

2019 Proposed Budget and Plan

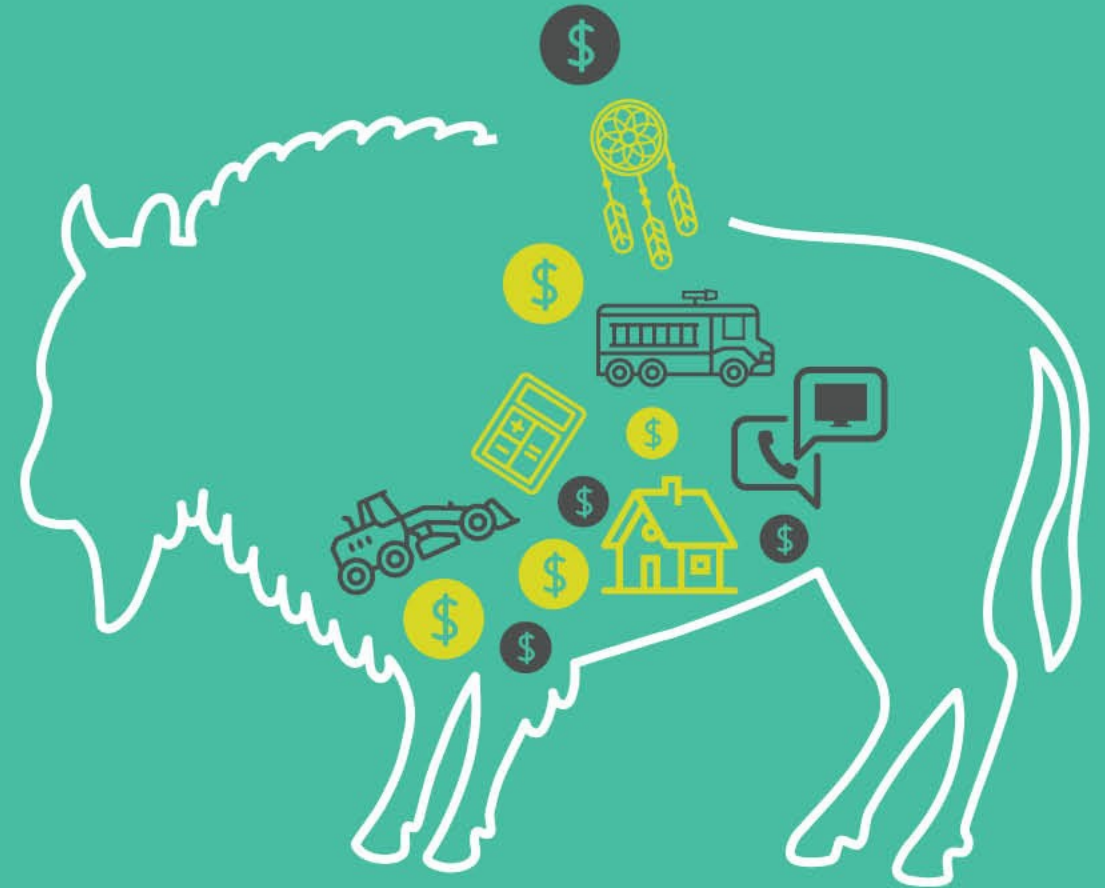
Presenters

Linda Ollivier,
Director of Financial Services

Ray Cayen,
Manager, Financial Planning

Date

November 29, 2018



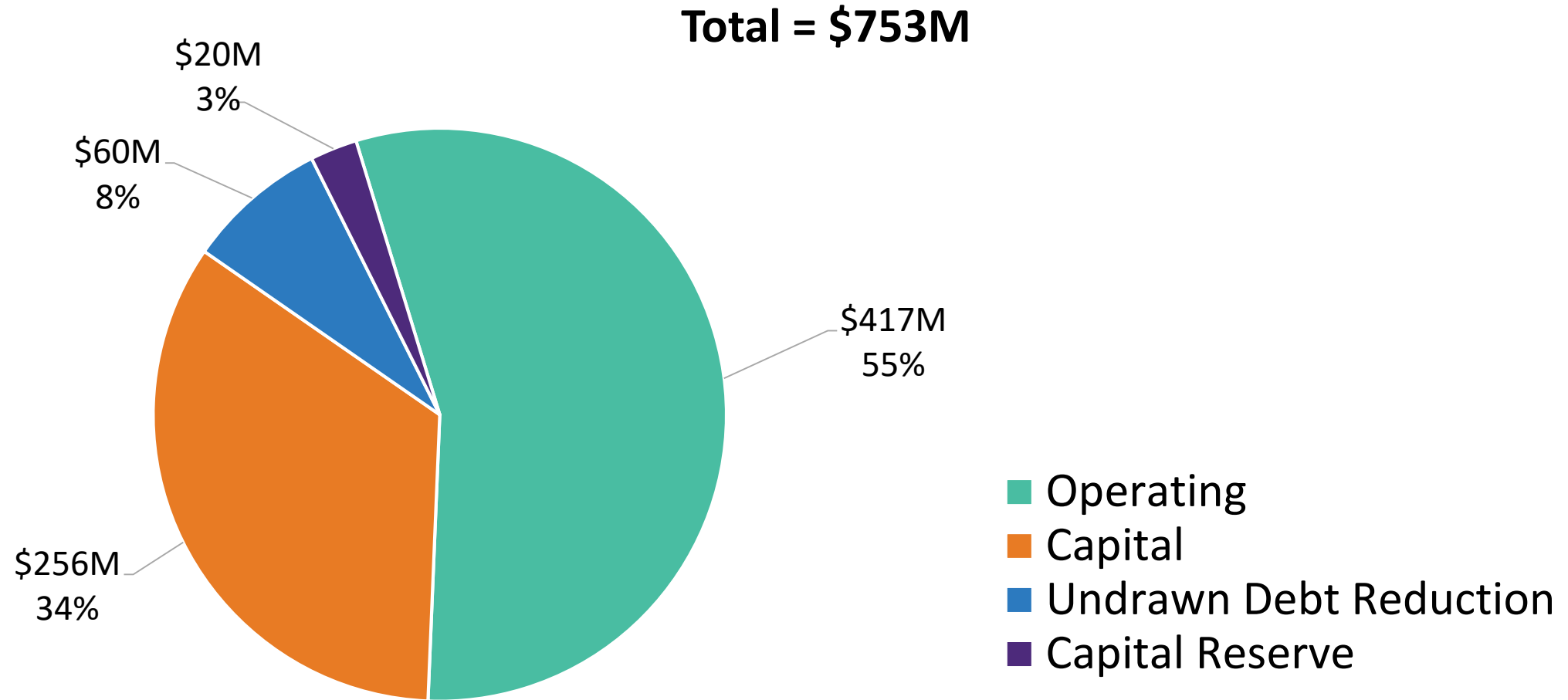
2019 Budgeting Process

- Aug – Nov/18: Internal reviews of proposed 2019 Budget
- Nov 14/18: Proposed Operating and Capital Budgets and Financial Plan presented to Council
- Nov 28/18 – Dec 1/18: 2019 Proposed Budget workshops for Council (includes Community Investment Program presentations)
- Dec 11/18: Budget presented to Council for approval

2019 Proposed Budget

- Zero Based Budgeting (ZBB) approach
- Continuation of existing programs/services
- Sustainment of infrastructure, and the maintenance and rehabilitation of capital assets
- Benchmarking with other communities, where possible
- Continued debt reduction strategy

2019 Proposed Operating, Capital and Debt Reduction



2019 Proposed Budget

	(\$M)
Total Operating expenses	417
Transfer for capital purposes	276
Undrawn debt reduction	60
Total operating and capital funding required	753
Less: Operating funding from sources other than taxation	(110)
Net taxation revenue required	<u>643</u>

