



TOWN OF
PENHOLD COUNCIL

• OUR COMMUNITY • OUR FUTURE •

OPERATIONAL AND CAPITAL PLAN

2027 – 2036

Building a sustainable, resilient
and thriving community



PLANNING TODAY
FOR A BETTER
TOMORROW



COMMUNITY
FOCUSED



SUSTAINABLE
FUTURE



EFFICIENT
SERVICES



RESPONSIBLE
STEWARDSHIP



STRONG
GOVERNANCE

Town of Penhold
Municipal Organization
Multi-year Financial Plan (2027–2036)
Presented to: Town of Penhold Council
Prepared by: Corporate Services
Date: April 27, 2026

Recommendation

That Council approves the Town of Penhold’s 10-year operating capital budget outlook (Appendix A) and 10-year capital budget outlook (Appendix B) as the Town’s multi-year financial plan, as required under Section 283.1 of the Municipal Government Act.

General Information:

The Town of Penhold is in central Alberta, about 16 km south of the City of Red Deer. Penhold is in Red Deer County, west of the Highway 2 corridor, at the junction of Highway 42. Penhold is also about 130 km north of Calgary and 170 km south of Edmonton. Because of its location, residents can easily access additional shopping and recreation options in nearby communities such as Red Deer, Innisfail, and Sylvan Lake.

Alberta Treasury Board and Finance lists Penhold’s 2025 population as 3,812. The Town employs 56 staff (27 full-time, 19 part-time/casual, and 10 seasonal). Penhold has seven elected officials (one Mayor and six Councillors), elected by the community every four years. The most recent municipal election took place in the fall of 2025.

Penhold is home to several schools, including Jessie Duncan (Pre-Kindergarten to Grade 3), Penhold Elementary and Penhold Crossing Secondary (Grades 9–12). Penhold Waskasoo Middle School (Grades 4–8) welcomed its first students in fall 2025 while Penhold Elementary School closed in summer 2025. Having schools from pre-K to Grade 12 within the community is an important part of life in Penhold.

In addition to services provided by Town staff, the Town contracts some services, including garbage collection, building inspections, engineering, legal services, and regional waste services to outside sources.

The Town has finance staff but contracts assessment services through a private company. Fire and Protective Services are provided by a full-time Protective Services Manager and a volunteer fire department.

The Town has mutual aid agreements with Red Deer County, the City of Red Deer, and several neighbouring communities. These agreements support regional partnerships and help ensure coordinated emergency planning and response across the region, including the Joint Municipal Emergency Plan and related programs.

The Town employs two Community Peace Officers who patrol the community, enforce municipal bylaws, and help with traffic safety.

The Town is also a member of several regional organizations, including the South Red Deer Regional Wastewater Commission, Red Deer and District Family and Community Support Services (FCSS), and Parkland Regional Library.

Why this report is required

Section 283.1 of the Municipal Government Act (MGA) requires every municipality to prepare a written plan for its finances for at least the next three years, and a plan for major capital purchases and construction (capital projects) for at least the next five years.

Operating budget (10-year outlook)

The Town of Penhold has prepared a 10-year operating budget outlook (Appendix A). This longer-term view helps Council and administration plan ahead and make financial decisions earlier, which can reduce costs over time. The plan is reviewed and updated each year as required by the MGA.

Capital budget (10-year outlook)

The Town of Penhold has prepared a 10-year capital budget outlook (Appendix B). This plan identifies major projects, and equipment needs and helps set priorities over the next 10 years. The plan is reviewed and updated each year as required by the MGA.

Key priorities over the next five years include:

1. Public Works Facility & Fire Hall

The Public Works and Fire Department teams have outgrown their current spaces. To continue providing reliable service, the Town is building a shared operations facility as a cost-saving approach. Funding options may include grants and borrowing (a debenture). The facility is expected to be operational in 2026. Once financing is finalized and the building is occupied, this item can be removed from the priority list.

2. Road construction and rehabilitation

Road and sidewalk renewal is an ongoing priority. Repairs are reviewed each year and scheduled based on need and available funding. In 2024, Alberta Transportation and Economic Corridors constructed a roundabout to support increased traffic near the new school on Waskasoo Avenue. The roundabout was completed in fall 2024.

