



2026

**Financial
Report**

Table of Contents

OVERVIEW

Introduction	03
2025 Financial Performance	05
Benchmarking	10
2026 Financial Focus	15
a. Infrastructure Renewal	15
b. Fiscal Resilience	17
c. Long Term Planning	19
Conclusion	22



Introduction

The 2026 Financial Report continues the Town of Olds' commitment to transparency and accountability by providing citizens, Council, and stakeholders with a clear and honest picture of the municipality's financial position. Building on the 2024 and 2025 Financial Reports, this document summarizes the Town's financial performance over the past year, highlights the challenges that continue to shape our fiscal reality, and outlines the strategic direction guiding our decisions going forward.

To accomplish these things, the document is structured around three interconnected themes:

1. Infrastructure Renewal
2. Fiscal Resilience
3. Long-Term Planning

These are the organizing principles that will guide how the Town allocates resources, prioritizes capital investments, delivers services, and measures success over the next three years.

THE CHALLENGES

The challenges facing the Town of Olds did not emerge overnight and the 2024 and 2025 Financial Reports discuss these in greater detail, including the financial impacts of the SNDL closure, provincial funding cuts, losses in our utility system, and the O-NET debt situation. The challenges described, while related, provide more context to the broader pressures facing the Town of Olds.

Utility Infrastructure

The Town of Olds has been engaged in an ongoing and difficult battle with water loss and inflow and infiltration (I&I) in its underground utility systems. Water loss is the gap between what the Town purchases from the Mountain View Regional Water Services Commission and what is actually billed to customers. Similarly, Inflow & Infiltration (I&I) is the amount of groundwater and stormwater that enters the wastewater network and is sent to the City of Red Deer. These unbilled costs have cost the Town upwards of \$2.4 million annually in recent years. And while progress is being made, it is a long-term effort to reach a sustainable level, given the substantial deficit to overcome and with new leaks and breaks occurring annually.

Facility Renewal

The Town faces a significant and growing facility renewal backlog above ground. Several key facilities are approaching critical points in their lifecycle, and the cost of deferring action only grows with time. The Sportsplex, now 44 years old and entering the back half of its typical 80-year lifespan, is the most pressing concern, with a lifecycle assessment putting maintenance costs through 2035 at approximately \$5 - \$7 million. The RCMP Station, Aquatic Centre, Evergreen Hall, Fire Hall, Centennial Park, and the Library all carry ongoing lifecycle needs that must be funded proactively rather than addressed reactively when systems fail.

Inflationary Pressures & Provincial Downloading

Inflation has become a persistent cost driver for municipal governments, and Olds is no exception. Fuel, insurance, equipment, and construction costs, including concrete and asphalt, have climbed well above general inflation in recent years, meaning the Town now spends considerably more to repair the same number of potholes or rehabilitate the same stretch of underground utility than it did five years ago. Compounding this is provincial downloading, where Alberta shifts responsibilities and costs onto municipalities without matching funding. The province's education property tax requisition continues to climb sharply, with Olds' share rising roughly 16% in 2025 and 11% in 2026, money the Town must collect from local taxpayers. Policing is another example, where Olds now spends over \$2 million annually on policing, a figure that continues to grow.

At the same time, provincial capital funding has not kept pace. Olds' annual infrastructure grant funding has fallen by more than \$1 million in recent years, even as the cost of the work it's meant to fund has risen. The Education Property Tax, which municipalities collect on behalf of the province, has risen nearly 30% in the last 24 months. Other downloaded pressures, such as wildfire response support, increasing medical first response calls, and reduced victim services capacity, add further strain without corresponding revenue.

2025 Financial Performance

The Town of Olds continued to make meaningful progress in 2025 while addressing a number of long-term financial and infrastructure pressures common to many municipalities. The Town returned to an annual surplus, reduced debt by more than \$4.6 million, and advanced work on several of its most significant infrastructure priorities. These results reflect a continued focus on financial sustainability, responsible stewardship, and planning for the future.

The following overview is intended to assist readers in understanding the Town’s 2025 Financial Statements, which can be viewed on the Town’s website.

FINANCIAL POSITION

The Town’s capacity to fund its operations and deliver future services is assessed using three key performance indicators outlined in the Statement of Financial Position.

FINANCIAL POSITION	2025	2024	2023	2022	2021
Financial Assets	14,766,373	18,598,499	29,351,019	31,029,867	33,234,880
Liabilities	29,588,219	34,490,599	34,589,386	36,528,890	38,318,466
Net Financial Debt	(14,821,846)	(15,892,100)	(5,238,367)	(5,499,023)	(5,083,586)
Total Non-Financial Assets	101,233,150	101,088,792	99,615,105	97,771,486	101,187,003
Accumulated Surplus	\$86,411,304	\$85,196,692	\$94,376,738	\$92,272,463	\$96,103,417

Net Financial (Debt)

Unlike long-term debt, which reflects only borrowed funds, Net Financial Debt is a broader measure that accounts for all Town obligations offset by available financial assets such as cash and receivables. Net Financial Debt improved in 2025, decreasing from \$15.9 million to \$14.8 million, an improvement of approximately \$1.1 million. While the Town continues to rely on future revenues such as taxes, grants, and user fees to cover existing obligations, this trajectory reflects improving financial flexibility.

Non-Financial Assets

Non-Financial Assets are comprised of tangible capital assets and prepaid expenses. The former are used by the Town to provide services to residents and businesses while the latter represents disbursements made in advance to a contractor or vendor for services or goods that have not yet been rendered or received by the municipality. The focus is on tangible capital assets and for 2025, the Town invested \$5,941,000 into its infrastructure, which includes roads, water & wastewater and equipment. Continuing to invest in the Town’s infrastructure supports sustainable service delivery to residents and businesses.

Accumulated Surplus (Deficit)

The Town's accumulated surplus stands at \$86,411,304 as of December 31, 2025, an increase of \$1,214,612 from the restated 2024 opening balance. This return to surplus reflects genuine operational improvement. The accumulated surplus includes \$83,855,713 in equity tied to Tangible Capital Assets. Accumulated surplus represents the net financial and physical position the Town has built up since its inception to provide services to residents and businesses.

OPERATIONS

The Statement of Operations presents the net operating position (revenue minus expenses) and annual surplus of the Town on a consolidated basis.

