



BUDGET • 2025 – 2027

Responsible. Accountable. Sustainable.

Pre-Budget Session

Presented by:

Derek Prohar, City Manager

Gene Peskens, Chief Financial Officer

Overview

- Review of Multi-Year Strategy (2024 vs 2025)
- Changes to assumptions
- Mitigation Strategies to Consider
- Direct External Impacts to Budget
 - Provincial Transfers
 - Legislative Changes

Multi-Year Strategy

Starting Point
↓

	2024	2025
Base Operational & Capital Requirements	3.93%	5.34%
Fire Hall Multi-year Strategy	0.60%	0.60%
Total Impact	4.53%	5.93%

Budget Review

Commitment from Administration before the Fall budget meetings

- Review of inflationary increases included in 2025
- Trend analysis
- 2 quarterly in-depth review of financial reporting for 2024

- Service Level Adjustments as directed by Council

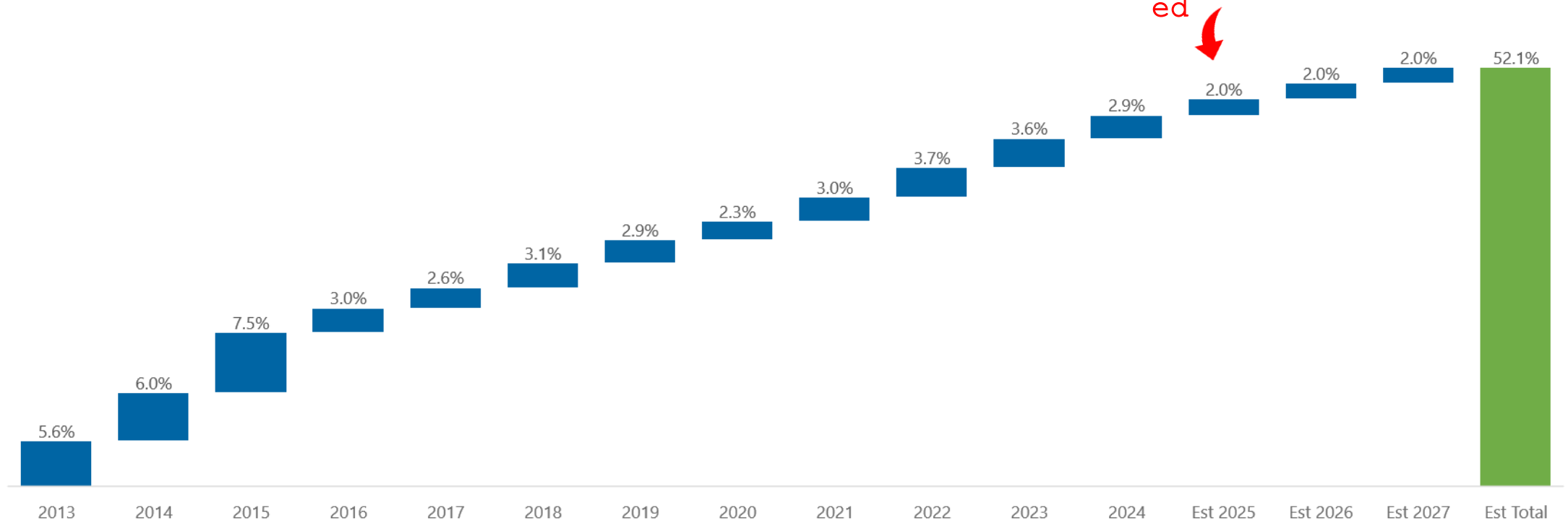
Growth – Residential

Included in Multi-Year
Summary

Assessment Growth %

■ Increase ■ Decrease ■ Total

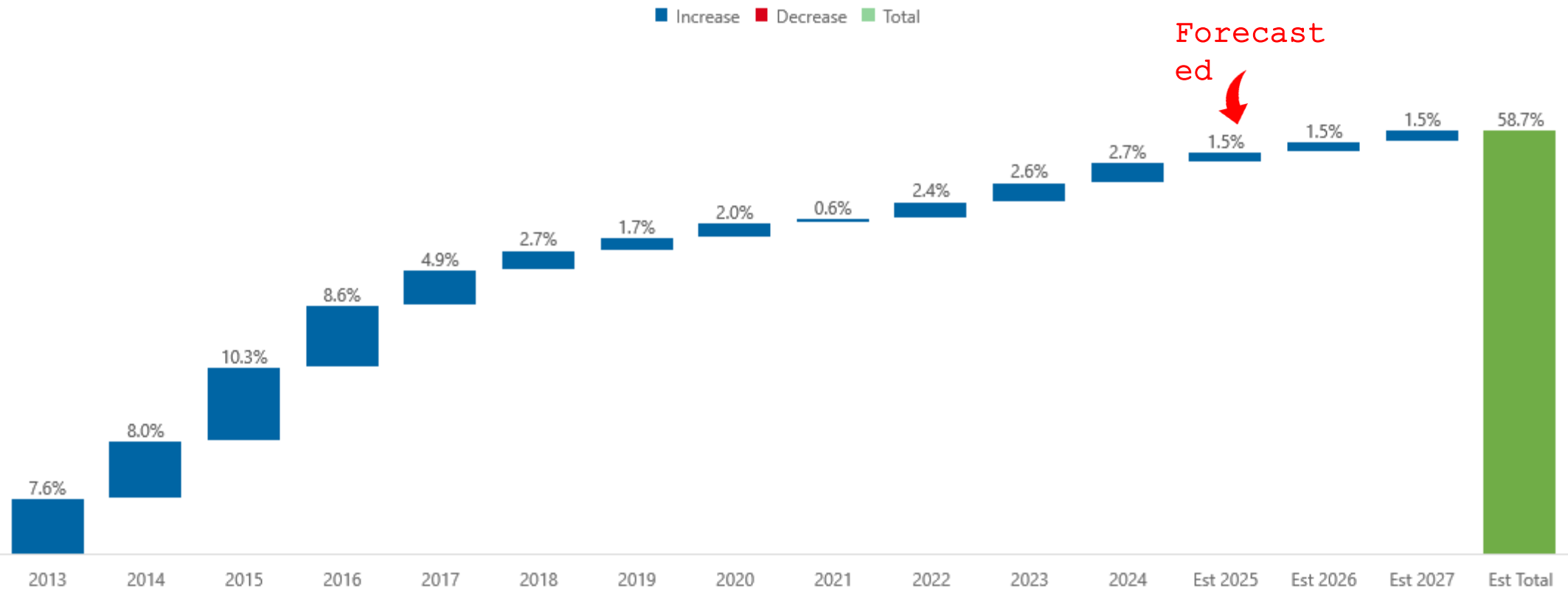
Forecast
ed



Growth – Non-Residential

Included in Multi-Year Summary


Assessment Growth %



Included in Multi-Year
Summary

2025 vs 2024

Utilities Revenue

- Increase of 6% 
 - 2% inflationary, 2% increase in rates (cost flow throughs from CRSWSC and Arrow Utilities), 2% for consumption (due to growth)

