

Regional Municipality of Wood Buffalo

Budget Primer



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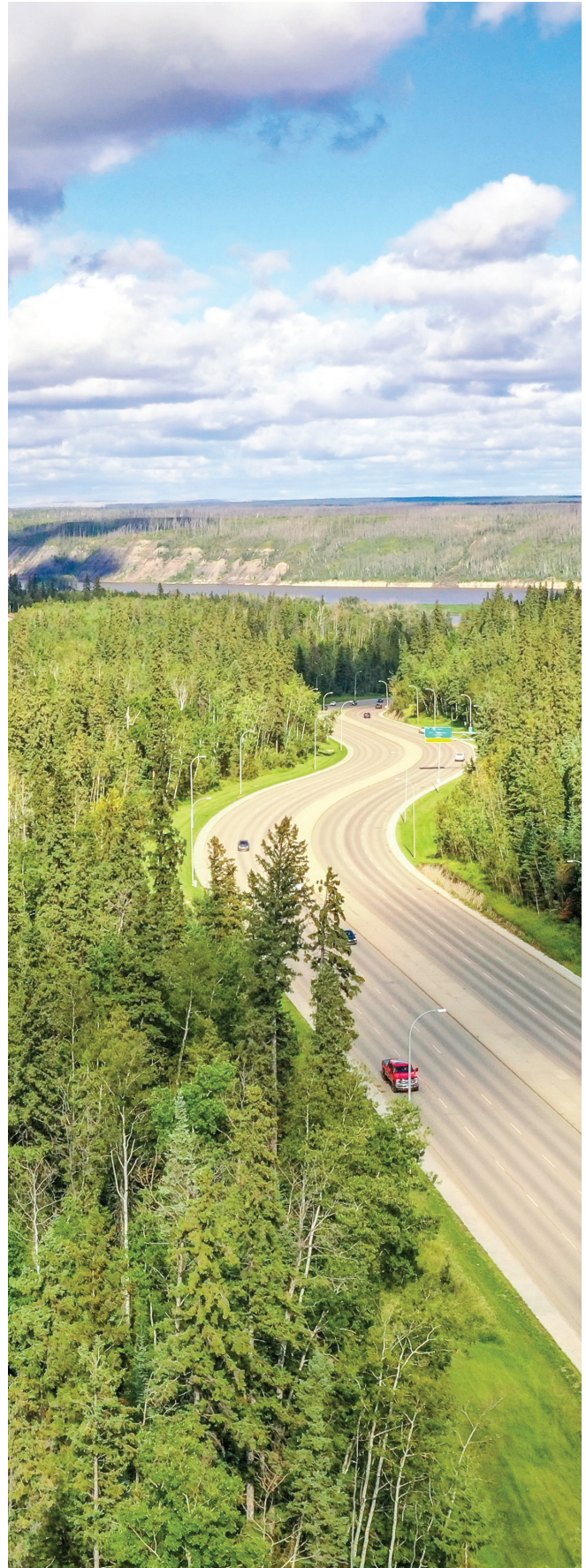
Get Primed for the Budget

Are you interested in becoming more aware and engaged in the municipal budget process? Do you want to know more about the services provided by the Regional Municipality of Wood Buffalo (the Municipality)?

This Budget Primer will help you understand how the budget works and how it supports municipal services and infrastructure for Wood Buffalo residents.

Disclaimer:

- ▶ The Budget Primer does not replace the budget book or associated budget documents that are reviewed and adopted by Council.
- ▶ It is meant to provide a better understanding of how the budget is developed, examples of what budget dollars cover, and an overview of municipal services.
- ▶ Charts and infographics provided are for illustration only, and do not represent the current financial state of the Municipality. For current information and official budget documents, please visit rmwb.ca/budget.



Accessing the Budget

The budget process is responsible, transparent, and accountable to taxpayers.

Each year, when Council begins reviewing the budget in public, residents are invited to watch budget meetings in-person or online. Residents can also get involved by speaking to Council as part of the delegation process.

Delegations – Presenting to Council

Resident participation is an important part of the democratic process. To make the budget process more accountable, residents are given opportunities to make presentations to Council during budget meetings. To learn more about getting involved, visit rmwb.ca/council.

Using the Budget Book

The budget book describes how the Municipality plans to meet public service and infrastructure needs. It also provides helpful information for residents who want to learn about municipal operations.