	2025	2024	2023	2022	2021
Revenue	28,844,590	27,624,718	27,621,683	25,973,267	24,033,357
Expenses	31,823,859	31,172,714	29,921,752	32,571,019	25,370,668
Deficit from Operations	(2,979,269)	(3,547,996)	(2,300,069)	(6,597,752)	(1,337,311)
Capital Revenue & Other	(4,193,881)	(3,182,280)	4,404,344	2,865,373	5,311,004
Annual Surplus (Deficit)	\$1,214,612	(\$6,730,276)	\$2,104,275	(\$3,732,379)	\$3,973,693

Revenue

In 2025, total revenues reached \$28,844,590, an increase of approximately \$1.2 million (+4.4%) over the restated 2024 figure. Municipal Taxes remain the Town's largest revenue source, with net taxes growing to \$11,806,403, reflecting the approved tax rate increase and modest assessment growth. User fees and sales reached \$10,848,796, driven by slight utility rate increases and improved fee recovery. Franchise Fees rose to \$2,509,891, following a significant drop in 2024 due to the loss of the SNDL cannabis plant. Licenses and Permits increased significantly to \$646,073, indicating a strong year for development activity in Olds.

Expenses

In 2025, the Town of Olds spent \$31,823,859 to deliver municipal services, an increase of \$651,145 (+2.1%) compared to 2024. The largest areas of spending were Utility Services (water, wastewater & waste management) total of \$9,018,919, which reflects ongoing investment in water loss and I&I reduction; Parks and Recreation of \$6,809,152 and Transportation Services of \$5,047,932. Total interest paid on long-term debt was \$741,165, a decrease of \$105,000 from 2024, reflecting the meaningful debt reduction achieved during the year. The Town's wastewater agreement with the South Red Deer Regional Wastewater Commission is fixed at \$2.78 per cubic metre, costing \$3,178,811 in 2025.

Surplus (Deficit)

The Town of Olds recorded an annual surplus of \$1,214,612 in 2025, representing a substantial improvement from the \$6,730,276 deficit reported in 2024. The prior year's deficit was largely attributable to the one-time accounting loss of \$7.8 million associated with the sale of O-NET, which significantly impacted the Town's financial results but did not reflect ongoing municipal operations.

While the return to surplus is an encouraging indicator, annual municipal financial results should be interpreted within the broader context of long-term financial performance. Municipal accounting includes several significant non-cash items, such as amortization of tangible capital assets, which can affect reported surpluses and deficits without directly impacting cash flow. In addition, the timing of grant funding, capital project expenditures, asset disposals, and other one-time events can create fluctuations in year-to-year results that may not accurately reflect the underlying financial health of the organization.

TAXATION AND ASSESSMENT

The Town's budgeted expenditures and transfers are used to determine the municipal portion of property taxes. Property taxes are used by the Town to fund services and programs (level of service) for residents and the community as a whole.

Total property taxes collected in 2025 were \$17,711,419, including \$5,905,016 directed to provincial requisitions for the Alberta School Foundation Fund and Mountain View Senior Housing, resulting in net municipal taxes of \$11,806,403.

The current assessment split is as follows:

- 79% Residential
- 15% Commercial
- 6% Industrial



Attracting more commercial and industrial assessment remains a primary goal. Municipalities with a stronger non-residential assessment base are generally better positioned to fund core services without placing the full burden on residential taxpayers.

RESERVES

Reserves are funds the Town of Olds sets aside for specific future needs, including replacing aging infrastructure, funding major capital projects, or responding to unexpected emergencies. By maintaining reserves, the Town reduces reliance on debt and avoids sudden increases to taxes or service fees.

RESERVE TYPE	2025	2024	2023	2022	2021
Operating	2,744,211	2,118,944	2,006,553	2,223,605	3,013,538
Capital	2,703,416	2,769,214	5,991,447	6,578,192	6,673,006
Total	\$5,447,627	\$4,888,158	\$7,998,000	\$8,801,797	\$9,686,544

**Note: The restated 2024 capital reserve balance of \$2,769,214 differs from the previously reported \$5,313,992 due to the reclassification of developer offsite levy balances as deferred revenue. This is an accounting reclassification only and does not represent a loss of funds.*

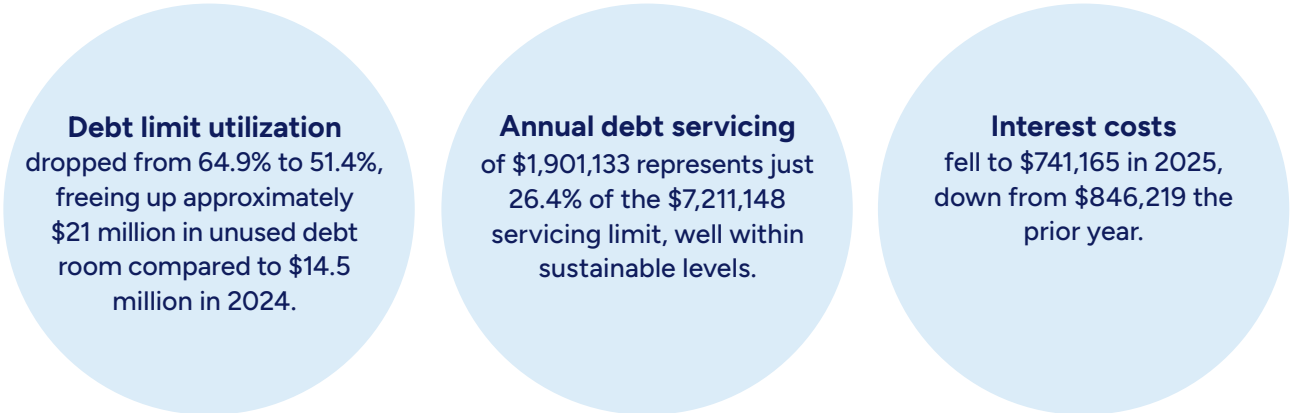
Total reserves grew to \$5,447,627 in 2025, an increase of \$559,469 from the 2024 balance. Operating reserves increased by \$625,267 as the Town began redirecting savings back into reserve accounts, while capital reserves held relatively steady.

The reserve balance remains below the level required for a municipality our size, and growing reserves remains a key priority. But in 2026, we are on track to keep reserves stable and to begin net reserve contributions in 2027. Rebuilding reserves is a multi-year effort that requires sustained discipline.

