

2026 OPERATING & CAPITAL BUDGET

Approved by Council on November 18, 2025



Strategic Plan & Priorities

VISION: Vermilion is a thriving regional destination for business, tourism, and modern residential living allowing families or individuals the ability to enjoy diverse, healthy lifestyles filled with recreation opportunities.

MISSION: To promote growth, encourage innovation, and enhance partnerships as an all-service community.

VALUES: Local diversity, safe, family focused community, academic opportunities, active lifestyles and regional leadership.



Governance & Accountability

The Town of Vermilion is governed by an elected Town Council which is comprised of a Mayor and six (6) Councillors. Through the Chief Administrative Officer (CAO), Council for the Town of Vermilion provides governance and leadership to the Town's administration.

Council is the governing body of the municipality and is responsible for setting direction and making policy.

Vision & Policy – *Decide what the municipality will do, not how it will be done.*

- Develop and approve the Town's strategic direction, bylaws and policies.

Budget & Financial Oversight – *Ensure financial accountability and transparency.*

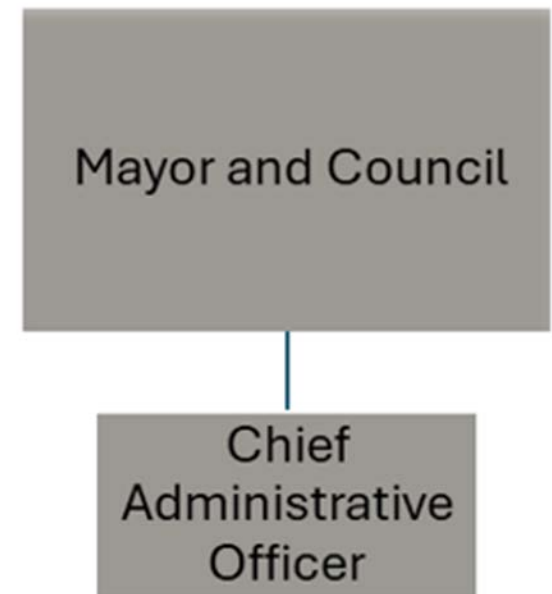
- Approve budgets, property tax rates, and financial plans.

Representation – *Engage with the public and bring community concerns to Council's attention.*

- Represent the interests and values of residents.

Decision-Making – *Individual Councillors have no independent authority outside of scheduled meetings.*

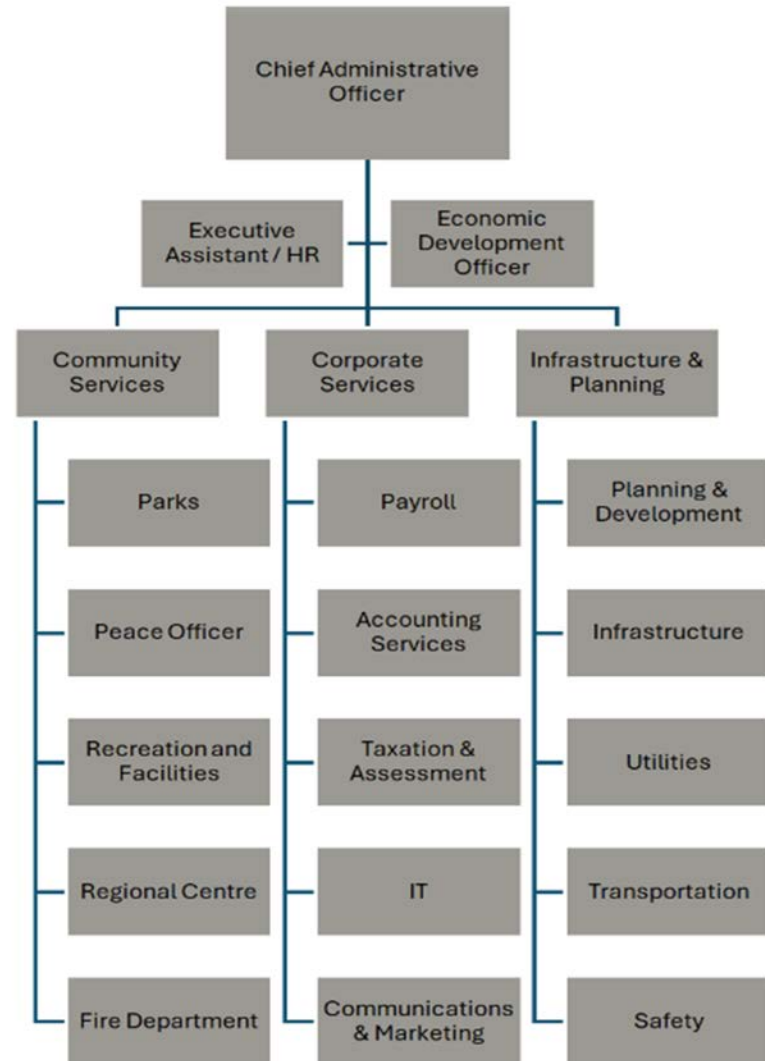
- Make decisions as a collective body at Council meetings.



Governance & Accountability

Council must appoint their one employee – the Chief Administrative Officer.

The Chief Administrative Officer is Council's sole employee and is the administrative head of the municipality. Their responsibilities include ensuring the policies and programs are implemented, advising and informing Council on the operations of the municipality, ensuring appropriate staffing is in place, and performing other duties as required by legislation or as assigned by Council.





Public Consultation

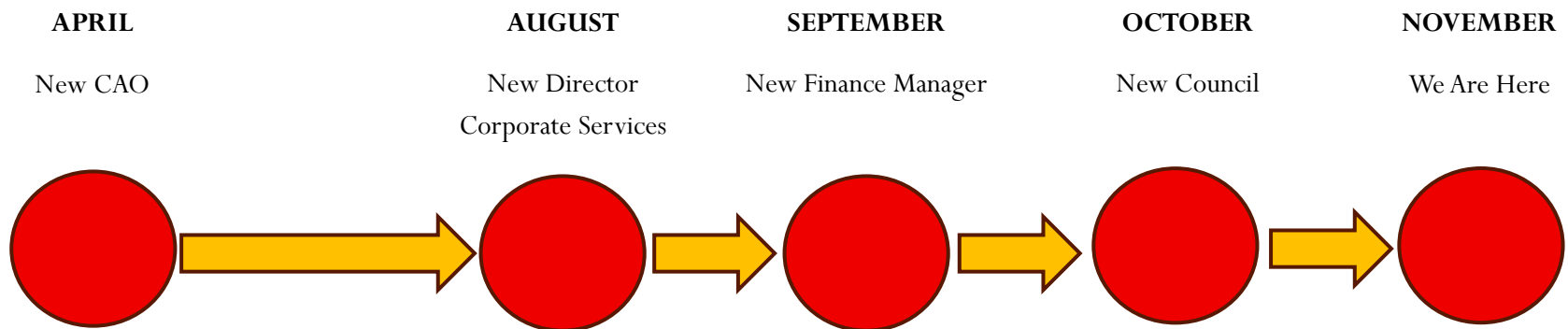
From July 11 to August 11, 2025, residents of the Town of Vermilion participated in an online Municipal Budget Engagement Survey. This initiative aimed to involve the community in the budgetary process, ensuring that 2026 spending priorities aligned with residents' needs and preferences.

Residents and stakeholders were asked to provide their feedback, ideas, and concerns on various aspects of the municipal budget, including key service levels such as Roadway Maintenance, Parks and Green Spaces, Community Services and Programs, Protective Services, Economic Development, and Infrastructure. This engagement follows Council's Strategic Plan which outlines the Town's key priorities to improve the quality of life for its residents.

Major take aways from what we heard:

- Social media and utility bill inserts were the best way of communicating with residents; and
- The majority of respondents want to see funds allocated to reserves for future growth and sustainability, with the understanding that maintaining the current level of service plus reserve contributions would require a small tax increase.

