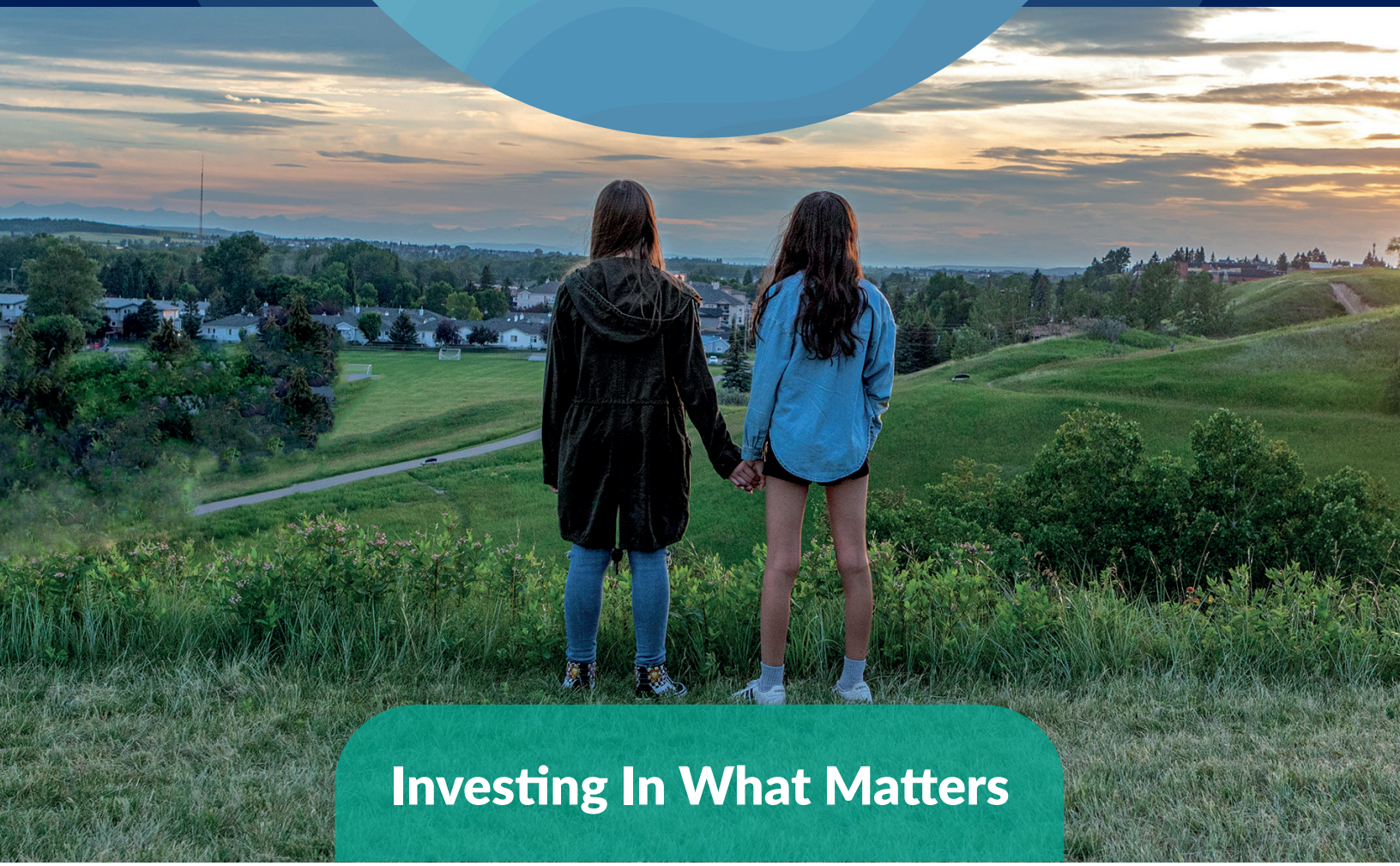
2027-2030
4-Year Proposed
BUDGET OVERVIEW