Cost of Utilities

- Increase of 9%
 - A result of increase in consumption and increased purchase/treatment costs from the CRSWSC and Arrow Utilities



Included in Multi-Year
Summary

2025 vs 2024

Recreation Services Revenue

- Sale of Services 3% \$90K ↑
- Rent revenue 2% \$43K ↑

Based on visitors not rate
increase



Included in Multi-Year
Summary

2025 vs 2024

Franchise Fee Revenue



Electricity



\$177K



Natural Gas



\$179K

Included in Multi-Year
Summary

2025 vs 2024

Personnel Costs ↑\$2M

- New staff allocations to support growth
- Market adjustments
- Benefits supplier cost premiums



2025 vs 2024

Other Expenses

Included in Multi-Year Summary

Contract Services 2% ↑

- | | | |
|---------------------|----|--------|
| • RCMP | 4% | \$325K |
| • Waste Collections | 4% | \$72K |
| • Transit | 2% | \$35K |
| • Snow Removal | 4% | \$20K |

Utility Expenses 4% ↑

- | | | |
|---------------|----|--------|
| • Electricity | 4% | \$106K |
| • Natural Gas | 9% | \$63K |
| • Water | 2% | \$7K |

Transfer to Reserves ↑

2% \$364K

Tax Mitigation Strategies

- Review of Expenses
- Franchise fees
- Utility rates
- User fees
- Non-residential vs Residential tax

