



2026 Spring Budget Finalization

Electoral Division: All

File: N/A

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| Date: | April 14, 2026 |
| Presenter: | Sheryl McMullen, Executive Director, Financial & Business Services |
| Department: | Finance Services |

REPORT SUMMARY

The Spring Budget Finalization process enables Council to consider budget adjustments prior to finalizing property tax rates for the fiscal year. Spring budget adjustments have historically been brought to Council for updated property tax revenue projections resulting from finalized assessment values, urgent requests for operating expenditures and/or capital project funding, and the receipt of final external property tax requisitions.

Also included this year is the discussion of property tax rates, which has been deferred to spring budget finalization due to several ongoing initiatives under review that may lead to substantial future investments. Council-directed initiatives under review include various Fire Services items, recreation amenities, utility infrastructure, and Prairie Economic Gateway, with further information being brought forward to Council for consideration at various points throughout 2026.

As a result of the ongoing review of Council-directed initiatives, coupled with increased uncertainty for economic growth and other inflationary impacts within the County, the final one-year 2026 Operating and Capital Budgets will be presented for approval. The one-year budget will be supplemented by three-year operating and four-year capital plans. Delivery of future-focused budget plans is a strong step towards achieving multi-year budgets for the County.

Administration has also compiled a comprehensive listing of all capital projects approved for 2026 and prior years that remain in progress in 2026. The draft capital project listing is an interim step intended to improve transparency and oversight of the County’s capital infrastructure program to enable future regular reporting of progress and budget verses actual results.

ADMINISTRATION’S RECOMMENDATION

THAT Council approve the operating and capital budget adjustments, as presented in Attachment A-2.

THAT Council approve a 4.14% property tax revenue increase to finalize a balanced 2026 budget.

THAT Council direct that \$2,597,500 be transferred to the Tax Stabilization Reserve to support lifecycle maintenance funding and designate that \$902,500 transferred to the Tax Stabilization Reserve on December 6, 2025 also be designated for lifecycle maintenance funding for a total of \$3,500,000.

THAT Council approve the budget adjustment for external requisitions, as presented in Attachment A-3.

BACKGROUND

In early 2025, work commenced to develop the framework for a Fiscal Management Strategy with an overall goal of enhancing the County’s financial management practices and implementing multi-year



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budgeting to align with *Municipal Government Act* requirements. To date, several financial policy updates have been approved by Council, and the process to move to multi-year budgeting has commenced.

While the County has experienced continued growth in residential assessments – both the number of properties, as well as increasing values – growth in new non-residential properties has slowed considerably in comparison to previous years. The impacts from reduced non-residential assessment growth impedes the availability of additional financial resources to deliver growing requirements for County services and infrastructure investments.

As Administration looked to forecast financial requirements beyond the 2026 budget year, uncertainty increased due to several external factors as well as pending decisions for initiatives under review that could have significant budget impacts for future years. Significant socioeconomic impacts arising from international political shifts, including economic uncertainty from tariffs and other trade barriers, and diminishing population growth expectations resulting from Federal immigration policy changes, affect the County's ability to accurately forecast growth potential and rising inflationary pressures.

In addition to economic uncertainty, Council must also consider the financial impacts of various initiatives under review that could significantly influence the County's future operating and capital budgets. Work is underway to develop a Fire Master Plan, assess recreation service delivery options including potential facility investments, review utility service delivery, and reconfirm the impacts of the Prairie Economic Gateway project on County finances. The results of this work must be integrated into the overall Fiscal Management Strategy with the County's financial capacity carefully considered as investments are selected for inclusion in the County's future operating and capital budgets.

Over the coming months, Administration will continue to provide analysis and potential scenarios for Council's consideration as we further define the Fiscal Management Strategy, strengthen the County's financial policies, and implement fiscally responsible financial practices.

2026 Budget Finalization Approvals Required

As a result of the ongoing work of Administration, coupled with increased uncertainty for future economic growth and inflationary impacts within the County, it is prudent to put forth for approval the 2026 Operating and Capital Budgets, and supplement those budgets with three-year operating and four-year capital plans. It is a strong step towards achieving multi-year budgets for the County.

Administration has since completed spring budget review and identified updates required to finalize the 2026 Budget. These updates are detailed in the 2026 Budget Update (Attachment A-1) and the Operating and Capital Budget Adjustment (Attachment A-2).

The proposed changes reflect updated cost estimates, project timing, service delivery requirements, revenue projections, and adjustments to external funding or requisition requirements (Attachment A-3). These adjustments ensure the budget reflects the most current information available.

