



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Council Meeting Presentation Request

Completed requests to make a public presentation must be received by 12:00 noon on the Wednesday immediately prior to the scheduled meeting. **Presentations are a maximum of 5 minutes in duration.**

| Presentation Information | |
|--|---|
| Preferred Date of Presentation | January 22, 2019 |
| Name of Presenter(s) | Karim Zariffa, Executive Director |
| Organization Represented | Oil Sands Community Alliance (OSCA) |
| Topic | OS industry's rotational workforce in the RMWB |
| Please List Specific Points/Concerns | This presentation will address the following points: History and rationale of Fly in Fly Out in RMWB; Driving distance and travel time from Fort McMurray proper to OS operations within RMWB; OS industry aerodromes and YMM airport's utilization for rotational work; Community benefits of rotational workforce; Property taxes and local contracting opportunities; OS industry's commitment to building a thriving region; and Local incentives offered by OS companies |
| Action Being Requested of Council | OSCA is asking Council to not move forward with the camp moratorium, considering the information presented on the rotational workforce and the impacts/unintended consequences the proposed motion will have on OS operators, local stakeholders and businesses within the region. |
| Are you providing any supporting documentation (ie: Powerpoint)? <input checked="" type="radio"/> Yes <input type="radio"/> No | |
| If yes, the documentation <u>must</u> accompany this request, as handouts will not be distributed at the meeting. To ensure that your documents meet minimum standards, please see presentation guidelines on the next page. | |
| Supporting documents may be e-mailed to Legislative.Assistants@rmwb.ca . | |

As per Procedure Bylaw No. 14/025, a request to make a presentation may be referred or denied.

Rotational Work in RMWB

Karim Zariffa, Executive Director
Jan 22, 2019



Agenda



- **Regional Context**
- **Background**
- **Economic Benefits**
- **Legal Opinion**
- **Conclusion**

Regional Context



Regional Snapshot



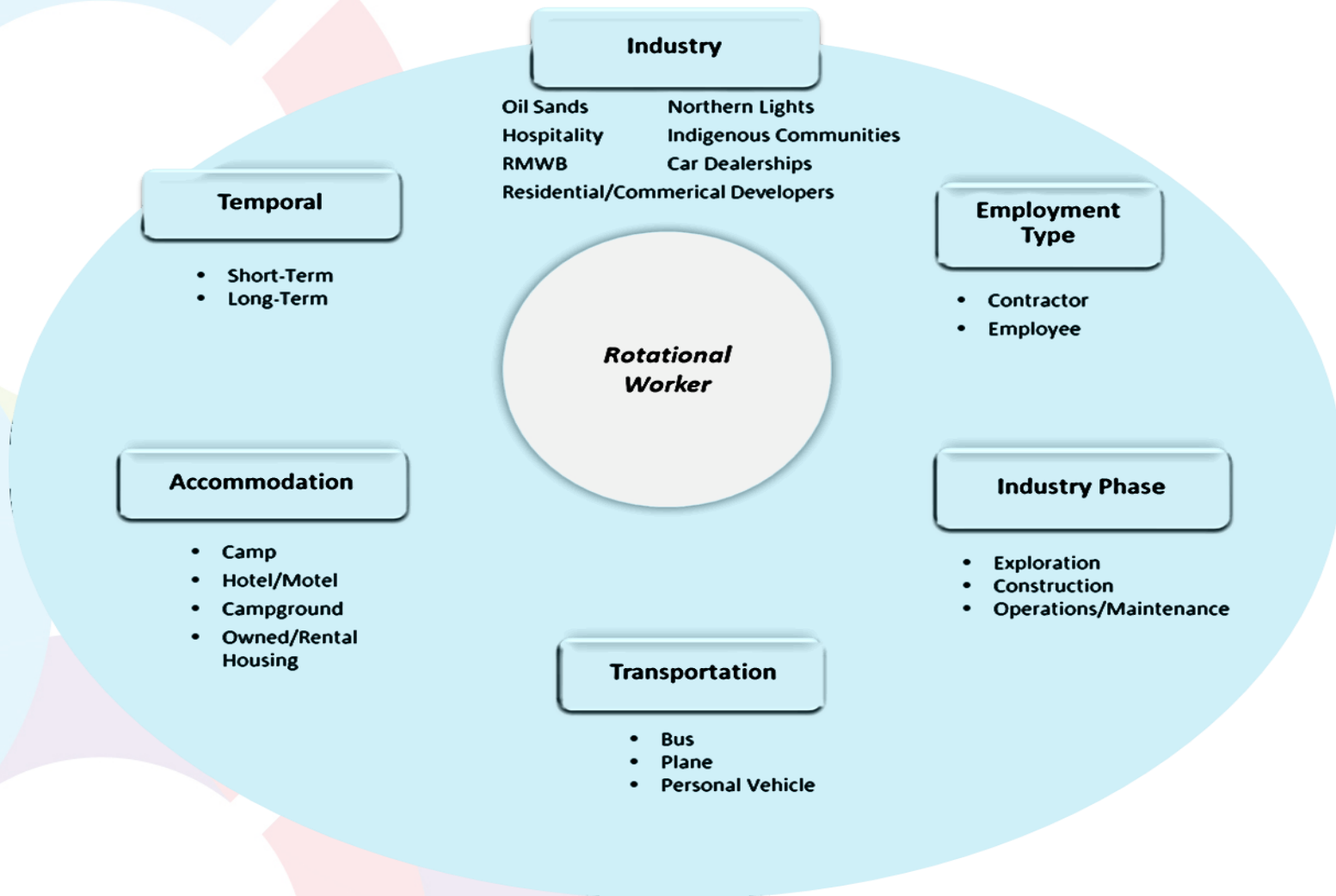
| | Average hourly wage (2018) | Median household after tax income | Unemployment rate (Dec 2018) | Average Price of Home sold (Nov 2018) |
|------------------------|----------------------------|-----------------------------------|------------------------------|---------------------------------------|
| Wood Buffalo-Cold Lake | \$28.5 | \$146,797 | 5.1% | \$385,235 |
| Alberta | \$22.7 | \$80,300 | 6.1% | \$374,915 |
| Canada | \$20.8 | \$61,348 | 5.2% | \$488,080 |

