



Audit and Budget Committee

Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, November 04, 2014
3:00 p.m.

Agenda

Call to Order

1. Appointment of the Chair
2. Adoption of the Agenda
3. Minutes of Audit and Budget Committee Meeting - October 21, 2014

New and Unfinished Business

4. Questions to the Municipal Auditor
5. 2015 Proposed Budget, 2016 – 2017 Financial Plan
6. Financial Performance Update – Third Quarter 2014
7. Community Investment Program Applicant Presentations
 - Regional Recreation Corporation
 - Fort McMurray Public Library
 - 2015 Crescent Point Energy Western Canada Cup Fort McMurray
8. Animal Control Services

Adjournment

Unapproved Minutes of a Meeting of the Audit and Budget Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, October 21, 2014, commencing at 4:00 p.m.

Present: S. Germain, Chair
M. Blake, Mayor
T. Ault, Councillor
G. Boutilier, Councillor
J. Cardinal, Councillor
K. McGrath, Councillor
P. Meagher, Councillor
J. Stroud, Councillor

Absent: L. Bussieres, Councillor
J. Chadi, Councillor
A. Vinni, Councillor

Administration: Brian Moore, Acting Interim Chief Administrative Officer
David Leflar, Chief Legislative Officer
Audrey Rogers, Senior Legislative Officer
Sarah Harper, Legislative Officer

Call to Order

Chair S. Germain called the meeting to order at 4:00 p.m.

1. Adoption of the Agenda

Moved by Councillor J. Stroud that the agenda be adopted as presented.

CARRIED UNANIMOUSLY

2. Minutes of Audit and Budget Committee - October 7, 2014

Moved by Councillor K. McGrath that the Minutes of Audit and Budget Committee meeting - October 7, 2014 be approved as presented.

CARRIED UNANIMOUSLY

New and Unfinished Business

3. Questions to the Municipal Auditor

Arrival

Councillor Boutilier entered the meeting at 4:02 p.m.

Ralph Timleck, Municipal Auditor, responded to questions from the Committee with respect to utilization rates for transit services running to and from the communities of Anzac and Conklin, as well as the costing of the Conklin multiplex. The Auditor committed to providing a comparative report of utilization rates for transit services, and to looking into the response time

of administration in providing costing information on the Conklin multiplex.

4. Delegation - Keyano College

Kara Flynn, Chair of the Keyano College Board of Governors; and Alan Roberts, Director of Keyano Theatre & Arts Centre, provided a presentation on the Keyano Theatre Expansion.

Moved by Councillor K. McGrath that the request for funding be included for consideration during the 2015 budget deliberations.
CARRIED UNANIMOUSLY

5. Municipal Transit Services – Internal Audit Findings

Ralph Timleck, Municipal Auditor, gave a presentation on the Municipal Transit Services Internal Audit Findings.

Exit and Return

Councillor G. Boutilier exited the meeting at 4:58 p.m. and reentered at 5:04 p.m.

Moved by Councillor J. Stroud that the Audit and Budget Committee accept as information the Municipal Transit Services Internal Audit Findings as summarized.
CARRIED UNANIMOUSLY

6. Mayor and Chief Administrative Officer's Expenses

Moved by Councillor G. Boutilier that the Mayor and Chief Administrative Officer's Expenses for the period January 1 to September 30, 2014 be accepted as information.
CARRIED UNANIMOUSLY

7. 2015 Budget Process Review

Elsie Hutton, Chief Financial Officer, gave a brief presentation outlining recommendations for the 2015 Budget Workshop process.

Arrival

Councillor P. Meagher entered the meeting at 5:20 p.m.

Adjournment

Moved by Councillor G. Boutilier that the meeting be adjourned.
CARRIED UNANIMOUSLY

The meeting adjourned at 5:21 p.m.

Chair

Chief Legislative Officer

Subject: 2015 Proposed Budget, 2016 - 2017 Financial Plan**APPROVALS:**

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the 2015 Proposed Budget, 2016 - 2017 Financial Plan be accepted as the base information for budget discussion and final budget recommendation.

Summary:

The *Municipal Government Act* (MGA) requires that every Alberta municipality approve a budget prior to passing a property tax bylaw. It is advantageous for a municipality to approve a budget prior to the start of the budget year to avoid delays or disruptions in planned activities for the upcoming year.

Background:

The proposed 2015 Budget, 2016 - 2017 Financial Plan has been developed under the theme, 'Consolidation and Transformation of the Big Plans'; building on the financial investments made to date, this is a continuation of funding allocations aimed at maintaining assets, providing quality core services and construction of capital assets to support municipal operations and enhance the quality of life for the residents of the region.

The municipal budget allocation model and process continue to evolve and adapt to our ever-changing environment. The budget document includes consolidated operating and capital budget information.

As a result of an internal review of the Third Quarter Capital Status Update, Administration is reassessing capacity to deliver previously approved and proposed new capital projects. A "Resources Assigned" listing of capital projects is provided in Attachment 2. This listing includes projects that have been previously approved in progress that will continue to be delivered in 2015 and onward as well as new projects deemed a priority.

The Capital Projects Steering Committee (CPSC) reviewed and prioritized all capital projects requiring funding for 2015 and multi-years. The priority ranking included reviewing capital projects that focused on the delivery of basic core services (ranked as "A") and non-core services (ranked as "B"). The ranking included secondary criteria which addressed significance of the service or asset:

- 7 Imminent Health or Safety
- 6 Legislation/Contractual Obligation
- 5 Maintain Existing Assets
- 4 Maintain Current Service Levels
- 3 Increase Efficiencies
- 2 Increase Level of Existing Service
- 1 New Service

Attachment 3 includes a “Resources Unassigned” listing of capital projects that due to funding or capacity to deliver were assessed as not having all the necessary resources to provide for successful execution. Limitations on funding or internal capacity were the resources that would impact ability to deliver. It is important to note that the ranking is to provide an initial basis for discussions with the Audit and Budget Committee (Committee). The Committee will embark on deliberations to support their direction.

Subject to three days Audit and Budget Committee meetings, discussions and final recommendations, the budget is slated for presentation for Council approval on December 9, 2014, following a month of engagements between Council, residents and Administration. This engagement will be achieved through a number of means:

- Public presentation of the proposed budget at the Audit and Budget Committee meeting on November 4, 2014
- Posting of the proposed budget and financial plan on the municipal website
- Dedicated email and telephone options for members of the public to engage both Council and Administration
- A series of budget meetings between Council and Administration that will be live webcast for the convenience and information of citizens

The proposed 2015 Budget, 2016 - 2017 Financial Plan provide base information that will be used to develop the 2015 – 2017 Fiscal Management Strategy in early 2015. This fiscal strategy update will in turn inform the 2015 property tax bylaw development process.

Budget/Financial Implications:

The financial parameters placed on the 2015 Proposed Budget, 2016 - 2017 Financial plan are based on the principles contained in the 2014 – 2016 Fiscal Management Strategy (Strategy) previously approved by Council on June 10, 2014. The Strategy established the following guidelines:

- Assume property tax ‘revenue neutral’ plus construction growth philosophy for all property classes in preparing 2015 – 2016 budgets.
- Establish a maximum balance of 15% of prior years’ audited net property taxes, subject to a minimum uncommitted balance of \$50M in the Emerging Issues Reserve, to mitigate property tax revenue risks.
- Continue the philosophy of maintaining a minimum uncommitted balance of \$50M in the Capital Infrastructure Reserve.

- Maintain debt and debt service limits at a maximum of 85% of *Municipal Government Act* limits.

In order to meet projected spending over the next five years for the capital improvement programs, the municipality will need to continue to expand and vary its capital finance sources and policy options. Detailed analysis of financial impacts and options will come forward as part of the 2015 – 2017 fiscal management strategy update in early 2015.

Rationale for Recommendation:

The presentation of the 2015 Proposed Budget, 2016 - 2017 Financial Plan represents Administration's recommendation as the budget transitions to Audit and Budget Committee. The next steps in the budget process include incorporating changes as identified by the Audit and Budget Committee during the proposed three days of Budget review meetings followed by a presentation of the final budget and financial plan on December 9, 2014 for Council approval.