The budget book serves several key purposes:

- ▶ **Strategic decision making:** The budget is the result of a thorough review of municipal operations. Administration looks at regional needs, strategic priorities, and community goals, then allocates resources to support them.
- ▶ **Financial blueprint:** The budget provides the foundation for managing municipal resources. It outlines how expenses are monitored, and revenues are tracked to ensure strong financial stewardship throughout the year.
- ▶ **Operational roadmap:** The budget sets out departmental work plans and performance objectives for the upcoming year. It guides departments in the delivery of services and achievement of targets.
- ▶ **Public communication tool:** The budget helps residents understand the Municipality's financial decisions, challenges, and priorities. It shows how resources are allocated and the direction the Municipality is taking.

Why an Annual Budget

The *Municipal Government Act* is the provincial law that outlines how Alberta municipalities, including the Regional Municipality of Wood Buffalo, must operate. It sets rules for how often municipalities must create and review their budgets to ensure responsible financial planning.

The annual budget process helps the Municipality plan responsibly for the future. It allows us to reassess funding requirements and service levels, respond to changes in the economy, population, community priorities, and long-term goals, while continuing to provide the services and infrastructure residents rely on.

The Budget Cycle

A considerable amount of effort goes into developing the budget and financial plans. Once a budget is approved, ongoing monitoring and analysis occurs to ensure responsible spending. Budget development and monitoring is a continuous, year-round process.

The Municipality follows a calendar-year budget cycle from January 1 to December 31. Each year, Council reviews and approves:

- ▶ a one-year operating and capital budget
- ▶ a two-year operating plan
- ▶ a five-year capital plan



Yearly Budget Work Plan

January - March

Build Fiscal Management Strategy
Prepare Property Tax Bylaw

April

Council reviews and approves Fiscal Management Strategy
Council reviews and approves Property Tax Bylaw

May

Create budget guidelines and templates
Share guidelines and timelines with the organization

June - September

Develop operating budget requests through detailed financial analysis and department collaboration
Develop capital budget requests for required amendments or new initiatives

October - November

Finalize 2026 operating and capital budget
Finalize 2026 budget book

December

Present the interim budget to Council for consideration and approval

January

2026 proposed operating and capital budgets are released publicly

February

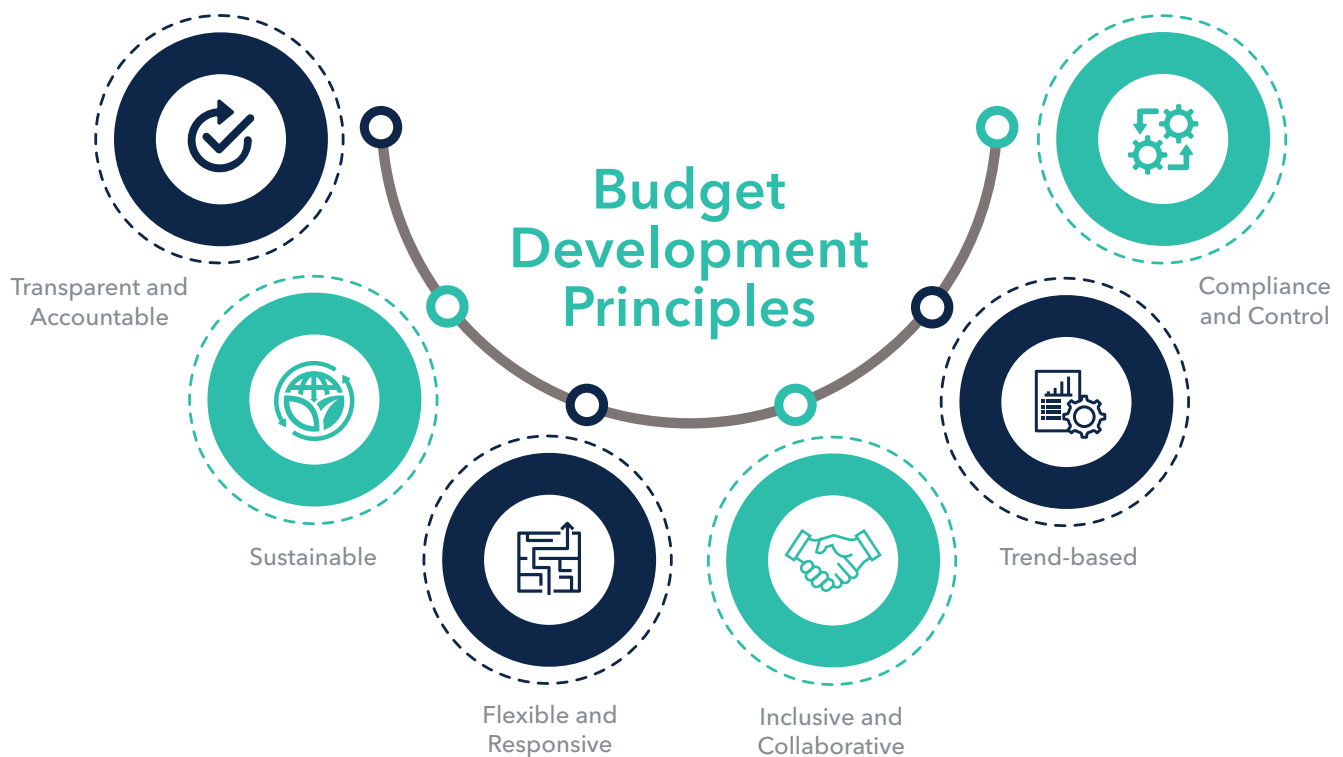
Present proposed operating and capital budgets to Council for consideration and approval

