

## Town Council approves progressive 2023 budget despite challenges of inflation, rising capital costs

FOR IMMEDIATE RELEASE

December 12, 2022

On Monday, December 12, 2022, Innisfail Town Council approved the Town's 2023 operating and capital budgets.

After holding tax rates steady for several years, with only two increases over the last eight years, this year's budget will see a 4% tax increase. For most residents, this increase will equate to approximately \$8 extra each month on their municipal tax bill (before school taxes are added).

Council approved an operating budget that reflected the increased operating costs associated with the sudden rise in the inflation rate in 2022. Despite these increased costs, Council approved a budget which ensures the continued delivery of essential core services.

Council approved a balanced operating budget of \$25,820,181 and a capital budget of \$4,374,000, with no funds allocated to contingency.

The Town faces many challenges ensuring facilities and equipment continue to operate effectively, especially as capital costs continue to rise. This year's capital budget addresses these challenges with a focus on responsibility, reducing capital expenditures by about \$2.8 million when compared to last year's capital projects budget. The Town will complete these improvements with contributions from other levels of government. Provincial grant totals for the Town's capital projects in 2023 are \$847,106, with federal contributions totalling \$470,239.

Despite these challenges, the Town's finances remain strong. The municipality is once again in a solid fiscal position, maintaining healthy reserves while taking on a small debt load associated with the development of the industrial lands in the town's southeast. Income from the sale of this land is expected to offset any outstanding development costs.

### Utility Rates

Innisfail has water rates that are comparable to those in many other communities in central Alberta, mainly because the town is connected to regional water and wastewater lines.

An increase to water and wastewater rates this year covers increased delivery costs while continuing to build reserves for future infrastructure. Water rates will increase this year from \$2.71 per cubic metre to \$2.86 per cubic metre. This increase is in part due to an \$.11 increase in the rate charged to the Town by the Mountain View Regional Water Commission, the supplier of the town's water. The new budget sees the monthly water flat rate remain at \$10.00 per metered site.

Wastewater (sewer) rates will increase from \$3.60 per cubic metre to \$3.80 per cubic metre. This \$.20 increase reflects a \$.13 increase in rates charged by the South Red Deer Regional Wastewater Commission. The monthly wastewater flat rate will also remain the same as last year at \$10.00 per metered site.

These increases will ensure the Town can continue to provide quality water to residents while reflecting the real-world costs of water delivery.

## 2023 Capital Projects

Provincial grant money provided to municipalities was lower than in previous years. Taking this into consideration while being mindful of the strain inflation is putting on residents, Council approved a capital projects budget that is less ambitious than in previous years. Key projects were identified for 2023, and in order to ensure the Town's physical infrastructure continues to function properly, council approved many of the projects earmarked as priorities. Those included in the 2023 budget are listed below (budgeted project amount in parenthesis):

- Town Office Fire System (\$15,000)
- Town Office Entry Cement (\$20,000)
- Town Office Generator Preparation (\$15,000)
- Fire Hall Roof Replacement and Repairs (\$66,000)
- Vehicle for Assistant Fire Chief (\$75,000)
- 2023 Surface Improvements (\$1,306,000)
- Backhoe Replacement (\$210,000)
- Gravel/Plow Truck Box (\$100,000)
- Replace 2001 Ford F350 Service Truck (\$120,000)
- Replace 2007 Ford Freestyle (\$40,000)
- 46 Avenue Infrastructure Replacements (\$775,000)
- 40 Street Close Scan and Road Replacement (\$418,000)
- Cannon Park Playground Replacement (\$160,000)
- Seniors Centre Air Conditioning (\$25,000)
- Library Learning Centre Roof Repairs (\$12,000)
- Arena - Dressing Room Flooring and Partitions (\$180,000)
- Arena Header Trench Fitting Replacement (\$100,000)
- Arena Exterior Cameras (\$7,000)
- Aquatic Centre Maintenance Repairs (\$730,000)

The 2023 capital budget demonstrates Council's fiscal responsibility, focusing on projects that are necessary to maintain the quality of service the town's residents have come to expect, and to provide the greatest value to taxpayers.

*"We are sensitive to how the current economic situation is affecting many people in our community. Many difficult decisions had to be made through our budget deliberations and Council and Administration worked diligently in balancing fiscal responsibility, service levels, with ensuring we continue to move forward as a municipality.*

*We will continue to see upgrades to our infrastructure this year, and we are able to continue providing the exceptional services our residents deserve."*

*— Mayor Jean Barclay*

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For more information, contact:

Communications  
Town of Innisfail  
403-227-3376