Attachments:

1. 2015 Proposed Operating Budget, 2016 and 2017 Financial Plan – November 4, 2014
2. 2015 Proposed Capital Budget (Resources Assigned) – November 4, 2014
3. 2015 Proposed Capital Budget (Resources Unassigned) – November 4, 2014
4. 2014 – 2016 Fiscal Management Strategy (approved by Council on June 10, 2014)

REGIONAL MUNICIPALITY OF WOOD BUFFALO
2015 Proposed Operating Budget, 2016 and 2017 Financial Plan

[illegible]

Legend
Approved in a prior year (carry forward), no future budget request
Other than first year of a multi-year project
First year of a pre-approved multi-year project - Construction Phase
First year of a multi-year project
Single year project

2015 Proposed Capital Budget (Resources Assigned) - November 4, 2014

Ref #	Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	2014 & Prior Approved	Total Costs to Date (Sept 2014)	Available (Sept 2014)	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
1	2012	A-7	Confederation Way Sanitary Sewer Bypass - Construction	ES - O	ENG	12,000,000	636,467	11,363,533	-	5,000,000	11,000,000	-	-	-	-	28,000,000
2	2014	A-7	Flood Mitigation - Predesign/Design	CC	ENG	800,000	33,280	766,720	-	6,200,000	2,800,000	-	-	-	-	9,800,000
3	2014	A-7	Flood Mitigation - Construction	CC	ENG	13,000,000	4,296,454	8,703,546	-	25,600,000	63,500,000	46,800,000	50,800,000	-	-	199,700,000
4	2014	A-7	Material Recovery Facility (MRF) Expansion - Construction	ES - SI	ENG	2,500,000	336,572	2,163,428	-	2,500,000	-	-	-	-	-	5,000,000
5	2009	A-7	Rural Water & Sewer Servicing - Design	ES - O	ENG	5,850,000	474,800	5,375,200	-	3,900,000	6,000,000	-	-	-	-	15,750,000
6	2014	A-7	Rural Water & Sewer Servicing - Construction	ES - O	ENG	250,000	-	250,000	-	15,000,000	30,000,000	45,000,000	30,000,000	30,000,000	-	150,250,000
7	2013	A-7	Southeast 881 Water Supply Line - Predesign/Design	ES - O	ENG	2,500,000	250,000	2,250,000	-	2,000,000	-	-	-	-	-	4,500,000
8	2014	A-7	Tolen Dr Bridge Replacement & Saprae Cr Trestles Removal	PO	ENG	1,000,000	405,800	594,200	-	6,315,075	-	-	-	-	-	7,315,075
9	2015	A-7	Fort Chipewyan Storage Building Replacement	PO	PO	-			-	2,339,000	1,739,000	-	-	-	-	4,078,000
10	2015	A-7	Fort MacKay Fire Hall - Construction	RES	ENG	-			75,000	4,075,000	11,000,000	-	-	-	-	15,075,000
11	2015	A-7	Regional Landfill Cell 4 - Construction	ES - O	ENG	-			-	3,400,000	3,000,000	1,000,000	-	-	-	7,400,000
12	2015	A-7	Fort Chipewyan Breathing Air Compressor Replacement	RES	RES	-			-	40,000	-	-	-	-	-	40,000
13	2015	A-7	Fort Chipewyan Pumper 309 Replacement	RES	RES	-			-	500,000	-	-	-	-	-	500,000
14	2015	A-7	Fort Chipewyan Water and Sanitary Sewer - Predesign	ES - O	ENG	-			-	450,000	-	-	-	-	-	450,000
15	2015	A-7	Man-Door Canopies - Fort Chipewyan Garage	PO	PO	-			-	684,000	-	-	-	-	-	684,000
16	2015	A-7	Man-Door Canopies - Fort McMurray Landfill Building	PO	PO	-			-	592,000	-	-	-	-	-	592,000
17	2015	A-7	Municipal Assets - Fall Protection	PO	PO	-			-	1,143,000	-	-	-	-	-	1,143,000
18	2015	A-7	Regional Landfill Cell 4 - Design	ES - O	ENG	-			-	100,000	-	-	-	-	-	100,000
19	2015	A-7	Regional Landfill Storm Pond 2 - Design	ES - O	ENG	-			-	20,000	-	-	-	-	-	20,000
20	2015	A-7	Regional Landfill Storm Pond 2 - Construction	ES - O	ENG	-			-	220,000	-	-	-	-	-	220,000
21	2015	A-7	RES Manlift 2015	RES	RES	-			-	60,000	-	-	-	-	-	60,000
22	2015	A-7	RES Shop Forklift Unit 808 Replacement	RES	RES	-			-	40,000	-	-	-	-	-	40,000
23	2015	A-7	Rodeo Drive Storm Pipe - Design	ES - O	ENG	-			-	75,000	-	-	-	-	-	75,000
24	2007	A-6	Anzac WWTP & Effluent Pipeline	ES - O	ENG	40,500,000	39,937,593	562,407	-	3,000,000	8,000,000	-	-	-	-	51,500,000
25	2012	A-6	Conklin Wastewater Treatment Plant - Construction	ES - O	ENG	1,000,000	7,000	993,000	-	5,000,000	15,000,000	14,000,000	5,000,000	-	-	40,000,000
26	2014	A-6	Fort Chipewyan WTP Expansion - Construction	ES - O	ENG	2,900,000	53,860	2,846,140	-	9,100,000	10,000,000	8,700,000	3,300,000	-	-	34,000,000
27	2014	A-6	Fort McMurray WWTP Process Improvements - Predesign/Design	ES - O	ENG	1,330,000	500,000	830,000	-	3,000,000	1,700,000	-	-	-	-	6,030,000
28	2014	A-6	Snow Storage/Reclamation Facility - Construction	PO	ENG	50,000	27,000	23,000	-	18,800,000	12,050,000	-	-	-	-	30,900,000
29	2015	A-6	Conklin Water Treatment/Supply Upgrade Phase 2 - Design	ES - O	ENG	-			-	650,000	-	-	-	-	-	650,000
30	2014	A-5	Building Lifecycle	PO	PO	4,100,000	429,589	3,670,411	-	2,639,000	187,000	1,648,000	10,850,000	1,236,000	-	20,660,000
31	2014	A-5	Jubilee Centre Reno/Construction 2014-2016	PO	PO	6,000,000	1,195,210	4,804,790	-	6,820,000	2,290,000	-	-	-	-	15,110,000
32	2014	A-5	Transit Bus Refurbish Program 2014-2019	PO	PO	841,500	841,500	-	-	-	1,324,000	1,119,000	448,000	559,000	-	4,291,500
33	2013	A-5	Urban Infrastructure Rehabilitation Program 2014-2016 - Design	PO	ENG	4,000,000	1,529,539	2,470,462	-	5,400,000	-	-	-	-	-	9,400,000
34	2014	A-5	Urban Infrastructure Rehabilitation Program 2014-2016 - Construction	PO	ENG	40,000,000	32,933,098	7,066,902	-	55,000,000	80,000,000	-	-	-	-	175,000,000
35	2015	A-5	Traffic Signals Rehabilitation 2015-2016	PO	PO	-			-	200,000	300,000	-	-	-	-	500,000
36	2015	A-5	Silin Forest Rd Complex Security Gate & Fencing	PO	PO	-			-	148,000	-	-	-	-	-	148,000
37	2014	A-4	Beacon Hill Outfall and Pipeline Upgrades - Construction	ES - O	ENG	6,000,000	-	6,000,000	-	9,000,000	10,000,000	-	-	-	-	25,000,000
38	2008	A-4	Lift Station Upgrades (South)	ES - O	ENG	18,731,680	12,577,049	6,154,631	-	6,000,000	4,000,000	-	-	-	-	28,731,680
39	2013	A-4	Lower Townsite 4-Way Chamber - Construction	ES - O	ENG	10,000,000	-	10,000,000	-	6,000,000	10,000,000	-	-	-	-	26,000,000
40	2008	A-4	Prairie Loop Boulevard	ENG	ENG	59,773,167	17,967,193	41,805,974	-	9,850,000	22,350,000	6,728,400	-	-	-	98,701,567
41	2014	A-4	Southwest Water Supply Line Phase 1 - Construction	ES - O	ENG	8,000,000	1,370,000	6,630,000	-	19,000,000	8,000,000	-	-	-	-	35,000,000
42	2014	A-4	Specialized Transit Bus Additions & Replacements 2014-2019	PO	PO	173,000	55,140	117,860	-	-	-	219,000	446,000	228,000	-	1,066,000
43	2015	A-4	Anzac Fire Hall - Construction	RES	ENG	-			60,000	4,060,000	8,000,000	-	-	-	-	12,060,000
44	2015	A-4	Beacon Hill Water Supply Upgrade - Construction	ES - O	ENG	-			-	500,000	19,500,000	-	-	-	-	20,000,000
45	2015	A-4	Janvier Sewage Lagoon Upgrade - Construction	ES - O	ENG	-			-	4,200,000	-	-	-	-	-	4,200,000
46	2015	A-4	MacKenzie Blvd Lift Station Diversion & Sewer Upgrade - Construction	ES - O	ENG	-			-	15,150,000	15,150,000	-	-	-	-	30,300,000
47	2015	A-4	Northern Utility Corridor - Predesign	ES - SI	ENG	-			60,000	7,060,000	5,000,000	-	-	-	-	12,060,000
48	2015	A-4	Rural Infrastructure Rehabilitation 2015-2017 - Design	PO	ENG	-			-	1,300,000	1,300,000	-	-	-	-	2,600,000
49	2015	A-4	Rural Infrastructure Rehabilitation 2015-2017 - Construction	PO	ENG	-			-	16,000,000	27,000,000	27,000,000	-	-	-	70,000,000
50	2014	A-3	Regional SCADA WAN - Construction	ES - O	ENG	1,500,000	1,142,902	357,099	-	500,000	-	-	-	-	-	2,000,000