3. Equipment Fleet Maintenance and expansion

As the Town grows, additional equipment is needed to maintain roads, parks, and public spaces. The Town also replaces aging equipment to improve reliability, safety, and efficiency.

4. Parks, Playgrounds, and trail development

Penhold has many young families and strong use of outdoor spaces. Maintaining and improving parks, playgrounds, and connected pathways remains a community priority.

5. Underground utilities - End of life assets

The Town uses asset management to identify underground water, wastewater, and storm infrastructure that is nearing the end of its service life. These assets are monitored and replaced as needed and as funding allows.

Budget Assumptions:

The 10-year capital plan is based on the following assumptions:

1. Council will use the 10-year capital plan as the main document for multi-year capital planning.
2. Projects and purchases are informed by the Town's tangible capital asset listing and equipment replacement plan. Decisions consider age, use, and condition.
3. Costs are estimated using 2024 figures and will be updated each year.
4. The plan assumes grants will be available and interest rates will remain within a reasonable range. If grant funding decreases or interest rates rise, the Town will reassess project timing and scope.
5. Utility rates are being updated over time to support a cost-recovery approach (so utility fees cover the cost of providing the service).
6. Borrowing decisions are specific to each project and consider the term (length of the loan) and interest rates.
7. Annual capital budgets may differ from the plan as asset conditions, priorities, and available funding change.

Appendix A

OPERATIONAL BUDGET

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
REVENUE										
Taxes	4,429,163	4,562,038	4,698,899	4,839,866	4,985,062	5,134,614	5,288,652	5,447,312	5,610,731	5,779,053
New Growth	78,382	80,734	83,156	85,651	88,220	90,867	93,593	96,401	99,293	102,271
Sale of Services	4,349,260	4,479,738	4,614,130	4,752,554	4,895,131	5,041,985	5,193,244	5,349,042	5,509,513	5,674,798
Donations	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379
Franchise Fees & Interest	848,720	874,182	900,407	927,419	955,242	983,899	1,013,416	1,043,819	1,075,133	1,107,387
Other Revenue	262,104	269,967	278,066	286,408	295,000	303,850	312,966	322,355	332,025	341,986
Grants	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfers from Reserves	0	0	0	0	0	0	0	0	0	0
Requisitions	1,614,690	1,663,130	1,713,024	1,764,415	1,817,348	1,871,868	1,928,024	1,985,865	2,045,441	2,106,804
Total Revenue	12,597,172	12,945,087	13,303,440	13,672,543	14,052,719	14,444,301	14,847,630	15,263,059	15,690,951	16,131,679
EXPENSES										
Wages	4,402,758	4,622,896	4,854,040	5,096,742	5,351,579	5,619,158	5,900,116	6,195,122	6,504,878	6,830,122
Employee Contributions	648,909	668,376	688,428	709,080	730,353	752,263	774,831	798,076	822,019	846,679
Training	195,913	201,791	207,844	214,080	220,502	227,117	233,931	240,949	248,177	255,622
Requisitions	1,614,690	1,663,130	1,713,024	1,764,415	1,817,348	1,871,868	1,928,024	1,985,865	2,045,441	2,106,804
Mileage	18,471	19,025	19,596	20,184	20,790	21,413	22,056	22,717	23,399	24,101
Memberships	21,015	21,646	22,295	22,964	23,653	24,363	25,093	25,846	26,622	27,420
Postage, Phone and Freight	100,828	103,853	106,968	110,177	113,483	116,887	120,394	124,006	127,726	131,558
Advertising and Promotion	81,628	84,077	86,599	89,197	91,873	94,629	97,468	100,392	103,404	106,506
Professional Services	375,901	387,178	398,794	410,757	423,080	435,773	448,846	462,311	476,180	490,466
Maintenance	946,419	974,812	1,004,056	1,034,178	1,065,203	1,097,159	1,130,074	1,163,976	1,198,896	1,234,863
Insurance	178,164	183,509	189,015	194,685	200,526	206,541	212,738	219,120	225,693	232,464
Contracted Services	1,510,562	1,555,879	1,602,556	1,650,632	1,700,151	1,751,156	1,803,691	1,857,801	1,913,535	1,970,941
Goods & Supplies	611,013	629,343	648,223	667,670	687,700	708,331	729,581	751,468	774,013	797,233
Utilities	476,070	490,352	505,063	520,215	535,821	551,896	568,453	585,507	603,072	621,164
Program Grants	278,663	287,023	295,634	304,503	313,638	323,047	332,739	342,721	353,002	363,593