2025 – the beginning of change



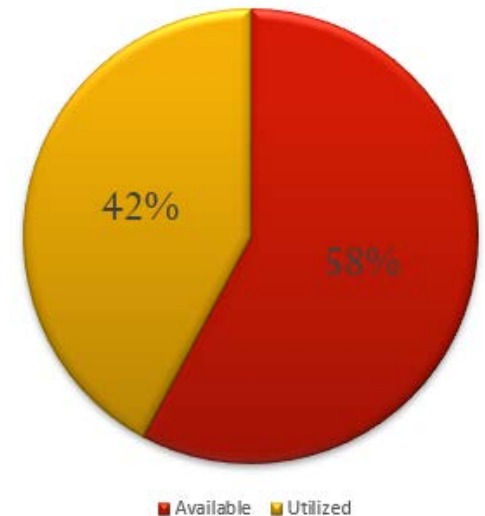
Long Term Debt

Under the *Municipal Government Act* and *Debt Limit Regulation*, municipalities are subject to specific debt limits to ensure fiscal responsibility. A municipality can incur debt up to 1.5 times its annual revenue whereas the maximum amount a municipality can allocate annually for debt servicing (principal and interest payments) is 0.25 times its annual revenue. These legislated limits prevent excessive borrowing and ensure that municipalities can meet their debt obligations without compromising essential services to residents.

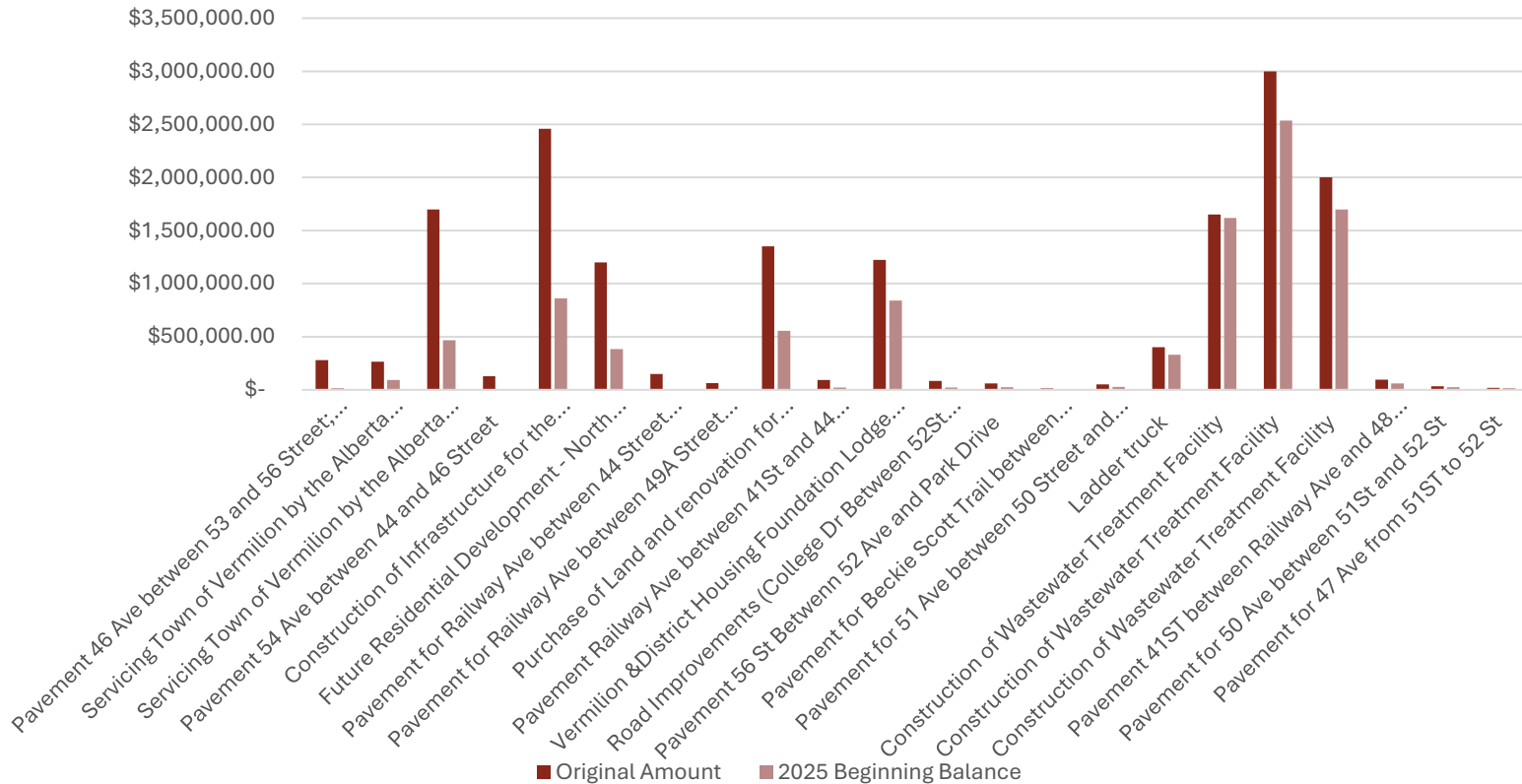
Ideally, the Town of Vermilion would leverage debt to finance large infrastructure projects that benefit the community over the long term and utilize grants and taxation for smaller projects to reduce unnecessary interest payments.

2024 Debt Limit: \$22,799,574

Debt as of January 1, 2025: \$9,615,613.81



Long Term Debt



Project ( = local improvement)	Original Amount	2025 Beginning Balance	Interest Rate	Year Approved	Term (Years)	Year Expires
Pavement 46 Ave between 53 and 56 Street; 53 Street between 45 Ave and College Drive; 53 Ave between 44 Street and 46 Street	\$279,910.10	\$15,203.98	1.779%	2011	10	2025
Servicing Town of Vermilion by the Alberta Central East (ACE) Regional Water System	\$264,478.04	\$92,609.50	3.125%	2011	15	2029
Servicing Town of Vermilion by the Alberta Central East (ACE) Regional Water System	\$1,699,833.65	\$466,034.30	2.959%	2011	15	2028
Pavement 54 Ave between 44 and 46 Street	\$129,425.50	\$7,029.99	1.779%	2012	10	2025
Construction of Infrastructure for the Southside Industrial Future Residential Development - North Brennan	\$2,458,475.94	\$860,859.29	3.125%	2012	15	2029
	\$1,200,000.00	\$384,841.13	3.586%	2013	15	2028
Pavement for Railway Ave between 44 Street and 49A Street 	\$147,801.16	\$8,028.13	1.779%	2014	10	2025
Pavement for Railway Ave between 49A Street and 53 Street	\$64,108.13	\$3,482.31	1.779%	2014	10	2025
Purchase of Land and renovation for Protective Services	\$1,350,000.00	\$555,866.52	2.569%	2015	15	2030
Pavement Railway Ave between 41St and 44 St / 51St between 50 Ave and 51 Ave / 44St between Railway Ave and 47 Ave 	\$93,375.16	\$20,420.45	2.299%	2015	10	2026
Vermilion & District Housing Foundation Lodge Expansion	\$1,225,000.00	\$840,781.92	2.711%	2015	20	2037
Road Improvements (College Dr Between 52 St and 56 St)	\$82,299.81	\$22,020.42	2.277%	2016	10	2027
Pavement 56 St Between 52 Ave and Park Drive 	\$61,212.08	\$23,417.41	2.847%	2017	10	2028
Pavement for Beckie Scott Trail between College Drive and Provincial Park 	\$12,500.16	\$7,141.00	1.733%	2018	10	2030
Pavement for 51 Ave between 50 Street and 52 Street 	\$50,040.58	\$28,586.80	1.733%	2018	10	2030
Ladder truck	\$400,000.00	\$329,434.46	2.040%	2019	15	2036
Construction of Wastewater Treatment Facility	\$1,650,000.00	\$1,617,760.25	5.430%	2019	25	2048
Construction of Wastewater Treatment Facility	\$3,000,000.00	\$2,535,035.39	2.420%	2019	25	2044
Construction of Wastewater Treatment Facility	\$2,000,000.00	\$1,699,224.40	2.691%	2019	25	2044
Pavement 41ST between Railway Ave and 48 Ave; 48 Ave between 40St and 41St; 40St between 48Ave and 52 Ave	\$94,900.00	\$58,538.67	1.416%	2020	10	2030
Pavement for 50 Ave between 51St and 52 St 	\$33,115.00	\$24,144.56	2.850%	2020	10	2031
Pavement for 47 Ave from 51St to 52 St 	\$19,141.00	\$15,152.93	4.690%	2020	10	9 2032

2026 Debenture Pre-Payments

Council approved the prepayment of six (6) debentures in 2026. Accordingly, the Town will prepay all debentures shaded in light grey as outlined below. These were chosen as they are smaller amounts (balances under \$20,000 at the end of 2025) and expire in the next few years. The penalty to pay off the loans early is \$711.78 (only one loan had a penalty – 47 Ave between 51 St & 52 St), and the Town will save \$7,639.73 in interest payments over the years by paying them off early. While it decreases the amount of loans on the Town's books, these are smaller amounts and therefore the Town will still have a similar overall debt limit of 42%. Please note, as these are local improvement levies, the affected residents will still be charged for the associated local improvement levy, but the funds will be put into the road reserve as opposed to the loan repayment. The total approximate cost of the payout is \$98,000 – subject to daily interest cost fluctuations based on the actual date the payout is made.