Ref #	Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	2014 & Prior Approved	Total Costs to Date (Sept 2014)	Available (Sept 2014)	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
51	2014	A-2	Tourist Sewage Dump Stations - Construction	ES - O	ENG	500,000	-	500,000	-	-	-	2,500,000	-	-	-	3,000,000
52	2008	A-1	Saline Creek Drive and Bridge	ENG	ENG	72,175,000	67,396,799	4,778,201	-	4,000,000	-	-	-	-	-	76,175,000
53	2014	A2	Active Transportation Trail 2014-2016 - Construction	PO	ENG	2,700,000	-	2,700,000	-	1,300,000	5,000,000	-	-	-	-	9,000,000
54	2014	A2	Clearwater Park System (Riverside Park System) - Construction	CC	ENG	3,200,000	134,270	3,065,730	-	6,838,000	23,529,000	-	-	-	-	33,567,000
55	2014	A2	Clearwater Park System (Riverside Park System) - Remediation	CC	ENG	14,300,000	1,238,091	13,061,909	-	6,500,000	-	-	-	-	-	20,800,000
56	2013	A2	Conklin Multiplex - Construction	ARR	ENG	19,500,000	-	19,500,000	-	2,000,000	20,000,000	8,500,000	-	-	-	50,000,000
57	2013	A2	District Energy Supply and Return Pipe - PLB Portion	ES - SI	ENG	1,500,000	1,327,506	172,494	-	8,350,000	17,446,000	-	-	-	-	27,296,000
58	2013	A2	Fort Chipewyan Swimming Pool - Construction	ARR	ENG	8,000,000	6,549,281	1,450,720	-	8,000,000	20,473,100	-	-	-	-	36,473,100
59	2012	A2	MacDonald Island Park Expansion Grant	CS	RRC	126,900,000	126,900,000	-	-	2,000,000	-	-	-	-	-	128,900,000
60	2013	A2	Surface Parking Relocation/Improvement 2013-2015 - Construction	CC	ENG	3,900,000	3,578,104	321,896	-	2,700,000	-	-	-	-	-	6,600,000
61	2014	A2	Vista Ridge 2014-2016 Capital Grant	CS	CS	6,575,000	6,575,000	-	-	5,460,000	1,150,000	-	-	-	-	13,185,000
62	2014	A2	Waterways & Horse Pasture Park - Construction	CC	ENG	1,500,000	255,821	1,244,179	-	6,871,000	10,158,000	5,032,000	-	-	-	23,561,000
63	2015	A2	MacDonald Island Park Lifecycle & Upgrade - Grant	CS	RRC	-	-	-	-	5,357,000	-	-	-	-	-	5,357,000
64	2006	B	Enterprise Information Management (EIM)	IAS	IAS	2,559,310	1,594,691	964,619	-	956,000	250,000	-	-	-	-	3,765,310
65	2007	B	Enterprise Resource Planning	FIN	IAS	24,868,043	22,449,681	2,418,362	-	5,000,000	17,200,000	1,000,000	-	3,000,000	-	51,068,043
66	2014	B	Fraser and Manning - Predesign/Design	CC	ENG	500,000	-	500,000	-	600,000	2,600,000	-	-	-	-	3,700,000
67	2011	B	Regional Geomatics Program	IAS	IAS	7,500,000	5,925,481	1,574,519	-	1,500,000	-	-	-	-	-	9,000,000
Total, Resources Assigned						538,976,700	360,924,768	178,051,932	195,000	356,062,075	507,996,100	169,246,400	100,844,000	35,023,000	-	1,708,148,275

Legend
Approved in a prior year (carry forward), no future budget request
Other than first year of a multi-year project
First year of a pre-approved multi-year project - Construction Phase
First year of a multi-year project
Single year project

2015 Proposed Capital Budget (Resources Unassigned) -November 4, 2014

Ref #	Proposed Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
1	2015	A-4	Parson's Creek Fire Hall #6 - Construction	RES	ENG	100,000	1,100,000	9,000,000	10,000,000	-	-	-	20,100,000
2	2015	A-4	Council Chamber Technology Upgrade	LLS	IAS	-	750,000	-	-	-	-	-	750,000
3	2015	A-4	Fort MacKay Sewage Lagoon Upgrade - Predesign	ES - O	ENG	-	100,000	-	-	-	-	-	100,000
4	2015	A-4	Fort MacKay Sewage Lagoon Upgrade - Design	ES - O	ENG	-	500,000	-	-	-	-	-	500,000
5	2015	A-4	Gregoire Outfall - Predesign	ES - O	ENG	-	100,000	-	-	-	-	-	100,000
6	2015	A-4	Gregoire/MacKenzie Storm Sewer Optimization - Design	ES - O	ENG	-	100,000	-	-	-	-	-	100,000
7	2015	A-4	Heavy Equipment Additions 2015	HR	HR	-	5,124,000	-	-	-	-	-	5,124,000
8	2015	A-4	Heavy Equipment Replacements 2015	HR	HR	-	3,935,000	-	-	-	-	-	3,935,000
9	2015	A-4	Light Equipment Additions 2015	HR	HR	-	70,000	-	-	-	-	-	70,000
10	2015	A-4	Light Equipment Replacements 2015	HR	HR	-	680,000	-	-	-	-	-	680,000
11	2015	A-4	North Truckfill Access - Construction	ES - O	ENG	-	350,000	-	-	-	-	-	350,000
12	2015	A-4	Reconfiguration of Bylaw Suite	RCMP/B	PO	-	500,520	-	-	-	-	-	500,520
13	2015	A-4	RES Light Fleet Replacement 2015	RES	RES	-	100,000	-	-	-	-	-	100,000
14	2015	A-4	Saprae Creek Fire Hall Expansion - Construction	RES	ENG	20,000	4,020,000	-	-	-	-	-	4,020,000
15	2015	A-4	Saprae Creek Water Distribution Upgrades - Predesign	ES - O	ENG	-	250,000	-	-	-	-	-	250,000
16	2015	A-4	Variable Electronic Message Boards 2015	PO	PO	-	430,000	-	-	-	-	-	430,000
17	2015	A-3	Salt & Sand Storage Building	PO	PO	5,000	1,005,000	-	-	-	-	-	1,005,000
18	2015	A-2	Landfill Residential Scale and Support Building - Construction	ES - O	ENG	-	500,000	-	-	-	-	-	500,000
19	2015	A-2	Transit Bus Shelter Additions 2015-2019	PO	ENG	20,155	680,155	726,000	799,000	879,000	967,000	-	4,051,155
20	2015	A-2	Fire Pumper Truck - Training Branch	RES	RES	-	500,000	-	-	-	-	-	500,000
21	2015	A-2	Garden Lane Road Upgrade - Design	PO	ENG	-	250,000	-	-	-	-	-	250,000
22	2015	A-2	Garden Lane Road Upgrade - Construction	PO	ENG	-	2,500,000	-	-	-	-	-	2,500,000
23	2015	A-2	Landfill Residential Scale and Support Building - Design	ES - O	ENG	-	50,000	-	-	-	-	-	50,000
24	2015	A-2	Street Light Improvements - Conklin and Janvier	PO	PO	-	584,000	-	-	-	-	-	584,000
25	2015	A-2	Transit Terminal Northside	PO	ENG	37,375	7,512,375	-	-	-	-	-	7,512,375
26	2015	A-1	Parson's Cr West Access Road - Construction	ENG	ENG	350,000	2,350,000	30,000,000	30,000,000	8,000,000	-	-	70,350,000
27	2015	A-1	Road B at Saline Creek - Construction	ENG	ENG	60,000	5,060,000	7,000,000	-	-	-	-	12,060,000
28	2015	A-1	Road B at Saline Creek - Design	ENG	ENG	4,000	804,000	-	-	-	-	-	804,000
29	2015	A-1	Saline Creek Drive - Placemaking	ENG	ENG	20,000	4,020,000	-	-	-	-	-	4,020,000
30	2015	A-1	South Sewer Network Diversions - Predesign	ES - O	ENG	-	400,000	-	-	-	-	-	400,000
31	2015	A2	Green Energy/Utility Distribution System - Design	ES - SI	ENG	400,000	5,400,000	15,000,000	18,000,000	16,000,000	16,000,000	10,000,000	80,400,000
32	2015	A2	Keyano Theatre Expansion - Grant	CS	KC	-	2,500,000	27,500,000	10,000,000	-	-	-	40,000,000
33	2015	A2	Northside Multi-Use Leisure Facility - Grant	CS	RRC	-	25,700,000	79,900,000	46,400,000	-	-	-	152,000,000
34	2015	A2	Ron Morgan Park Upgrades - Construction	PO	ENG	-	4,248,000	1,327,000	1,696,000	-	-	-	7,271,000
35	2015	A2	Syncrude Athletic Park Improvements - Construction	PO	ENG	-	5,600,000	1,175,000	-	-	-	-	6,775,000
36	2015	A2	Anzac Community Centre Upgrades	ARR	PO	-	1,850,000	-	-	-	-	-	1,850,000
37	2015	A2	Doug Barnes Cabin Expansion - Predesign	CS	ENG	-	100,000	-	-	-	-	-	100,000
38	2015	A2	Doug Barnes Cabin Expansion - Design	CS	ENG	-	100,000	-	-	-	-	-	100,000
39	2015	A2	Eagle Ridge Median Rehabilitation	PO	PO	-	1,200,000	-	-	-	-	-	1,200,000
40	2015	A2	Fort McMurray Neighbourhood Feature Signs	PO	PO	-	625,000	-	-	-	-	-	625,000
41	2015	A2	Janvier Steel Building - Rink Replacement	PO	PO	-	3,006,000	-	-	-	-	-	3,006,000

