



2022 BUDGET REPORT



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Dear Citizens,

As Mayor, I take great pride in the dedication and hard work this Council has done. In just the 8 months since our last election, this new Council has already faced challenges over some significant issues. I truly believe they have done very well in working through some of these tough decisions. One of the most common comments we hear around our Council room is of cost savings and debt reduction. This Council is committed to stretching every dollar and doing our best to reduce our overall debt position. At the same time, we strive to maintain all our services and support all of the great things that our Town has to offer.

This Budget review has been carefully prepared over the past several months as we discussed every critical project and need. Thank you to my fellow council members for their work and to the public for your feedback and input since our election. In this review you will see that we have 4 very important capital projects. 1) Wastewater Treatment Expansion, 2) Highway 845 development, 3) Pavement & Sidewalk rehabilitation, 4) Gravel Road Project. Both the wastewater and highway 845 expansion have had several years of preparation to see this project finally come about. We have been at near capacity of the existing wastewater treatment facility and with this project, we will be ready for years of growth for Raymond.

The 845 highway project will be a fantastic new amenity. This newly paved road will now act as a northern gate into our community. I would like to personally thank those of you in the community who have been advocating for this project over the past years. You have a voice and have been heard. Thank you. With this pavement project, we are excited to be expanding our walking trail from 200N (highway 52) along 845 north to Railway Ave. This will provide a much needed expansion to our incredible walking trails. We hope to continue to expand it in the future and hope to eventually loop the entire town.

2022 has already challenged the Town in many ways. Increases from the province due to policing and education are an unfortunate reality. Of course we see the same cost increases in fuel & materials just as you do. We have made tough choices to keep our costs down. We have scaled back on new projects in an effort to balance our budget. We are seeing some great new growth in our new residential areas. This growth helps us significantly in attracting new homes and residents that all help to contribute to our local economy. New growth also helps us contribute to all these services and facilities that we all love and enjoy.

Please reach out to any council member or our CAO if you have any comments or questions.

Mayor Jim Depew



Dear Fellow Raymondites;

Since 2019, local governments have been forced to adapt to a changing environment. Downloaded services and reduced funding from the province have necessitated a realignment of municipal priorities and services. Economic downturns, exacerbated by the effects of COVID-19 and pandemic measures have in forced municipalities to do things differently.

The 2022 Budget Report attempts to provide our residents with a better understanding of these challenges, and what is within our ability to control. The province has increased the amount of money we are required to collect from you to help them pay for the RCMP and the Education system as well as reducing the amount of capital funding that we typically received by approximately 28%. Add inflation and supply chain challenges, and accurately forecasting costs can be quite challenging. Your taxes are made up of two numbers. The assessed value of your home and the mill rate. The assessed value is outside of the town's control to manage. The mill rate is up to Council to set. This year, house values are up and the average house is now assessed at \$255,697. If your house was worth \$255,697, you would pay an extra \$93 in taxes due to your assessment going up, and another \$52 due to the mill rate being increased by 2.5%.

For every dollar that the Town receives in property taxes in 2022, only \$0.48 remains to fund Town operations. The remaining \$0.52 is split with \$0.29 going to fund K-12 education, and the remaining \$0.23 to fund our library, seniors housing, family and community support services, fire, peace officers, and RCMP. No tax dollars are used for capital spending projects like sidewalk replacement, road patches and paving, or parks improvements, etc.