Project	Original Amount	2025 Beginning Balance	Interest Rate	Year Approved	Term (Years)	Year Expires
Road Improvements (College Dr Between 52 St and 56 St)	\$82,299.81	\$22,020.42	2.277%	2016	10	2027
Pavement 56 St Between 52 Ave and Park Drive	\$61,212.08	\$23,417.41	2.847%	2017	10	2028
Pavement for Beckie Scott Trail between College Drive and Provincial Park	\$12,500.16	\$7,141.00	1.733%	2018	10	2030
Pavement for 51 Ave between 50 Street and 52 Street	\$50,040.58	\$28,586.80	1.733%	2018	10	2030
Pavement for 50 Ave between 51St and 52 St	\$33,115.00	\$24,144.56	2.850%	2020	10	2031
Pavement for 47 Ave from 51St to 52 St	\$19,141.00	\$15,152.93	4.690%	2020	10	2032

Financial Reserves

Municipal financial reserves are an effective tool to support municipal asset management planning, as it allows for funds to be set aside to manage assets through their lifecycle. Reserves are not a measure of wealth, but rather a planning tool to finance capital projects and prepare for emergent situations.

Administration is developing a Financial Reserves Policy that will be brought forward before the end of the year. This new policy will support and assist with long term financial stability and financial planning for the Town by establishing:

- Reserve creation, closure & amendments procedures
- Reserve transaction parameters

Due to the significant reduction in operating expenses, the 2026 proposed budget includes the following (approximate) reserve transactions, representing roughly 5.6% of the overall operating budget:

Transfer Out of Reserve(s): \$0.00

Transfer Into Reserve(s): \$906,977



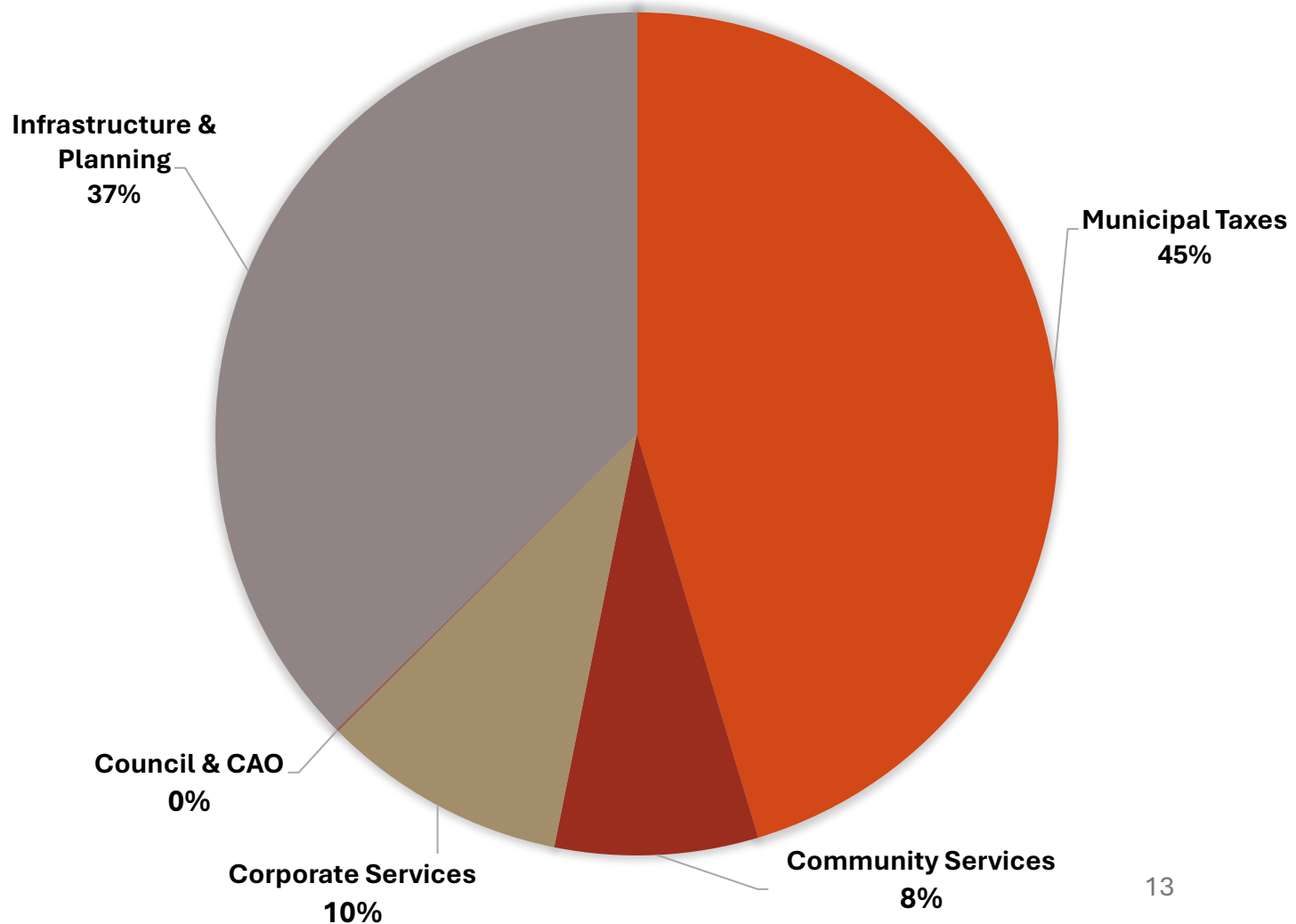
Operating Budget - Revenue

(Revenues) ↑

Expenditures ↓

Operating Sources of Funds	2025	2026
	Approved Budget	Proposed Budget
Municipal Taxes	(9,132,000)	(8,530,860)
Requisitions	1,870,097	1,982,751
Net Municipal Taxes	(7,261,903)	(6,548,109)
Community Services	(1,093,465)	(1,124,897)
Corporate Services	(368,000)	(1,355,938)
Council & CAO	(64,324)	(14,724)
Infrastructure & Planning	(5,542,680)	(5,394,750)
Total Revenue Funding Sources	(7,068,469)	(7,890,309)
Total Funds Available	(14,330,372)	(14,438,418)