Ref #	Proposed Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
42	2015	A2	MacDonald Island Park Curling Club Expansion - Grant	CS	RRC	-	8,625,000	-	-	-	-	-	8,625,000
43	2015	A2	MacDonald Island Parking Upgrades - Grant	CS	RRC	-	5,560,500	-	-	-	-	-	5,560,500
44	2015	A2	Playground Replacement & Spray Pad Upgrades	PO	PO	-	575,000	-	-	-	-	-	575,000
45	2015	A2	Ron Morgan Park Upgrades - Design	PO	ENG	-	150,000	-	-	-	-	-	150,000
46	2015	A2	Syncrude Athletic Park Building Improvements	CS	HR	-	215,000	-	-	-	-	-	215,000
47	2015	A2	Syncrude Athletic Park Improvements - Design	PO	ENG	-	150,000	-	-	-	-	-	150,000
48	2015	A2	Timberlea Community Park Changeroom Facility - Design	PO	PO	-	185,000	-	-	-	-	-	185,000
49	2015	A2	Trail Paving - Beacon Hill and Lower Thickwood	PO	PO	-	1,300,000	-	-	-	-	-	1,300,000
50	2015	A2	Waterways & Beacon Hill Tennis Court - Predesign	PO	ENG	-	120,000	-	-	-	-	-	120,000
51	2015	B	Anzac Garage & Compound - Construction	PO	ENG	3,750	753,750	-	-	-	-	-	753,750
52	2015	B	IS Infrastructure Upgrades 2015-2020	IAS	IAS	-	500,000	500,000	500,000	1,000,000	1,000,000	1,000,000	4,500,000
53	2015	B	Architectural Upgrades to Leased/Owned Space	HR	PO	-	1,500,000	-	-	-	-	-	1,500,000
54	2015	B	Assessment and Taxation System Replacement	AT	IAS	-	2,000,000	-	-	-	-	-	2,000,000
55	2015	B	Landfill Eco Park Service - Design	ES - O	ENG	7,500	1,507,500	-	-	-	-	-	1,507,500
56	2015	B	Mobile Computing Environment	IAS	IAS	-	1,000,000	-	-	-	-	-	1,000,000
57	2015	B	Projection and Sound System - Jubilee Plaza	IAS	IAS	-	385,700	-	-	-	-	-	385,700
58	2015	B	Regional Landfill Gas Bio Filter - Design	ES - O	ENG	-	250,000	-	-	-	-	-	250,000
59	2015	B	Regional Landfill Gas Bio Filter - Construction	ES - O	ENG	-	2,450,000	-	-	-	-	-	2,450,000
60	2015	B	Silin Forest Road Rehabilitation	ES - O	ENG	-	2,050,000	-	-	-	-	-	2,050,000
61	2015	B	Snow Melt Pit System - Casman Centre	CS	ENG	-	1,827,654	-	-	-	-	-	1,827,654
62	2015		Downtown Core Streetscapes - Predesign/Design	CC	ENG	75,000	1,775,000	5,900,000	7,400,000	-	-	-	15,075,000
63	2015		Downtown Core Streetscapes - Construction	CC	ENG	496,500	1,896,500	19,500,000	36,300,000	14,300,000	14,600,000	13,200,000	99,796,500
64	2015		Greening the City - Franklin Avenue	CC	CC	-	112,500	35,000	35,000	35,000	35,000	-	252,500
65	2015		Gateways - Predesign/Design	CC	ENG	-	500,000	-	-	-	-	-	500,000
66	2015		Heart of the City Community Trails	CC	ENG	10,850	2,180,850	-	-	-	-	-	2,180,850
67	2016		Abasand Heights Pumphouse Upgrade - Construction	ES - O	ENG	-	-	10,000,000	-	-	-	-	10,000,000
68	2016		Doug Barnes Cabin Expansion - Construction	CS	ENG	-	-	2,600,000	-	-	-	-	2,600,000
69	2016		Fort Chipewyan Richardson River Bridge Replacement - Construction	PO	ENG	-	-	3,500,000	3,300,000	-	-	-	6,800,000
70	2016		Fort Chipewyan Winter Rd Bridges Repl. - Construction	PO	ENG	-	-	2,500,000	-	-	-	-	2,500,000
71	2016		Fort Chipewyan Winter Rd Upgrade - Gate to 18 KM North - Construction	PO	ENG	-	-	14,000,000	23,000,000	-	-	-	37,000,000
72	2016		Fraser and Manning - Construction	CC	ENG	-	-	9,000,000	4,500,000	4,500,000	-	-	18,000,000
73	2016		Grayling Terrace Lift Station - Construction	ES - O	ENG	-	-	10,000,000	5,000,000	-	-	-	15,000,000
74	2016		Gregoire Outfall - Design/Construction	ES - O	ENG	-	-	600,000	10,500,000	-	-	-	11,100,000
75	2016		Saprae Creek Water Distribution Upgrades - Design & Construction	ES - O	ENG	-	-	3,000,000	15,000,000	15,000,000	-	-	33,000,000
76	2016		Southeast Reservoir Upgrade - Construction	ES - O	ENG	-	-	6,000,000	6,000,000	-	-	-	12,000,000
77	2016		Borealis Park - Construction	CC	ENG	-	-	8,600,000	7,000,000	-	-	-	15,600,000
78	2016		Fort Chipewyan Accommodation	PO	ENG	-	-	300,000	15,000,000	5,000,000	-	-	20,300,000
79	2016		Fort Chipewyan Hamlet Walkways	PO	ENG	-	-	150,000	1,000,000	1,000,000	-	-	2,150,000
80	2016		Fort Chipewyan Water and Sanitary Sewer - Design	ES - O	ENG	-	-	100,000	400,000	-	-	-	500,000
81	2016		Fort MacKay Sewage Lagoon Upgrade - Construction	ES - O	ENG	-	-	10,000,000	25,000,000	-	-	-	35,000,000
82	2016		Franklin Ave Transit Infrastructure - Predesign/Design	CC	ENG	-	-	3,300,000	20,200,000	5,200,000	-	-	28,700,000
83	2016		Franklin Avenue Upgrades - Predesign/Design	CC	ENG	-	-	2,000,000	4,000,000	-	-	-	6,000,000
84	2016		Leachate Treatment System	ES - O	ENG	-	-	150,000	1,350,000	-	-	-	1,500,000
85	2016		MacKenzie Storm Sewer Improvements	ES - O	ENG	-	-	100,000	3,900,000	2,000,000	-	-	6,000,000
86	2016		Morrison Street Upgrades - Construction	CC	ENG	-	-	3,800,000	6,300,000	-	-	-	10,100,000
87	2016		Off Highway Vehicle Staging Areas and Trails	PO	ENG	-	-	100,000	1,100,000	1,100,000	-	-	2,300,000
88	2016		Outdoor Fitness Facility - Beacon Hill and Waterways	PO	ENG	-	-	750,000	500,000	-	-	-	1,250,000
89	2016		Parking Garage Entertain District - Predesign and Design	CC	CC	-	-	4,546,965	-	-	-	-	4,546,965

