

Annually increase Reserve Contribtions

30%

Debt target by 2031

$1M

Line of credit

Tax Rate Stabilization reserve

$282K

Current balance

An option for 2027

Not for recurring costs

Direction from Council

1. Does Council support preparing the final 2027 budget on this basis?
2. Is the projected revenue requirement appropriate, or should administration bring back further options?
3. Does Council wish to apply the Tax Rate Stabilization reserve?

Questions and Discussion