Appendix A

OPERATIONAL BUDGET

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Debenture	725,000	703,250	682,153	661,688	641,837	622,582	603,905	585,788	568,214	551,168
Other Fees	27,181	27,997	28,837	29,702	30,593	31,511	32,456	33,430	34,432	35,465
Total Expenses	12,213,187	12,624,138	13,053,125	13,500,871	13,968,130	14,455,696	14,964,395	15,495,094	16,048,703	16,626,168
Capital Expenditures	6,323,532	2,526,393	2,477,428	2,377,965	2,412,377	2,779,578	2,948,333	2,828,333	2,315,000	1,640,000
Total Expense & Capital	18,536,719	15,150,531	15,530,553	15,878,836	16,380,507	17,235,274	17,912,728	18,323,427	18,363,703	18,266,168
Over/Under	-5,939,547	-2,205,444	-2,227,113	-2,206,292	-2,327,788	-2,790,973	-3,065,098	-3,060,369	-2,672,752	-2,134,489

Appendix A shows the Town of Penhold’s estimates of revenues, operating expenses, and capital spending over the next 10 years. The information is reviewed and updated each year as priorities and costs change.

** The ‘underfunded’ amount reflects projects in the capital plan that assume future grant funding. To proceed, the Town would need to secure those grants and/or use reserve funds. If funding is not available, some projects may be delayed or may not move forward.

CAPITAL BUDGET

Department		Asset Name	Description #1	Acq. Year	Replacement Value	Replace Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	32	Sidewalks & Curb	Replacement of aging sidewalks	1940		Ongoing	210,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	32	Brick Sidewalks	Brick Sidewalk Replacement with concrete	2000	500,000	2020	280,000	50,000	50,000							
	31															
	32	Additional 1-ton Truck	for replacement in 2035	New		2035					75,000					
	32	Additional 3/4 ton Truck	for replacement in 2035	New		2035						70,000				
	32	Additional Wheel Loader	for replacement in 2035	New		2035								200,000		
Storm	37	Ring-o matic Steamer	Unit# 38	2016	120,000	2026	120,000									
	37	Storm Pond -Lincoln Pump	Lincoln Storm Pond pumps	2012	60,000	2032						60,000				
	37	Storm Line Upgrades	Grey & Fleming, Emma, Windsor, 3370.63 M + 43 Catch basins			2032						75,000	75,000	75,000		
Water	41	Water Line Upgrades	15919.85 M	1980	500,000	Ongoing	150,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000		
	41	2015 Chev Silverado	Unit # 6	2015	60,000	2025	65,000									
	41	Additional 1/2 ton Truck		New								65,000				
Sewer	42	Sewer Line Upgrades	Emma to Lucina, Windsor, Esther, west of 2A, 10846.74 M				500,000	250,000	250,000	250,000	250,000	250,000	250,000			
	42	2020 Chev Colorado	Unit # 11	2020	40,000	2030				40,000						
	42	2015 Chev Silverado	Unit # 7	2015	60,000	2025									65,000	
	42	2025 Chev 1/2ton	#14	2025	65,000	2037										
Parks & Recreation	72	JD 1445 31 HP Commercial Mount Mower w 4wd	JD 1445 Mower 31 hP-60"	2009	50,000	2019	50,000									
	72	JD Tractor/Mower	Unit# 44	2012	50,000	2022	50,000									
	72	2018 JD Tractor/Mower	unit # 48	2018	80,000	2028		80,000								
	72	2019 John Deer Gator	Unit# 49	2019	32,000	2029			32,000							
	72	JD 1550 Mower with 72" Side Discharge	Unit # 41	2020	50,000	2030				50,000						
	72	2021 JD 4052 Compact Utility Tractor	Unit# 51	2021	55,000	2031					55,000					
	72	2021 JD MX6 Rotary Cutter	Attachment for Unit#51	2021	15,000	2031					15,000					
	72	2021 Case Harley Rake	Attachment for Skidsteer/CTL	2021	15,000	2031					15,000					
	72	2021 Frontier Core Aerator	Attachment for Unit#51	2021	10,000	2031					10,000					
	72	2021 Frontier Rotary Tiller	Attachment for Unit#51	2021	12,000	2031					12,000					
	72	2021 Case Compact Track Loader	Unit# 60	2021	95,000	2031								95,000		
	72	2021 Compact Utility Tractor 4052	Unit# 51	2021	40,000	2031					40,000					
	72	2022 Frontier WC1205 Wood Chipper	Attachment for Unit#51	2022	15,000	2032						15,000				
	72	2023 JD Mower	Unit # 52	2023	30,000	2033							30,000			
	72	2023 JD Mower	Unit# 53	2023	30,000	2033							30,000			
	72	2018 Chevrolet 1/2 Ton	Unit#13 - Bought Used	2024	30,000	2036										
	72	2007 Ford Water Truck	Unit#22 - Bought Used	2025	70,000	2040										
	72	Additional Skid Steer		New	100,000	2032						100,000				
	72	Additional Backhoe		New	200,000	2034								200,000		
RV Park	75	RV Park Mower (2018 John Deer Ztrak)	Unit# 50	2019	20,000	2029			20,000							