Ref #	Proposed Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
90	2016		Public Operations Central & North Facilities	PO	ENG	-	-	880,000	17,600,000	33,400,000	33,700,000	-	85,580,000
91	2016		Real Martin Drive Park	PO	ENG	-	-	300,000	-	1,500,000	2,500,000	-	4,300,000
92	2016		St. Paul/Thickwood Community Park Upgrades	PO	ENG	-	-	200,000	2,300,000	-	-	-	2,500,000
93	2016		Thickwood Perimeter Sewer	ES - O	ENG	-	-	1,050,000	25,000,000	35,000,000	-	-	61,050,000
94	2016		Thickwood Stormwater Management	ES - O	ENG	-	-	275,000	5,200,000	2,000,000	-	-	7,475,000
95	2016		Thickwood Stormwater Management - Timberline	ES - O	ENG	-	-	275,000	8,200,000	2,000,000	-	-	10,475,000
96	2016		Timberlea Perimeter Sewer	ES - O	ENG	-	-	950,000	45,000,000	10,000,000	-	-	55,950,000
97	2016		Traffic Management Centre	PO	PO	-	-	500,000	1,900,000	-	-	-	2,400,000
98	2016		Transit Bus Additions 2016-2019	PO	PO	-	-	1,050,000	1,071,000	1,093,000	1,115,000	-	4,329,000
99	2016		Ambulance Fleet Replacement 2016	RES	RES	-	-	250,000	-	-	-	-	250,000
100	2016		Anzac Off-Leash Dog Park - Construction	PO	ENG	-	-	250,000	-	-	-	-	250,000
101	2016		Borealis Park - Predesign/Design	CC	ENG	-	-	2,800,000	-	-	-	-	2,800,000
102	2016	A-4	Conklin Tanker 502 Replacement	RES	RES	-	-	300,000	-	-	-	-	300,000
103	2016		Conklin Water Treatment/Supply Upgrade Phase 2 - Construction	ES - O	ENG	-	-	2,700,000	-	-	-	-	2,700,000
104	2016	A-4	Council Voting System Upgrade	LLS	IAS	-	-	250,000	-	-	-	-	250,000
105	2016	A2	Gregoire Lake Estates Trail & Skate Park - Construction	PO	ENG	-	-	1,500,000	-	-	-	-	1,500,000
106	2016		Gregoire/MacKenzie Storm Sewer Optimization - Construction	ES - O	ENG	-	-	850,000	-	-	-	-	850,000
107	2016		Janvier WTP Electrical/Mechanical Upgrade	ES - O	ENG	-	-	3,300,000	-	-	-	-	3,300,000
108	2016		Morrison Street Upgrades - Predesign/Design	CC	ENG	-	-	2,600,000	-	-	-	-	2,600,000
109	2016		North Waste Transfer Station - Predesign	ES - O	ENG	-	-	50,000	-	-	-	-	50,000
110	2016		Prairie Loop Blvd Storm Sewer Upgrades - Predesign	ES - O	ENG	-	-	100,000	-	-	-	-	100,000
111	2016		Pumper Truck Fire Station #6 (2016)	RES	RES	-	-	800,000	-	-	-	-	800,000
112	2016		Regional Landfill Organics Processing Facility (Bio-Char) - Design	ES - O	ENG	-	-	650,000	-	-	-	-	650,000
113	2016		RES Light Fleet Replacement 2016	RES	RES	-	-	50,000	-	-	-	-	50,000
114	2016		Rodeo Drive Storm Pipe - Construction	ES - O	ENG	-	-	2,000,000	-	-	-	-	2,000,000
115	2016		Rural Community Placemaking Fort MacKay - Design	PO	ENG	-	-	140,000	-	-	-	-	140,000
116	2016		Safety and Security Facility - Predesign/Design	CC	ENG	-	-	5,100,000	-	-	-	-	5,100,000
117	2016		South Sewer Network Diversions - Design	ES - O	ENG	-	-	1,000,000	-	-	-	-	1,000,000
118	2016	A-1	Stoney Mountain Rd Intersection Improvements - Design	PO	ENG	-	-	100,000	-	-	-	-	100,000
119	2016	A2	Surface Parking Relocation/Improvement 2016 - Construction	CC	ENG	-	-	2,800,000	-	-	-	-	2,800,000
120	2016		Taiganova Park - Design	PO	ENG	-	-	100,000	-	-	-	-	100,000
121	2016		Timberlea Community Park Changeroom Facility - Construction	PO	PO	-	-	1,850,000	-	-	-	-	1,850,000
122	2016	B	Waterfront Utility Relocation	CC	ENG	-	-	8,250,000	-	-	-	-	8,250,000
123	2016		Waterways & Beacon Hill Tennis Court - Design	PO	ENG	-	-	500,000	-	-	-	-	500,000
124	2017		North Waste Transfer Station - Construction	ES - O	ENG	-	-	-	700,000	2,400,000	-	-	3,100,000
125	2017		Regional Landfill Organics Processing Facility (Bio-Char) - Construction	ES - O	ENG	-	-	-	4,300,000	-	-	-	4,300,000
126	2017		Rural Community Placemaking Fort MacKay - Construction	PO	ENG	-	-	-	900,000	500,000	-	-	1,400,000
127	2017		Safety and Security Facility - Construction	CC	ENG	-	-	-	3,900,000	8,100,000	17,000,000	-	29,000,000
128	2017		South Sewer Network Diversions - Construction	ES - O	ENG	-	-	-	7,000,000	7,000,000	-	-	14,000,000
129	2017		Stoney Mountain Rd Intersection Improvements - Construction	PO	ENG	-	-	-	1,600,000	1,200,000	-	-	2,800,000
130	2017		Airport Industrial/Prairie Creek Water Distribution	ES - O	ENG	-	-	-	200,000	10,800,000	9,000,000	-	20,000,000
131	2017		Father Beauregard/Ecole Boreal Community Park	PO	ENG	-	-	-	160,000	1,600,000	-	-	1,760,000
132	2017		Fort Chipewyan Water and Sanitary Masterplan - Construction	ES - O	ENG	-	-	-	13,000,000	2,000,000	-	-	15,000,000
133	2017		Greely Road Community Park Upgrades	PO	ENG	-	-	-	100,000	1,400,000	-	-	1,500,000
134	2017		Hospital Street Upgrades - Predesign/Design	CC	ENG	-	-	-	2,200,000	3,300,000	-	-	5,500,000
135	2017		Prairie Creek Diversion	ES - O	ENG	-	-	-	150,000	7,100,000	2,750,000	-	10,000,000
136	2017		Prairie Creek Lift Station Upgrades	ES - O	ENG	-	-	-	150,000	6,100,000	2,750,000	-	9,000,000
137	2017		Pressure Reducing Valves Upgrades	ES - O	ENG	-	-	-	100,000	900,000	-	-	1,000,000