Source: Statistics Canada, CREA

Background



Characteristics of Rotational Work



History of FIFO



- **2000:** Rapid development of the oil sands sector led to rapid population growth.
- **2005/06:** RMWB identified housing/infrastructure as most significant challenge
 - RMWB called for a moratorium on growth
- **Post 2007:** RMWB recognized that work camps were an important tool to address chronic housing shortages in the region.
- **2015 +:** Members have been seeking efficiencies, and reducing costs. As a result camp population has dropped between 2015-2017.

Camp-based operations or FIFO acted as a “shock absorber” for the community.

Rationale for Rotational/FIFO Workforce



- Remoteness
- Safety
- Quality of life
- Worker performance
- Competition for skilled labour
- Time and cost efficiencies
- Worker Turnover

Types of Camps



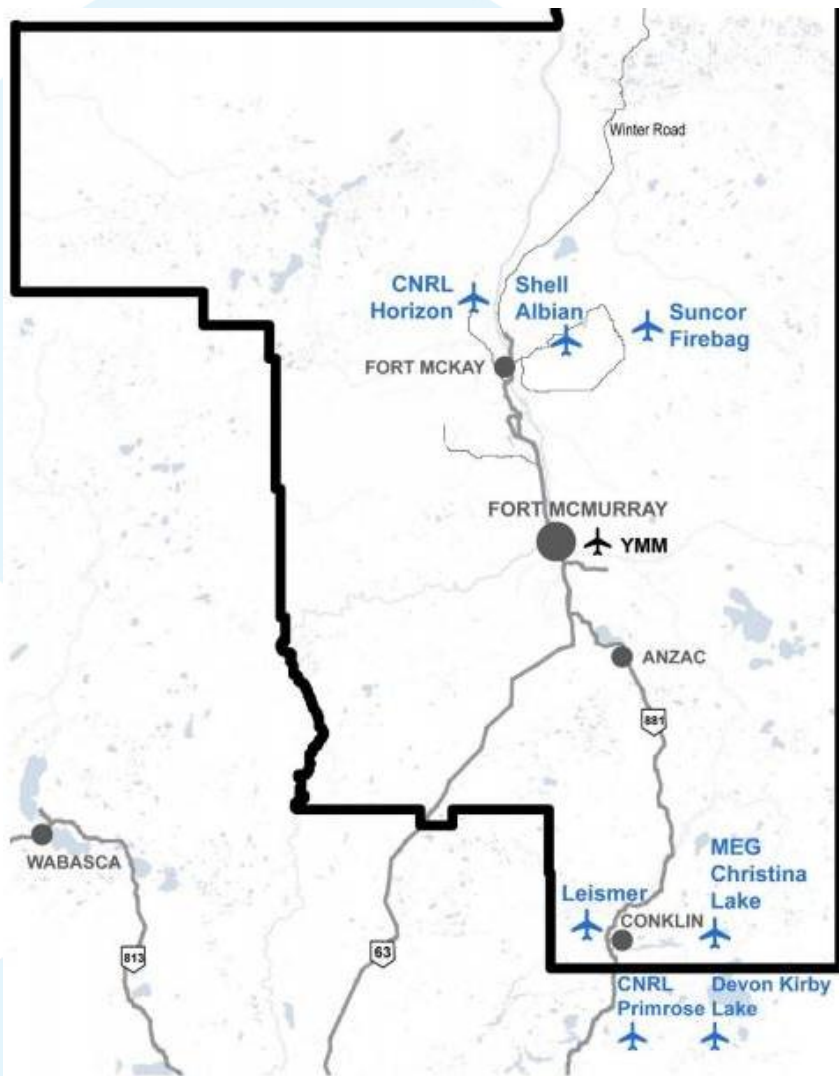
- FIFO is a necessary component of our industry's recruitment and retention efforts.
- However, camps are not only used for operations.
 - 2017 Rotational Worker Survey estimated the oil sands operations-related workforce to be approximately 17,000
 - Camps are critical to temporary workforce:
 - Maintenance, turnaround, drilling, construction.
 - In 2018, approximately over 14,000 people were turnaround.