DEBT MANAGEMENT

One of the most significant financial achievements of 2025 was a substantial reduction in long-term debt. Total outstanding debt fell from \$26,887,405 at year-end 2024 to \$22,243,051 by December 31, 2025, a reduction of \$4,644,354 in a single year, made possible by directing O-NET sale proceeds toward the OFL loan repayment debenture.

This debt reduction has meaningfully improved the Town’s fiscal flexibility:



While debt remains an important and responsible tool for financing major infrastructure projects, reducing the Town’s overall debt obligations has improved its capacity to respond to future capital needs and emerging priorities. The Town’s current debt reduction plan targets reducing debt utilization to below 30% by 2031.

IN SUMMARY

The 2025 fiscal year marks a genuine turning point. The Town returned to an operating surplus, reduced long-term debt by more than \$4.6 million, began rebuilding reserves, and continued investing in infrastructure, all while navigating rising operating costs and increasing provincial financial pressures. These results are encouraging, but the work is not finished. The following section builds on the work done in the 2023 and 2024 Financial Reports by conducting a comparative analysis against our peer group.

Benchmarking

Benchmarking refers to the practice of comparing the Town’s financial indicators against municipalities of a similar size. These comparisons help identify strengths, highlight areas for improvement, and inform decisions on taxation, service delivery, and infrastructure investment.

The information contained in this section is drawn from 2026 municipal property tax rate bylaws and 2025 audited financial statements. Tax bylaw data is publicly available from Alberta Municipal Affairs: http://municipalaffairs.alberta.ca/mc_financial_tax_bylaws. Note that at the time of writing, only Taber’s 2024 Financial Statements were available, and those numbers are reflected.

The below comparator municipalities were chosen due to the proximity in population and tax base to Olds, which also means they offer a comparable level of services to their citizens:

<i>Municipality</i>	<i>Population (2025 est.)</i>	<i>Taxable Assessment (2026)</i>	<i>Total Revenue Collected (2025)</i>
Blackfalds	12,258	\$1,783,390,000	\$31,687,958
Edson	8,692	\$1,440,730,000	\$34,552,407
Innisfail	8,736	\$1,619,745,950	\$25,276,561
Morinville	10,763	\$1,685,701,000	\$31,240,682
Olds	9,679	\$2,011,001,000	\$28,844,590
Taber	10,175	\$1,575,550,000	\$31,778,414
Whitecourt	10,711	\$2,030,525,000	\$40,941,533
Average	10,145	\$1,735,234,707	\$32,046,021

Olds has the largest taxable assessment base in its comparator group at \$2.01 billion, approximately 22% above the peer average of \$1.735 billion. A larger assessment base means Olds can generate more revenue at any given mill rate than its peers. Despite this structural advantage, Olds collects about 10% less in Total revenue than most comparators, a direct result of significantly lower tax rates.

PROPERTY TAXES: RATES & REVENUE

Each year, Council sets a municipal mill rate sufficient to meet its approved budget. The table below compares 2026 municipal mill rates across the comparator group. It excludes provincial education and seniors housing requisitions, which are set by the Province and Mountain View Seniors Housing, respectively.

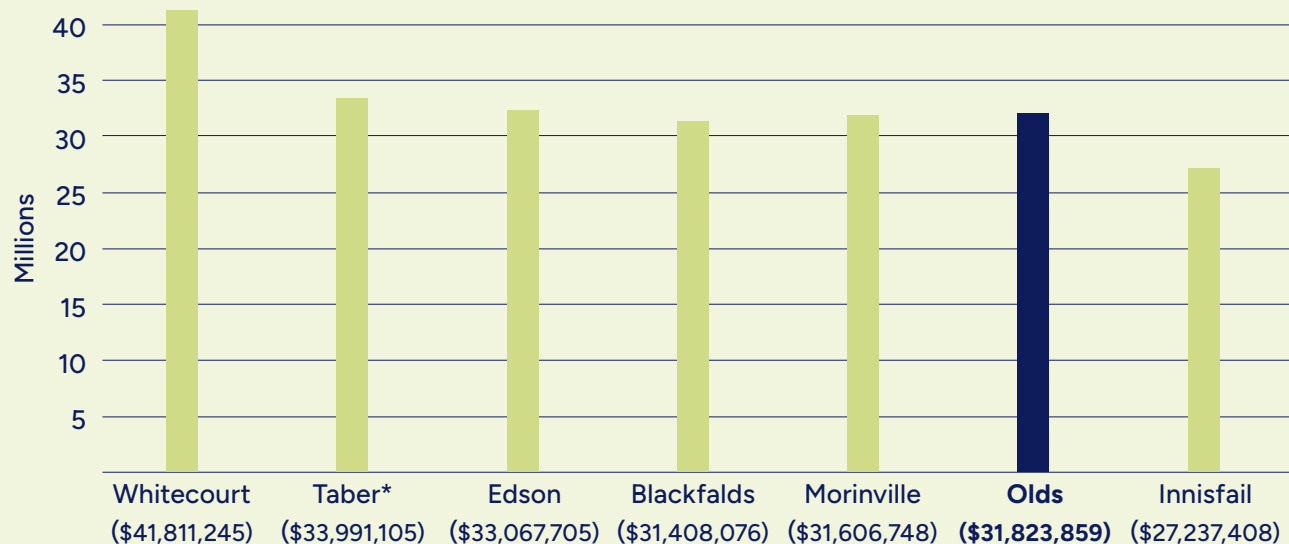
Municipality	Assessment	Residential	Non - Residential	Municipal Tax Levy
Blackfalds	\$1,783,390,000	7.6487	11.9792	\$14,425,108
Edson	\$1,440,730,000	6.9130	15.9200	\$15,010,939
Innisfail	\$1,619,745,950	7.1664	8.8427	\$11,017,937
Morinville	\$1,685,701,000	8.7298	13.0947	\$15,764,277
Olds	\$2,011,001,000	5.8279	8.8014	\$12,994,471
Taber	\$1,575,550,000	7.1173	11.0639	\$12,989,287
Whitecourt	\$2,030,525,000	6.8220	11.6524	\$18,234,930
Average	\$1,735,234,707	7.40	12.08	\$14,348,136

Olds has the lowest residential mill rate and the lowest non-residential mill rate among all comparator municipalities. The peer average residential rate is approximately 21% higher than Olds, with the non-residential approximately 27% higher. Not surprisingly, Olds collects over 10% less in tax revenue than its peer group. This gap represents services and infrastructure investment that Olds cannot fund at peer levels.