Ref #	Proposed Budget Year	CPSC Ranking	Project Name	Sponsor Dept	Delivery Dept	PA 2015	2015 Request (Incl. Public Art)	2016 Request	2017 Request	2018 Request	2019 Request	Thereafter (2020+)	Total Budget All years
138	2017		Signage and Wayfinding - Construction	CC	ENG	-	-	-	1,800,000	1,800,000	1,800,000	5,400,000	10,800,000
139	2017		Urban Infrastructure Rehabilitation Program 2017-2019 - Design	PO	ENG	-	-	-	5,950,000	4,500,000	4,200,000	-	14,650,000
140	2017		Urban Infrastructure Rehabilitation Program 2017-2019 - Construction	PO	ENG	-	-	-	85,271,000	64,152,000	59,400,000	-	208,823,000
141	2017		Ambulance Fleet Replacement 2017	RES	RES	-	-	-	250,000	-	-	-	250,000
142	2017	A2	Anzac Splash Pad - Construction	PO	ENG	-	-	-	1,200,000	-	-	-	1,200,000
143	2017		Gateways - Construction	CC	ENG	-	-	-	4,500,000	-	-	-	4,500,000
144	2017		Hospital Park - Predesign/Design	CC	ENG	-	-	-	500,000	-	-	-	500,000
145	2017		Moberly Park Rehabilitation	PO	PO	-	-	-	500,000	-	-	-	500,000
146	2017		North Snow Storage Facility	PO	ENG	-	-	-	7,500,000	-	-	-	7,500,000
147	2017		North Waste Transfer Station - Design	ES - O	ENG	-	-	-	100,000	-	-	-	100,000
148	2017		Prairie Loop Blvd Storm Sewer Upgrades - Design	ES - O	ENG	-	-	-	100,000	-	-	-	100,000
149	2017		RES Emergency Vehicle Replacement 2017	RES	RES	-	-	-	800,000	-	-	-	800,000
150	2017		RES Light Fleet Replacement 2017	RES	RES	-	-	-	250,000	-	-	-	250,000
151	2017		RES Rescue Truck Replacement 2017	RES	RES	-	-	-	800,000	-	-	-	800,000
152	2017		Signage and Wayfinding - Predesign/Design	CC	ENG	-	-	-	383,746	-	-	-	383,746
153	2017	A2	Surface Parking Relocation/Improvement 2017 - Construction	CC	ENG	-	-	-	2,900,000	-	-	-	2,900,000
154	2017		Taiganova Park - Construction	PO	ENG	-	-	-	1,200,000	-	-	-	1,200,000
155	2017	A2	Thickwood Dog Park Irrigation	PO	PO	-	-	-	400,000	-	-	-	400,000
156	2018		Prairie Loop Blvd Storm Sewer Upgrades - Construction	ES - O	ENG	-	-	-	-	5,500,000	3,500,000	-	9,000,000
157	2018		Anzac Water Supply Line Booster Station	ES - O	ENG	-	-	-	-	150,000	13,350,000	2,500,000	16,000,000
158	2018		Franklin Ave Transit Infrastructure - Construction	CC	ENG	-	-	-	-	58,400,000	80,100,000	139,200,000	277,700,000
159	2018		Franklin Avenue Upgrades - Construction	CC	ENG	-	-	-	-	8,000,000	8,000,000	18,000,000	34,000,000
160	2018		Hospital Street Upgrades - Construction	CC	ENG	-	-	-	-	17,900,000	10,300,000	-	28,200,000
161	2018		Southlands Interim Water Supply Line	ES - O	ENG	-	-	-	-	250,000	12,200,000	11,000,000	23,450,000
162	2018		Timberlea Inflow & Infiltration Flow Reduction	ES - O	ENG	-	-	-	-	150,000	6,100,000	2,500,000	8,750,000
163	2018		Ambulance Fleet Replacement 2018	RES	RES	-	-	-	-	250,000	-	-	250,000
164	2018		Fort Chipewyan Winter Rd Upgrade - Gate to 37 KM North - Design	PO	ENG	-	-	-	-	2,800,000	-	-	2,800,000
165	2018		Hospital Park - Construction	CC	ENG	-	-	-	-	3,100,000	-	-	3,100,000
166	2018		RES Emergency Vehicle Replacement 2018	RES	RES	-	-	-	-	800,000	-	-	800,000
167	2018		RES Light Fleet Replacement 2018	RES	RES	-	-	-	-	300,000	-	-	300,000
168	2018	A2	Surface Parking Relocation/Improvement 2018 - Construction	CC	ENG	-	-	-	-	1,500,000	-	-	1,500,000
169	2018		Timberlea Community Park Bleachers	PO	PO	-	-	-	-	2,000,000	-	-	2,000,000
170	2019		Fort Chipewyan Winter Rd Upgrade - Gate to 37 KM North - Construction	PO	ENG	-	-	-	-	-	14,000,000	23,000,000	37,000,000
171	2019		Ambulance Fleet Replacement 2019	RES	RES	-	-	-	-	-	250,000	-	250,000
172	2019		Fort MacKay Water Tanker 2016	RES	RES	-	-	-	-	-	400,000	-	400,000
173	2020		Performing and Visual Arts Centre - Predesign and Design	CC	CC	-	-	-	-	-	-	26,800,000	26,800,000
174	2020		Ambulance Fleet Replacement 2020	RES	RES	-	-	-	-	-	-	250,000	250,000
175	2020		RES Emergency Vehicle Replacement 2020	RES	RES	-	-	-	-	-	-	800,000	800,000
Total, Resources Unassigned						1,610,130	132,224,004	336,429,965	569,315,746	382,959,000	315,017,000	253,650,000	1,989,595,715



FISCAL MANAGEMENT STRATEGY

Regional Municipality of Wood Buffalo
2014 - 2016

Consolidation and Transformation
of the Big Plans





TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
ASSUMPTIONS AND ANALYSIS LIMITATIONS	4
CONSOLIDATED SUMMARY	5
REVENUE SUMMARIES	6
2014-2016 Revenue Strategy	9
Property Taxes	10
Sales to Other Governments	15
Sale of Goods & Services	15
Other Revenue from Own Sources	16
Grants	17
Other Transfers	17
EXPENSE SUMMARIES	18
2014-2016 Expense Strategy	22
Salaries, Wages & Benefits	23
Contracted & General Services	24
Purchases from Other Governments	24
Materials, Goods, Supplies & Utilities	25
Small Equipment & Furnishings	25
Transfers & Grants	26
Financial Services Charges	27
Other Expenses	27
MUNICIPAL CORPORATE UTILITY	28
DEBT AND DEBT SERVICE	29
Debt Limit	32
Debt Service Limit	32v
FISCAL STABILITY RESERVES	34
Emerging Issues Reserve	35
Capital Infrastructure Reserve	36
INVESTMENTS	38
FINANCIAL CONDITION INDICATORS	42
Sustainability	43
Flexibility	43
Vulnerability	44

Prepared by: Financial Planning Branch
 Financial Services Division
Dated: June 10, 2014

Introduction

EXECUTIVE SUMMARY

The purpose of the Fiscal Management Strategy (FMS) is to provide a high-level financial overview of the Municipality's operating and capital needs and provide context for setting property tax rates, user fees and other Municipal service charges. As part of long term planning, the FMS is updated annually.

The FMS assumes two likely scenarios:

- **Property Tax Revenue Neutral Plus Construction Growth—"LOW RISK":** conservative outlook on projected property assessment growth, supporting operating costs as approved in the 2014-2016 Operating Plan and the 2014-2019 Capital Budget and Plan.
- **Property Tax Revenue Neutral Plus Construction Growth—"HIGH RISK":** optimistic outlook on projected property assessment growth, supporting operating costs as approved in the 2014-2016 Operating Plan and the 2014-2019 Capital Budget and Plan.

WHAT DOES TAX REVENUE NEUTRAL MEAN?

The property taxes remaining at neutral levels means that the Municipality will collect the same property tax revenue for the 2014 tax year as it did in the 2013 tax year on properties which existed in 2013. Tax rates are adjusted to collect the same tax revenue as in 2013, and growth (newly assessed property) is the only contributor to any increase in tax revenue.