Investing In What Matters

Okotoks

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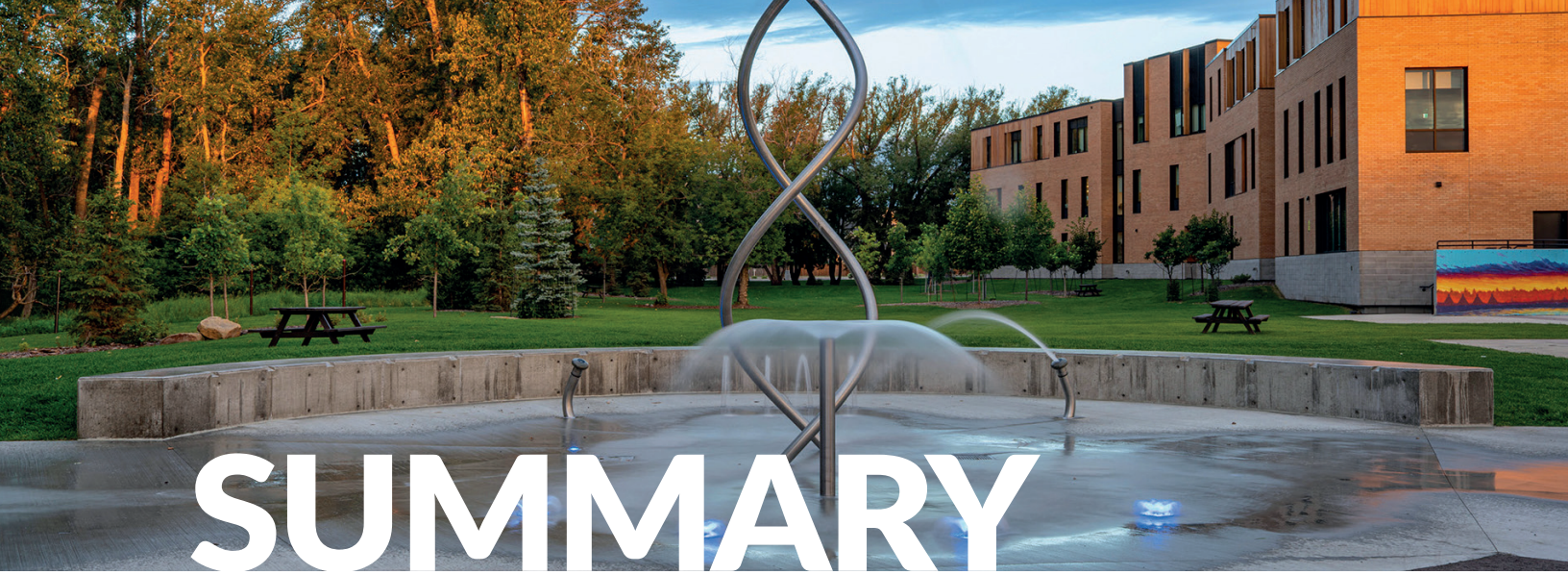


SUMMARY

2027-2030
BUDGET OVERVIEW

The 2027-2030 Budget looks to balance affordability with maintaining the services, assets, and community identity that support Okotoks' today and over the long term.

This budget is designed to:

- Maintain reliable core municipal services.
- Protect and renew community assets and infrastructure.
- Support responsible growth while preserving community identity.
- Strengthen financial sustainability through reserve contributions and disciplined prioritization.
- Balance today's affordability concerns with tomorrow's service and infrastructure obligations.

The proposed budget is built around a fundamental challenge facing municipalities across Alberta: **the cost of maintaining services, infrastructure, and community assets continues to rise.**

At the same time, residents expect reliable services, safe and well-maintained infrastructure, and responsible stewardship of taxpayer dollars. The budget responds to these competing pressures with an approach that emphasizes disciplined prioritization, affordability, sustainability, and long-term asset stewardship.

In response, the budget focuses first on protecting and maintaining core services, investing in the infrastructure and assets residents rely on every day, and ensuring the organization has the capacity to deliver those services effectively. A significant portion of new revenues is directed toward infrastructure renewal, capital reserves, and targeted staffing and operational investments required to sustain service levels. The budget also continues progress toward modernizing business systems and improving organizational efficiency.