**Note: Approximately 30–33% of total property tax bills in Olds are comprised of the provincial Education Property Tax and the Mountain View Seniors Housing requisition. These rates are set externally and all funds collected are remitted directly to those entities; they are not available to the Town for municipal purposes.*

EXPENSES

The Town of Olds spent \$31,823,859 to deliver municipal services in 2025. The table below compares total expenses across the comparator group based on 2025 audited financial statements.

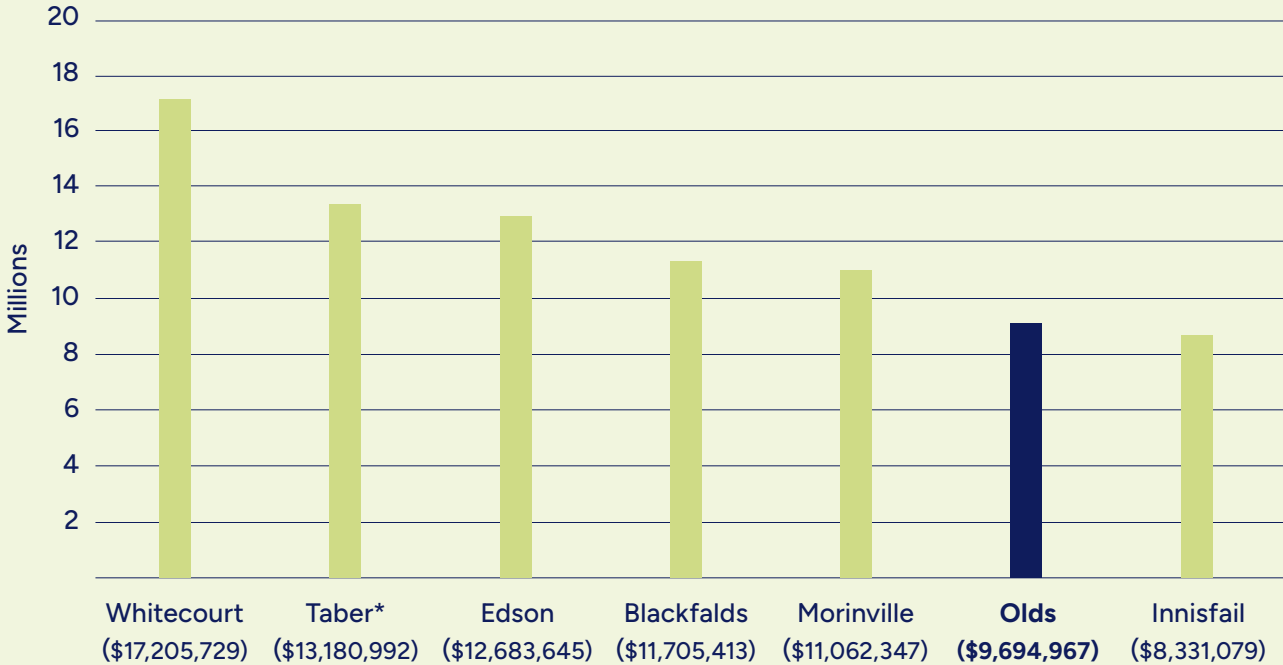


**Note: Taber's 2025 Financial Statements were not available at the time of writing*

At \$31,823,859, the Town of Olds spent approximately \$1.39M below the peer group average in 2025. Olds sits in the middle of the comparator range, spending more than Innisfail, Morinville, and Blackfalds, but less than Edson, Taber, and Whitecourt.

SALARIES AND BENEFITS

Salaries and benefits are the single largest expense category for any municipality and attract the most attention from citizens. In 2025, the Town of Olds spent \$9,694,967 on salaries and benefits, approximately \$2.5 million below the peer group average of \$11,980,596. Only Innisfail spent less among the comparator group.



*Note: Taber’s 2025 Financial Statements were not available at the time of writing

This gap reflects staffing levels that remain below those of comparable municipalities. While the Town has added positions in recent years to support asset management and public works, the data suggests there is still room to grow the organization to meet the service expectations of a community our size.

CAO COMPENSATION

Council has adopted a compensation policy for the entire organization that targets employee remuneration at the 50th percentile of the comparator group, including the CAO. This approach is intended to ensure the Town can attract and retain qualified staff while remaining a responsible steward of public funds. The table below discloses 2025 CAO salary and benefits for Olds and its comparator municipalities.

Municipality	Salary	Benefits & Allowances**	Total
Blackfalds	\$217,807	\$36,952	\$254,759
Edson	\$224,135	\$42,716	\$266,851
Innisfail	\$234,513	\$42,505	\$277,018
Morinville	\$247,628	\$43,797	\$291,425
Olds	\$219,387	\$76,568	\$295,955
Taber*	—	—	—
Whitecourt	\$291,965	\$89,025	\$380,990
Peer Average (excl. Taber)	\$247,090	\$51,009	\$294,500*

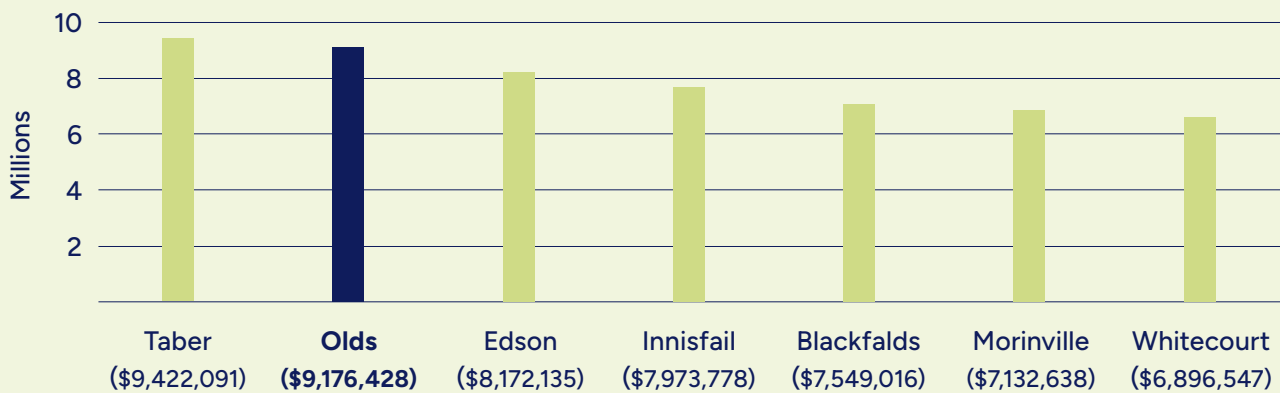
*Taber’s 2025 Financial Statements were not available at the time of writing.