In summary, the 2014-2016 FMS forecasts the following:

- Using the revenue neutral plus new construction growth assumption model, the Municipality will be able to meet its recurring operating expenses.
- In both Low Risk and High Risk scenarios, the Municipality will be able to maintain its \$50M minimum requirement for the Emerging Issues Reserve (EIR) and the Capital Infrastructure Reserve (CIR).
- There is \$459M of unfunded capital projects from 2015 to 2018, which will remain unfunded due to debt, reserve and grant limitations. A redistribution and reprioritization of financial resources would need to occur to fund these projects.
- Debt and debt service levels will be within Council's approved limit of 85% of *Municipal Government Act* (MGA) limits, in accordance with the Debt Management Policy FIN-120.
- Retain investment strategies being adopted by the Municipality in compliance with Investment Policy FIN-140.
- Transition to the Municipal Corporate Utility (MCU) is in progress and will need to be monitored and phased in, if necessary, to preserve existing debt capacity. The impact on revenue and expenses is included in 2015 and 2016 of the FMS.
- Funding requirements for the new Regional Recreation Corporation has not been quantified therefore the impact has not been reflected in the FMS.
- Exploration of Alternative Capital Financing (ACF) strategies will continue as a possible funding method for certain capital projects. Due to the varied arrangements, the capital and operational impacts of these potential private partnerships have not been quantified nor reflected in the FMS.

ASSUMPTIONS AND ANALYSIS LIMITATION

In order to prepare accurate capital and operating budgets and other financial plans for Council's review, consistent assumptions are established to ensure comparability. Assumptions and constraints followed in constructing the report include:

- Property tax "revenue neutral plus new construction growth" is assumed with low risk / high risk scenarios.
- Low risk scenario assumed for property tax revenue.
- Debt and Debt Service limits are 85% of the MGA limit as approved by Council.
- The Municipality has \$634M of undrawn, committed debt as at December 31, 2013. In 2015, \$377M will be drawn, and thereafter debt will be drawn within three years of commitment or approval by Council, depending on the rate of construction. The draw downs on debt will be on an as-needed basis, in line with the cash flow requirements for capital projects.
- There will be an increase in debt service as result of the drawdown which will take place in 2015.
- Interest rate of 3.5% is assumed for future debt amortization.
- Any changes to the current user fees will be based on completion of the comprehensive user fees study and will be brought to Council in the fall of 2014 for approval.
- Franchise fee and dividends from the MCU are part of the revenue in 2015 and 2016 financial plan. All expenses and revenues attributed to the MCU in 2015 and 2016 are excluded from the financial plan.

The analysis is restricted and guided by:

- *Municipal Government Act* RSA 2000 cM-26
- Municipal Development Plan 2011-2030
- 2012-2016 Strategic Plan
- Fiscal Responsibility Policy FIN-160
- Investment Policy FIN-140
- Approved 2014 Operating and Capital Budgets
- 2015-2016 adjusted operating plan
- 2015-2019 Capital Plan
- Debt Management Policy FIN-120
- Alternative Capital Financing FIN-200

CONSOLIDATED SUMMARY

**FIGURE 1 2014 AMENDED OPERATING BUDGET AND
2015-2016 OPERATING PLAN SUMMARY**

	2012 Actual (Audited)	2013 Actual (Audited)	2014 Amended Budget*	2015 Adjusted Financial Plan**	2016 Adjusted Financial Plan**
Revenues					
Property Taxes *	495,526,167	548,213,399	649,566,261	673,060,414	684,547,136
Sales To Other Governments	5,341,330	2,960,403	3,370,300	3,370,300	3,370,300
Sales of Goods & Services	56,839,141	65,011,597	56,089,986	28,176,186	25,037,986
Other Revenue From Own Sources	44,070,581	42,628,786	39,055,406	48,116,470	53,680,335
Grants	12,957,476	14,938,974	7,234,263	7,054,263	6,868,863
Other Transfers	39,361,542	8,619,410	686,000	253,400	254,100
	654,096,236	682,372,569	756,002,216	760,031,033	773,758,720
Expenses					
Salaries, Wages & Benefits	163,243,798	178,487,423	201,228,500	175,200,833	175,515,133
Contracted & General Services	125,815,581	129,111,390	151,113,397	173,043,977	176,910,686
Purchases From Other Governments	22,922,173	22,877,551	24,735,500	25,743,000	26,489,880
Materials, Goods, Supplies & Utilities	26,986,073	28,147,658	32,490,600	18,078,224	18,433,140
Small Equipment & Furnishings	4,720,086	3,823,437	5,069,900	2,382,854	2,418,154
Transfers & Grants	44,354,310	48,637,443	39,363,706	39,251,603	39,262,138
Financial Services Charges	33,461,068	32,275,279	31,428,400	75,881,324	75,960,055
Other Expenses	1,516,992	13,421,894	858,500	869,500	867,902
	423,020,081	456,782,075	486,288,503	510,451,315	515,857,088
TRANSFERS TO RESERVES					
Capital Infrastructure	229,119,377	220,601,530	269,713,713	249,579,718	257,901,632
Emerging Issues Reserve	1,956,777	4,988,965			
	231,076,155	225,590,494	269,713,713	249,579,718	257,901,632
SURPLUS/(DEFICIT)	-	-	-	-	-

* Based on approved Property Tax Rate Bylaw; includes Grants in Lieu of Taxes; net of provision for potential appeal losses

**includes the proposed change in MCU and Financial Service Charges

Revenue Summaries

REVENUE SUMMARIES

The Municipality has six major revenue categories:

- taxes
- sales to other governments
- sales of goods/services
- other revenue from own sources
- grants
- other transfers

On January 17, 2014, Council approved revenue for 2014 of \$706.4, which included Property Tax revenue of \$617.9M. After that date, it had been determined that new construction growth would exceed the budgeted expectations for 2014, and \$57.6M additional property tax revenue was added,

bringing the tax revenue to \$675.5M. On May 13, 2014, Council approved a reduction of the residential property taxes, in order to offset the impact of the provincial education tax increase on the property owners in the Municipality, reducing the net tax revenue by \$7.7M. The amended Budget now reflects a net property tax increase of \$49.6M, as noted in Figure 2. This represents a 10.8% increase from the 2013 actual revenue, and a 7.1% increase over the 2014 Operating Budget that was approved by Council on January 17, 2014. Council has decided that the new net tax revenue will be transferred to the CIR.

Local Improvement Plan (LIP) levies budgeted as part of taxes includes \$418,100 each year for 2014, 2015 and 2016.

FIGURE 2 2014 AMENDED OPERATING BUDGET REVENUE COMPOSITION, \$756,002,216

	2014 Approved Budget	2014 Amended Budget	Additional Revenue
Property Taxes *	599,949,700	649,566,261	49,616,561
Sales to Other Governments	3,370,300	3,370,300	-
Sales of Goods/Services	56,089,986	56,089,986	-
Other Revenue From Own Sources	39,055,406	39,055,406	-
Grants	7,234,263	7,234,263	-
Other Transfers	686,000	686,000	-
Total	\$ 706,385,655	\$ 756,002,216	\$ 49,616,561

*includes Grants in Lieu of Taxes; net of provision for potential appeal losses

FIGURE 3 2014 AMENDED OPERATING BUDGET REVENUE COMPOSITION CHART, \$756,242,180

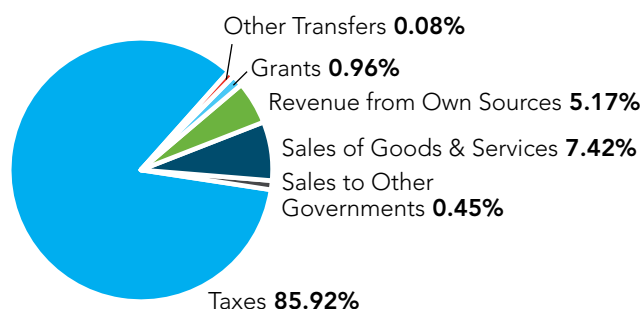


FIGURE 4 REVENUE TREND ANALYSIS 2012-2016

	2012 Actual (Audited)	2013 Actual (Audited)	2014 Amended Budget	2015 Adjusted Financial Plan	2016 Adjusted Financial Plan
Revenue					
Property Taxes *	495,526,167	548,213,399	649,566,261	673,060,414	684,547,136
Sales to Other Governments	5,341,330	2,960,403	3,370,300	3,370,300	3,370,300
Sales of Goods & Services	56,839,141	65,011,597	56,089,986	28,176,186	25,037,986
Other Revenue From Own Sources	44,070,581	42,628,786	39,055,406	48,116,470	53,680,335
Grants	12,957,476	14,938,974	7,234,263	7,054,263	6,868,863
Other Transfers	39,361,542	8,619,410	686,000	253,400	254,100
Total	654,096,236	682,372,569	756,002,216	760,031,033	773,758,720
Original Budget and Plan - Jan 17, 2014			706,385,655	735,376,119	752,035,484
Additional Revenue			49,616,561	24,654,914	21,723,236

*includes Grants in Lieu of Taxes; net of provision for potential appeal losses

FIGURE 4a RECONCILIATION OF ADDITIONAL REVENUE, 2014-2016

	2014	2015	2016
Revenue, Original Budget and Plan - Jan 17, 2014	706,385,655	735,376,119	752,035,484
Less: Planned revenue reallocated to MCU	-	(27,934,000)	(31,082,000)
Add: Franchise fee and dividend to be paid by MCU	-	9,190,000	14,662,000
Add: Net property tax increase*	49,856,525	43,398,914	38,143,236
Revenue, Amended Budget and Plan - May 13, 2014	756,242,180	760,031,033	773,758,720
Net increase, from Original to Amended Budget and Plan	49,856,525	24,654,914	21,723,236

* As approved in the 2014 Tax Bylaw.