2019 Proposed Budget Comparison

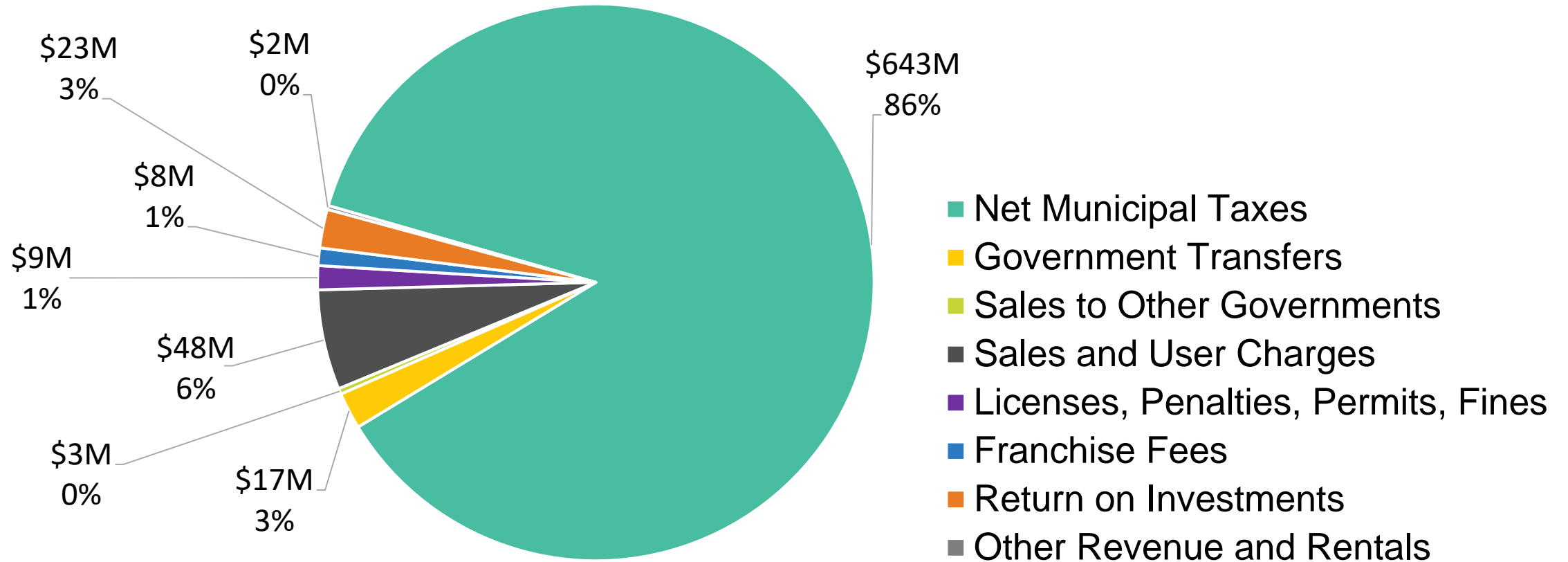
Expenses	2018 Budget (\$'M)	2018 Projection* (\$'M)	Budget to Projection Change (\$'M)	2019 Budget (\$'M)	Budget to Budget Change (\$'M)
Total Operating Expenses	433	404	(29)	417	(16)
Transfer to Capital	277	276	(1)	276	(1)
Undrawn Debt Reduction	65	65	-	60	(5)
Total Operating Budget	775	745	(30)	753	(22)