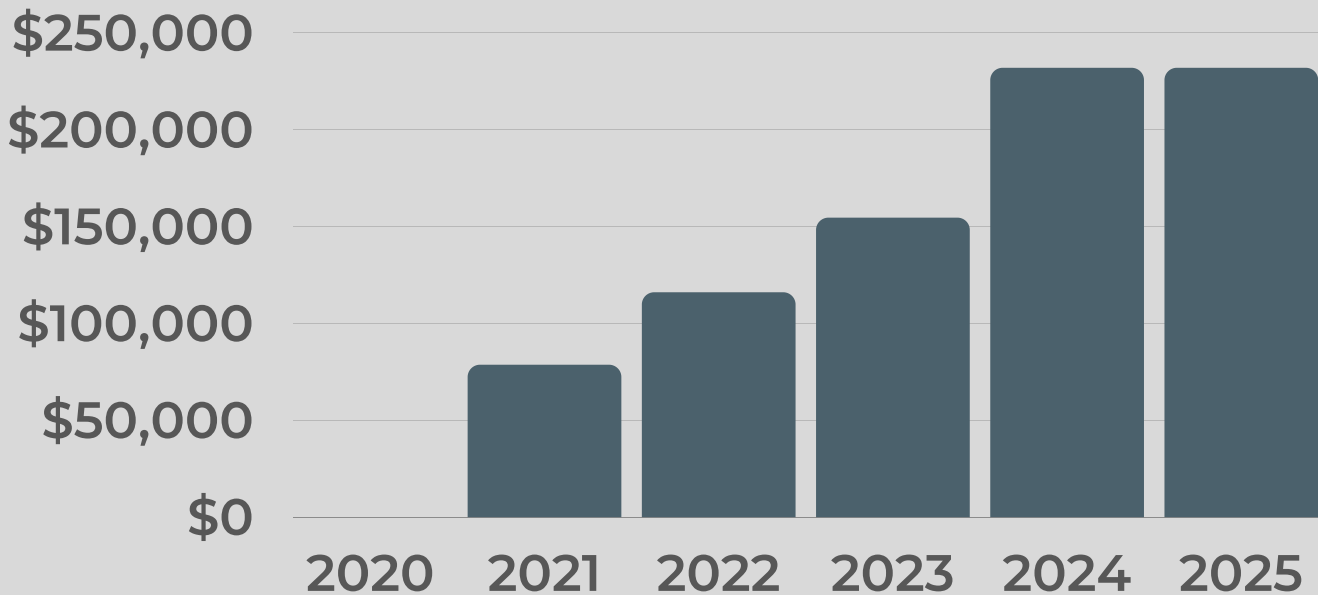
Council and staff are always looking for ways to deliver your services as efficiently and effectively as possible. We have made great progress over the last few years and we will continue to look for new opportunities in the years to come. We appreciate the opportunity we have to serve you each and every day and are proud, like you to call Raymond home.

- Kurtis Pratt, CAO



PROVINCIAL RURAL POLICE FUNDING

RAYMOND'S ESTIMATED POLICING COSTS



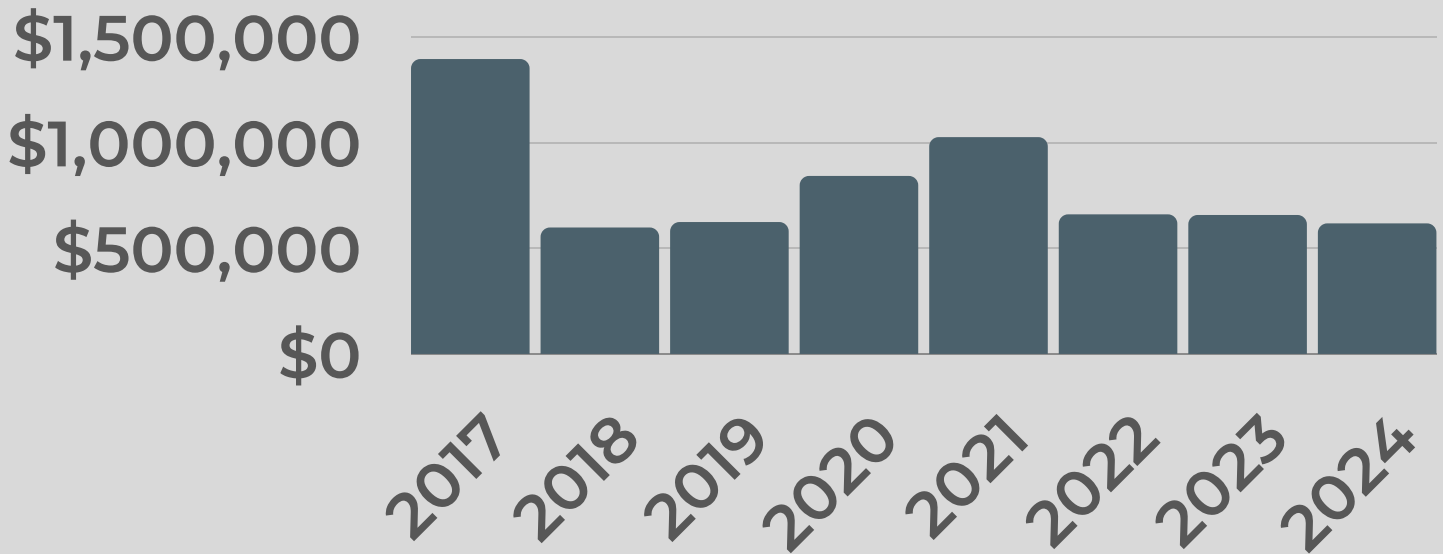
Based on current projected provincial Calculations