Revenues by Category



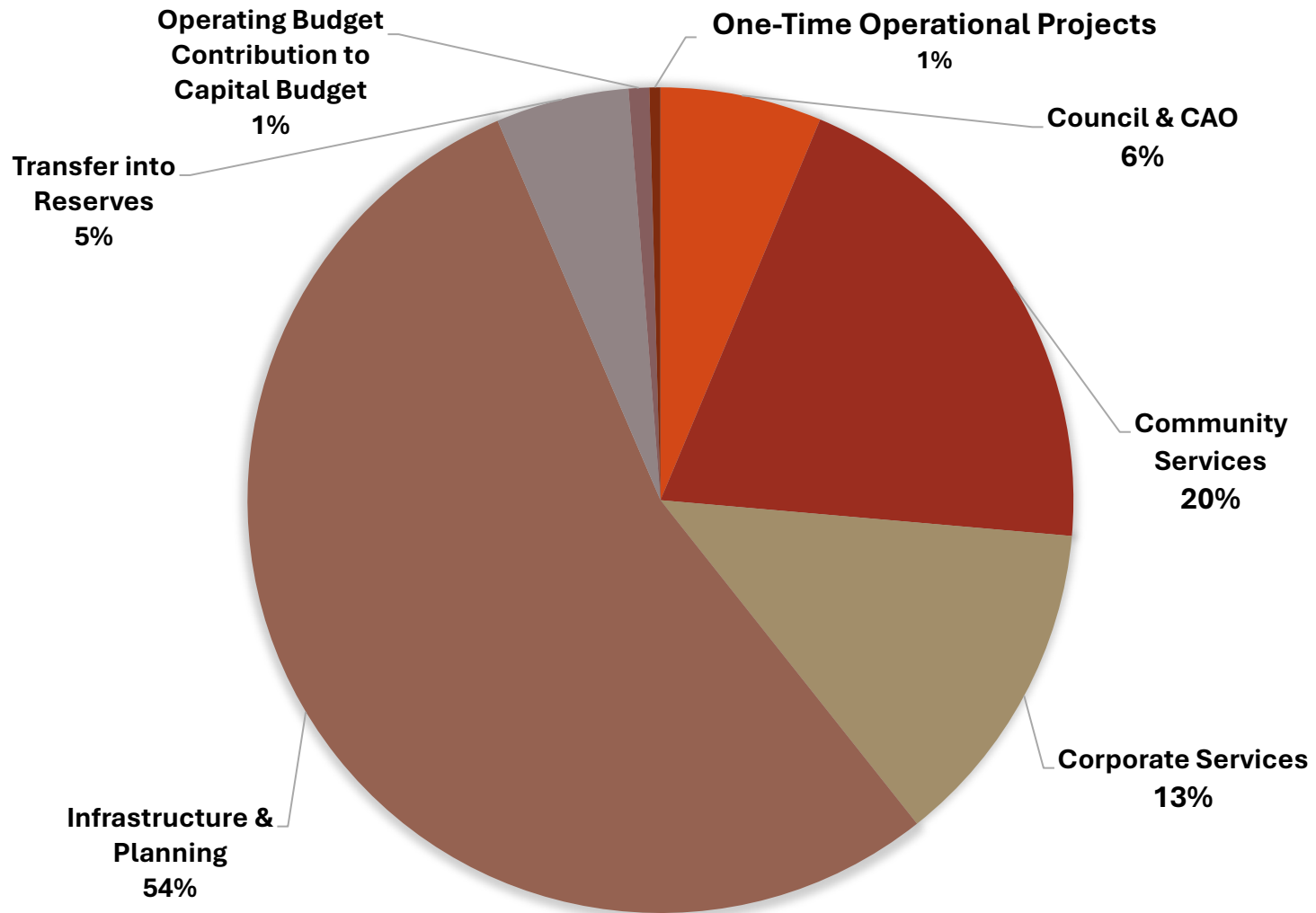
Operating Budget - Expenditures

(Revenues) 

Expenditures 

	2025 Approved Budget	2026 Proposed Budget
Operating Expenses by Department		
Community Services	3,873,706	3,488,711
Corporate Services	1,830,709	2,251,444
Council & CAO	1,405,582	1,099,105
Infrastructure & Planning	10,313,973	9,427,612
One-Time Operational Projects		75,000
Total Operating Expenditures	17,423,970	16,341,873
Less: Non-Cash Amortization	(2,950,432)	(2,950,432)
Transfer to Reserves		906,977
Operating Budget Contribution to Capital Budget		140,000
Total Expenditures Less Amortization	14,473,538	14,438,418

Expenses by Category



Council & CAO Budget Summary

	2025 Approved Budget	2026 Proposed Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
(Revenues)	(64,324)	(14,724)	(15,092)	(15,469)	(15,856)
Expenses	1,405,582	1,099,105	1,126,583	1,154,747	1,183,616
Net	1,341,258	1,084,381	1,111,490	1,139,278	1,167,760
Remove Non-Cash Items (amortization)	(4,656)	(4,656)	(4,772)	(4,892)	(5,014)
Taxation Needs	1,336,602	1,079,725	1,106,718	1,134,386	1,162,746

Council & CAO Budget Details

	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Economic Development Revenues	(64,324)	(14,724)	- 49,600	(15,092)	(15,469)	(15,856)
Total Revenues	(64,324)	(14,724)	- 49,600	(15,092)	(15,469)	(15,856)
Expenses						
Personnel	753,861	774,779	+ 20,918	794,148	814,002	834,352
General Services	293,300	303,450	+ 10,150	311,036	318,812	326,782
Contracted Services	600	0	- 600	0	0	0
Utilities	15,700	16,220	+ 520	16,626	17,041	17,467
Debentures, Interest, Amortization	342,121	4,656	- 337,465	4,772	4,892	5,014
Total Expenses	1,405,582	1,099,105	- 306,477	1,126,582	1,154,747	1,183,615
Total (Net)	1,341,258	1,084,381	- 256,877	1,111,490	1,139,278	1,167,760

General Government Budget Summary

	2025	2026	2027	2028	2029
	Approved	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget
(Revenues)	(9,132,000)	(8,530,860)	(8,722,607)	(8,940,672)	(9,164,188)
Expenses	1,870,097	1,982,751	2,032,320	2,083,128	2,135,206
Taxation Needs	(7,261,903)	(6,548,109)	(6,690,286)	(6,857,544)	(7,028,982)

General Government Budget Details

	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Residential Taxes	(4,926,000)	(5,045,520)	+ 119,520	(5,150,133)	(5,278,886)	(5,410,858)
Farmland Taxes	(1,000)	(1,020)	+ 20	(1,046)	(1,072)	(1,098)
Commercial Taxes	(1,701,000)	(1,735,020)	+ 34,020	(1,778,396)	(1,822,855)	(1,868,427)
Industrial Taxes	(1,131,000)	(1,153,620)	+ 22,620	(1,182,461)	(1,212,022)	(1,242,323)
Machinery & Equipment Taxes	(23,000)	(23,460)	+ 460	(24,047)	(24,648)	(25,264)
Linear & Other Taxes	(501,000)	(511,020)	+ 10,020	(523,796)	(536,890)	(550,313)
Provincial Transfers	(41,000)	0	- 41,000	0	0	0
Penalties & Charges	(60,000)	(61,200)	+ 1,200	(62,730)	(64,298)	(65,906)
Total Revenues	(8,384,000)	(8,530,860)	+ 146,860	(8,722,609)	(8,940,671)	(9,164,189)
Expenses						
Alberta School Requisitions	1,640,097	1,672,899	+ 32,802	1,714,721	1,757,589	1,801,529
Vermilion & District Housing Foundation Requisition	228,000	307,852	+ 79,852	315,549	323,437	331,523
Designated Industrial Property Requisition	2,000	2,000	0	2,050	2,101	2,154
Total Expenses	1,870,097	1,982,751	+ 112,654	2,032,320	2,083,127	2,135,206
Total (Net)	6,513,903	6,548,109	+ 34,206	6,690,286	6,857,544	7,028,982

Corporate Services Budget Summary

	2025 Approved Budget	2026 Proposed Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
(Revenues)	(368,000)	(1,355,938)	(1,385,911)	(1,416,634)	(1,448,125)
Expenses	1,830,709	2,251,444	2,305,737	2,361,386	2,418,427
Net	1,462,709	895,506	919,825	944,752	970,302
Remove Non-Cash Items (amortization)	(142,416)	(142,416)	(145,976)	(149,625)	(153,366)
Taxation Needs	1,320,293	753,090	773,849	795,126	816,936

Corporate Services Budget Details

	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Government Transfers	(80,000)	(162,588)	+82,588	(166,652)	(170,819)	(175,089)
Atco Franchise Fees	(0)	(805,000)	+805,000	(825,125)	(845,752)	(866,896)
Medical Clinic Rent	(100,000)	(157,000)	+57,000	(157,000)	(157,000)	(157,000)
Physician Retention Contributions	(30,000)	(20,000)	-10,000	(20,500)	(21,012)	(21,537)
User Fees	(58,000)	(109,350)	+51,350	(112,084)	(114,886)	(117,758)
Interest Income	(100,000)	(102,000)	+2,000	(104,550)	(107,164)	(109,843)
Total Revenues	(368,000)	(1,355,938)	+ 987,938	(1,385,911)	(1,416,633)	(1,448,123)
Expenses						
Personnel	719,293	882,886	+163,593	904,958	927,582	950,772
General Services	398,000	754,050	+356,050	772,901	792,224	812,030
Contracted Services	56,000	60,200	+4,200	61,705	63,248	64,829
Utilities	51,000	56,340	+5,340	57,749	59,192	60,672
Library Contribution	290,000	275,800	-14,200	282,695	289,762	297,006
Debenture Debt(s) Principal, Interest & Amortization	222,416	222,168	-248	225,729	229,379	233,117
Reserve Transfers	94,000	0	-94,000	0	0	0
Total Expenses	1,830,709	2,251,444	+ 420,735	2,305,737	2,361,387	2,418,426
Total (Net)	1,462,709	895,506	-567,203	919,825	944,752	970,302