Ultimately, the budget recognizes that financial decisions are not simply about taxation levels. They are choices about the services residents receive, the condition of community assets, and the kind of community Okotoks will become over the next decade and beyond.



CONTEXT

Identity

Putting Identity at the Centre of this Budget

At the heart of the Town's 2027-2030 Strategic Plan is a focus on Identity First. This means that before defining what we do, we begin by understanding who we are and who we are becoming. Okotoks is a town grounded in its identity - a community that connects, in a place worth being proud of, with opportunity close to home.

Connection is the thread that runs through Okotoks' identity:

- Belonging (connection to each other).
- Nature (connection to nature).
- Movement (connection between spaces and places).
- Access (connection to the things people need).
- Safety (connection to feeling safe in every day life).
- Amenities (connection to the things that make life better).

Identity is not an extra service to fund after the essentials. It is the result of what we do every day: how safe people feel, how public spaces are cared for, whether services are available and accessible, chances for neighbours to connect, and caring for what previous generations built, while building for the next.

The investment decisions reflected in this budget focus on how to protect and enhance the character and identity of Okotoks. By looking at community and identity (Community + Identity Value) alongside financial stewardship, risk and long-term sustainability (Service + Stewardship Impact), this budget aims to direct resources where they have the greatest impact while maintaining affordability and value for current and future residents. This framework helps create a balanced investment portfolio by recognizing opportunities to strengthen identity, sustain core services, and deliver transformational outcomes.

From Foundation to Transformation

Identity sits at the core of our budget decisions, helping ensure investments reflect who we are as a community and where we want to go. From that core, Foundational Investment supports essential services, manages risk, stewards assets and ensures long-term reliability. Community Investment builds on that foundation by strengthening connection, place, identity and quality of life.

At the outer level, Transformational Investment looks further ahead, creating significant community value while advancing stewardship, service outcomes and sustainability. Together, these layers show that the budget is not simply about maintaining or increasing the base. It is about making deliberate choices today that sustain our community and invest in its future.





2027-2030 PRIORITIES

Priority 1: People

A Community to Call Home

- **Goal 1: Belonging & Community Wellbeing**
  Strengthen belonging and improve access to day-to-day activities, services, and amenities that support community health and wellbeing.
- **Goal 2: Rooted in Relationship**
  Invest in relationships to build trust and strengthen community understanding, so decisions reflect what matters most to residents.

Priority 2: Place

A Connected Community

- **Goal 1: Neighbourhood Connectivity & Daily Destinations**
  Make it easy to get to the places that matter so all neighbourhoods feel connected to the rest of the community.
- **Goal 2: Vibrant Public Spaces**
  Invest in relationships to build trust and strengthen community understanding, so decisions reflect what matters most to residents.



Priority 3: Business

A Thriving Local Economy

- **Goal 1: Business Retention & Attraction**
  Retain and attract a diversity of businesses and increase employment opportunities close to home.
- **Goal 2: Places for Business**
  Create opportunities for a variety of spaces so businesses of all sizes and kinds can thrive.

Organizational Foundations for Delivery

Enabling how we deliver

- **Goal 1: Financial Health**
  Ensure reliable, fair, and adequate funding streams that support long-term service levels and protect affordability.
- **Goal 2: Modernize Systems**
  Transition and replace the Town's financial and supporting systems.

The Next Four Years

Understanding the Tensions Ahead

The next four years will present both opportunities and challenges for Okotoks. While economic conditions, demographic trends, infrastructure needs, and workforce pressures influence municipal decision-making, the purpose of this section is not simply to scan the environment. Rather, it is to highlight the key tensions that Council will be asked to navigate as it sets priorities, allocates resources, and plans for the future.

Many of these pressures are not unique to Okotoks. Municipalities across Alberta are balancing affordability, aging infrastructure, growth, workforce challenges, and community expectations. What makes these issues important is not their existence, but the choices they create.

Affordability and Service Expectations

Residents and local businesses continue to face affordability pressures while expectations for municipal services and community amenities continue to evolve. Council must balance affordability with service expectations, recognizing that maintaining or enhancing services often requires investment.