* October 31, 2018

2019 Proposed Operating Budget

2019 Proposed Operating Budget

Revenue Summary = Total \$ 753M

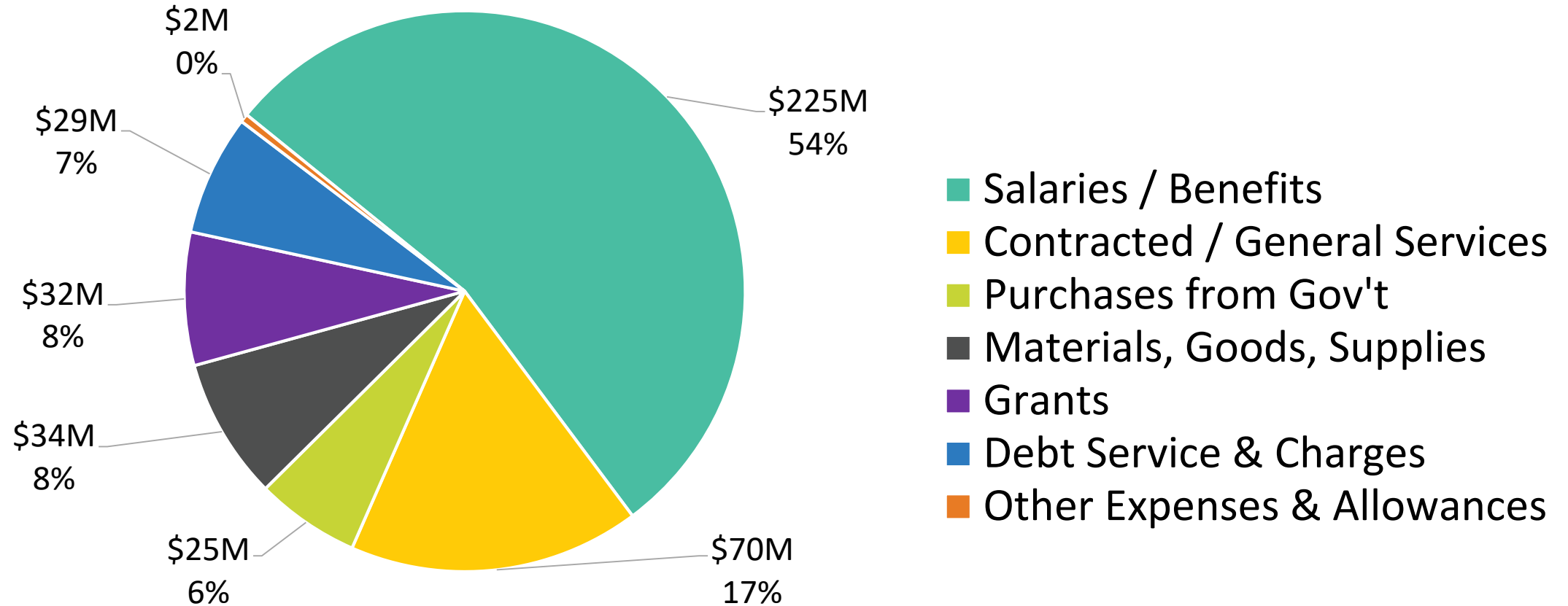


2019 Operating Budget Revenue Analysis

Revenue	2018 Budget (\$'M)	2018 Projection (\$'M)	2019 Proposed (\$'M)	Budget to Budget Change (\$'M)	Budget to Projection Change (\$'M)
Net Taxes Available – Municipal	673	680	643	(37)	(30)
Government Transfers	17	17	17	0	0
Sales to Other Governments	3	3	3	0	0
Sales and User Charges	45	47	48	1	3
Licenses, Penalties, Permits, Fines	11	14	9	(5)	(2)
Franchise Fees	8	8	8	0	0
Return on Investments	17	19	23	4	6
Other Revenue and Rentals	1	4	2	(2)	1
Total	775	792	753	(39)	(22)