Balancing the Budget - Balancing Priorities

Every time your street is plowed, your garbage or recycling is collected, you turn on the tap for water, you visit a trail or park or catch the bus; budget dollars are at work. The budget determines how much funding goes to the programs and services that support everyday life in the region.

Developing the budget means making choices and setting priorities between essential programs, infrastructure needs, and the wants and needs of residents. Administration leads the budgeting process, while Council is responsible for making decisions on behalf of taxpayers, including tough choices about where budget dollars should be spent.

Several budget principles are in place to guide budget development and ensure taxpayer dollars are used responsibly, without compromising operations or public services or programming.



Rightsizing for the Future

The budget serves as the foundation for a sustainable future, enabling the Municipality to meet the public service and infrastructure needs of residents. Through prudent financial management, we remain committed to serving the region while making strategic decisions today that ensure fiscal sustainability and position the Municipality for a strong and resilient future.

Our budget decisions are made with the realities of our neighbours, families, and taxpayers in mind. We are committed to using tax dollars responsibly while continuing to deliver the municipal services and programs that keep our community running every day. By planning carefully, we ensure that essential services are maintained and that investments in infrastructure and community initiatives reflect the needs of residents both now and into the future.

To achieve this, the development of the budget is guided by:

Sustainability-Focused Budgeting

Prioritize long-term value over short-term gains by investing in programs and initiatives that deliver lasting environmental, social, and economic impacts.

Connection-Focused Budgeting

Support community engagement and collaboration by investing in programs that foster inclusive participation and local empowerment.

Partnership-Focused Budgeting

Advance strategic partnerships by investing in and maintaining programs and infrastructure that cultivate shared values, align mutual goals, and foster enduring collaboration.

Breaking Down the Budget

When looking at the budget from a high level, it can be divided into two main categories: the **Operating Budget** and the **Capital Budget**.

Why divide the budget this way?

A budget is simply a plan for how dollars will be used, invested or earned over a period of time.

In basic terms:

- ▶ The Operating Budget focuses on day-to-day cost of operations.
- ▶ The Capital Budget focuses on long-term purchasing or construction that can span more than one year to several years depending on the complexity.

Let's take a closer look at each.