Investment and Financial Sustainability

Infrastructure, facilities, technology, and municipal services require continued investment to remain reliable and effective. Council must balance today's needs with tomorrow's obligations while maintaining long-term financial sustainability.

Renewal and New Opportunities

As community assets age, increasing resources must be directed toward maintenance, rehabilitation, and replacement. At the same time, new opportunities emerge to improve services and respond to changing community needs.

Organizational Capacity and Community Expectations

Competition for skilled labour, increasing service complexity, and evolving resident expectations continue to place pressure on municipal organizations. Workforce capacity, technology, and organizational effectiveness will remain important considerations.

Growth and Community Identity

Okotoks continues to be a community with a strong sense of place and quality of life. Growth creates opportunities to expand the economy, enhance amenities, and strengthen long-term viability. The challenge is ensuring growth enhances rather than diminishes the qualities that make Okotoks unique.

Looking Ahead

The next four years are not defined by a single challenge, but by the need to balance multiple priorities simultaneously. Growth and identity. Affordability and service levels. Investment and sustainability. Renewal and new opportunities.

Costs & Inflation

Rising costs and inflation put pressure on both sides of the budget equation. While the Town experiences rising costs across operations, infrastructure, and service delivery, residents and businesses are also managing increased living and operating expenses. This creates a tension between maintaining affordable taxation and generating sufficient revenue to sustain service levels, asset renewal, and growth-related investments.

Category	2026	Average Annual Change (2022-2026)	Total Change (2022-2026)
Overall	**3.6%**	**3.5%**	**17%**
Housing	0.8%	4.5%	23%
Food	2.3%	4.9%	24%
Transportation	11.3%	4.4%	22%
Other household costs	0.2%	1.0%	5%

Rising costs continue to place pressure on municipal operating and capital budgets. Inflation affects contracted services, construction, materials, utilities, and equipment, with several key expenditures increasing above the Town's 2.5% planning assumption. Uncertainty surrounding economic conditions, Provincial and Federal funding programs, and regulatory requirements further add to possible budget pressure over the planning horizon.

Key Cost Pressures

Insurance: Most forms of insurance are assuming 3%-6% annual increases based on historical actuals.

Workers Compensation Board annual premiums: 2.4%-3.0% increases annually.

Fuel: Fuel costs, specifically diesel, are subject to significant market volatility. Administration is currently assuming an 18% increase on Fuel costs for fleet and equipment in the first year of 2027-2031 Budget, with standard 2.5% inflation in the subsequent years.

Uniforms and Personal Protective Equipment: costs are rising faster than standard inflation; we are assuming an increase of 5% annually on these costs.

Technology: Costs for both software licensing and hardware components both continue to rise above general inflation.



