



CAPITAL PLANNING AND BUDGET OVERVIEW



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The Regional Municipality of Wood Buffalo is unique in many respects one of which is responding to infrastructure needs in the face of unparalleled population and industry growth. Infrastructure delivery generally has an average lag of 5 years. Accelerating delivery is always every municipality's goal. The Regional Municipality of Wood Buffalo is no exception. The municipality has an elaborate capital planning process that covers at 6 future years. Through deliberate public consultation infrastructure needs are gathered and prioritized. Each year, Council approves a capital budget and capital plan. This way human, financial and vendor resource requirements are anticipated and planned for.

The major groupings or categories for the capital budget and plan are:

- Public Facilities
- Transportation
- Recreation & Culture

The 2012 capital budget funding requirements amount to \$376,854,951. The individual project category requirements are as follows:

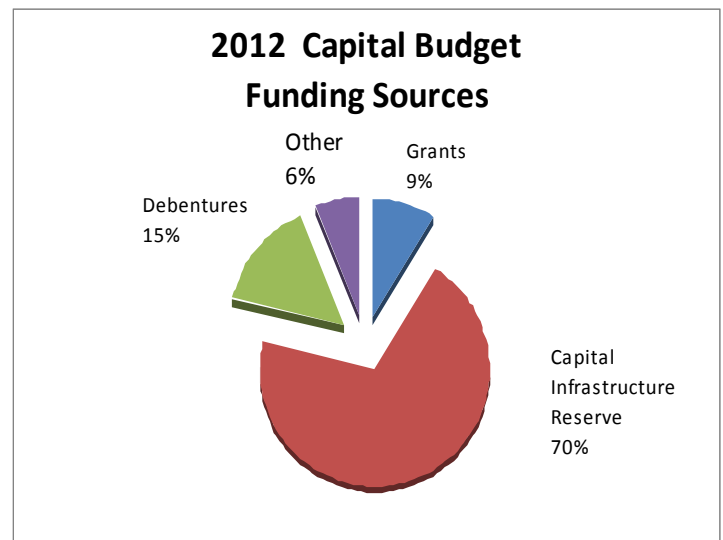
| | 2011 & Prior CarryFwd | 2012 Budget | 2012 Category % | 2012/Future Available Budget |
|----------------------|-----------------------------|-----------------------|-----------------------|------------------------------------|
| Public Facilities | 259,908,534 | \$ 212,769,781 | 57% | 472,678,315 |
| Recreation & Culture | 29,811,981 | \$ 80,813,240 | 21% | 110,625,221 |
| Transportation | 60,965,238 | \$ 83,271,930 | 22% | 144,237,168 |
| Total | 350,685,753 | \$ 376,854,951 | 100% | 727,540,704 |

The approved 2012 capital budget consists of 77 projects of which 23 are continuing multi-year projects with cash flow impacts in 2012. The amount of \$350,685,753 is associated with 265 projects yet to be completed. Some of the work will be completed in the last quarter of 2012 while the rest will be completed in future years. The \$727,540,704 consists of the total budget available to complete remaining work from prior years and the 2012 allocation.

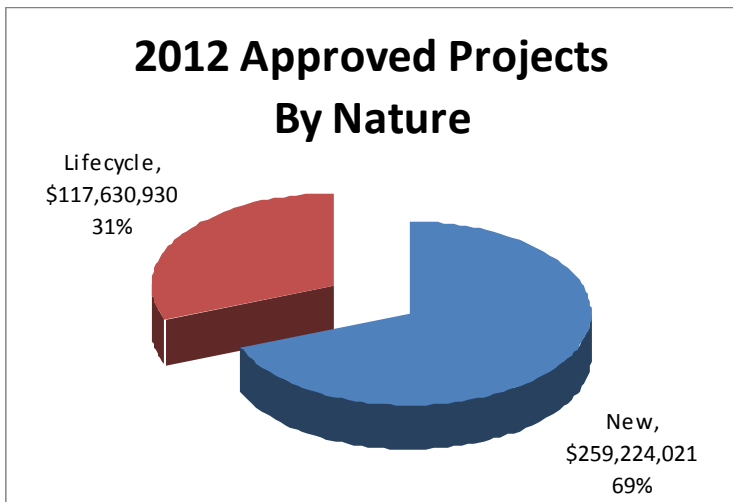
The approved 2012 capital budget will be funded from transfers from capital infrastructure reserve, grants and debt.

| Capital Budget Funding Sources | 2012 |
|--------------------------------|-----------------------|
| Grants | 33,692,796 |
| Capital Infrastructure Reserve | 262,181,355 |
| Debentures | 56,480,800 |
| Other | 24,500,000 |
| Total | \$ 376,854,951 |

This represents 70% funding of capital investment using municipal resources; cash and reserves. Debentures or debt will fund 15% and the rest 15% will come from grants from federal and provincial governments as well as offsite levies.



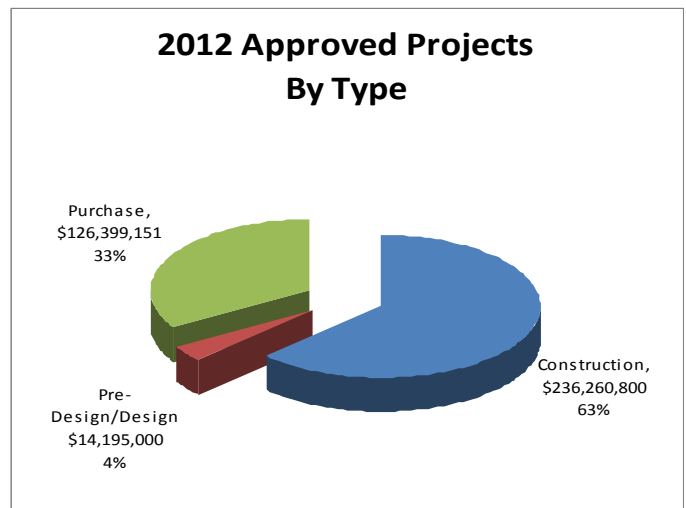
The approved 2012 capital projects can be categorized by; location, nature and type. Location refers to the primary beneficiaries of the resultant asset. Three broad locations are used; regional, rural and urban. Regional projects would benefit the entire region, rural projects would benefit rural residents and urban projects would benefit urban residents. Project categorization by project nature refers to whether a project would result in a new asset or lifecycle (rehabilitation/maintenance). Lastly, categorization by type describes the nature of work involved; construction, pre-design/design and purchase.



The chart indicating projects by nature indicates that in 2012 more capital work will be on asset rehabilitation or lifecycle. This is in line with the municipality's program which will see more new capital projects increase in the near term. Having experienced exponential population growth in recent years most projects were aimed at rehabilitating or expanding current physical assets.

Capital investment by location is a function of population size. However, contextually regional projects investment indicates significant investment in assets that benefit the entire region.

63% of capital investment in 2012 will involve construction work. Purchase projects refer to acquisition of assets 'off-the shelf'.



For the next six years 2012 – 2017, the municipality will invest a total of \$2,083,414,511 in capital assets. The following sections provide further detail for the 2012 – 2017 by the major categories; public facilities, recreation and culture and transportation.

For each year, Council approves a capital budget for a single year. The capital plan is used as a planning tool as well as to communicate future projects.