Budget Review

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Tax Mitigation Strategies

Franchise Fees



Electricity

Increase to rate by 1% = \$275K

Current rate = 16%

Max rate = 20%



Natural Gas

Increase to rate by 1% = \$150K

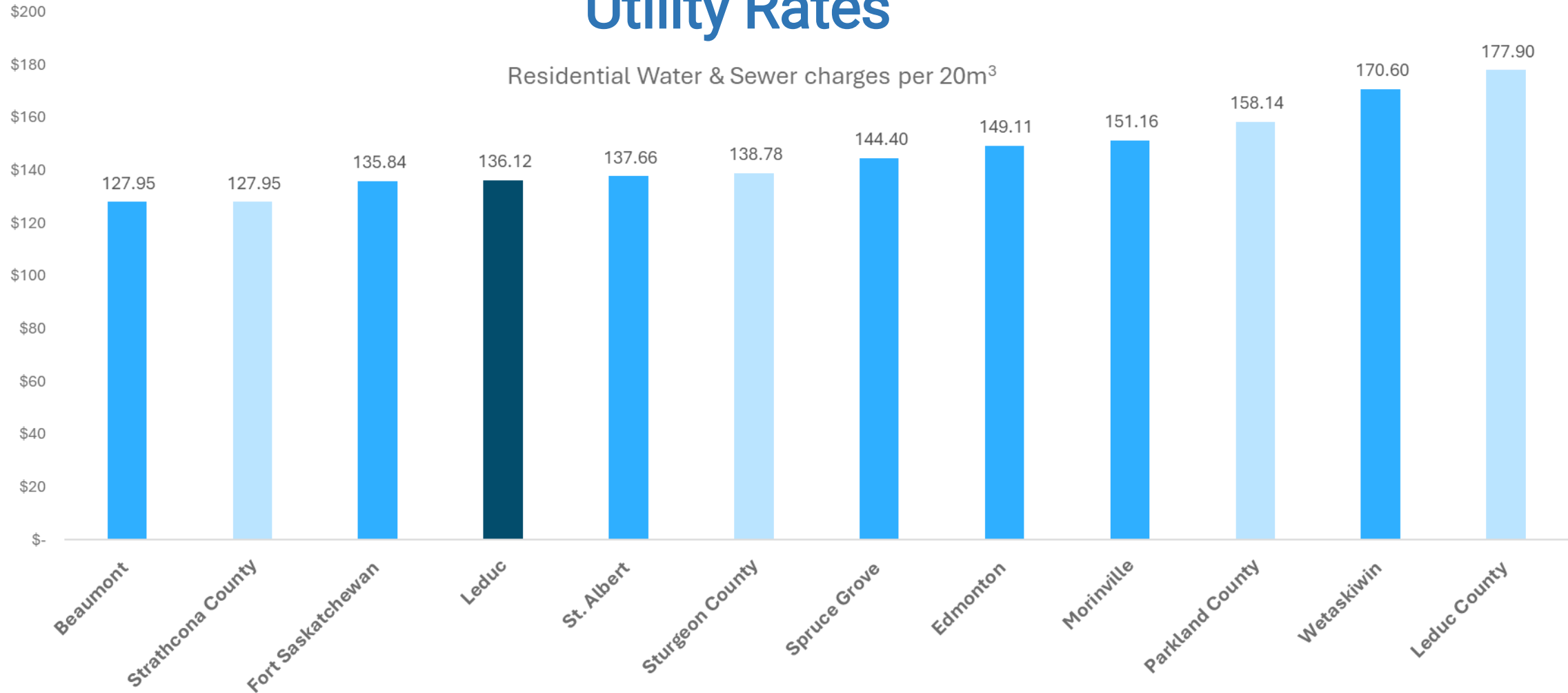
Current rate = 27%

Max rate = 35%

Tax Mitigation Strategies



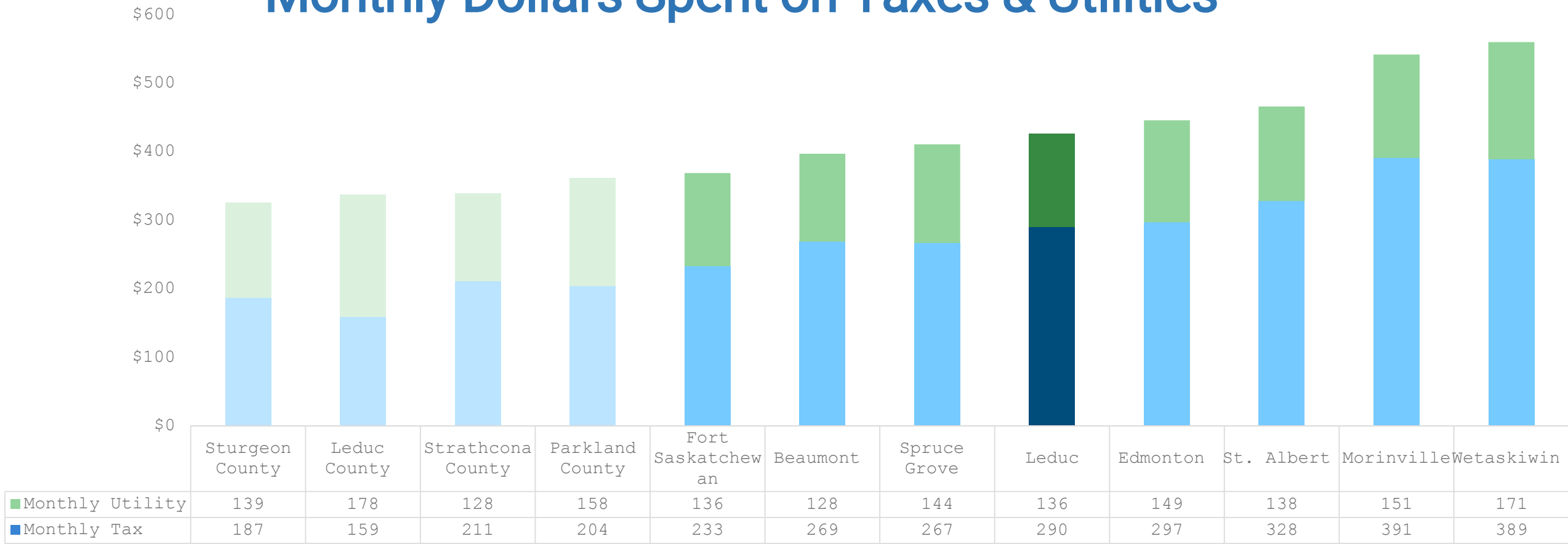
Utility Rates



Tax Mitigation Strategies