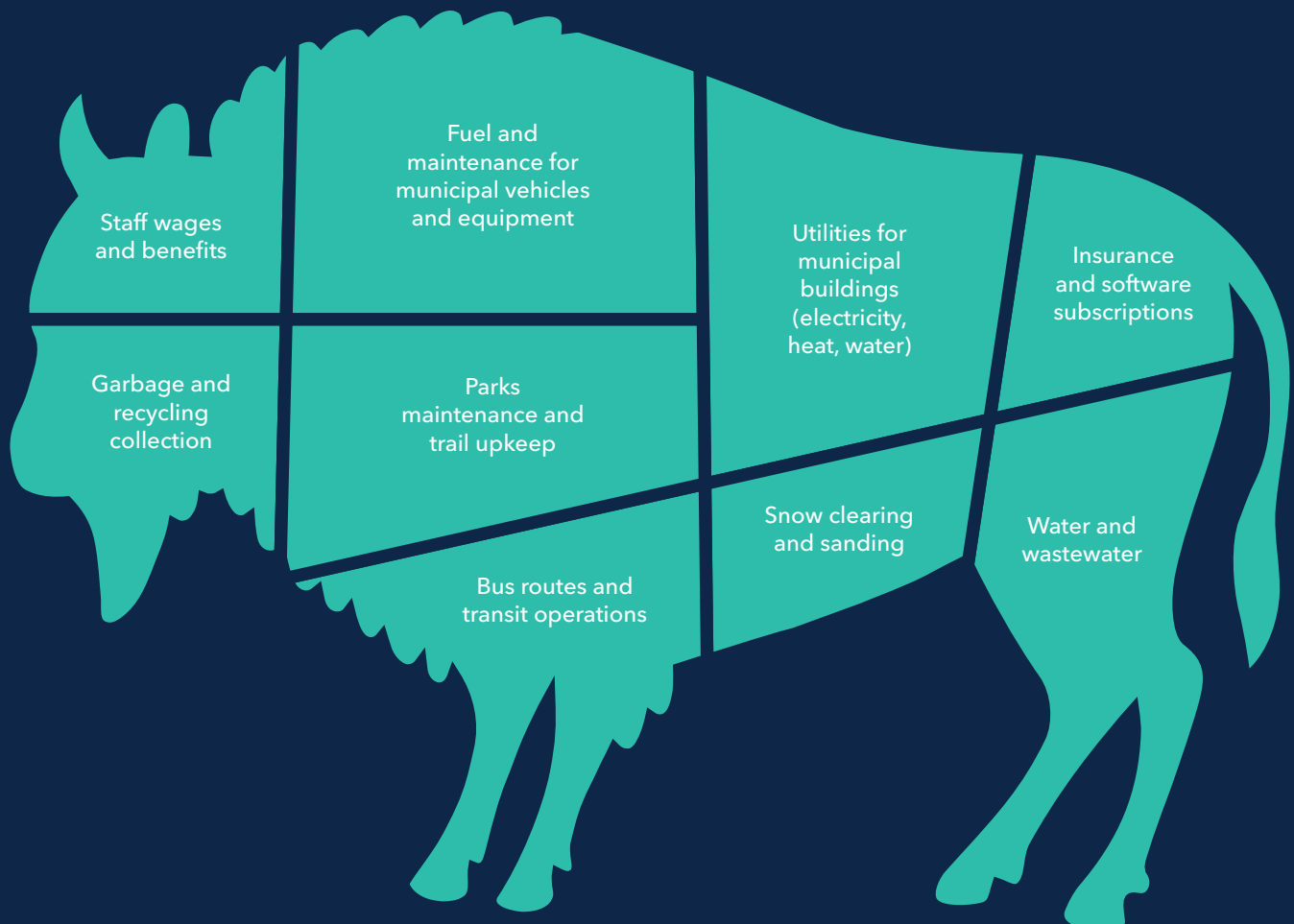
Operating Budget

The operating budget covers the costs that keep the Municipality running. It ensures everyday services are delivered smoothly, including everything from parks maintenance to customer service to curbside collection.

These expenses are smaller and ongoing, compared to the larger investments that fall under the Capital Budget.

Operating Budget Examples

These are some of the day-to-day costs that keep services and programs running:

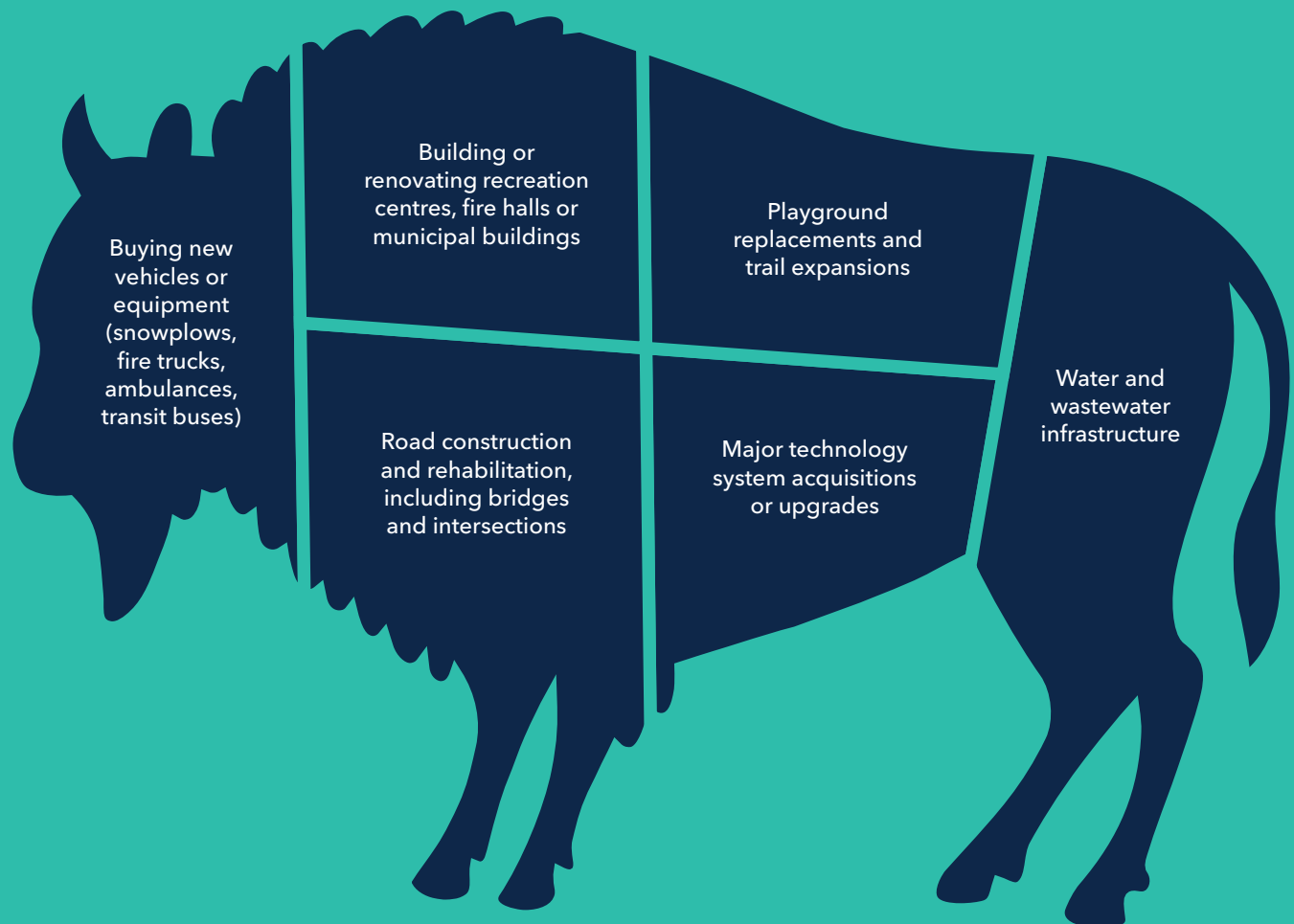


Capital Budget

The capital budget covers the costs of rehabilitating existing infrastructure to support current community needs and planning and managing long-term investments in assets or infrastructure to support future community needs or service delivery. These initiatives are typically construction-related or high value purchases and result in assets such as buildings, equipment, infrastructural, technology, and fleet purchases like ambulances, fire trucks and buses.

Capital Budget Examples

These are some of the examples of one-time investments for long-term use:



Understanding Revenue and Expenses

Now that we have looked at the operating and capital budgets, it is helpful to understand where budget dollars come from and how spending decisions are made to meet community needs.

Budget development can include technical terms and complex processes. To keep it simple, here is what a budget means: a budget is an itemized estimate of expected income (revenue) and expenditures (expenses) for a set period of time.

When planning the budget, the Municipality estimates how much money will be generated (revenue) and how that money will be spent (expenses) on public services and capital initiatives over a calendar year. Once these estimates are made,

a proposed budget is created for Council to review based on the long-term sustainability of the region and essential services to residents and businesses.

Where our money comes from

The Municipality collects revenue from the following major sources to pay for services and capital projects:

- Municipal taxes
- User Fees, rates, charges
- Licenses and permits
- Grants

Understanding your property taxes

The Property Tax Bylaw is set annually that helps keep municipal tax rates among the lowest in Alberta. Property taxes fund the services and projects approved in the annual budgets. Each year, Council sets tax rates in April through the Tax Rate Bylaw, which applies to different property types and reflects the services provided in both urban and rural areas. Homeowners and businesses pay property taxes based on a percentage of their property's assessed value.