2019 Proposed Operating Budget

Expenses Summary = Total \$417M



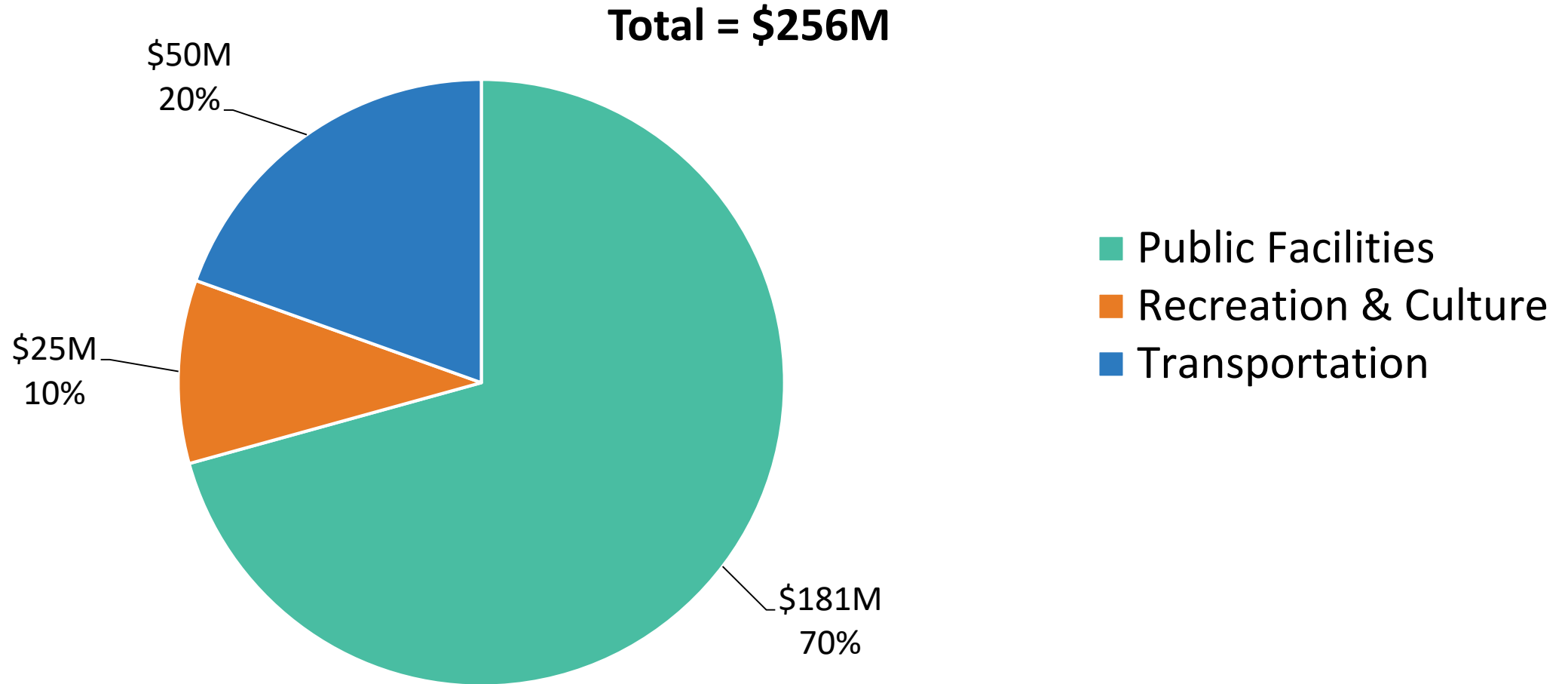
2019 Operating Budget Expense Analysis

Expenses	2018 Budget (\$'M)	2018 Projection* (\$'M)	2019 Budget (\$'M)	Budget to Budget Change (\$'M)	Budget to Projection Change (\$'M)
Salaries, Wages & Benefits	229	219	225	(4)	6
Contracted & General Services	78	68	70	(8)	2
Purchases from Other Gov'ts.	27	25	25	(2)	0
Materials, Goods, Supplies	37	33	34	(3)	1
Grants	31	30	32	1	2
Debt Service and Charges	30	31	29	1	(2)
Other Expenses & Allowances	1	(2)	2	(3)	4
Total	433	404	417	(16)	13