Government of Alberta Rural Police Funding

Under the Police Act, the Alberta government is responsible for providing police services for those municipalities with populations of 5,000 or less, and to all municipal districts and counties. The province of Alberta meets this obligation by contracting the RCMP to deliver police services to these municipalities, through the Provincial Police Service Agreement (PPSA), signed between the Alberta and federal governments.

In 2020, the Government of Alberta announced a new police funding model that would require municipalities to bear a portion of the PPSA costs. Prior to 2021, these police services were provided at no direct cost to the municipality served. In 2021, the province began invoicing small municipalities for a portion of its costs under the PPSA with a plan to phase in further increases over the next several years.

2022 BUDGET MSI HISTORIC ALLOCATIONS

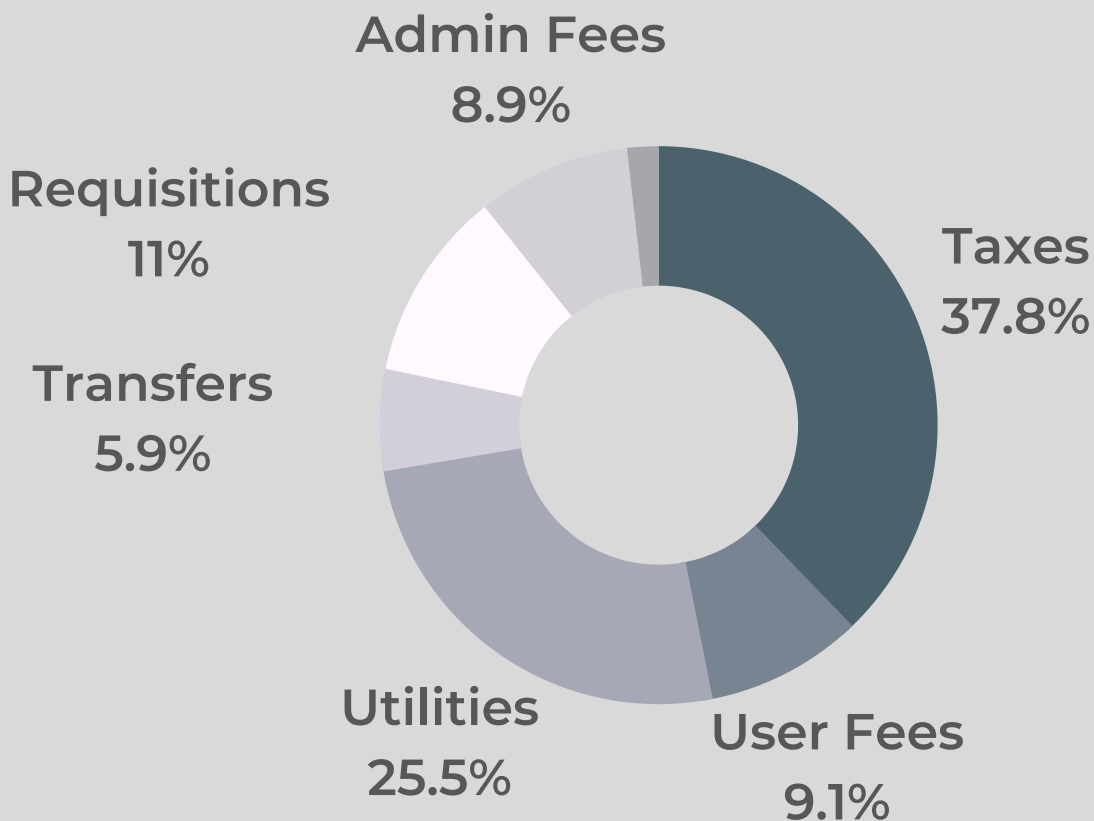


Alberta's municipalities have been allocated more than \$14.6 billion since the Municipal Sustainability Initiative (MSI) program launched in 2007. As a key component of municipal funding, communities have been able to build internal equipment capacity, rehabilitate roadways, extend, and replace water and wastewater systems, expand public transit facilities, rejuvenate old and build new recreation and sports facilities and meet other local priorities.