Monthly Dollars Spent on Taxes & Utilities



Based on \$350K Assessment and 20m³ of monthly consumption

Tax Mitigation Strategies

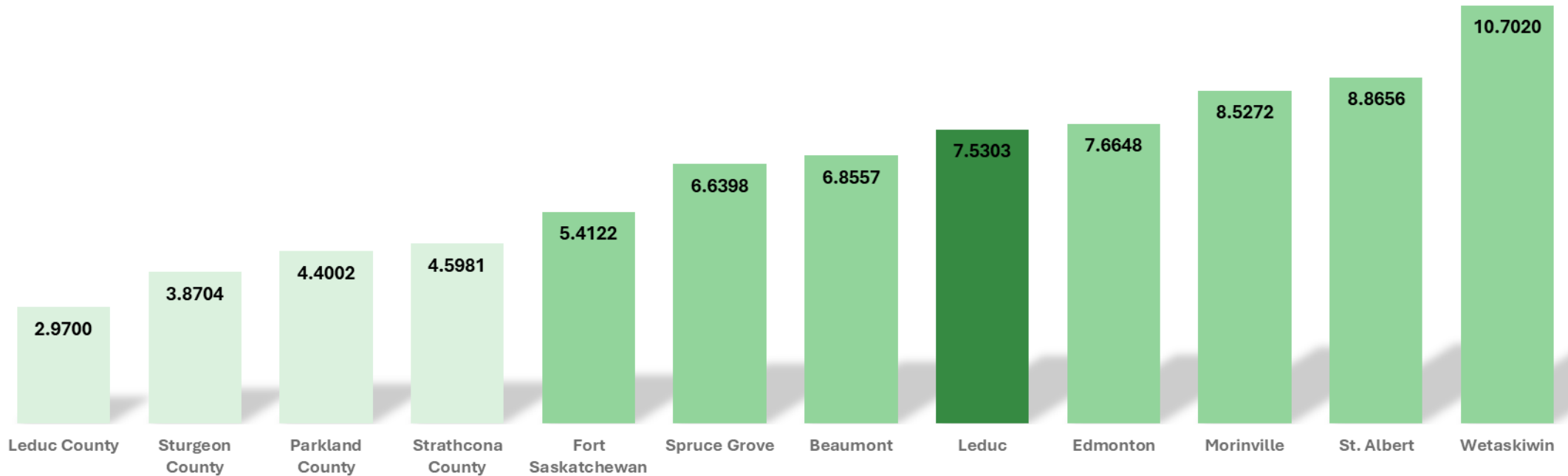
Recreation - User Fees



Historic Rate Changes - 2019-2024								
			2019	2020	2021	2022	2023	2024
Admissions			3%	3%	0%	0%	2%	1-4%
Memberships			2%	2%	0%	0%	2%	2%
Arenas			2%	2%	0%	0%	2%	2%
Indoor Fields/ Courts			2%	2%	0%	0%	2%	2%
Outdoor Athletic Fields, Diamonds & Parks			5%	5%	0%	0%	2%	2%