**Benefits and Allowances also include the value of accrued vacation and medical leave, which generally do not translate into cash compensation.

Olds’s total CAO compensation of \$295,955 is closely aligned with the peer group average of \$294,500, consistent with the Town’s policy of targeting the 50th percentile for employee compensation. Competitive compensation supports the Town’s ability to attract and retain experienced leadership while remaining accountable to taxpayers.

UTILITIES

Utility costs are the area where Olds diverges most significantly from its peer group, spending approximately \$1.13 million above the group average. The primary driver is a pair of interrelated infrastructure problems: water loss and inflow and infiltration (I&I).



Olds was the only municipality in the comparator group to reduce utility expenses (1.2%) year-over-year, with costs declining modestly from 2024, while every peer community saw increases.

IN SUMMARY

These 2026 comparisons reinforce a consistent pattern that Olds has the strongest assessment base in its comparator group yet collects among the least in municipal property tax revenue. Despite this, Olds provides comparable level of service and facilities to its peer communities.

But this data informs a central tension in the Town's financial plan: the community has significant assessed wealth but has historically not leveraged it to generate sufficient revenue to fund services and infrastructure at peer levels. Addressing this gap through gradual, strategic tax rate adjustments and growing our tax base remains one of the most important long-term financial levers for Council and are key themes of the next section.

2025 Financial Focus

The policies, debt reduction efforts, and infrastructure investments initiated in recent years are beginning to show results. The focus now shifts to sustaining that progress while addressing the longer-term challenges that remain.

2026 continues the focus around three core priorities: Infrastructure Renewal, Fiscal Resilience, and Long-Term Planning. Through each, we present both our progress and our challenges, as readers deserve to understand not only what has improved, but also the obstacles that lie ahead. Olds is better positioned today than it has been in years, and this section provides an assessment of where we stand and where we are headed.

INFRASTRUCTURE RENEWAL

Infrastructure renewal remains at the core of the Town's financial and operational strategy and progress is occurring. At the same time, honest reporting requires us to look beyond the wins. A broader infrastructure challenge is coming into focus, one that extends well past our underground systems.

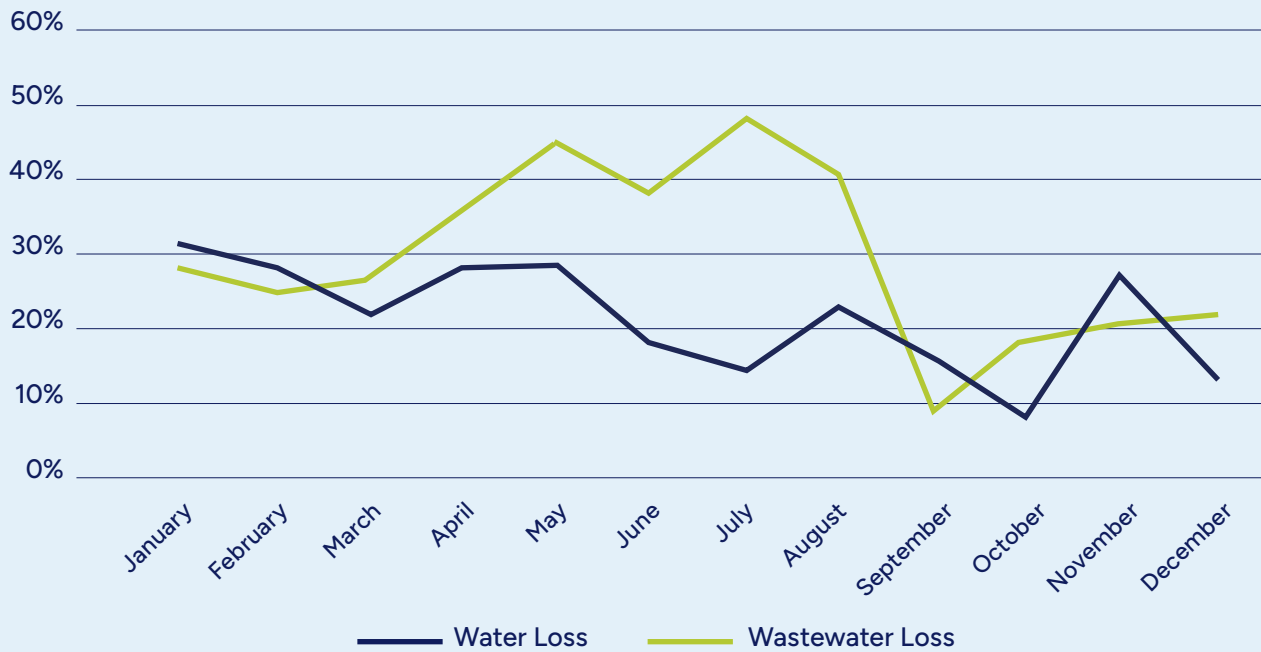
PROGRESS: WATER LOSS AND INFLOW AND INFILTRATION

The most significant financial drain on the Town's finances has been water loss and inflow and infiltration (I&I). Through long-term underinvestment in underground infrastructure, the Town was losing upwards of \$2.4 million annually to these two issues combined. Beginning in 2023, the Town launched an aggressive and systematic program to investigate, repair, and monitor both systems. The results are encouraging.

Water loss, which peaked as high as 32% recently, declined to 19.82% by the end of 2025. Similarly, inflow and infiltration, which peaked at 48% in 2022, declined significantly to 30.73% by the end of 2025. This success was made possible through deliberate work and investments in 2025, including 349 hydrant inspections, 31 water leak repairs, and 740 water meter replacements, all of which help improve system reliability, billing accuracy, and early leak detection. On the wastewater side, the Town repaired 5 manholes, relined 20 manholes, and completed 19 sanitary repairs to reduce excess groundwater and stormwater entering the sanitary system.

Our target is an annual reduction until monthly water loss reaches 10% and I&I reaches 20%. Achieving those would save the Town up to \$1 million annually and meaningfully reduce utility rate pressure for residents.