Community Services Budget Summary

	2025 Approved Budget	2026 Proposed Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
(Revenues)	(1,093,465)	(1,124,897)	(1,153,019)	(1,181,845)	(1,211,391)
Expenses	3,873,706	3,488,711	3,575,929	3,665,327	3,756,960
Net	2,780,241	2,363,814	2,422,910	2,483,482	2,545,569
Remove Non-Cash Items (amortization)	(542,017)	(542,017)	(555,567)	(569,456)	(583,693)
Taxation Needs	2,238,224	1,821,797	1,867,342	1,914,026	1,961,876

Community Services Budget Details

Protective Services	2025 BUDGET	2026 PROPOSED BUDGET	+/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Facility Rent	(36,000)	(36,000)	0	(36,900)	(37,823)	(38,768)
Fines	(6,0000)	(6,0000)	0	(6,150)	(6,304)	(6,461)
Permits & Licenses	(5,000)	(200)	-4,800	(205)	(210)	(215)
Grant Funding	(12,000)	0	-12,000	0	0	0
Total Revenues	(59,000)	(42,200)	- 16,800	(43,255)	(44,337)	(45,444)
Expenses						
Personnel	117,331	123,770	+6,439	126,864	130,036	133,287
General Services	62,450	68,250	+5,800	69,957	71,705	73,498
Contracted Services	203,500	232,839	+29,339	238,660	244,626	250,741
Utilities	25,900	27,000	+1,100	27,675	28,367	29,076
Debenture Debt(s) Principal, Interest & Amortization	123,201	123,201	0	126,281	129,439	132,674
Total Expenses	532,382	575,060	+ 42,678	589,437	604,173	619,276
Subtotal (Net)	473,382	532,860	+ 59,478	546,182	559,836	573,832

Community Services Budget Details

Parks & Recreation	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Revenue (Municipal Contribution, Facility Rent, Program Fees)	(653,500)	(674,500)	+21,000	(691,363)	(708,647)	(726,363)
Total Revenues	(653,500)	(674,500)	+ 21,000	(691,363)	(708,647)	(726,363)
Expenses						
Personnel	1,026,885	1,019,282	-7,603	1,044,764	1,070,883	1,097,655
General Services	158,300	193,400	+35,100	198,235	203,191	208,271
Contracted Services	51,250	57,500	+6,250	58,938	60,411	61,921
Utilities	239,800	252,300	+12,500	258,608	265,073	271,700
Debenture Debt(s) Principal, Interest & Amortization	266,002	266,002	0	272,652	279,468	286,455
Reserve Transfer	123,000	0	-123,000	0	0	0
Total Expenses	1,865,237	1,788,484	- 76,753	1,833,197	1,879,026	1,926,002
Subtotal (Net)	1,211,737	1,113,984	-97,753	1,141,834	1,170,378	1,199,639

Community Services Budget Details

Fire	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Transfers & Permits	(101,000)	(120,100)	+19,100	(123,103)	(126,180)	(129,335)
Total Revenues	(101,000)	(120,100)	+ 19,100	(123,103)	(126,180)	(129,335)
Expenses						
Personnel	150,000	145,915	-4,085	149,563	153,302	157,134
General Services	104,000	104,700	+700	107,318	110,000	112,750
Contracted Services	30,000	35,000	+5,000	35,875	36,772	37,691
Utilities	19,500	20,000	+500	20,500	21,013	21,538
Debenture Debt(s) Principal, Interest & Amortization	247,358	147,796	-99,562	151,491	155,278	159,160
Reserve Transfer	300,000	0	-300,000	0	0	0
Total Expenses	850,858	453,411	- 397,447	464,747	476,365	488,273
Subtotal (Net)	749,858	333,311	-416,547	341,644	350,184	358,939

Community Services Budget Details

Community Services	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Grant Funds	(167,215)	(178,097)	+10,882	(182,549)	(187,113)	(191,791)
Cemetery Revenue	(45,750)	(48,000)	+2,250	(49,200)	(50,430)	(51,691)
Regional Center Revenue	(67,000)	(72,000)	+5,000	(73,800)	(75,645)	(77,536)
Total Revenues	(279,965)	(298,097)	+ 18,132	(305,549)	(313,188)	(321,018)
Expenses						
Personnel	330,526	385,078	+54,552	394,705	404,572	414,687
General Services	63,775	63,550	-225	65,139	66,767	68,437
Contracted Services	13,500	16,000	+2,500	16,400	16,810	17,230
Utilities	72,300	72,000	-300	73,800	75,645	77,536
Debenture Debt(s) Principal, Interest & Amortization	145,128	145,128	0	148,756	152,475	156,287
Total Expenses	625,229	681,756	+ 56,527	698,800	716,269	734,177
Subtotal (Net)	345,264	383,659	38,395	393,250	403,081	413,159
Total (Net)	2,780,241	2,363,814	-416,427	2,422,911	2,483,478	2,545,569

Infrastructure & Planning Budget Summary

	2025 Approved Budget	2026 Proposed Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
(Revenues)	(5,542,680)	(5,394,750)	(5,524,969)	(5,658,443)	(5,795,254)
Expenses	10,313,973	9,427,612	9,572,474	9,794,927	9,820,286
Net	4,771,293	4,032,862	4,047,506	4,136,484	4,025,032
Remove Non-Cash Items (amortization)	(2,261,343)	(2,261,343)	(2,317,877)	(2,375,823)	(2,435,219)
Taxation Needs	2,509,950	1,771,519	1,729,629	1,760,660	1,589,813

Infrastructure & Planning Budget Details

Planning & Development & Safety	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Planning & Development Revenues	(12,000)	(20,000)	+ 8,000	(20,500)	(21,013)	(21,538)
Total Revenues	(12,000)	(20,000)	+ 8,000	(20,500)	(21,013)	(21,538)
Expenses						
Personnel	124,136	131,609	+ 7,473	134,899	138,272	141,729
General Services	48,650	47,050	- 1,600	48,226	49,432	50,668
Debentures, Interest, Amortization	219,547	310,690	+ 91,143	310,690	310,690	103,278
Total Expenses	392,333	489,349	+ 97,016	493,815	498,394	295,675
Subtotal (Net)	380,333	469,349	+ 89,016	473,315	477,382	274,137

Infrastructure & Planning Budget Details

Public Works	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Local Improvement Charges & Sale of Consumables	(220,000)	(186,000)	-34,000	(186,000)	(186,000)	(186,000)
Total Revenues	(220,000)	(186,000)	- 34,000	(186,000)	(186,000)	(186,000)
Expenses						
Personnel	686,621	625,640	- 60,981	641,281	657,313	673,746
General Services	320,450	310,250	- 10,200	318,006	325,956	334,105
Contracted Services	105,500	102,000	- 3,500	104,550	107,164	109,843
Utilities	434,200	425,000	-9,200	435,625	446,516	457,679
Debentures, Interest, Amortization	1,539,241	1,272,376	- 266,865	1,287,875	1,311,104	1,339,673
Total Expenses	3,086,012	2,735,266	- 350,746	2,787,337	2,848,053	2,915,046
Subtotal (Net)	2,866,012	2,549,266	-316,745	2,601,337	2,662,053	2,729,046

Infrastructure & Planning Budget Details

Airport	2025 BUDGET	2026 PROPOSED BUDGET	+/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Facility Rent & Land Leases	(19,500)	(15,750)	- 3,750	(16,144)	(16,547)	(16,961)
Total Revenues	(19,500)	(15,750)	- 3,750	(16,144)	(16,547)	(16,961)
Expenses						
Personnel	66,357	67,372	+ 1,015	69,057	70,783	72,553
General Services	7,900	6,450	- 1,450	6,611	6,777	6,946
Contracted Services	1,002	75,800	+ 74,798	10,945	11,094	11,246
Utilities	14,000	14,000	0	14,350	14,709	15,076
Debentures, Interest, Amortization	22,989	22,989	0	23,564	24,153	24,757
Total Expenses	112,248	186,611	+ 74,363	124,527	127,516	130,578
Subtotal (Net)	92,748	170,861	+ 78,113	108,383	110,969	113,617