The MSI program had been set to be phased out in 2022 with the introduction of the Local Government Fiscal Framework (LGFF). However, in 2021, the Provincial Government announced that it would extend the MSI program by 2 years and reduce the planned starting amount of the LGFF from \$860 million down to \$722 million when it is implemented in 2024. Also announced, a portion of MSI Funding from 2022 and 2023 would be front loaded in 2021 and the 2022 and 2023 amounts would be reduced accordingly.

The Government of Alberta's reduction in funding will mean that every municipality will have less funding from the province to maintain aging infrastructure and equipment going forward and will have to locate it from other sources as necessary. The graph above outlines Raymond's historical MSI funding levels and our estimated forecast for the upcoming years.

2022 BUDGET OPERATING REVENUE



Municipal Taxation: \$3,252,197

The total amount of property taxes collected on behalf of the Town for general municipal purpose.

Utility Fees \$2,191,500

The Municipality collects revenues through the monthly billing of utilities. Significant portions of this amount are in turn flowed through as expenditures to the Ridge Water Services Commission for potable water, Chief Mountain Regional Solid Waste Commission for solid waste disposal, and the Raymond Irrigation District for irrigation water.

Provincial Requisitions \$951,277

Requisitions for Provincial Education and Ridge Country Housing are taxed over and above what is collected within municipal taxation. This amount is sent directly to the province and Ridge Country Housing to fund provincial education expenses and seniors living supports in our area.

Recreational User Fees \$785,000

User fee revenues are collected through the normal operations of the arena, pool, sports fields, and campground.

Government Transfers \$507,308

The Town receives funding transfers based on sharing agreements from both the Province and County of Warner.

