

March 26, 2026

Mayor Rick Henderson
Town of Gibbons
4807 – 50 Street
Gibbons, AB T0A 1N0

Delivered Via Email: rhenderson@gibbons.ca

Mayor Henderson,

Re: Request for 2026 Proposed Budget Clarifications for Viability Review

Sturgeon County appreciates the presentation of the Town of Gibbons' 2026 Budget at your March 23, 2026, Special Town Council meeting and the work that went into its preparation. County Council recognizes that this budget represents a significant and necessary step in the Town's Viability Review process, and we remain a committed partner in supporting that work. We also appreciate the substantial effort your Council has invested in learning and navigating complex financial and operational challenges on behalf of the community.

In a spirit of partnership and to assist Sturgeon County in completing its assessments under the expedited Viability Review process, I am writing to request clarifications and additional information from your Council regarding the proposed Budget and your perspectives.

Our questions include:

- a. The Budget proposes a 4.89% increase to the Town's residential taxes, which represents the majority of the Town's proposed revenue increase. Current calculations and previous public comments by Town officials that the Town faced unprecedented constraints suggest that substantially higher tax or other revenue, such as fees and charges (user fees, franchise fees, etc.), would be required to achieve financial sustainability. *Question: Recognizing that the proposed revenue is insufficient to achieve long term financial sustainability, will this proposed taxation approach proceed? And if so, what are Council's specific perspectives and plans to address this gap?*
- b. No payments are budgeted toward the Town's debt principal, reserves, or asset management requirements. This approach may pose risks to future stability and flexibility in responding to emergent costs or infrastructure failures. *Question: How does the Town intend to respond to emergent costs and/or infrastructure failures? Also, how and when does your Council intend to repay its financial debt and fund its reserves?*
- c. No funding appears allocated for capital asset management or essential life-cycle maintenance. This has a potentially serious implication for short and long-term infrastructure health. *Question: Does the Town have current condition data for core infrastructure to assess short-term risks? Have known issues—such as those related to the Arrow Utilities wastewater system—been incorporated into this or any future budget planning?*

- d. The Budget relies on deferrals of provincial education tax remittances, police funding contributions, and other short-term measures. *Question: Is it Council's intent to repay these deferrals following 2026 tax collection and the improvement of municipal cash flow?*
- e. Several spending and service-level reductions are identified to achieve a temporarily balanced budget. While some context is available, details on scope and community impacts are limited. *Question: Could Council provide additional information on these reductions—such as which specific services will change, whether these are temporary or permanent, how staffing adjustments are considered, and any associated risks?*
- f. Our legal counsel has yet to confirm your Administration's submission to support completion of the Heartland Station legal review. In February the County offered to complete this review at our cost, and the Town accepted that offer. *Question: Is it still your intention to accept Sturgeon County's offer to fund and complete this mutually beneficial legal review and provide it for your consideration?*

Sturgeon County recognizes the importance of your Council's careful consideration of the tax impact on residents and fully appreciates the difficult balancing required in these circumstances. With the requested information and pending submissions from both municipalities, we can best support a complete and accurate Viability Review, ensuring Gibbons' residents have a clear and informed understanding of their community's future options.

At this point in the process, Sturgeon County Council would also welcome an opportunity to meet in person and host your Council at Sturgeon County Centre next week, or at another mutually agreeable location and time. Such a meeting among our elected officials would support open dialogue and strengthen our collective efforts toward sustainable outcomes for all area residents.

Thank you for your ongoing collaboration and for your assistance in responding to these questions. We look forward to continuing our work together.

Sincerely,



Alanna Hnatiw
Mayor

C: Honourable Dan Williams, Minister of Municipal Affairs
Honourable Dale Nally, Minister of Red Tape Reduction and MLA, Morinville-St. Albert
Council, Sturgeon County
Council, The Town of Gibbons
Travis Peter, Chief Administrative Officer, Sturgeon County
Tim Duhamel, Interim Chief Administrative Officer, Town of Gibbons