Infrastructure & Planning Budget Details

Water, Sewer, Stormwater, Waste	2025 BUDGET	2026 PROPOSED BUDGET	VARIANCE +/-	2027 PROPOSED BUDGET	2028 PROPOSED BUDGET	2029 PROPOSED BUDGET
(Revenues)						
Sale of Services/Consumables & Penalties	(5,224,000)	(5,173,000)	- 51,000	(5,302,325)	(5,434,883)	(5,570,755)
Total Revenues	(5,224,000)	(5,173,000)	- 51,000	(5,302,325)	(5,434,883)	(5,570,755)
Expenses						
Personnel	824,747	793,756	- 30,991	813,600	833,940	854,789
General Services	920,000	907,323	- 12,677	930,006	953,256	977,088
Contracted Services	82,500	92,500	+ 10,000	94,813	97,183	99,612
Utilities	2,576,450	2,651,000	+ 74,550	2,717,275	2,785,207	2,854,837
Debentures, Interest, Amortization	2,252,503	1,571,805	- 680,698	1,611,101	1,651,378	1,692,663
Total Expenses	6,656,200	6,016,384	- 639,816	6,166,795	6,320,964	6,478,989
Subtotal (Net)	1,432,200	843,385	- 588,815	864,469	886,081	908,233
Total (Net)	4,771,293	4,032,862	-738,431	4,047,506	4,136,484	4,025,032

Requisitions & Third-Party Contributions

	2026 Proposed Budget
Requisitions	
Education Taxes	1,672,899
Library	275,800
Vermilion & District Housing Foundation	307,852
Requisitions	2,256,551

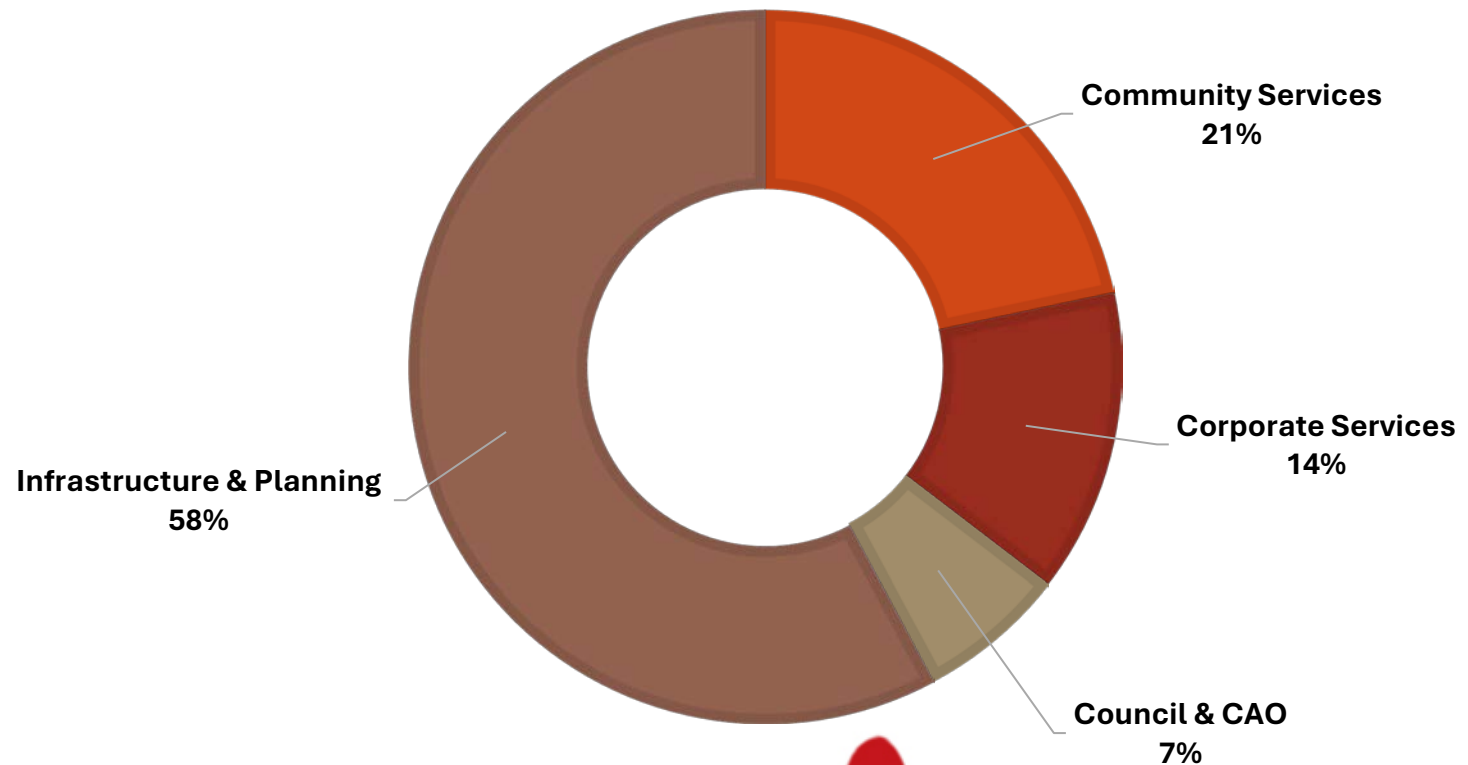
Third-Party Contributions	
Police Funding Model	225,339
Vermilion River Regional Waste Authority	355,623
Good Life Institute Operating Grant	25,000
Physician Retention Operating Grant	23,000
Third-Party Contributions	628,962
Total	2,885,513

Operating Summary By Department

	2025	2026	2027	2028	2029
Operating Sources of Funds	Approved Budget	Proposed Budget	Approved Budget	Proposed Budget	Proposed Budget
Municipal Taxes	(9,132,000)	(8,530,860)	(8,722,606)	(8,940,672)	(9,164,188)
Requisitions	1,870,097	1,982,751	2,032,320	2,083,128	2,135,206
Net Municipal Taxes	(7,261,903)	(6,548,109)	(6,690,286)	(6,857,544)	(7,028,982)
Community Services	(1,093,465)	(1,124,897)	(1,153,019)	(1,181,845)	(1,211,319)
Corporate Services	(368,000)	(1,355,938)	(1,385,911)	(1,416,634)	(1,448,125)
Council & CAO	(64,324)	(14,724)	(15,092)	(15,469)	(15,856)
Infrastructure & Planning	(5,538,680)	(5,394,750)	(5,524,969)	(5,658,443)	(5,795,254)
Total Revenue Funding Sources	(7,064,469)	(7,890,309)	(8,078,992)	(8,272,392)	(8,470,626)
Transfer from Reserves	0	0	0	0	0
Total Funds Available	(14,326,372)	(14,438,418)	(14,769,278)	(15,129,935)	(15,499,609)

Operating Expenses by Department					
Community Services	3,873,706	3,488,711	3,575,929	3,665,327	3,756,960
Corporate Services	1,830,709	2,251,444	2,305,737	2,361,386	2,418,427
Council & CAO	1,405,582	1,099,105	1,126,583	1,154,747	1,183,616
Infrastructure & Planning	10,313,973	9,427,612	9,572,474	9,794,927	9,820,286
One-Time Operational Projects	0	75,000	0	0	0
Total Operating Expenditures	17,423,970	16,341,873	16,580,723	16,976,387	17,179,279
Transfer to Reserves	0	906,977	1,212,748	1,253,345	1,497,612
Operating Budget Contribution to Capital Budget	0	140,000	0	0	0
Total Non-Operational Expenditures	0	1,046,977	1,212,748	1,253,345	1,497,612
Total Expenditures	17,423,970	17,388,850	17,793,471	18,229,732	18,676,901
Less: Non-Cash Amortization	(2,950,432)	(2,950,432)	(3,024,193)	(3,099,798)	(3,177,293)
Total Expenditures Less Amortization	14,473,538	14,438,418	14,769,278	15,129,935	15,499,609

Operating Budget by Department





Capital Budget

The capital budget represents the Town's investment in new capital assets, as well as the repair, maintenance and replacement of existing capital assets. This capital budget also reflects a five (5) year capital plan as required by legislation, and to promote long-term financial planning and sustainability.