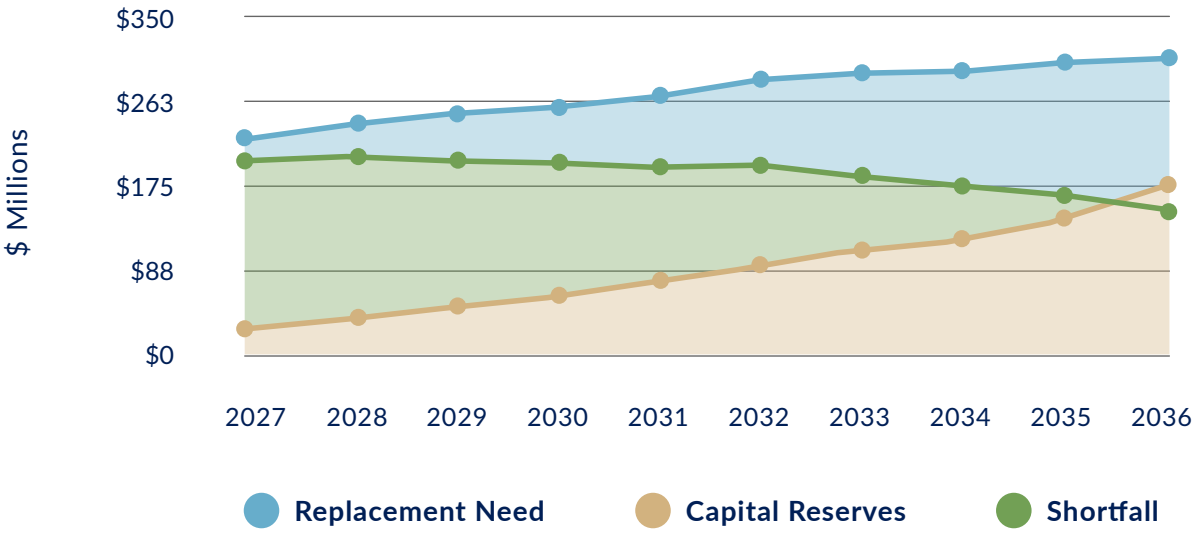
Maintaining Assets

Our assets are a critical part of how we deliver services. From fleet to facilities, pipe to parks, our assets require ongoing maintenance, rehabilitation, and eventual replacement. Delayed lifecycle investments may reduce short-term costs but often results in higher future costs, increased service risks, and reduced reliability. Strategic asset stewardship helps protect community investments and sustain service delivery.

Council previously committed that a portion of annual tax-supported revenue growth be directed toward asset maintenance and renewal. This commitment recognizes that community infrastructure requires ongoing lifecycle investment and that growth-related revenues should help address both existing infrastructure needs and the long-term sustainability of Town assets.

In spite of this commitment, a funding gap remains and will only grow with aging assets, new assets coming on board, and increasing costs over time.

Cumulative Funding Outlook



Staffing & Compensation

Behind every municipal service are the employees who plan, operate, maintain, and support it. Competition for skilled trades, operators, planners, engineers, technology professionals, and other specialized positions continues to create workforce pressures across Alberta. Balancing workforce competitiveness with affordability is an ongoing challenge, as staffing and compensation decisions directly influence both service delivery and long-term financial sustainability.

The Town's compensation philosophy (EL-A-2.1 Compensation and Benefits) is based on a mid-market approach.

How we determine compensation

1 Market Information

- Compare pay to similar Alberta municipalities.
- Focus on communities of similar size, experiencing growth, and/or within commuting distance to a large city.
- Review compensation against the market every three (3) years.

2 Market-Informed Approach

- Market-informed compensation philosophy.
- 50th percentile remains the primary benchmark for base pay.
- Market data informs decisions, not dictates them.
- Balance attraction and retention with affordability and organization needs.

3 Compensation Tools

Annual Step Increments
Progress performing staff through a predefined pay band/pay grid.

Cost of Living Adjustments (COLA)
Are intended to offset cost-of-living changes.

Periodic Compensation Reviews
Working with a contracted third-party specialist, reviews are generally completed every three (3) years to ensure we remain competitive with the market for talent.

4 Data-Driven Decisions

Compensation decisions consider:

- Market data.
- Financial capacity.
- Internal equity.
- Recruitment and retention factors.
- service delivery requirements.
- Collective bargaining outcomes.
- Operational risks.

The goal is to offer fair, competitive compensation that attracts and retains qualified employees, supports long-term workforce stability, and demonstrates responsible stewardship of taxpayer dollars.

Financial Context

Identity guides what we invest in. Financial health guides how we invest responsibly.

The Core Budgeting Questions

The budget is built by bringing together four interconnected considerations: what infrastructure and services need to be maintained, how those services will be funded, whether decisions remain affordable over the long term, and what future pressures may affect the community. Together, these factors support financial health and help ensure decisions made today remain sustainable for future generations.

The Town's Long-Term Financial Health Framework guides how we answer these questions.

