

# 2020 BUDGET & 2021-2022 FINANCIAL PLAN



REGIONAL MUNICIPALITY  
OF WOOD BUFFALO

Welcome to the 2020 Budget Overview!

The Regional Municipality of Wood Buffalo is pleased to announce that the budget for 2020 has been approved. This budget was created to ensure that we continue on a path of fiscal responsibility today and into the future, while taking into consideration all of the economic changes within our region.

Since 2017, when the Municipality began working towards a 5:1 tax ratio and introduced zero-based budgeting, we have managed to reduce the yearly budget by \$162M; this was accomplished while continuing to sustain existing services and programs through a better understanding of the cost drivers while continually looking for efficiencies.

This budget overview will further describe how the Regional Municipality of Wood Buffalo plans to continue meeting the public service and infrastructure needs of its residents.

Also included in the 2020 Budget is the final payment towards the Municipality's undrawn debt totaling \$96M. This payment will secure the Municipality's position as debt-free.

*“With the mission of delivering excellence every day, the RMWB continues to build a strong, vibrant and sustainable region.”*

*- Annette Antoniak,  
CAO*



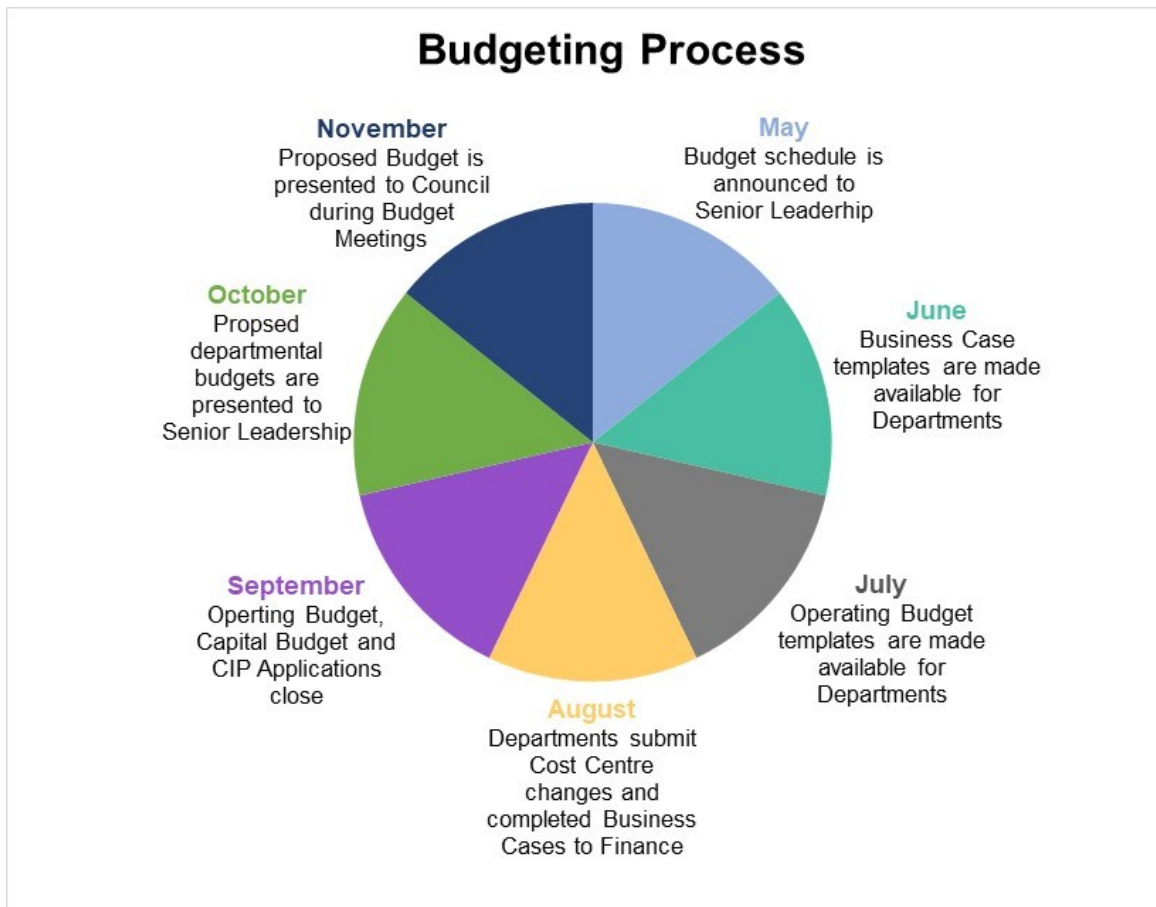
## What is Zero-Based Budgeting?