Project Accommodations

- Distance of project accommodations from the USA: 120 km as the crow flies is an inaccurate metric.
- Approximately 78% of camps are >50 km away from the urban service area.

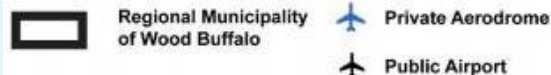
| | |
|------------------------------|----------------------------------|
| Active oil sands camps | 46 |
| Active service company camps | 12 |
| Outside RMWB | 1 |
| Inactive | 26 |
| Permanently Closed | 14 |
| Non-oil sands camps | 11 (i.e. staff housing) |
| Camps not yet built | 2 (have the lease but not built) |

Aerodromes in RMWB



- 11 projects **utilize five private aerodromes** (located in RMWB).
- Substantial FIFO-activity utilizes YMM airport (40%)
 - 8 projects exclusively use YMM

INDUSTRY AERODROMES IN AND AROUND THE RMWB



Economic Benefit



Vocal about Local



- Tax revenue: over **\$16,000,000**
- Camps and Catering spend with local Indigenous business (in 2015-2016): **\$335,000,000**
- Rotational workers account for **40 per cent of monthly passenger** movements at the YMM airport.
- Oil sands operations-related rotational workers spent over **\$82,000,000** in Fort McMurray in 2017.
 - Over 80% of services accessed by rotational workers during these trips are private services like retail, restaurants, gas etc.

Supporting Local Workforce



- All member companies have sought out local employees through open job postings, job fairs, etc.
- Projects offer bus services to and from site, at the beginning and end of shifts.
- Companies provide numerous other incentives (appendix).

- New hires and transfers to RMWB
 - **2017 and 2018: +2800**
- Today, **80+ job postings** that give people an option to live in RMWB (appendix).

Legal Opinion



Legal Review (Municipal Government Act)