CAPITAL BUDGET

Department	-	Asset Name	Description #1	Acq. Year	Replacement Value	Replace Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Arena	76	Security Cameras	Done in 2024 - Every 5 years	2018	5,000	2028		15,000					5,000			
	76	Dressing Room Refurbish	5 dressing rooms and 2 Ref Rooms	2011	700,000	2034						233,333	233,333	233,333		
	76	Arena Board and Glass		2011	1,000,000	2036		50,000			75,000	75,000	100,000	100,000	100,000	100,000
	76	Cleaning Equipment	Carpet Extractor, Burnisher, Kivak, Buffer	2011	15,000	2025		15,000								
	76	Arena Flooring Replacement	blacktop and grind concrete	2011	250,000	2036						100,000	100,000	100,000	100,000	100,000
	76	ZOLL Defibrillator x2	Arena	2012	10,000	2027	10,000									
	76	Olympia Ice Resurfacer		2024	175,000	2034							75,000	100,000		
	76	Dehumidifier	For Arena	2011	150,000	2031				75,000	75,000					
Gym	77	Truck for Multiplex			55,414	2025		55,000								
	77	Toolcat		2017	75,000	2027					75,000					
	77	Twintec Battery Scrubber		2022	8,000	2032						8,000				
	77	Arena meeting room Furniture		2023	30,000	2033							30,000			
	77	Ride on Scrubber		2023	12,000	2033							10,000			
	77	Coat of Arms, West Side		2022	8,000	2032						8,000				
	77	HVAC Units (x14)	each unit estimated at \$30,000	2011	420,000	2036							50,000	50,000	50,000	50,000
	77	Roof Replacement or refinishing	To be done in Future	2011	1,500,000	2036	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	77	Audio Control System	Audio Rack in Data Room	2023	25,000	2033							25,000			
	77	Gymnasium Flooring Refinish	sand to bare wood and re-paint and stain	2011	75,000	2029	25,000	25,000	25,000							
	77	Multiplex Flooring Replacement	Replace Flooring in Multiplex	2011	500,000	2036					100,000	100,000	100,000	100,000	100,000	
Fitness	78	LED Electronic sign	located at Hwy 2a and Hwy 43	2017	120,000	2027				120,000						
	78	Christmas Lights	Installed on Roof of Multiplex - LED	2016	50,000	2026					50,000					
	78	Dressing Room Refurbish		2011	100,000	2033							100,000			
	78	Fitness Equipment	Various Equipment replacement	2011	13,000	2025	10,000						25,000			
	78	ZOLL Defibrillator	Fitness Center	2006	5,000	2027	5,000									
	78	3 Mirrors	Fitness Center	2011	5,000	2027	5,000									
	78	Fitness Flooring	replacment and grind concrete	2011	100,000	2033					25,000	25,000	50,000			
	78	3 Mirror Stands	Fitness Center	2011	5,000	2027	5,000									
	78	Individual Fitness Pieces (x60)	Each piece is valued at approx \$5000	2011	300,000	2036			25,000	25,000	25,000	50,000	50,000	50,000	50,000	50,000
					Totals		6,323,532	2,526,393	2,477,428	2,377,965	2,412,377	2,779,578	2,948,333	2,828,333	2,315,000	1,640,000