2025 Loss Trends



CHALLENGE: OTHER INFRASTRUCTURE SHORTFALLS

The Town owns and maintains a significant portfolio of facilities, equipment, and public spaces, many of which are aging and approaching the point where deferral is no longer a viable strategy. Planning for these needs now, while the organization is stabilizing financially, is far preferable to being forced into reactive decisions later.

Community Facilities

The Sportsplex is the most pressing facility concern. At 44 years old and approaching the midpoint of its anticipated 80-year lifespan, the facility is showing its age. In 2023, the Town completed a comprehensive Sportsplex facility lifecycle assessment, which provided important direction on the capital investments required over the next 30 years to support the facility's longevity and continued operation. Recent community surveying has also indicated a strong preference for preserving the Sportsplex as a core community asset. The estimated cost of maintaining the Sportsplex over the next 10 years is approximately \$5 - 7 million.

The Aquatic Centre, while in better overall condition thanks to a 2023 mechanical and structure upgrade, will also require continued capital investment to maintain service levels and operational reliability. At 25 years of age, it is one of the Town's most heavily used recreation facilities. While the concrete pool basin itself can typically last 40–50 years, interior finishes and protective coatings experience ongoing wear and will require approximately \$150,000 in capital upgrades over the next 5 years.

Beyond recreation, the Town's Protective Services building (RCMP detachment and Fire Hall) is aging and will require upwards of \$500,000 in upgrades over the next 3-5 years. These are not discretionary assets; they house essential public safety services. Both buildings require assessment and planning to ensure they can continue to serve their functions safely and effectively in the years ahead.

Fire Apparatus and Equipment Fleet

The cost of replacing emergency response and operational equipment has risen dramatically in recent years, creating a challenge that is not unique to Olds but is nonetheless significant. \$3 million will be required for fire apparatus replacement in the next 5 years.

The same pattern applies to the Town's operational equipment fleet. Assets including the motor grader, excavator, and tandem trucks are essential to our core operations and are near replacement age. The cost of these units has increased substantially, and unlike facilities, equipment typically cannot be deferred indefinitely without creating service gaps or significantly higher repair costs.

Recreation Assets

Centennial Park is one of the Town's most visible and well-used community spaces. It has benefited from recent addition, including the completion of an outdoor skating rink, but several elements of the park are aging and require renewal. The washroom facilities are in need of replacement, and the skatepark, a heavily used amenity particularly for youth, is approaching the end of its serviceable life and requires renewal planning. A Centennial Park Improvement Plan is due to be released in 2026 to help guide the Park's renewal.

In addition, the Town owns 15 playground structures that are all in various stages of life, with four of those requiring replacement in the next 5 years. These total cost of this replacement is estimated at \$700,000.

Taken together, the facility, equipment, and public space challenges outlined above represent a significant long-term capital obligation. None of these needs are surprises, and that is precisely the point. The Town's shift toward asset management planning is intended to ensure that these obligations are visible, sequenced, and funded in a deliberate way rather than addressed reactively.

FISCAL RESILIENCE

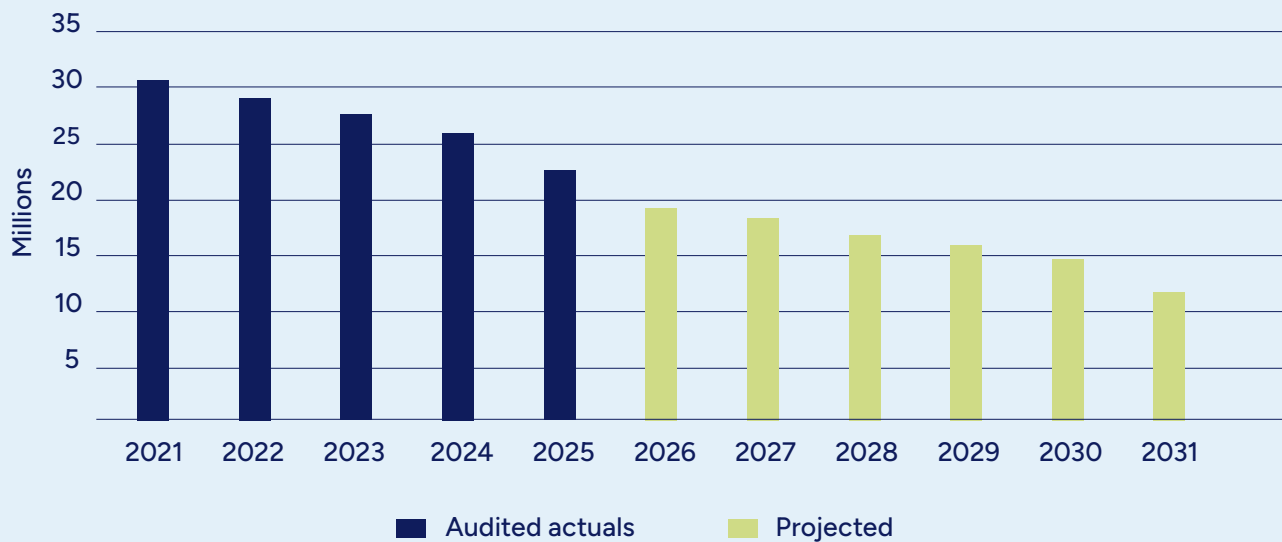
Fiscal resilience is the capacity of the Town to withstand financial pressures, respond to unexpected challenges, and sustain services and infrastructure over the long term without placing an undue burden (or hardship) on its residents. For several years, that resilience was challenged by high debt, inadequate reserves, and a tax revenue base that was not keeping pace with the cost of operating a community of Olds' size. Progress is underway to rebuild its fiscal resilience, and 2025 delivered meaningful results.

PROGRESS: DEBT REPAYMENT

The most significant financial development of the past year was the continued reduction of the Town's long-term debt. Heading into 2025, the Town carried \$26.89 million in long-term debt, placing Olds at 65% of its allowable borrowing limit. That figure was the highest debt utilization rate among comparable Alberta municipalities, most of which were operating between 12% and 40% of their borrowing capacity.

Through 2025, that picture changed substantially. Long-term debt fell to \$22.24 million, a substantial reduction of over \$4.6 million in a single year mainly due to lump sum payments applied to the OFL Ltd. debt following the 2024 sale of Olds Fibre Limited to Telus. Debt utilization moved from 65% to just over 51%, and the unused debt limit grew from \$14.5 million to \$21 million. Debt servicing costs declined accordingly, freeing up operational capacity that had previously been consumed by interest and principal payments.