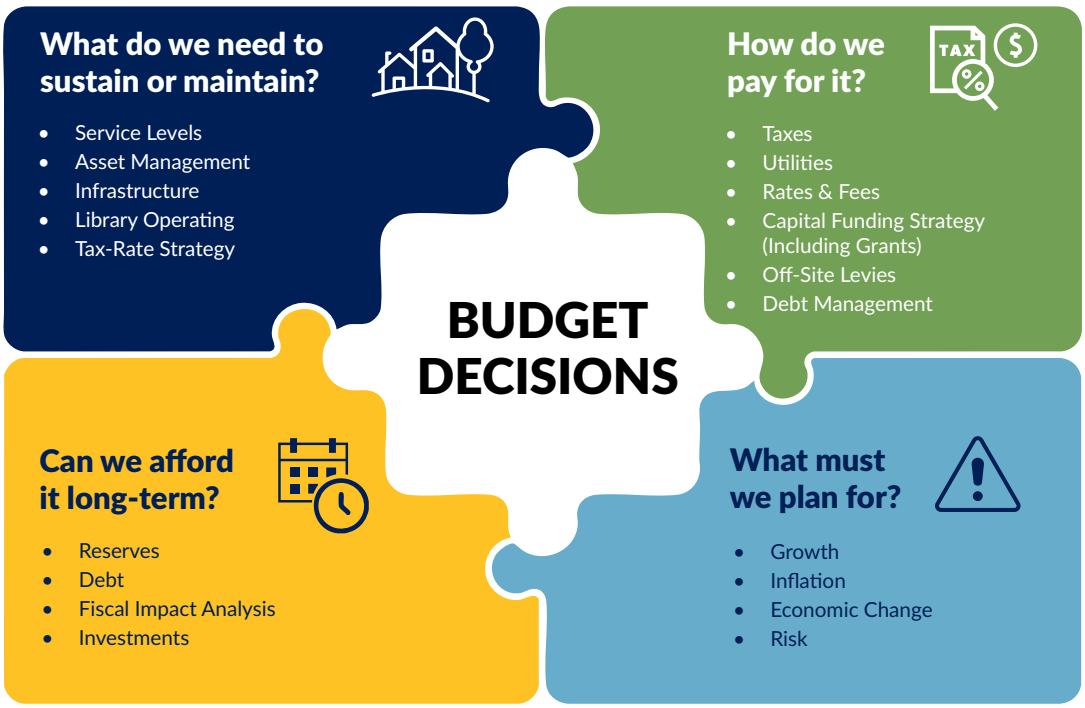
What do we need to sustain or maintain?
Service Levels • Asset Management • Infrastructure • Library Operating Tax-Rate Strategy

How do we pay for it?
Taxes • Utilities • Capital Funding Strategy *(including Grants)* • Off-Site Levies • Debt Management • Rates & Fees

Can we afford it over the long term?
Reserves • Debt • Fiscal Impact Analysis • Investments