Generally, capital budgets are funded through a combination of operating contributions, grants, reserves and debt. The 2026 capital budget proposes most projects to be funded by grants. In 2026, the Town's focus is on reserve replenishment strategies.

2026 Capital Budget – Infrastructure & Planning

Project Name	2026
Street Improvement Program	\$675,000
Sidewalk Improvement Program	\$40,000
WWTP Process Blower Replacement	\$35,000
East End Reservoir Electrical Upgrade	\$260,000
Snowblower Replacement	\$240,000
Interceptor Wells	\$25,000
Sanitary Trunk Sewer Main	\$2,250,000
Yellowhead Power	\$75,000

5 Year Capital Budget – Infrastructure & Planning

Project Name	2026	2027	2028	2029	2030	2031
Street Improvement Program	\$675,000	\$700,000	\$700,000	\$725,000	\$725,000	\$750,000
Sidewalk Improvement Program	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
WWTP Blower Replacement	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
East End Reservoir Electrical Upgrade	\$260,000					
Snowblower Replacement	\$240,000					
Interceptor Wells	\$25,000					
Sanitary Trunk Sewer Main	\$2,250,000	\$5,127,000				
Yellowhead Power	\$75,000					
Water Meter Replacements		\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Towable Crack Sealer		\$120,000				
Airport (Transfer Into Reserves)	\$150,000	\$150,000	\$150,000	\$150,000		

2026 Capital Budget – Community Services

Project Name	2026
Tractor with Mower	\$80,000
VRC Screens	\$65,000
VRC Vestibule	\$15,000
Fire Rescue Truck	\$500,000
Fire/Bylaw Radios	\$25,000

5 Year Capital Budget – Community Services

Project Name	2026	2027	2028	2029	2030	2031
Tractor with Mower	\$80,000					
VRC Vestibule	\$15,000					
Fire Rescue Truck	\$500,000	\$750,000				
Fire/Bylaw Radios	\$25,000	\$20,000	\$20,000	\$20,000	\$20,000	
VRC Screens	\$65,000					
VRC FCSS Office Expansion		\$60,000				
Fire Pumper					\$1,500,000	
Fire Hall					\$500,000	\$3,500,000

2026 Capital Budget – Corporate Services

Project Name	2026
IT Hardware Replacement	\$18,000

5 Year Capital Budget – Corporate Services

Project Name	2026	2027	2028	2029	2030	2031
IT Hardware Replacement	\$18,000	\$90,000	\$33,000	\$25,000	\$7,500	\$12,000

5 Year Capital Budget – Fleet

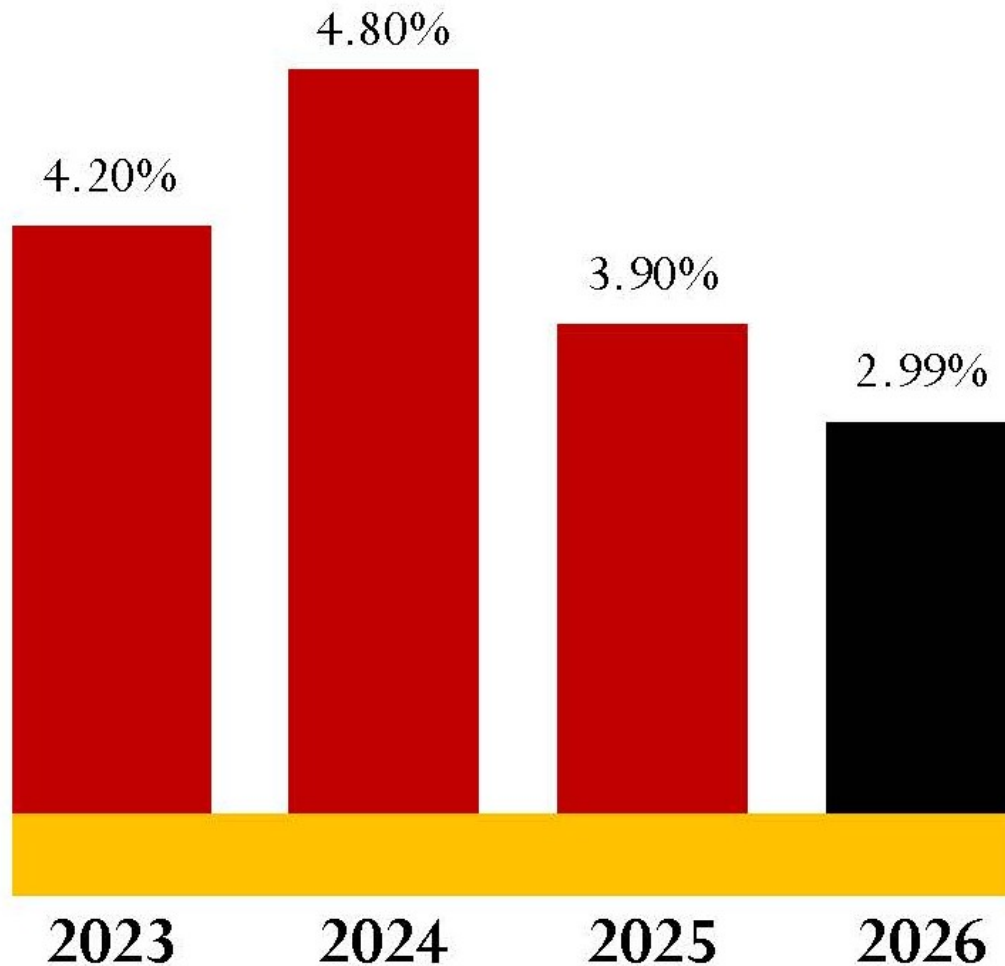
Project Name	2026	2027	2028	2029	2030	2031
Unit 30 (Public Works Vac Truck)		\$330,000				
Unit 54 (Public Works Light Truck)		\$70,000				
Unit 85 (Parks & Rec Light Truck)		\$70,000				
Unit 13 (Utilities Sewer Jet)			\$150,000			
Unit 55 (Parks & Rec Light Truck)			\$70,000			
Unit 68 (Public Works Loader)			\$340,000			
Unit 88 (Bylaw Light Truck)			\$85,000			
Unit 25 (Public Works Mid Truck)				\$170,000		
Unit 72 (Public Works Light Truck with Tilt Deck)				\$130,000		
Unit 74 (Public Works Tandem Truck)				\$220,000		
Unit 90 (Parks & Rec Light Truck)				\$70,000		
Unit 79 (Parks & Rec Skid Steer)					\$92,000	
Unit 84 (Public Works Tandem Truck)					\$220,000	
Unit 73 (Public Works Light Truck)						\$75,000
Unit 80 (Public Works Light Truck)						\$70,000

Capital Budget Summary

	2025	2026
	Approved	Proposed
Capital Sources of Funds	Budget	Budget
Capital Grants	(4,727,500)	(1,913,000)
Operating Funds	0	140,000
Reserves	(1,035,686)	0
Debentures	(2,250,000)	(2,250,000)
Total Funds Available	(8,013,186)	(4,303,000)