We talk about zero-based budgeting a lot throughout the budgeting process, but you may be wondering what it is.

- It is a process that allocates funding based on program efficiency and necessity rather than budget history
- It requires each department to create their yearly budget from the ground up - building a case for their spending - rather than using the previous years' budget as a starting point

## What are the Advantages?

- It ensures efficient and economic allocation of resources
- It assists management in maintaining cost-effective techniques for improving operations
- Increased staff involvement at all levels due to the amount of information required to complete the budget

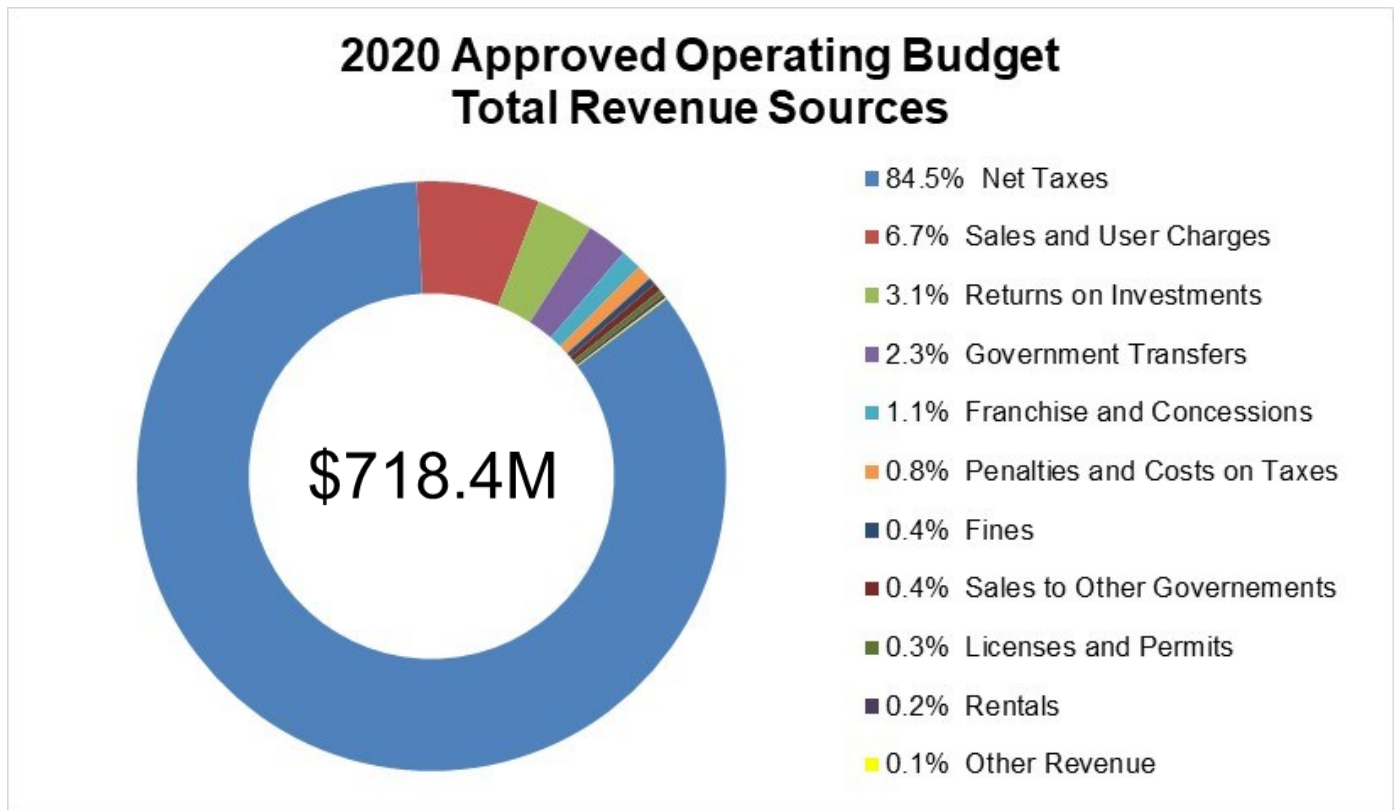


## OPERATING BUDGET









The approved 2020 operating budget revenue represents a \$2M increase over the 2019 approved budget. The main driver of this increase is user fees.

The Municipality is striving towards full cost recovery for utilities. This will be the second increase within the current Strategic Plan, and the Municipality will continue on this path over the next six years. All other user fee increases have been approved, as there have not been any changes to user fees in 10 years.

