

## PRESS RELEASE

On December 18, 2019, Beaver County Council approved its 2020 Interim Budget. The interim budget was an extremely challenging one to prepare. Council was faced with the difficult task of balancing community needs and the very real financial challenges faced by our residents, with the County's assessment base limitations, tax collection shortfalls, and Provincial Government grant reductions and legislative changes.

A municipality's assessment base is the foundation for determining the amount of taxes a municipality can raise to provide municipal services. Since 2017, the County's assessment base has been steadily declining, with no recovery in sight for at least the next 5 years. To compound the issue, the County's oil and gas industry have been negatively impacted by the significant drop in commodity prices, and are finding it difficult to pay their taxes. At December 31, 2019, the County estimates that uncollectible taxes over the past few years exceed \$3.9 million.

These conditions make it challenging to raise the taxes necessary to fund County operations, road construction, and other special projects. Taxes also help support our urban neighbours as we work together to offer recreation and library programs, fire protection, and other regional services to our residents.

Besides the tax base, the County relies on grants from the Provincial Government to assist with capital and infrastructure improvements. When the Provincial Government tabled the Provincial budget in late October, the County learned that, like all Alberta municipalities, it will receive a gradual reduction in funding over the next three years for a total of over \$500,000 in reduced grants by 2022. A new funding program will be announced for 2023 however no details are known about eligibility or funding allocations.

The Provincial Government also subsequently introduced the rural RCMP cost-sharing initiative to which all municipalities are expected to contribute, beginning in 2020.

The County is fortunate to be a member of the regional waste management services commission (Beaver Municipal Solutions) and receive grants for County initiatives. This funding is not guaranteed from year to year and until the year 2020, Council has strategically directed the funds to projects which enhance our rural capacity and quality of life, and in support of regional initiatives or local community organizations. With the fiscal challenges in the 2020 budget, Council has made the difficult decision to use grant dollars to fund operating expenses. Council recognizes the risks in this decision, however feels that its main priority is to keep tax increases to a minimum in these tough economic times we all share.

The 2020 Interim Budget, with expenditures of \$24 million, will for the most part, provide similar services and initiatives as in previous years, and Council and staff will continue to work hard to deliver programs to the standard our residents have come to expect. A 0.852% increase in the mill rate is anticipated at this time. More details and highlights of the 2020 Interim Budget may be accessed on the County's website at [www.beaver.ab.ca/council/financials](http://www.beaver.ab.ca/council/financials).

This Interim Budget is simply that – a budget that will enable operations to continue until Council can approve a final budget with all relevant information available – information such as our assessment base which reflects new Provincial legislative regulations, as well as confirmation of Provincial funding.

Looking ahead, Council is committed to a priority-based budgeting approach to allocating the County's limited resources. Council has approved a new vision, a set of goals, and corresponding results on which to base a 10-year Strategic Plan. The Plan has been approved by Council and is available for review on the County's website at [www.beaver.ab.ca](http://www.beaver.ab.ca).

Over the next few months, Council will review its services and programs with an eye for both efficiency and effectiveness, while keeping in mind the uniqueness of our region and the needs of our residents. Transparency and accountability are important to Council in this process and we will be seeking input from our residents, ratepayers, and other stakeholders.