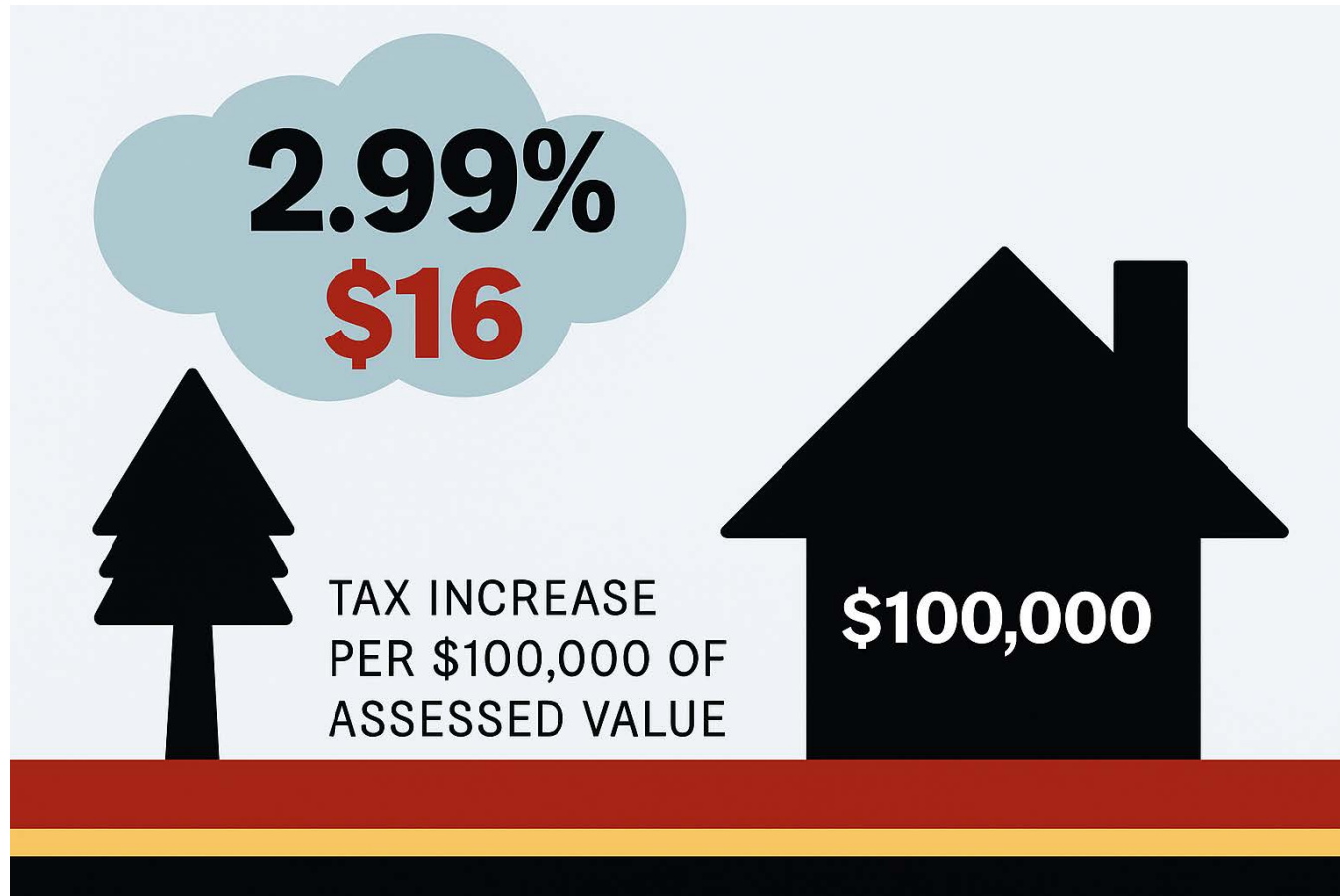
Capital Expenses by Department		
Community Services	273,186	685,000
Corporate Services	0	18,000
Council & CAO	25,000	0
Infrastructure & Planning	7,715,000	3,600,000
Total Capital Expenditures	8,013,186	4,303,000

Overall Tax Implication



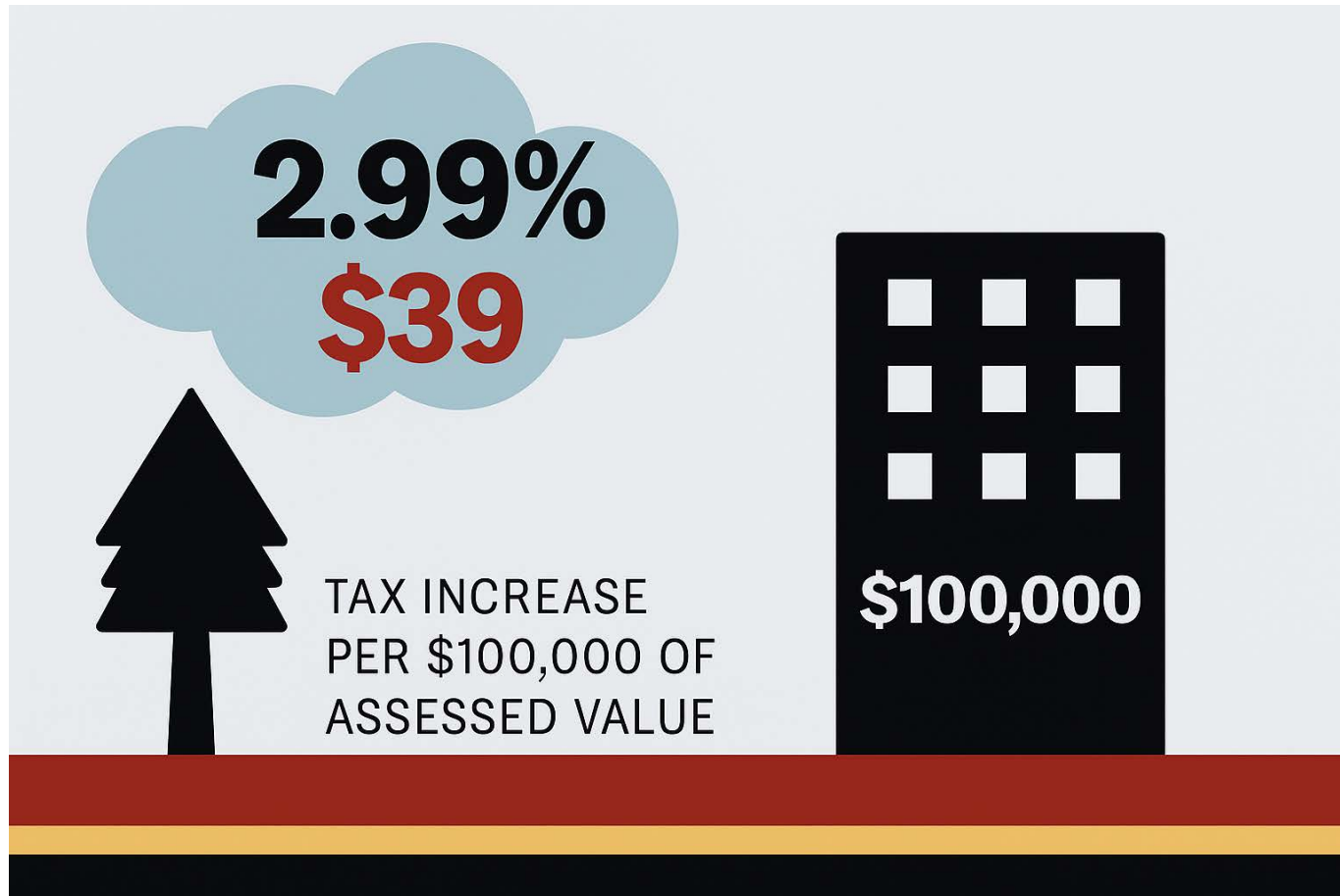
This estimated increase (using current taxable assessment values which are subject to change upon receipt of the 2026 taxable assessment values) is the result of maintained service levels, increased reserve transfers to save for future projects and a reduction in operating expenses. The proposed increase is lower than the last three (3) years. The actual tax rate will be finalized in the spring of 2026 when the mill rate bylaw is brought forward.

Annual Residential Property Tax Implications



Equivalent to approximately \$1.33 per month for every \$100,000 of assessed residential value. For example, if a house is assessed at \$250,000, the increase would be approximately \$3.33 per month. Comparatively, a house assessed at \$400,000 would see an increase of approximately \$5.33 per month.

Annual Commercial Property Tax Implications



Equivalent to approximately \$3.25 per month for every \$100,000 of assessed residential value.
For example, if a business is assessed at \$1,200,000, the increase would be approximately \$41.33 per month.
Comparatively, a business assessed at \$500,000 would see an increase of approximately \$16.25 per month.

Next Steps

The 2026 operational and capital budgets are now finalized following approval by Council on November 18, 2025. If there are any budget adjustments required, those will be brought back to Council for decision in the spring of 2026 along with the proposed Mill Rate Bylaw to set the rates of taxation. Following the approval of any budget adjustments (if required), and the approval of the Mill Rate Bylaw, administration will begin the preparation of tax notices that will be sent to residents and businesses in May of 2026.