Our debt reduction strategy remains focused on our 2031 target: to reach approximately \$12 million in debt, a 53% reduction from the 2025 level and a 60% reduction from 2021.



CHALLENGE: BALANCING RECOVERY WITH AFFORDABILITY

The Town's debt reduction progress is real and meaningful, but it tells only part of the financial story. The harder reality is that Olds collects approximately \$2 million less in annual revenue than comparable municipalities, and that gap has consequences. It limits the Town's ability to reinvest in aging infrastructure, rebuild reserves, and plan responsibly for the future.

The Town understands that residents are already feeling the pressures of inflation and rising costs of living. There is no appetite to add to that burden, and the options for doing so are genuinely limited. The tools available to a municipality are few: property taxes, utility rates, franchise fees, and grants. Most of these are already being used to their practical limits. That reality makes it all the more important to be intentional and transparent about how any new revenue need is communicated. When Administration brings tax recommendations to Council, each one is tied to a specific purpose, whether infrastructure renewal, reserve contributions, or debt management, so residents can see exactly what their dollars are funding and why.

At the same time, the most meaningful and lasting relief for taxpayers does not come from holding the line year after year. It comes from growth. When the commercial and industrial assessment base expands, the cost of municipal services is shared across more properties, and the burden on residential taxpayers eases. Currently, approximately 79% of Olds' taxable assessment is residential, with only 15% commercial and 6% industrial. That balance needs to shift. Council's adoption of the Town's first Economic Development Strategy is the most significant step taken in years toward making that shift a reality.

LONG-TERM PLANNING

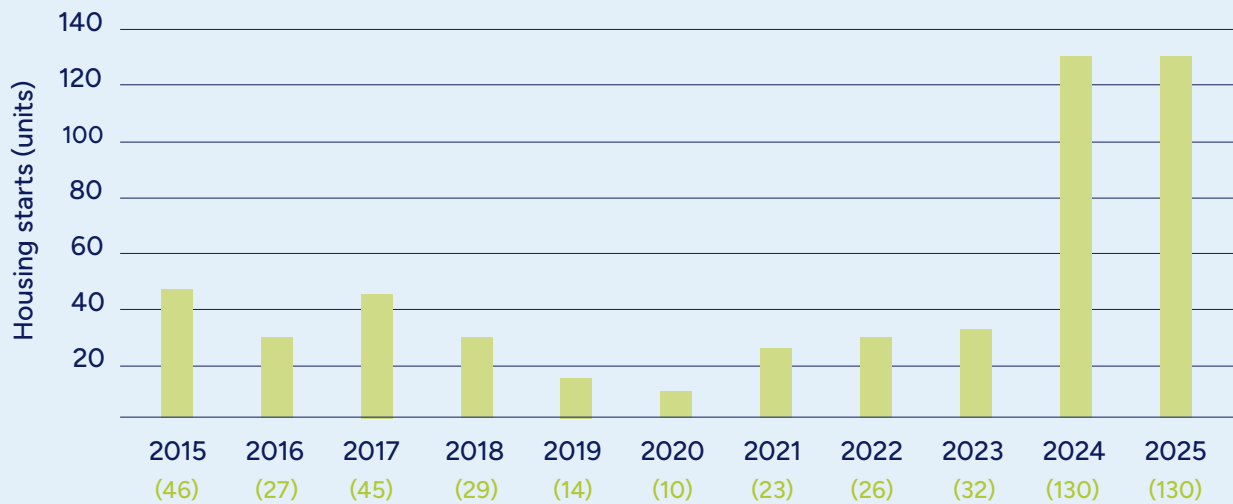
Long-term financial planning is a defining characteristic of municipalities that maintain sustainable fiscal health. It enables informed decision-making, supports responsible stewardship of public assets, and reduces the need to react to challenges created by past decisions. For much of the past decade, the Town of Olds operated without the comprehensive planning framework necessary to fully assess long-term financial obligations, infrastructure requirements, and future service demands. That is now changing.

PROGRESS: BUILDING A STRATEGIC DIRECTION

Housing Growth

One of the strongest indicators of a community's long-term sustainability is its ability to attract residents, investment, and new development. By this measure, the Town of Olds continues to demonstrate positive momentum. In both 2024 and 2025, approximately 130 new housing units were constructed annually; the highest level of residential development in the Town's history, demonstrating early success for the Town's Housing Strategy. This growth carries important benefits beyond the addition of new homes. An expanding housing inventory strengthens the municipal assessment base, supports local economic activity, and broadens the number of residents contributing to and benefiting from municipal services. Importantly, this growth reflects genuine market demand and community confidence rather than growth pursued as an end in itself.

Looking at 2026 – 2028, we are seeing continued growth in the purpose-built rental market, entry-level homes, and the 'missing middle' category; in addition to our traditional single family home communities continuing their growth.



A Planning Foundation Years in the Making

Beyond housing, the most significant long-term planning development of the past two years has been the establishment of a suite of strategic documents that give the organization a coherent direction for the first time.

The Corporate Plan, approved in 2025, sets out the Town’s organizational priorities, service delivery commitments, and financial strategy across a multi-year horizon. It provides Council and Administration with a shared framework for decision-making, and it has already begun to shape how budgets are built and how capital decisions are made.

The Town also approved its first Economic Development Strategy, a significant milestone for a community of Olds’ size and ambition. The strategy signals to potential investors, businesses, and partners that the Town is serious about growth and has a clear plan to achieve it. Its influence will be felt across budgets, capital plans, and service decisions for years to come.

THE CHALLENGE: ASSET MANAGEMENT AND THE CAPITAL PICTURE AHEAD

The Town is nearing completion of its first comprehensive asset management program. Asset management planning is how municipalities understand what they own, what condition it is in, how long it will last, and what it will cost to maintain or replace. Without it, capital decisions are made reactively, reserves are underfunded, and communities are repeatedly surprised by the cost of replacing infrastructure they have owned for decades.

The work is not yet complete, but enough of the picture has come into focus, and frequently illustrated herein, to say clearly that the capital demands facing Olds over the next decade are significant. They are the accumulated result of deferred investment and the natural aging of assets built during earlier periods of community growth. What is new is that the Town now has the data to see them coming and the planning framework to address them deliberately.