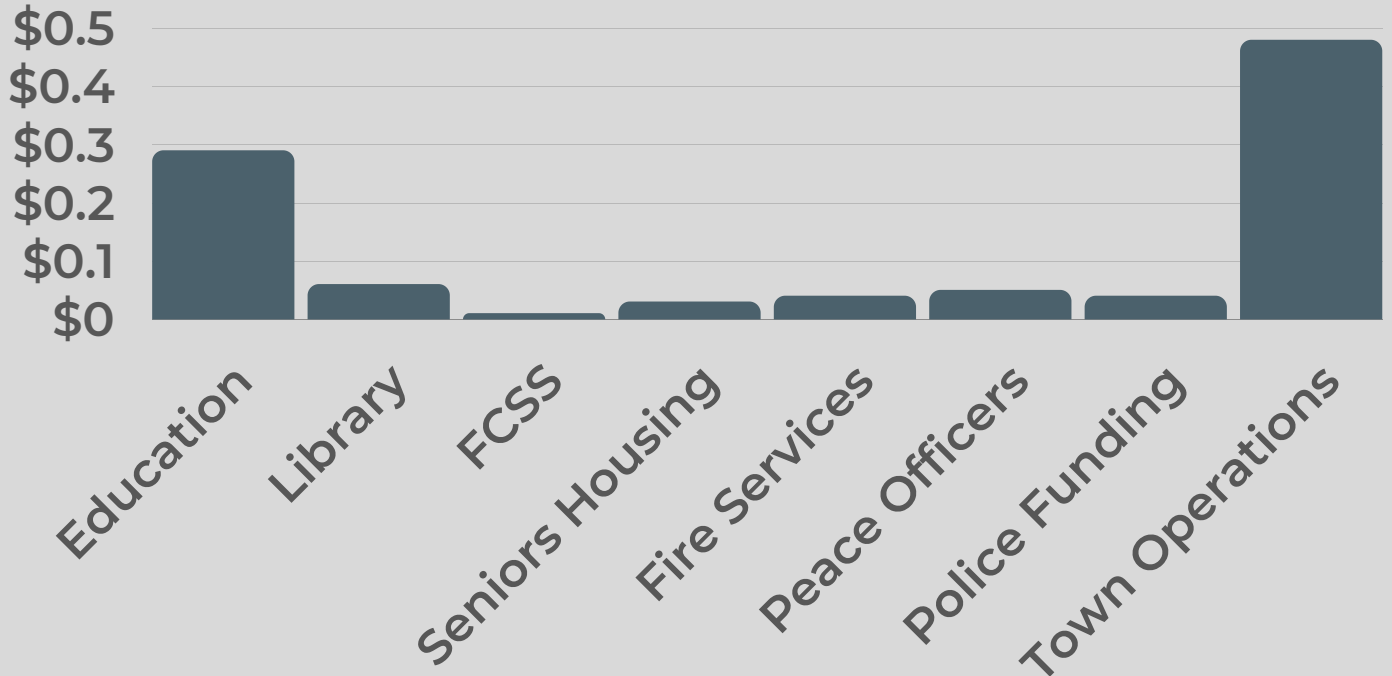
Administrative Fees \$766,250

Amounts collected for administrative services rendered by the Town for services such as business licenses, fines, cemetery plots, utility franchise agreements, and penalty fees.

Ridge Strategic Initiative Team Fees \$156,058

Amounts collected for administrative services rendered by the Town to other municipalities and commissions for executive, financial, and administrative support.

TAX DOLLAR BREAK DOWN



Provincial Education Requisition (PER)

The Ministry of Education sends out requisitions annually to every municipality for the public education system. Municipalities collect the education tax from all property owners in Alberta and deliver the funds to the ministry. In 2022, the total requisition is \$951,277. This tax is pooled into the Alberta School Foundation Fund and then distributed to public education system school boards.

Family and Community Support Services (FCSS)

An 80/20 funding partnership between the Government of Alberta and participating municipalities. The 20% is split between the 16 participating members of the Barons Eureka Warner FCSS. The Town's obligation is \$33,249.

Ridge Country Housing (RCH)

Responsible for the management, operation, and maintenance of seniors and social housing accommodation in the County of Warner including the Ridge View Lodge, Marigold and Meadowlark Manors and other housing initiatives. The Town's annual requisition for 2022 is \$108,616.

Raymond Fire Department (RFD)

Annual budget request of \$125,505 is also matched by Warner County. This requisition covers the fire department's operating costs and includes training, utilities, PPE gear, fuel, equipment, and public education. Budget surpluses are used to fund future capital reserves, where possible.

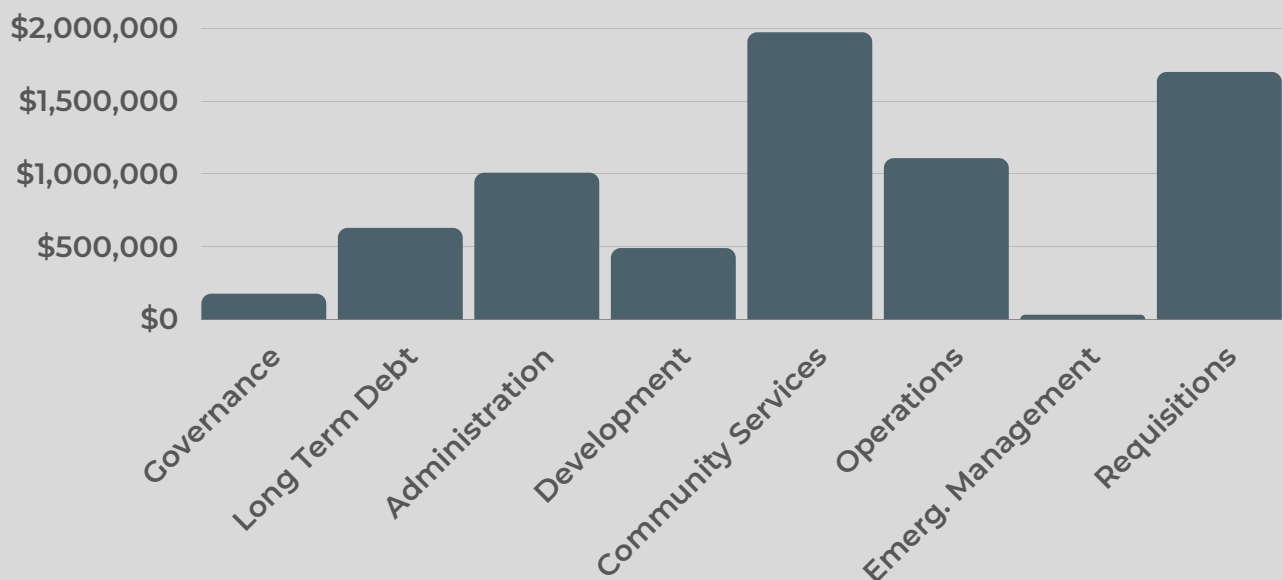
Ridge Regional Public Safety Services Commission (RRPSSC)