The Municipality is currently well below the provincial benchmarking in several areas such as residential development and building permits, cemetery fees, transit fees and municipal facilities rentals; in other areas, such as gas and propane permits, responses to fires and alarms and landfill rates, the Municipality is on par with the benchmarking.



## What services does the budget support?

	<b>Infrastructure Investment</b> Builds and maintains roads, bridges and buildings	<b>\$154 million</b>
	<b>Roads</b> Maintains a safe, accessible traffic network	<b>\$27 million</b>
	<b>Police Support and Bylaw Services</b> Keeps our community safe	<b>\$41 million</b>
	<b>Parks and Green Spaces</b> Supports over 800 hectares and 50 neighbourhood parks	<b>\$18 million</b>
	<b>Transit</b> Provides over 1.5 million bus rides a year	<b>\$18 million</b>
	<b>Fire and Ambulance</b> Keeps our community safe	<b>\$42 million</b>
	<b>Environmental Services</b> Keeps quality water flowing. Manages waste.	<b>\$48 million</b>
	<b>Community Investments</b> Provides grant funding to local non-profits and individuals	<b>\$77 million</b>

## CAPITAL BUDGET

Capital projects are necessary to improve our infrastructure, which invests in our ever growing community.

Council continues to prioritize projects based on resource capacity - internal, external and financial – to ensure neither is exceeded. The continued focus for the 2020 approved capital budget is to limit new projects to core projects that meet Council’s priorities within the resource capacity. The 2020 capital budget is balanced at \$154M, representing a 40.0% decrease from the 2019 approved capital budget.

### Key 2020 Capital projects:

- Anzac Lagoon Expansion - to expand the existing lagoon to meet the existing population demand
- Fort McKay Fire Hall - current fire hall has aged and replacement is required to maintain service levels
- Fort McMurray Water Treatment Plant Rehabilitation - upgrades to ensure continued service delivery standards
- Spray Park Replacement Program - to upgrade J. Howard Pew, Grayling Terrace and Borealis spray parks
- Birchwood Trails Bridge Replacement - Grouse and Raven bridges require replacing as they have gone past their useful life period
- Janvier School Site Upgrade - repairs to infield, fencing and playground, as well as drainage issues.
- Jubilee Center Renovation - complete upgrades to building; main, 2nd and 6th floors, including the council chambers
- Ambulance Fleet Replacement - lifecycle of one ambulance has been reached, and requires replacement to continue providing reasonable service levels



## COMMUNITY INVESTMENT PROGRAM (CIP)

A significant increase to the operating budget in 2020 was the Community Investment Program (CIP), as there were several one-time grant approvals. Through these grant approvals, the Municipality is able to greatly increase the support to local social profit organizations. To assist in meeting the needs that were identified during the 2020 Budget Council Presentations, Council approved a \$77M investment into the program.