As part of this process, Administration updated the property assessment growth and its impact on tax revenue. These changes include increases/decreases in property assessments due to new construction or changes in the market value of existing properties. The approved 2026 Budget included an initial estimated \$3,000,000 in additional tax revenue from assessment growth. Based on the finalized 2026 assessment roll, the updated estimate is \$5,558,500, representing an increase of \$2,558,500.

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Historically there has been an adjustment to reduce property tax revenues resulting from assessment appeals. As such, an allowance of \$1,000,000 will be provided against the total projected property tax revenues. This allowance will improve the predictability of property tax revenues by reducing the amount by the historical metric of successful appeals.

ANALYSIS

A 4.14% increase in property tax revenue generates approximately \$4.56M in additional tax revenue. The increase combined with \$9.8M in total assessment growth revenues, provides sufficient funds for all budget obligations and directs \$3.5M in total for 2026 to the Tax Stabilization Reserve for lifecycle maintenance. The allocation towards lifecycle maintenance is the minimum contribution needed to begin addressing the County's infrastructure maintenance gap.

Council approved the preliminary 2026 Operating and Capital Base Budget on December 5, 2025, which included a budget increase of \$7.3M over the 2025 budget. Final decisions on capital projects and tax rate increases were deferred to spring budget finalization as several initiatives remained under review as of December 2026.

As tax rates were not considered in December, incremental tax revenues of \$8.2M generated from assessment growth were used to fund the budget increases, and the residual amount of \$902,500 was allocated to the tax stabilization reserve. An interim balanced budget was achieved, and the allocation of assessment growth revenues and property tax increases to fund cost of services and additional investments were earmarked for consideration at Spring Budget Finalization.

Administration has completed further budget review and identified finalized revenues and expenditures reflecting updated grant revenues, revised cost estimates, service requirements, and external requisitions. The budget review has resulted in additional revenue of \$2,558,500 generated from updated assessment growth information and additional expenses of \$3,516,500. Based upon the County's estimated infrastructure replacement obligations and current reserves balances, Administration recommends a minimum annual lifecycle contribution of \$3.5M to be held in the Tax Stabilization Reserve.

Attachment B summarizes the net operating and capital budget requests along with incremental tax revenues from growth, options for the amount of funds to be dedicated for lifecycle maintenance needs, and resulting potential tax increases to achieve a balanced budget.

To fill the budget gap, Administration is recommending Scenario 1 as outlined in Attachment B which implements a 4.14% tax revenue increase to achieve the required \$4,555,100 in property tax revenues for 2026.

The County has also received final external requisitions detailed in Attachment A-1 from the following entities:

- \$91,177,900 for the Provincial Education Requisition – a 17% increase from 2025;
- \$1,714,900 for the Rocky View Foundation – a 4% increase from 2025; and
- \$163,577 for Designated Industrial Property – a 5% increase from 2025.

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COMMUNICATIONS / ENGAGEMENT

Upon Council's approval of the 2026 Operating and Capital Budget, including any property tax adjustment, Administration will prepare a news release for distribution and publication on the County website. An updated 2026 budget document will also be published on the County's Budget and Finance webpage.

Additionally, an information brochure insert will accompany the 2026 property tax notices issued in May. The insert will provide residents with an overview of municipal revenue allocation and provincial tax requirements.

IMPLICATIONS

Financial

Finalizing the County's 2026 budget, aligns the budget with updated assessment growth and requisition amounts, and supports future financial sustainability through additional reserve funding.

STRATEGIC ALIGNMENT

Passing an annual budget is a statutory obligation for all provincial municipalities under section 242 of the *Municipal Government Act*.

| Key Performance Indicators | | Strategic Alignment |
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| Financial Prosperity | FP2: Ensuring the County remains financially sustainable for future generations | The proposed budget adjustments support financial prosperity while maintaining current service levels, ensuring the County remains financially sustainable for future generations. |

ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

- Attachment A-1: 2026 Budget Update
- Attachment A-2: Operating and Capital Budget Adjustment
- Attachment A-3: External Requisitions Budget Adjustment
- Attachment B: 2026 Tax Rate Scenarios with Lifecycle Contributions
- Attachment C-1: Supplemental Draft Capital Project Listing Summary
- Attachment C-2: Supplemental Draft Capital Project Listing
- Attachment D: Forecasted Reserve Balances and Funding Sources

APPROVALS

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| Manager: | Isedua Agbonkhese, Manager, Finance Services |
| Executive Director/Director: | Sheryl McMullen, Executive Director, Financial & Business Services |
| Chief Administrative Officer: | Reegan McCullough, Chief Administrative Officer |