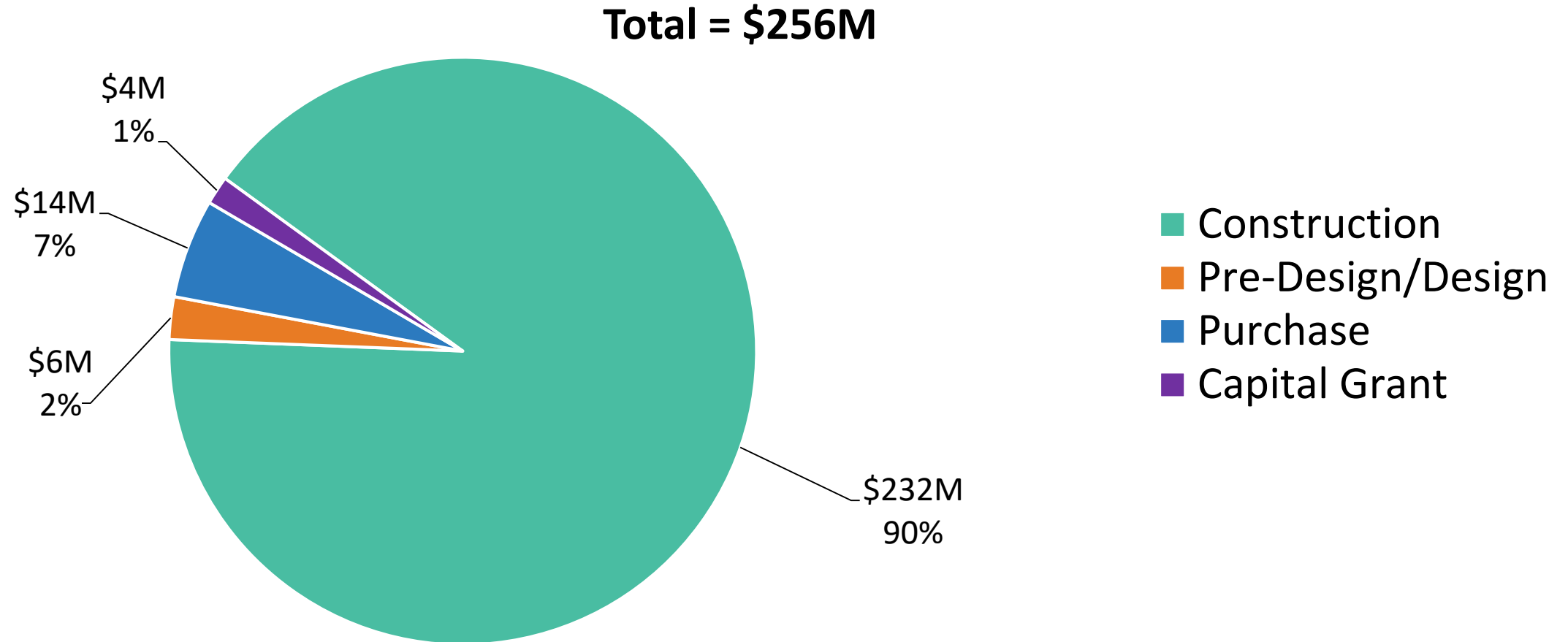
* October 31, 2018

2019 Proposed Capital Budget

2019 Proposed Capital Budget, by Category



2019 Proposed Capital Budget, by Type



2019 Proposed Capital Budget & 2019 - 2023 Plan

Category	2019 (\$'M)	2020 (\$'M)	2021 (\$'M)	2022 & after (\$'M)	Total (\$'M)
Single year projects	29	0	8	0	37
First year of multi-year projects	54	69	33	88	243
Other than first year of a multi-year project	159	193	125	110	587
Equipment purchases	14	5	2	2	23
2019 Proposed Capital Budget/Plan	256	267	168	200	890

2019 Proposed Debt and Debt Service

Debt and Debt Service Legislation

- *Municipal Government Act* (MGA) Sections 251 through 274
- Alberta Regulation (AR) 255/2000
- Debt Management Policy FIN-120