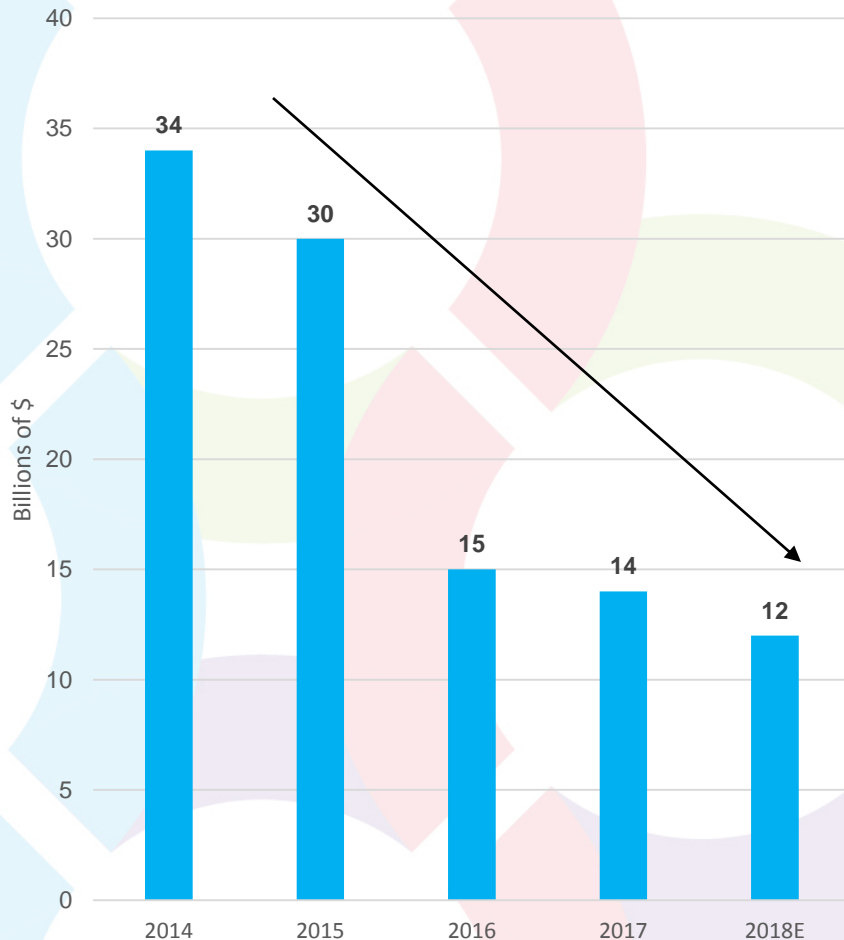
- **Section 619** provides that energy development approvals granted by the referenced regulators (NRCB, ERCB, AER, AUC, AEUB) prevail over any subdivision or development decision.
- **Section 620** provides that approvals granted pursuant to an enactment by the Lieutenant Governor in Council, a Minister, a Provincial agency or Crown-controlled organization prevails over any condition of a development permit that conflicts with it.

Conclusion



Competitiveness Challenges

Oil sands Capital Investment



“2018 oilsands spending to be lowest in 15 years; slower growth to continue”

“Canada's dashed 'energy superpower' dream”

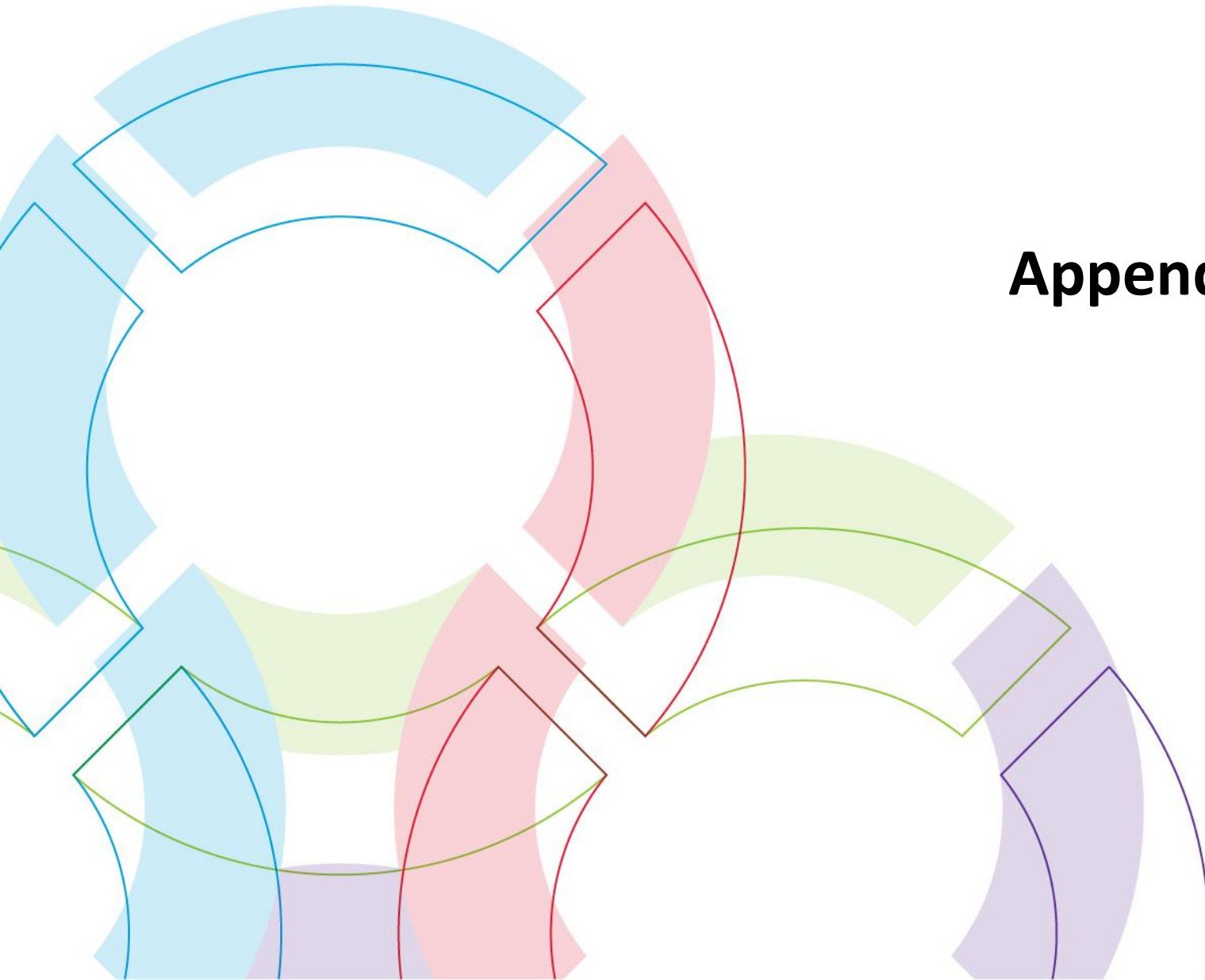
“No new Canadian investments without new pipelines”