Provides enhanced bylaw and traffic safety services for all the communities within the County of Warner. Our annual requisition or 2022 is \$178,000.

Government of Alberta's Police Funding Formula (PFF)

Is now requiring rural municipalities in Alberta to pay a share of the policing costs. Since 2020, municipalities started by paying 10% of costs, in 2021 the percentage rose to 15%, and this year it is at 20% or \$115,866. It will grow to 25% next year, reaching 30% in 2024 for a total of \$232,773.

OPERATING EXPENSE BUDGET



Governance \$173,525

Total costs of council expenses annually. It includes fees, professional development, travel expenses, municipal planning commission, and strategic planning costs.

Long Term Debt Principal \$626,039

This is the amount of debt principal that the Town paid off this year. The number generally should increase year over year as more principal will be paid off of the loan amount each year.

Municipal Administration \$1,005,668

Administration costs for the municipality include office utilities, office supplies, contracted services, legal fees, 5 administration staff, accounting and audit fees, bank charges, and insurance, etc.

Emergency Management \$28,750

Funding from the municipality for local policing, bylaws, and fire services. This cost is expected to significantly increase incrementally for the next several years as the Provincial police funding model is implemented.

Utilities \$774,084

The expenditures contained within this category are costs incurred by the town to maintain and operate our water, wastewater and solid waste and recycling infrastructure. This amount does not include the services we purchase from the Chief Mountain Regional Solid Waste Commission or the Ridge Water Services Commission. But it does include the remaining portion of wages for our 7 Operational Services employees.

Community Funding \$247,150

Community funding is funding for local community groups and facilities. Examples would include community organizations like the museum and library.

Community Development Services \$487,350

This budget represents the costs for the development office, GIS & planning services, tourism and marketing, and economic development, etc. This category also includes wages for 3 regular staff, seasonal staff, programs, maintenance, equipment, and supplies, etc.

Community Services \$1,971,346

This budget represents the costs for the arena, community centre, seniors centre, pool, recreational fields, parks & green spaces, golf course, etc. This category also includes wages for 5 regular staff, seasonal staff, programs, maintenance, equipment, supplies and our annual celebrations and other community events.