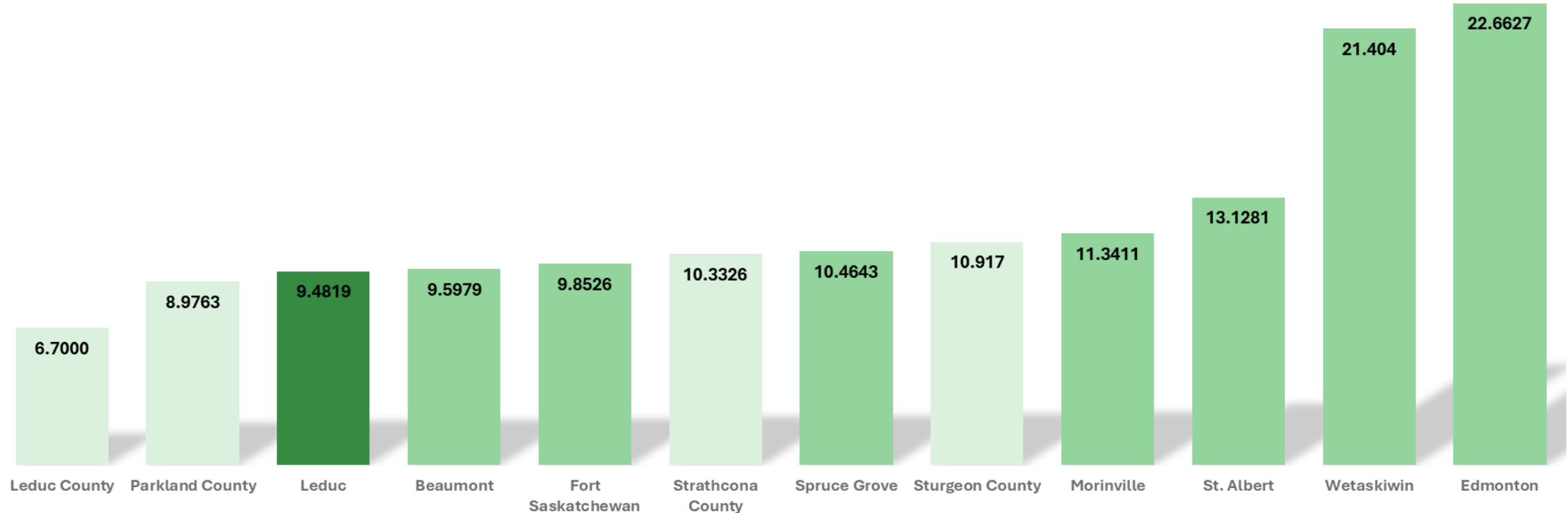
Tax Mitigation Strategies

Residential Mill
rates



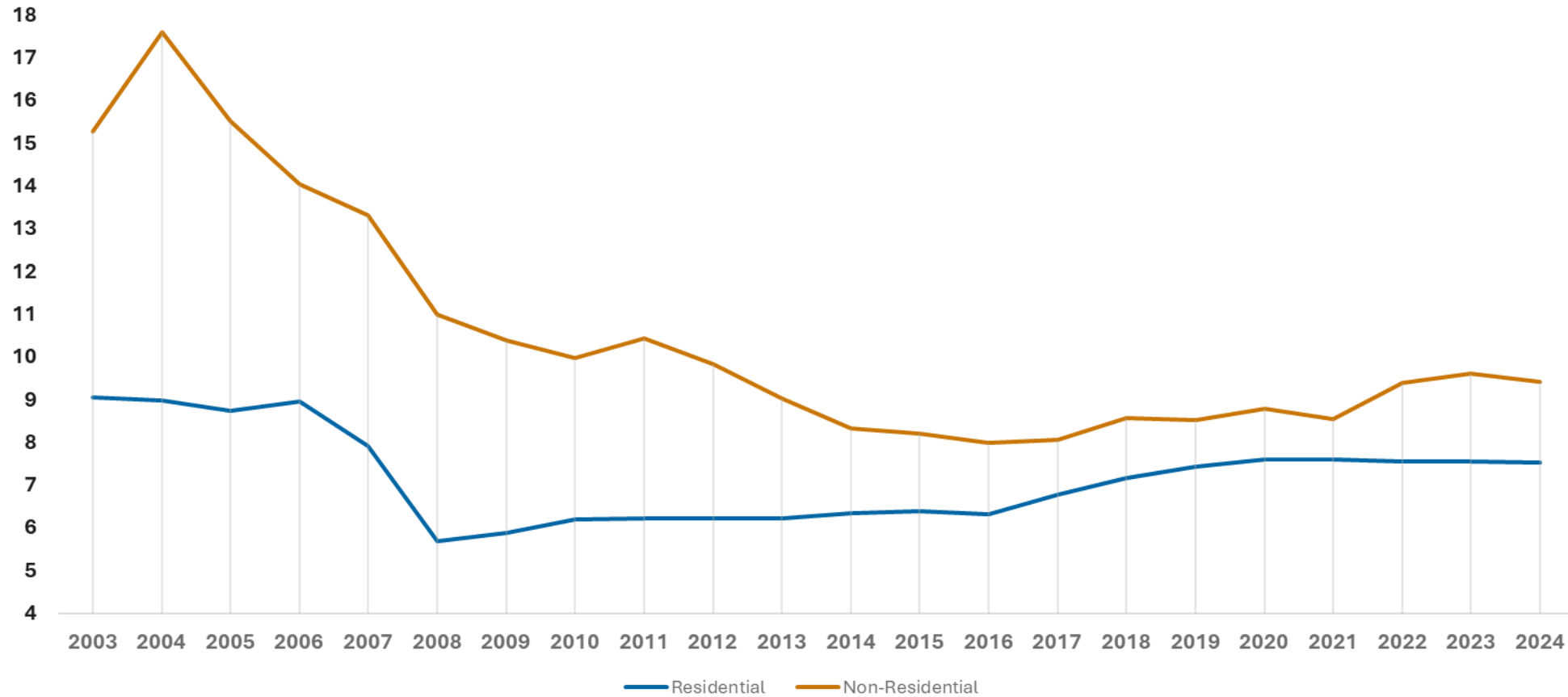
Tax Mitigation Strategies

Non-residential Mill
rates



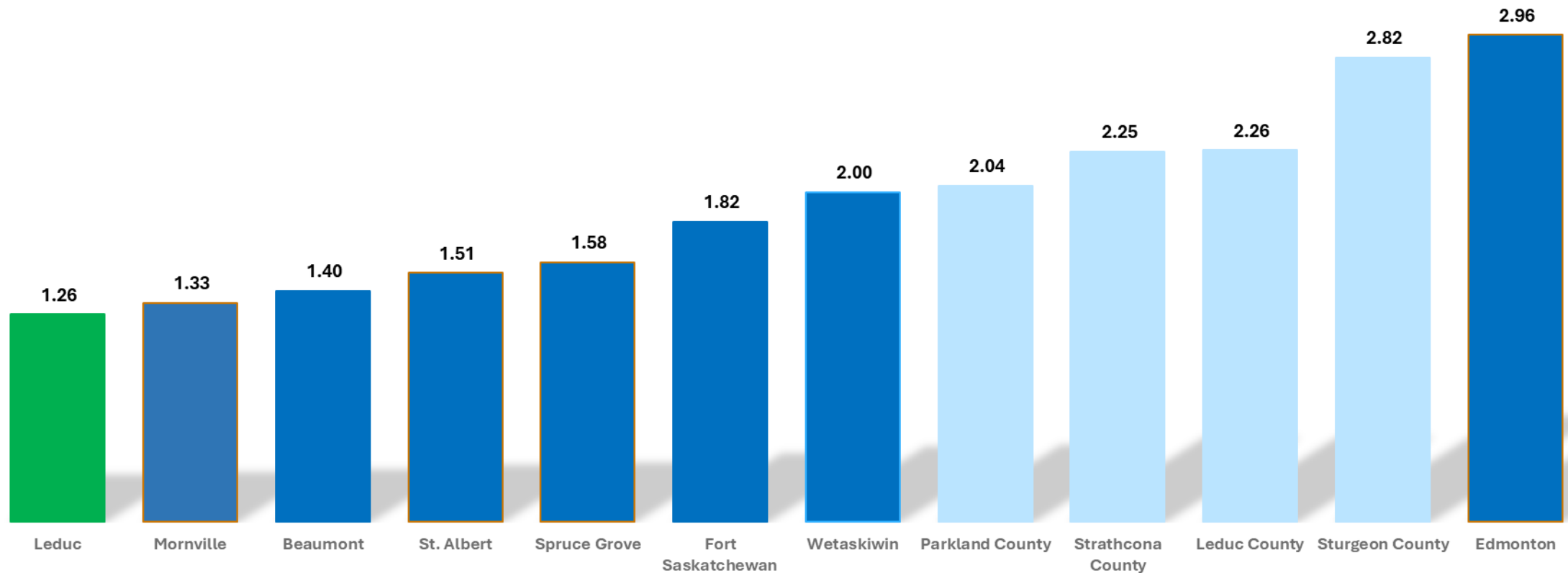
Tax Mitigation Strategies

Leduc Mill Rate: Residential vs Non-Residential



Tax Mitigation Strategies

Tax Ratio



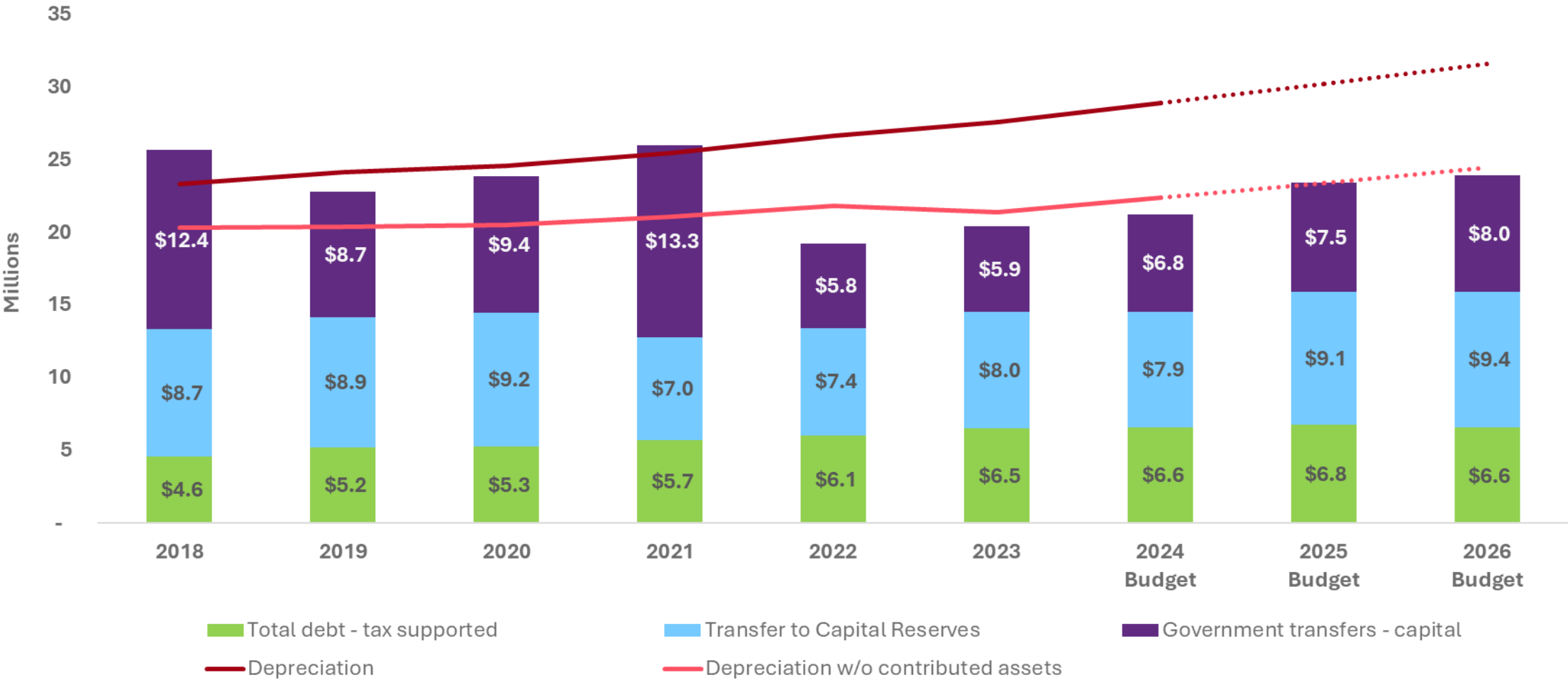
Multi-Year Capital Projects



Years 2024 - 2026



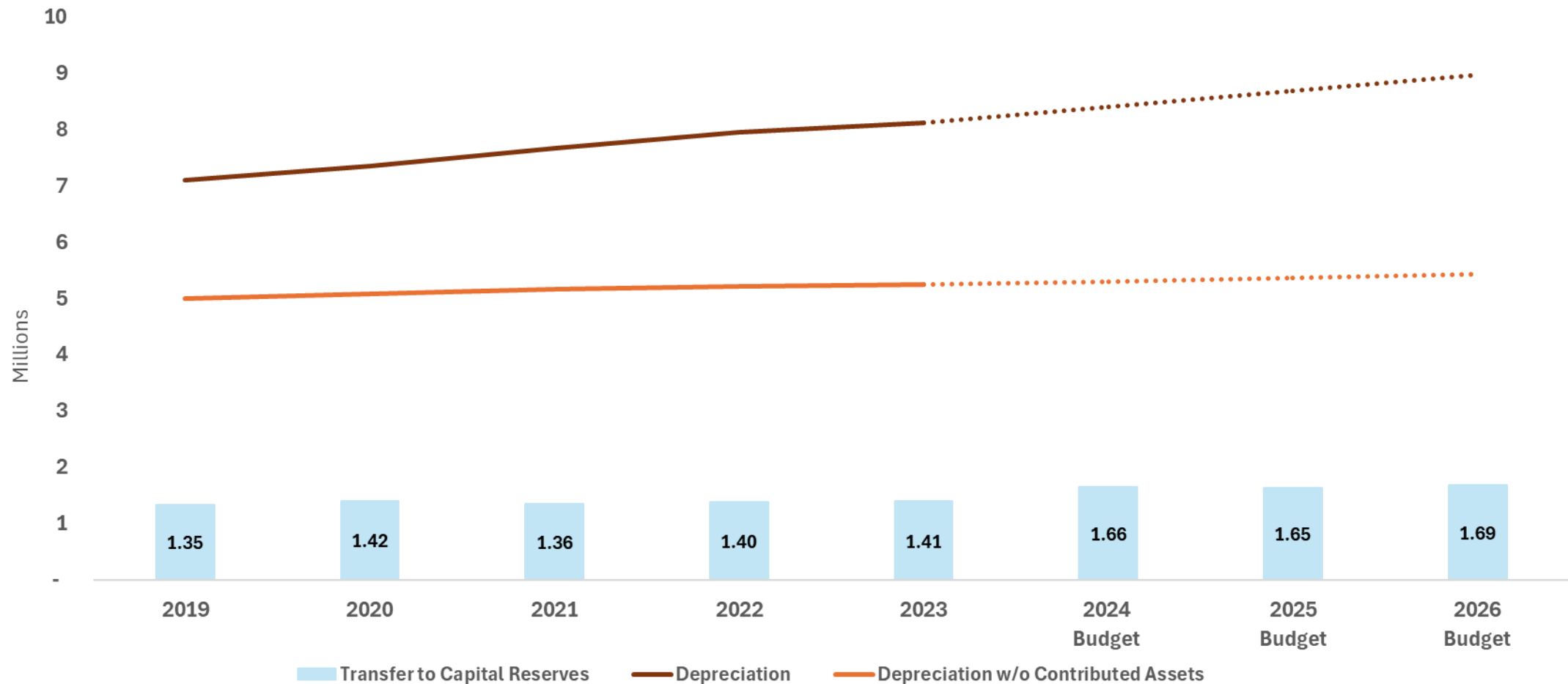