Conclusion



- The motion assumes a one size fits all approach to a complex issue.
- The oil sands industry is committed to collaborating with RMWB to create a community that attracts people to live in the region
- Our industry and region's economic health and vitality are intimately linked.
- We must focus on the big picture together and solve the industry's competitiveness issues.

Appendix



Job postings

As of Jan 3, 2019 - 83 open job postings

| Company | Job Title | Location | Link |
|-----------|---|---|---|
| CNRL | Student, Asset Integrity Engineering – 8 months (May 2019) | Horizon Oil Sands site, located 70 km north of Fort McMurray (Fly-in Fly-out Option available from Calgary or Edmonton) | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679697& |
| CNRL | NDT Technician | This position is based in Fort McMurray and is eligible for: Relocation to Calgary, Edmonton, or Fort McMurray; Company Sponsored Fly-In/Fly-Out and Accommodations Program with charter flights from Edmonton and Calgary | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679716& |
| CNRL | In Service Inspector | This position is based at Horizon, north of Fort McMurray, Alberta and is eligible for: Relocation to Calgary, Edmonton, or Fort McMurray; Company Sponsored Fly-In/Fly-Out and Accommodations Program with charter flights from Calgary or Edmonton | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679846& |
| CNRL | Warehouse Technician | This position is based at our Horizon Oil Sands site in Fort McMurray, Alberta and is eligible for: Company Sponsored Fly-In/Fly-Out and Accommodations Program with charter flights from Calgary or Edmonton | http://trr.tbe.taleo.net/trr01/ats/careers/requisition.jsp?org=CNRL& |
| CNRL | Heavy Equipment Technician | This position is based at our Albion Oil Sands site in Fort McMurray, Alberta and is eligible for: Relocation to Fort McMurray, Calgary or Edmonton; Company Sponsored Fly-In/Fly-Out and Accommodations Program with charter flights from Calgary or Edmonton | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679832& |
| CNRL | Mechanical Engineering Student – May 2019 | Horizon Oil Sands or Albion Oil Sands site, located 70 km north of Fort McMurray | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679692& |
| CNRL | Labour Relations Manager | This position is based at our Horizon Oil Sands site in Fort McMurray, Alberta and is eligible for: Relocation to Fort McMurray, Calgary or Edmonton; Company Sponsored Fly-In/Fly-Out and Accommodations Program with charter flights from Calgary or Edmonton | https://cnrl.taleo.net/careersection/ex/jobdetail.ftl?job=181679920& |
| Devon | Bonnyville Production Engineer | This position is based in Bonnyville, AB; Devon is pleased to provide relocation services to eligible students who do not have a job offer in this region at this time. Please check back frequently. | https://careers.devonenergy.com/job/Calgary-Bonnyville-Production-Engineer |
| Cenovus | Contract Process Operator | Fort McMurray - (Long Lake) | http://www.nexencnoodt.com/en/Careers/CurrentOpportunities/d |
| Athabasca | Sorry, there are no jobs available in this region at this time. Please check back frequently. | | |
| Syncrude | Wetlands Research Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Soil Research Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Revegetation Research Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Public Affairs Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Public Affairs Specialist | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Project Engineer Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Procurement Student | This is a Calgary or Fort McMurray based position. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Process Safety (Chemical) Engineer | This is a full-time permanent position located in Fort McMurray. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Mining Engineer Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Mechanical Technologist Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://www.syncrude.ca/careers/current-opportunities/online-job-I |
| Syncrude | Mechanical Engineer Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Materials Engineer Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Inspector Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |

Job postings

| | | | |
|----------------|--|---|--|
| Syncrude | Computer Engineer/Computer Science Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Chemical Engineer Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Aquatic Technologist Student | This is a Fort McMurray based position located at our Mildred Lake or Aurora site. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| Syncrude | Accounting Student | This is a Fort McMurray or Calgary based position. | https://syncrude.taleo.net/careersection/2/jobdetail.ftl |
| ConocoPhillips | There are currently no open positions in Canada. | | |
| Suncor | Control Systems Student | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday | https://jobs.suncor.com/job/Fort-McMurray-Co-op-Student% |
| Suncor | Heavy Equipment Technician | You will work out of our Base Plant Mine in Fort McMurray, Alberta; The shift schedule is a six days on/six days off rotation (three days on, three nights on, six days off; 12-hour shifts);If you reside outside of Fort McMurray, relocation of your primary residence to within 60 km of Fort McMurray is mandatory Relocation support will be provided; we offer highly competitive housing assistance to eligible candidates | https://jobs.suncor.com/job/Fort-McMurray-Heavy-Equipme |
| Suncor | Process Engineer | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday; If you reside outside of Fort McMurray, relocation of your primary residence to within 60 km of Fort McMurray is mandatory. Relocation support will be provided; we offer highly competitive housing assistance to eligible individuals | https://jobs.suncor.com/job/Fort-McMurray-Process-Enginee |
| Suncor | Supply Chain Operations Manager | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday; If you reside outside of Fort McMurray, relocation of your primary residence to within 60 km of Fort McMurray is mandatory. Relocation support will be provided; we offer highly competitive housing assistance to eligible individuals | https://jobs.suncor.com/job/Fort-McMurray-Supply-Chain-O |
| Suncor | Mine Planner | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday; If you reside outside of Fort McMurray, relocation of your primary residence to within 60 km of Fort McMurray is mandatory. Relocation support will be provided; we offer highly competitive housing assistance to eligible individuals | https://jobs.suncor.com/job/Fort-McMurray-Mine-Planner-A |
| Suncor | Onboarding Coordinator | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday | https://jobs.suncor.com/job/Fort-McMurray-Onboarding-Coo |
| Suncor | Maintenance Planner | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday | https://jobs.suncor.com/job/Fort-McMurray-Maintenance-Pl |
| Suncor | Recruiter | You will work out of our Stoney Creek Village office in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday | https://jobs.suncor.com/job/Fort-McMurray-Recruiter-Albe/ |
| Suncor | Nurse Practitioner | You will work out of our Firebag location, which is our largest in situ operation and one of the largest in the world (and located 120 km northeast of Fort McMurray, Alberta) | https://jobs.suncor.com/job/Fort-McMurray-Nurse-Practition |
| Suncor | Senior Communications Advisor (Upstream) | You will work out of our Base Plant Mine in Fort McMurray, Alberta; Hours of work are a regular 40-hour work week, Monday to Friday; If you reside outside of Fort McMurray, relocation of your primary residence to within 60 km of Fort McMurray is mandatory. Relocation support will be provided; we offer highly competitive housing assistance to eligible individuals | https://jobs.suncor.com/job/Fort-McMurray-Senior-Commun |
| Suncor | Heavy Equipment Operator | You will work out of our Base Plant Mine in Fort McMurray, Alberta; The shift schedule is a six days on/six days off rotation (three days on, three nights on, six days off; 12-hour shifts);This is not a camp-based role, so if you live outside of Fort McMurray, you will be expected to arrange for your own accommodations while on shift | https://jobs.suncor.com/job/Fort-McMurray-Heavy-Equipme |

Companies Incentives Offered



- Relocation expenses
- Fort McMurray uptick allowance (typically 15 per cent of base salary)
- Rental assistance program (\$1,000-1,500/month)
- Mortgage Assistance Program
- One-time housing allowance/down payment (up to \$40,000)
- Transportation (buses and shuttles) to and from site or bus allowance