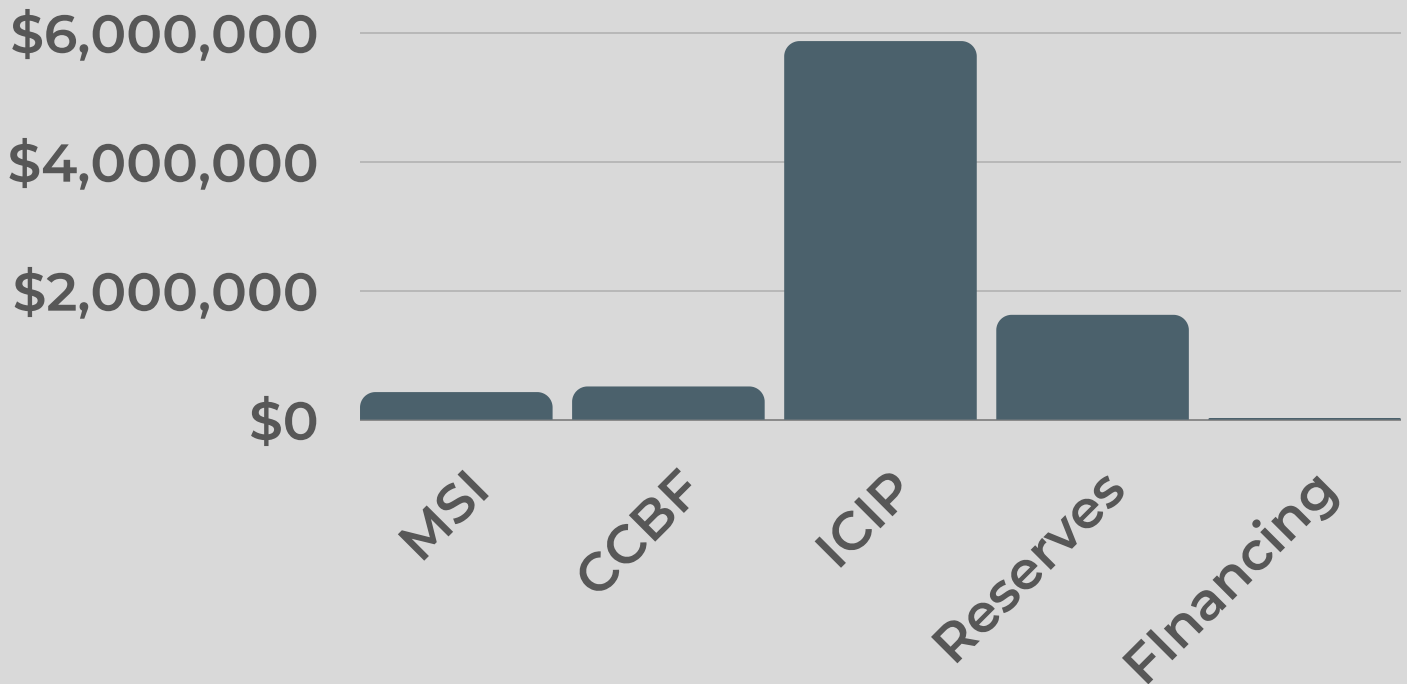
Operational Services \$1,105,645

This budget includes a portion of staff wages for 7 staff, fleet maintenance costs, fuel costs, dust control, road maintenance, streetlights, snow removal and storm water management. The remaining staff wages are included in the Utilities expense total

Requisitions \$1,698,670

Requisitions for Provincial Education, Ridge Country Housing, Family & Community Support Services, Raymond Fire Department, Ridge Regional Public Safety Services Commission, Royal Canadian Mounted Police, Chief Mountain Regional Solid Waste Commission and Ridge Water Services Commission is money that the Town collects as part of its taxation cycle on behalf of the other public bodies or to help pay for the operations or services it purchases from external entities of which it is a member. The Town does not keep any of these funds for Municipal purposes.

2022 BUDGET CAPITAL REVENUES



Municipal Sustainability Initiative (MSI) \$415,051

The Municipal Sustainability Initiative (MSI) is the Province of Alberta's initiative to strengthen the municipal sector and provides significant financial support to municipalities for infrastructure needs. As mentioned previously, it is anticipated that this grant will transition to the Local Government Fiscal Framework in 2024.

Canada Community-Building Fund (CCBF) \$502,429

As of June 29, 2021, the Gas Tax Fund has been renamed the Canada Community-Building Fund (CCBF). This name change better reflects the program's evolution over time and will not alter or modify the objectives or requirements of the program. The Government of Canada is providing more than \$254 million under the Canada Community-Building Fund (CCBF) to Alberta for the 2022-2023 fiscal year. This includes a \$242,638 one-time top-up that the Town received in 2021-2022 which has been carried forward into 2022.

Investing in Canada Infrastructure Program (ICIP) \$5,866,666

This grant program comprises \$3,200,000 of federal grant support as well as \$2,666,666 of provincial grant support that will go towards the expansion and rehabilitation of our existing wastewater treatment system.