Capital Envelope All Capital



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Capital Envelope Utilities

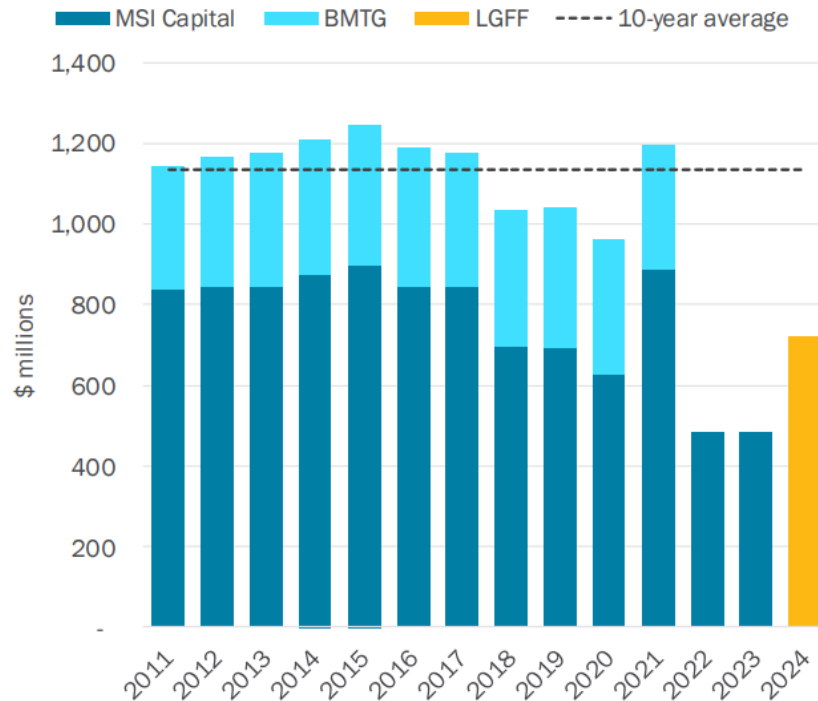


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LGFF Funding - Alberta

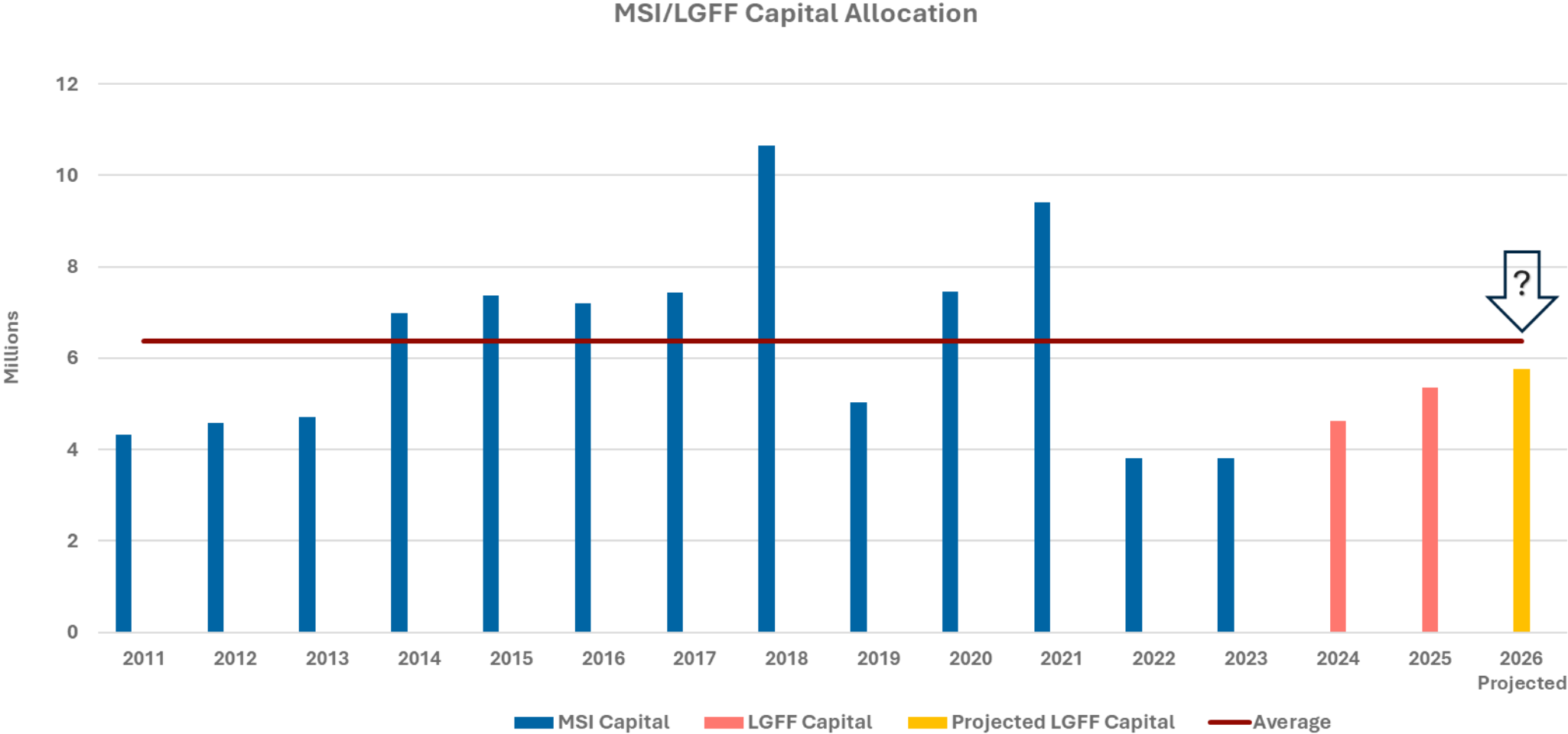
Background: LGFF and MSI Funding Amounts



- In 2024, the Local Government Fiscal Framework (LGFF) will replace the long-standing Municipal Sustainability Initiative (MSI) infrastructure program (note).
- Historically, MSI delivered an average of \$1.1 billion per year. LGFF is planned to start at only \$722 million.
- This represents a 36% cut in community infrastructure funding compared to the historical average.

Note: References to MSI include the MSI Capital program and the Basic Municipal Transportation Grant (BMTG), which was merged with the MSI program in 2014. Both programs will be replaced by LGFF. The 10-year average is calculated based on 2011-2020 funding years before the Government of Alberta front-loaded the 2022 and 2023 funding years in 2021. BMTG is not shown in 2022 and 2023 because the province changed the allocation formula, which eliminated the BMTG component.

LGFF/MSI Funding – City of Leduc History



Next Steps

- Budget Survey Results Released – **June 24**
- Budget Binder released – **October 1**
 - Includes Service Costing packages
- Public Budget Deliberation 1 – **October 21**
- Public Budget Deliberation 2 – **October 28**

Questions