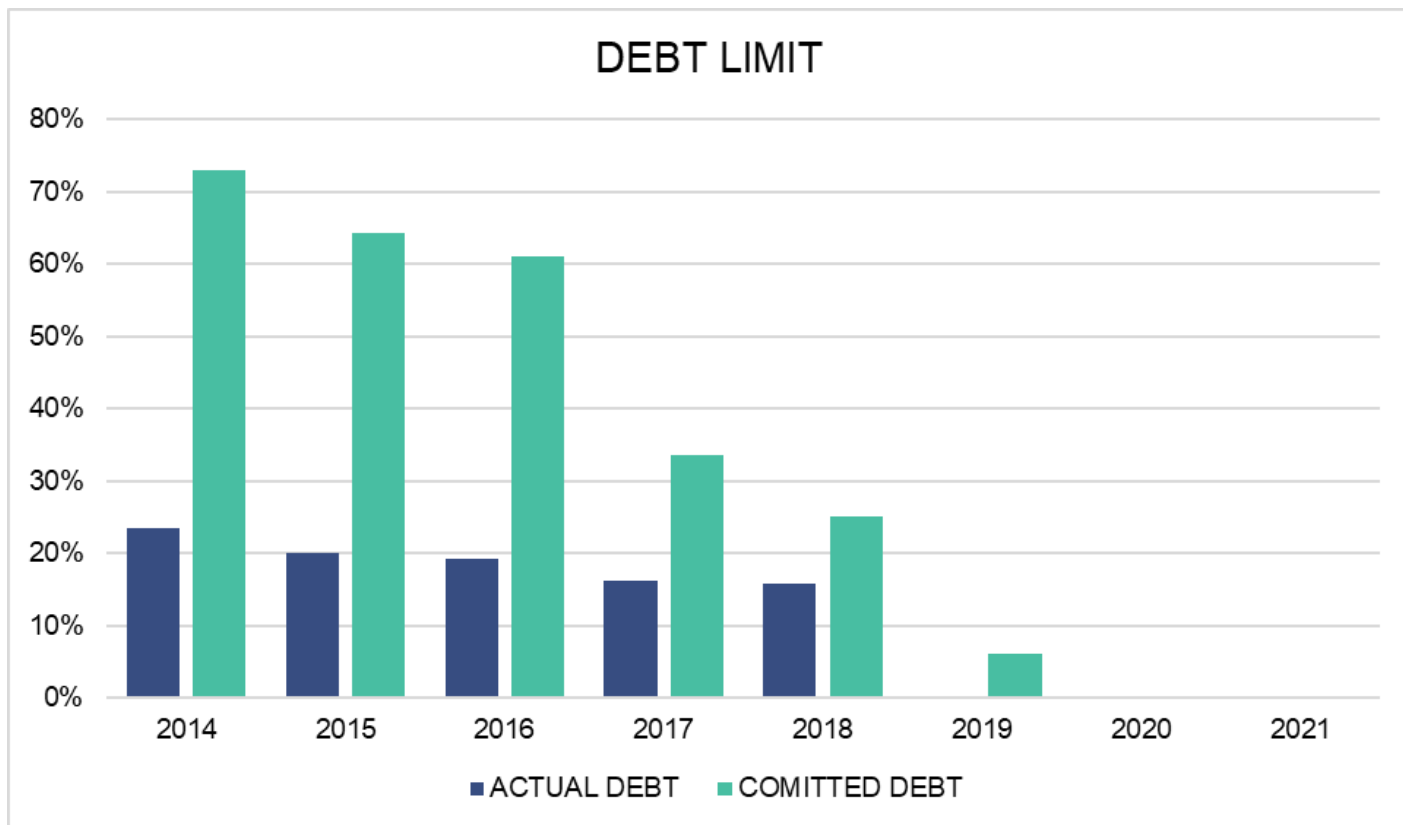
Some highlights of the CIP grant approvals are:

- Fort McMurray Minor Hockey Association - Sustaining Grant - \$530,000
- Fort McMurray SPCA - Sustaining Grant - \$704,788
- Northern Alberta Athletic Association - Sustaining Grant - \$1,242,000
- Regional Municipality of Wood Buffalo Library Board - Sustaining Grant - \$4,232,480
- Fort McMurray Airport Authority – Runway Rehabilitation - \$15,000,000
- Local Helicopter Emergency Response Organization Foundation - \$2,200,000 (\$1,200,000 from reserves and \$1,000,000 from the 2020 Community Investment Sustaining Grant Program)
- Wood Buffalo Economic Development Corporation - \$4,022,000
- Keyano Theatre Operations - \$587,760



## DEBT OVERVIEW

In discussing levels of debt and debt service for the Municipality, an understanding of two terms are imperative: *actual debt* and *committed debt*. *Actual debt* refers to amounts that the Municipality has borrowed and is now paying debt service for. *Committed debt* is a total of actual debt and amount of debt that Council has approved through the capital budget process but has not been drawn.



The Committed Debt, that is drawn, was fully repaid in Q2 2019.

The Committed Debt, that is undrawn, stands at \$96M as at December 31, 2019. The 2020 Budget will enhance the timing of the payments and will fully repay this debt in Q1 2020.

ALL FIGURES ARE FROM 2018

# Regional Municipality of Wood Buffalo

## BY THE NUMBERS

Grant funding invested in local non-profit organizations

**\$30,260,410**



Building permits issued

**1,085**

Wood Buffalo Population

**111,687**

54.9% Male

45.1% Female



Social media impressions

Over **13.5 mil**



Webpage visits

Over **2.5 mil**



Pulse inquiries

**46,530**

Public engagements

Over **50**



Municipal playgrounds

**101**



Hectares of parks and green spaces

**814**



Spray parks

**8**



Community Cleanup Volunteers

**9,277**



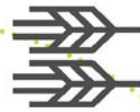
Dwelling units

**28,281**



Rural communities in the region

**9**



Potholes filled

**3,635**

Treated litres of tap water (urban)

**11.291 bil**



Treated litres of waste water (urban)

**8.189 bil**



Tonnes of material received at the Municipal Landfill

**234,852**



Bus routes

**16**

911 calls

**27,412**



Over **135** Km of trails



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