Town of Raymond Reserves \$1,615,000

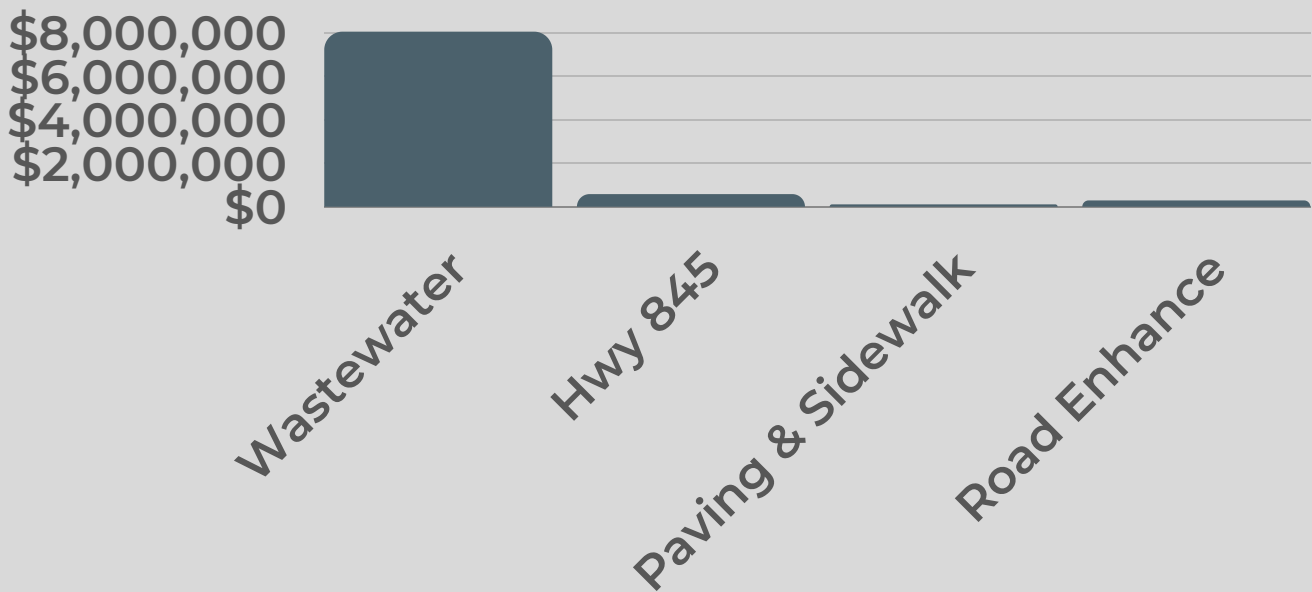
This is money has previously been allocated to fund the construction of future projects and will be spent on completing the projects in the approved 2022 Capital Spending Plan.

Town of Raymond Debt Financing \$100,000

Council has approved up to \$100,000 of capital support in 2022 towards the relocation and redevelopment of the Raymond Stampede grounds in light of the provincial announcement of a new high school to be built in Raymond in the coming years.



CAPITAL EXPENSE BUDGET



Wastewater Treatment System Expansion \$8,000,000

The Town will be expanding the overall treatment capacity of our existing wastewater lagoon system by adding 317,806m³ of storage capacity in 2022, as well as upgrading our lift station to handle to additional flows to handle current and future volumes of wastewater. Land will also be purchased for the next phase of expansion as the community grows over the coming 15 years.

Highway 845 Development \$540,000

AB Transportation has agreed to develop the remaining portion of Highway 845 in Raymond from its current gravel standard to full pavement, curb/gutter, lighting, and a walking path. The total cost for this project is \$3,326,087. The Towns contribution will be funded in 2022 through a combination of grants and short-term debt financing and will be repaid with 2023 capital grants.

Pavement & Sidewalk Rehabilitation \$69,025

Council recognizes the importance of maintaining our active and passive transportation corridors. Due to the significant investment required to complete the Wastewater Treatment Expansion and the Highway 845 Development, Council was not able to contribute more than the \$69,025 allocated, without taking on additional debt.

Gravel Road Enhancement Project \$250,000

The County of Warner has agreed to cold mix up to 9 blocks of roadway in 2022 as part of their 2021-2025 Intermunicipal Collaboration Framework agreement. Council has identified blocks in all 4 quadrants of the community and this work will be completed by County and Town crews.

