



NEWS RELEASE

2021 Audited Financial Statements & 2022 Operating & Capital Budgets

May 24, 2022

I am pleased to announce that Birch Hills County's 2021 audited financial statements have been approved by Council and are available on our website at www.birchhillscounty.com.

On behalf of Council and our administrative team, I would also like to share that Council approved the 2022 Operating Budget at the May 24, 2022 regular council meeting. Like ratepayers, the County has faced similar challenges to develop fiscally responsible budgets, while maintaining our current services due to inflation and the uncertainty of our global economy.

Items such as Policing costs, which was downloaded by the province, has resulted in an increase of \$22,545 over our 2021 expense of \$49,693. Fuel costs, are anticipated to rise from \$252,460 last year to \$405,000, and may still prove to be low if the province reimplements the provincial fuel tax or pricing continues to escalate out of control. In an effort to manage costs, Council adopted an organizational review, which resulted in staff reductions and future savings. Merit increases for staff were froze in 2022, however staff did receive a 4% COLA to offset some the impact of inflation.

On the Capital budget side, Council has approved the purchase of a replacement grader, but due to delays in delivery it will not arrive until early 2023. Increased manufacturing costs and availability have increased equipment prices. The Codessa Bridge #77831 is scheduled for rehabilitation. Funding for this project will come from grant funding. Changes to the management of our vehicle fleet should also reduce capital and maintenance costs as we move forward. We are continuing with some building repairs to our administration building. Another change to our budgeting process is to move major work for ditches and roads to our capital budget, rather than operating as done previously. This will increase our capital replacement values to be better aligned with actual amortization and allow the use of capital grants; a move recommended by the province and our auditor. The relocation of a portion of the Smoky River Road as part of flood mitigation is still budgeted, but a final decision is yet to be determined.

To that end, Council approved the 2022 Tax Rate Bylaw on May 24th. The bylaw includes a change to the minimum tax from \$100/parcel to \$150/parcel as well as a 2% increase to all classifications. This is in spite of the fact that inflation is currently 6.7%. A copy of the bylaw is available on our website.

Respectfully,

Larry Davidson CLGM
CAO
Birch Hills County