Debt Definitions

Actual debt

- Debentures/debt drawn by the Municipality

Undrawn debt

- Debt approved by Council to fund capital projects, where based on corporate cash flow/capital project progress, funds have not been borrowed to date, but will be required

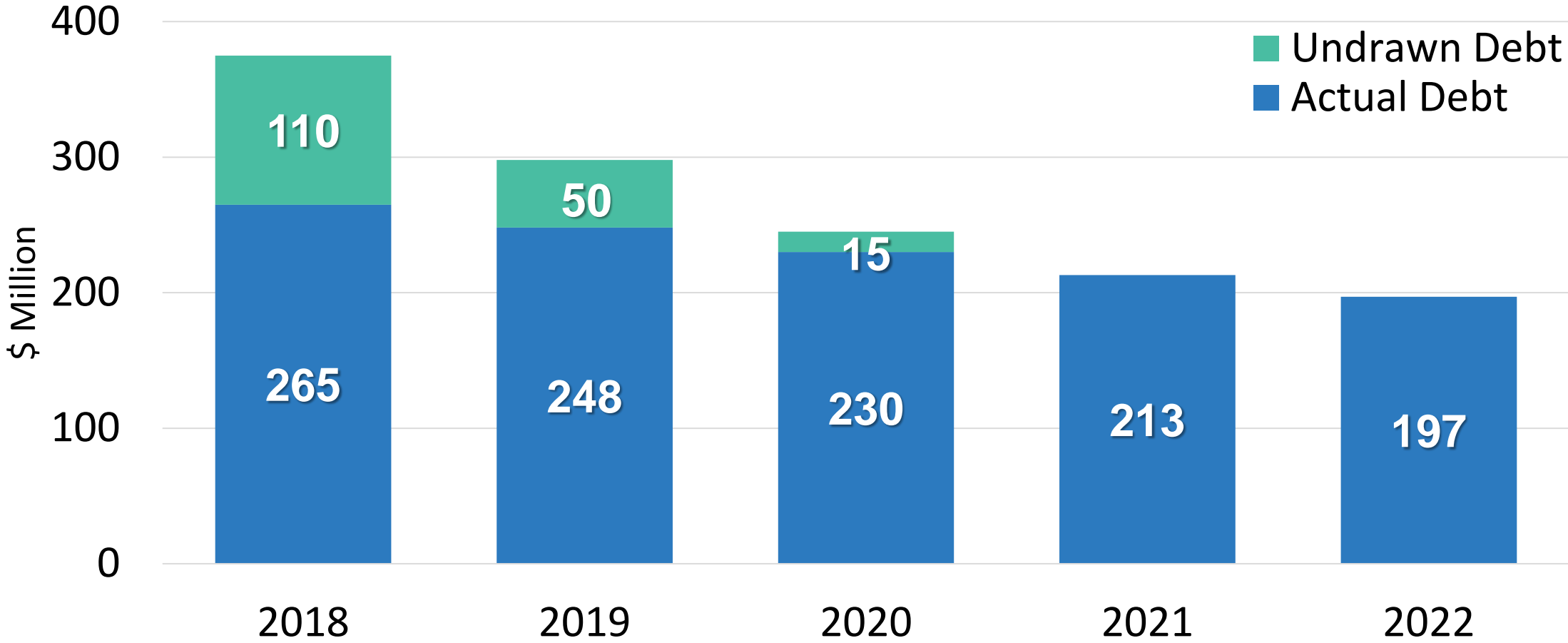
Actual debt + Undrawn debt = Committed Debt

Debt Definitions

Debt service

- is the annual principal and interest amounts owing on outstanding loans made by the Municipality plus any loan guaranteed by the Municipality

Committed – Undrawn Debt-Reduction Plan



Debt Service

- Represents debenture interest and principal payments
- 2019 Debt Service on Actual Debt: \$29M
- Undrawn debt reduction plan avoids future debt service increases

Next Steps

- Operating Budget Departmental Presentations
- Capital Project Budget Presentations
- Council Deliberations
- Council Resolution for Budget Approval

Questions?