What must we plan for?
Growth • Inflation • Economic Change • Risk

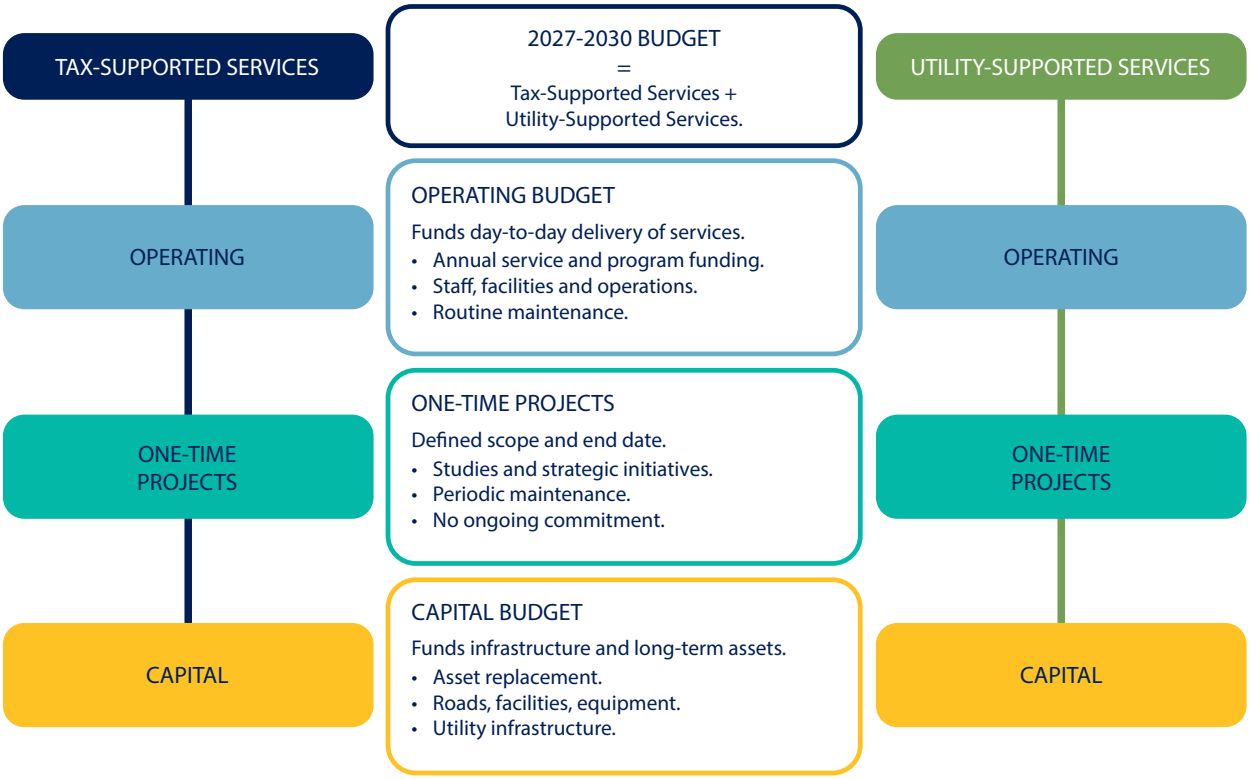
Long-term financial health means keeping the budget sustainable now, through the four-year term, and into the future. It weighs today's decisions against both current needs and future demands.



Budget Structure & Funding Streams

The Town's budget is organized into two primary funding streams: Tax-Supported Services and Utility-Funded Services. Together, they make up the budget.

Within these funding streams are three kinds of spending: **operating** that support day-to-day service delivery, **capital** investments that maintain and improve infrastructure, and, for Tax-Supported Services, **one-time** projects that advance strategic priorities or address emerging needs.



Why are Tax-Supported and Utility-Supported Services budgeted separately?

Tax-Supported and Utility-Supported Services are budgeted separately because they are funded through different revenue sources and serve different purposes.

Tax-Supported Services are funded primarily through property taxes (along with other rates and fees) to provide community-wide services such as parks, roads, recreation, transit, and protective services.

Utility-Supported Services are funded through user rates paid by utility customers and are calculated to recover the costs of providing water, wastewater, stormwater, and waste services.

Maintaining separate budgets helps ensure transparency, accountability, and fairness by aligning the cost of each service with the revenue source that funds it.



How resident feedback influenced budget priorities

Community feedback provides an important foundation for Council's investment decisions. Resident input directly informed the 2027-2030 Budget through feedback gathered during a number of community engagement initiatives, including the 2025 Community Priorities Survey. This survey:

- Was a statistically valid survey conducted in March-April 2025 by an external consultant.
- Gathered community feedback from residents on Town programs, services, and amenities, as well as targeted budget questions.
- Summarized what we learned from residents and provided insights and recommendations to guide Council and Administration in future decision-making, planning, and resource allocation.
- Received 1,213 responses, a 72.6% increase compared with the 2022 survey.

Key Findings	How Data Informed the Budget
• 91% rated quality of life as good or very good • 90% rated the value received from the Town as acceptable or better	• Protect core services residents' value • Focus investment where improvement matters most • Balance improvements with affordability] • Target investment rather than expand broadly
Primary Services to Improve	**Allocate Funds Accordingly**
1. Traffic and road infrastructure 2. Recreation facilities and programming 3. Economic Development	1. Invest in roads & mobility infrastructure 2. Advance recreation facility planning 3. Give Council options to accelerate strategic priorities, including economic development

THE BUDGET



Year 1

2027 BUDGET

Overall Impact for a Residential Property Owner

(based on a house assessed at $773,298)

Property tax increase	+ $20.63
Utility rate increase	+ $6.22*

*Utilities are billed bi-monthly. For the average customer this amount will be $12.44 per bi-monthly billing period.