The Municipality collects certain provincial taxes such as education, senior lodge accommodation, and designated industrial property requisitions on behalf of the province. These tax rates are set by the province, and the Municipality does not keep any of the revenue.

Understanding User Fees, Rates and Charges

The Municipality uses a mix of tax and user fee revenue to provide services that support quality of life in the region. Some services are fully funded by taxes, like fire, police, roads, and parks. Others are partly funded by taxes and partly by user fees, such as transit and recreation facilities. Services like utilities and licenses are a direct benefit to recipients and should be fully funded by user fees.

Residents pay user fees for services they use, including:

Direct benefit

- ▶ Animal licensing
- ▶ Safety Codes permitting
- ▶ Solid waste collection and disposal
- ▶ Water

Subsidized services

- ▶ Recreation and culture programs
- ▶ Transit Services



Balancing the Budget

The *Municipal Government Act* requires municipalities to pass a balanced budget each year. This means revenue must equal expenses while still providing the core services and infrastructure needed for a healthy community.

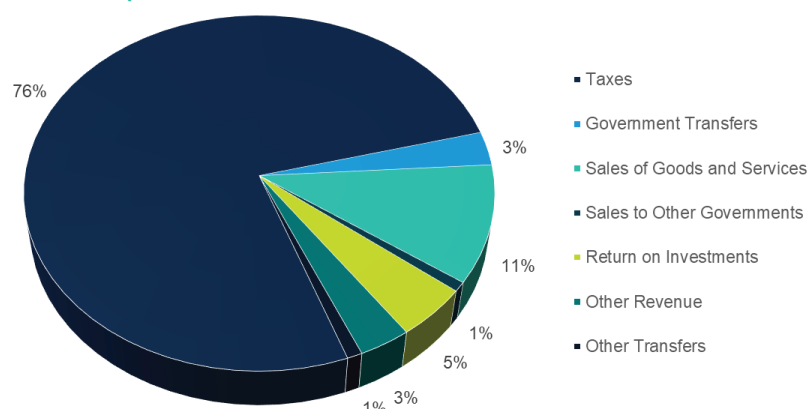
Administration prepares a detailed proposed budget that aligns community needs with available resources, while planning responsibly for a sustainable future. Council reviews this information and weighs priorities across the region before approving the final budget.

A Closer Look at Revenue and Expenses

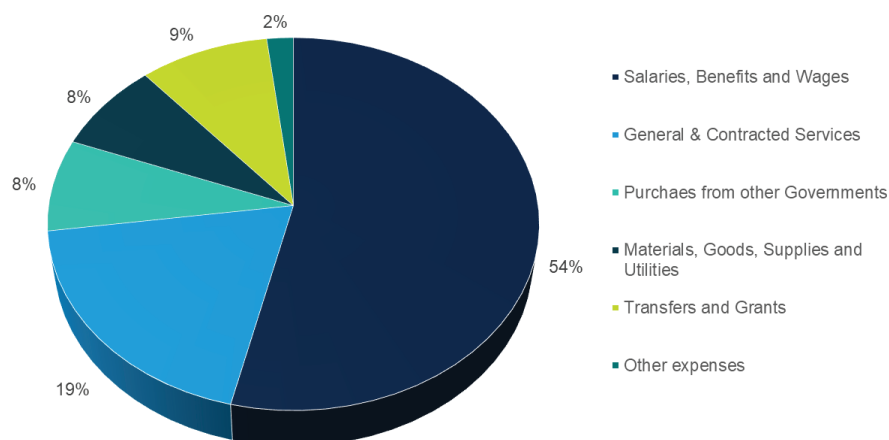
The next two charts show examples of municipal revenue and expenses from the Municipality's 2026 Budget, including the percentage of funding generated or allocated to each area.

For a full and detailed breakdown of the proposed revenues and expenses for 2026, visit rmwb.ca/budget.

2026 Proposed Revenue



2026 Proposed Expenses



Find out more about the budget at rmwb.ca/budget.
View budget meetings and workshops at rmwb.ca/council.

You can also contact us through Pulse at 780-743-7000



REGIONAL MUNICIPALITY
OF **WOOD BUFFALO**