That is real progress, and transparency requires acknowledging both sides of it. The scale of future capital obligations is material. At the same time, the shift from reactive decision-making to informed, long-range planning is itself a meaningful achievement, and one that positions the Town to manage these obligations in a sequenced, sustainable way rather than being forced into costly decisions under pressure.

Town Administration will soon present a long-term capital plan to Council that provides what our capital needs are over the next 5 – 10 years, along with potential funding options.

IN SUMMARY

The Town of Olds is making measurable progress. Infrastructure investments are reducing water loss and inflow and infiltration, debt reduction efforts have improved financial flexibility, and new strategic planning tools are helping guide long-term decision-making. In 2026, the Town will continue its water loss and I&I reduction program, undertake major repairs to a significant underground utility issue on 57 Avenue, invest more than \$500,000 into the Sportsplex, and replace aging fleet and equipment assets. While these investments are not new, they are now being guided by a more strategic, data-driven, and long-term approach than ever before.

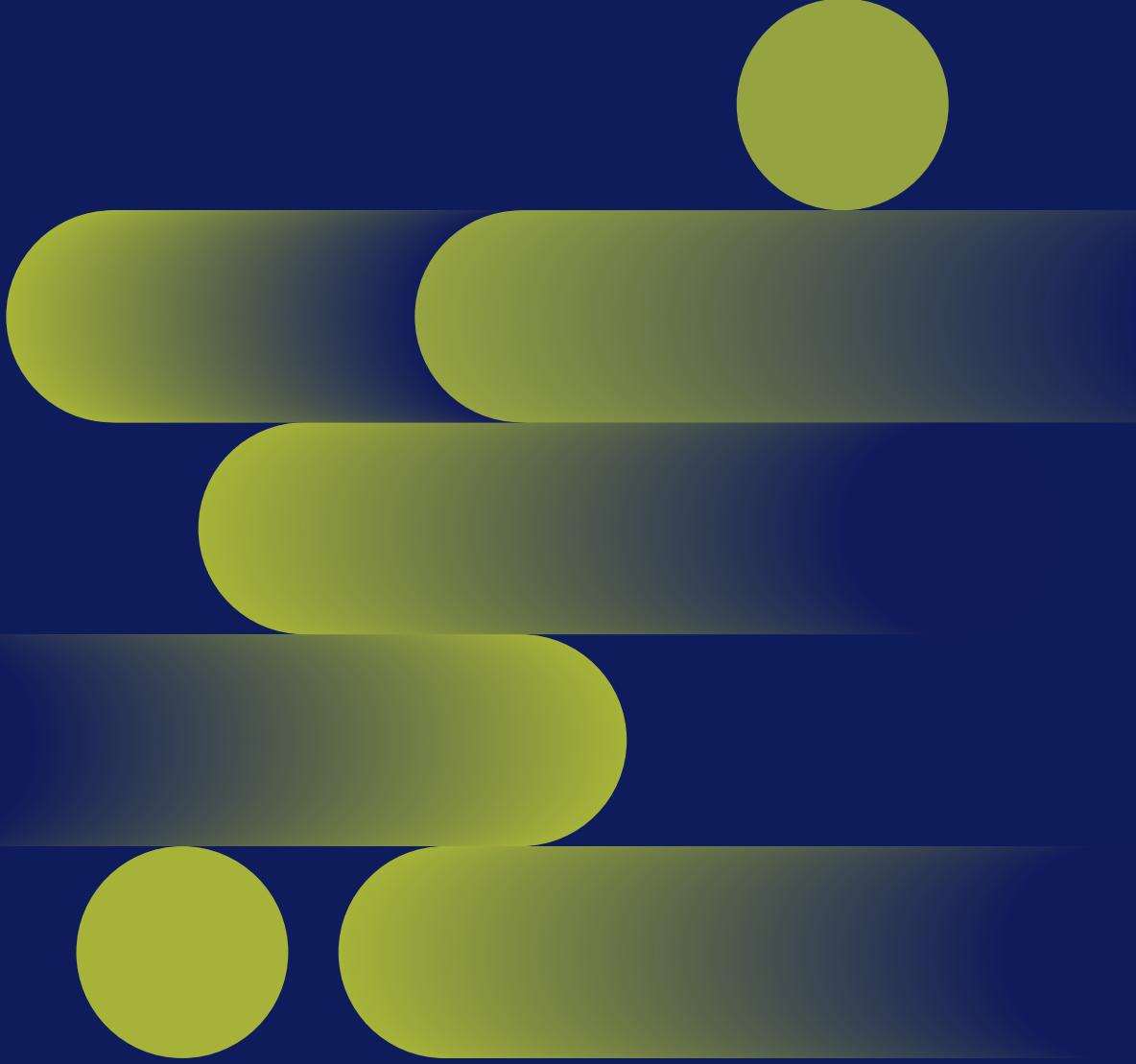
Conclusion

The Town of Olds enters the years ahead with a clearer understanding of its challenges and opportunities than at any point in recent memory. Significant infrastructure renewal needs, facility upgrades, equipment replacement, reserve rebuilding, and continued investment in underground utilities will require sustained commitment and substantial financial resources over the coming decade. Addressing these obligations will require a balanced approach that includes responsible taxation, strategic use of debt, external funding opportunities, economic growth, and continued financial discipline.

At the same time, the Town is in a stronger position today than it was just a few years ago. Debt has been reduced significantly, reserves have stabilized, infrastructure performance is improving, and the organization now has the planning frameworks necessary to make informed long-term decisions. The Corporate Plan, Housing Strategy, Economic Development Strategy, and emerging Asset Management Program provide a clear roadmap for the future and support a shift from reactive decision-making to proactive planning.

The community itself continues to provide reason for optimism. Record levels of housing construction, ongoing private investment, and growing interest in Olds as a place to live, work, and invest are strengthening the Town's long-term outlook. While growth alone will not solve every challenge, it remains one of the most effective ways to expand the tax base and improve financial sustainability.

The work ahead will require continued discipline and difficult choices. However, with a stronger financial foundation, better information, and a commitment to long-term planning, the Town of Olds is well positioned to meet those challenges and build a sustainable future for the community it serves.



TOWN OF
OLDS

3501 - 70 Ave, Olds, AB T4H 1L7 admin@olds.ca 403.555.6981