= $26.85/month
($322.20/year)

This approach balances the reality of rising costs, for the Town and residents alike, with the need to invest in the services and infrastructure that make life better today.



2027-2030 OPERATING BUDGET

2027-2030 Operating Budget	Millions ($M)
Investment in Essential Services	$4.5M
Maintaining Existing Service Levels	$4.1M
Targeted Service Improvement and Strategy Advancements	$3.7M
Dedicated 2% Tax Support for Capital Asset Lifecycle Repairs and Replacement Reserves	$4.0M

2027-2030 OPERATING HIGHLIGHTS

Everyday services maintained

- Roads, sidewalks and winter maintenance
- Parks, pathways, recreation facilities and community spaces
- Fire, policing and municipal enforcement
- Planning, building and community services

Informed by community input:
2025 community priorities survey

Strengthening community safety

- Added Municipal Enforcement capacity
- Added Fire & Rescue frontline response
- More support for traffic safety and neighbourhood concerns

Informed by community input:
2025 public safety survey

Expanding transit service and neighbourhood connections

- All-day Saturday fixed-route transit
- Weekday evening service from 6–9 p.m.
- More neighbourhoods connected to fixed-route transit
- Better connections to jobs, services, healthcare, recreation and community destinations

Informed by community input:
Fall 2026 fixed-route transit engagement

Building a stronger, more diverse local economy

- Added economic development capacity focused on business attraction and retention
- Attracting new investment and supporting local business opportunities
- Growing non-residential development and supporting more local jobs close to home
- Broadening the tax base to help reduce future pressure on residential property taxes

Informed by community input:
2025 community priorities survey

Strengthening community wellbeing and connection

- Beginning implementation of the Social Needs Assessment & Strategy
- Improving access to supports and inclusive services
- Strengthening community connection and belonging
- Building partnerships to respond to community needs

Informed by community input:
Social Needs Assessment & Strategy (2025)

Modernizing and protecting Town technology

- Keeping Town technology secure and reliable as digital and cybersecurity risks evolve
- Protecting the systems employees rely on to deliver Town services without disruption
- Improving productivity so employees can spend more time delivering services

2027-2036 CAPITAL INVESTMENTS

CAPITAL HIGHLIGHTS

Council approved **$186.5M** in high-priority projects to move forward over the next 10 years. These investments will replace aging infrastructure, prepare for growth, improve safety and resilience, and support a strong, vibrant community and local economy. Together, they form a connected 10-year Capital Plan designed to meet the needs of today's residents while preparing for future generations. While the 10-year Capital Plan includes a broader range of projects, the highlights below provide a snapshot of some of the most significant investments planned over the next four years.

32 Street corridor improvements

- Improved traffic flow, pedestrian access and safety
- Road, servicing and recreation improvements to support the future high school and surrounding area
- 32 St. and Hwy 7 planning
- Milligan Dr. and Stockton Ave. intersection improvements
- Start of 32 St. twinning from Crystal Green Lane to 338 Ave.
- Design and costing underway for twinning of the bridge

$23.4M

Maintaining critical infrastructure

- Water treatment and storage upgrades
- Wastewater treatment and capacity upgrades
- Water and sewer line renewal
- Road rehabilitation and paving

$42.8M

Strengthening community safety

- Reliable emergency response equipment and fire apparatus
- Expanded fire service and training capacity
- Improved flood and slope protection

$27.2M

Investing in the road network

- Southridge Dr. & Hwy 7 intersection improvements
- Northridge Dr. & 338 Ave. intersection improvements
- 338 Ave. expansion to Highway 2
- Priority intersection upgrades across Okotoks

$9.8M

Making Town services easier to access

- Replacing aging technology to support reliable services now and into the future
- More convenient self-service options for accessing Town services
- Easier access to payments, property tax information, utility bills and other services

$13.1M

Q&A

What about recreation?

The Recreation Centre expansion is moving forward with detailed design to confirm project scope, costs and phasing. This will also help identify potential grants and other funding opportunities before the project returns to Council for a funding decision.


Okotoks