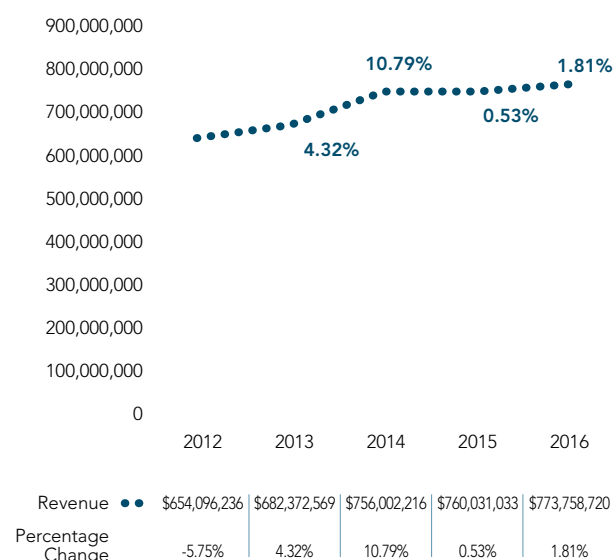
Note that in Figure 4 on the previous page, the 2015 and 2016 projected revenues are net of the MCU impact. Figure 4a above reconciles the amounts on the "Additional Revenue" line in Figure 4.

Other Transfers in 2012 were comparatively high, and include:

- \$15.5M transferred from capital projects that was deemed to be operating in nature
- \$10.4M developer contributions/offsite levies

Approximately \$28M and \$31M revenues attributable to the MCU for 2015 and 2016 are not included in revenues noted in Figure 4. The assumptions included were based on information provided in the initial business case to support the formation of the MCU presented in 2012. Any changes in the future versions of this business case will be incorporated into revised versions of the FMS.

FIGURE 5 REVENUE PROFILE 2012-2016



Increased revenue forecasted for 2014-2016 is attributed to increased tax revenue due to new construction growth. Since Council approval of the 2014 Operating Budget in early 2014, property taxation revenue estimates for 2014-2016, based on tax revenue neutral plus new construction growth approach, have exceeded original projections.

2014-2016 REVENUE STRATEGY

Diverse revenue sources are adopted by the Municipality and appropriate recovery levels are established for municipal services. The level of community resources that is dedicated toward municipal services is directly related to the extent of benefit to the community and the Municipality's ability to pay.

Higher rates of cost recovery for certain services are achieved by charging fair market value for services when it is appropriate to do so and by using prudent cost control measures. User fees and charges are reviewed for the level of cost recovery and reasons for not recovering full costs are identified and explained. The Municipality relies on the User Fees and Charges recovered to offset some of the costs related to service delivery. However, the user fees policies recognize and seek to protect vulnerable segments of the population such as youth and seniors and make attempts to balance need for service with ability to pay.

The Municipality is finalizing a comprehensive user fee study. The recommended general strategy for user fees and charges is:

- Full cost recovery imposed to recover full cost of providing the service, good or access to amenity where it is determined that a service or good or access to an amenity provided by the Municipality provides a direct benefit to individuals, group of individuals or businesses.
- Partial cost recovery imposed where it is determined that a service or good or access to an amenity provided by the Municipality provides a direct benefit to individuals, groups of individuals or businesses but also results in benefits to the general public. Such will also be partially funded by means of a public subsidy from general property tax revenue.

The recommended property tax revenue strategy is:

- Establishment of tax rates that are governed by the three core principles of predictability, stability and transparency that is sustainable for the long term.
- Establishment of rates that contribute to the affordability of living and working in the Municipality while supporting long term infrastructure needs.



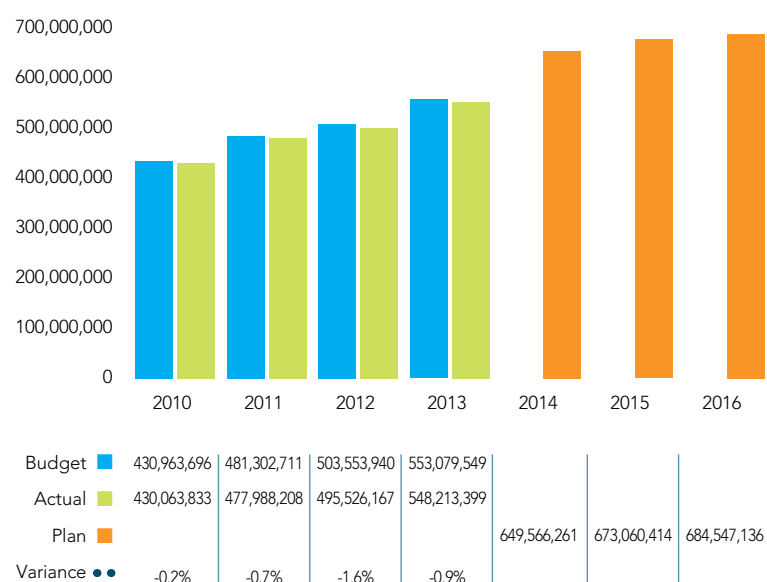
PROPERTY TAXES

In 2014, property taxes are projected to be 85.9% of revenue for the Municipality. A fraction (0.1%) of this is from the rural residential class, 2.1% from urban non-residential, 4.3% from urban residential, and 93.5% from rural non-residential. The category also includes grants in lieu of taxes of approximately 0.3%.

For the past five years, the unfavorable variances between the actual and budget are due to a provision for the potential impact of assessment appeals which are at various stages of the appeal process. To further mitigate the impact from 2014-2016, the provision for potential appeal losses has increased from 2% to 3% of total property tax revenue. The increase in the provision reflects the unique assessment environment in the Municipality and the risks associated with it. As a result of this provision, the variance between the actual and budgeted property tax revenue is insignificant, supporting a conservative budget approach.

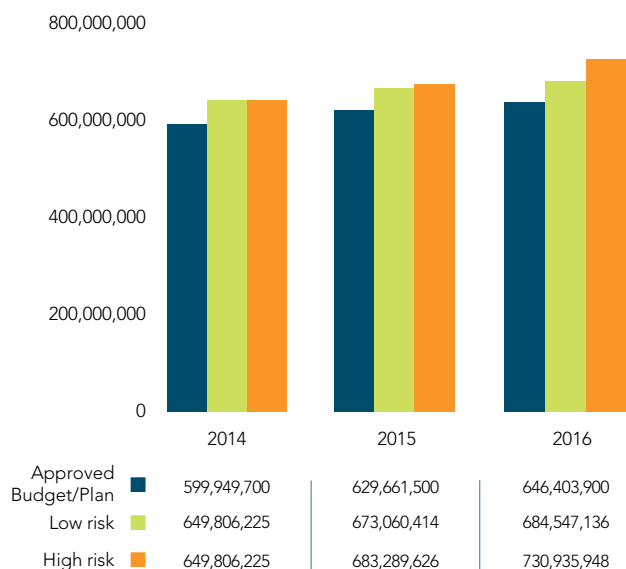
The increase in property tax revenue is primarily due to an increase in new construction growth, and not due to increases in property tax rates or market value increases. The Municipality maintains competitive property tax rates in the residential class compared to other municipalities.

FIGURE 6 PROPERTY TAXES 2010-2016



From the chart above, actual property taxes compared to budget have provided an insignificant variance, which supports the conservative budget approach.

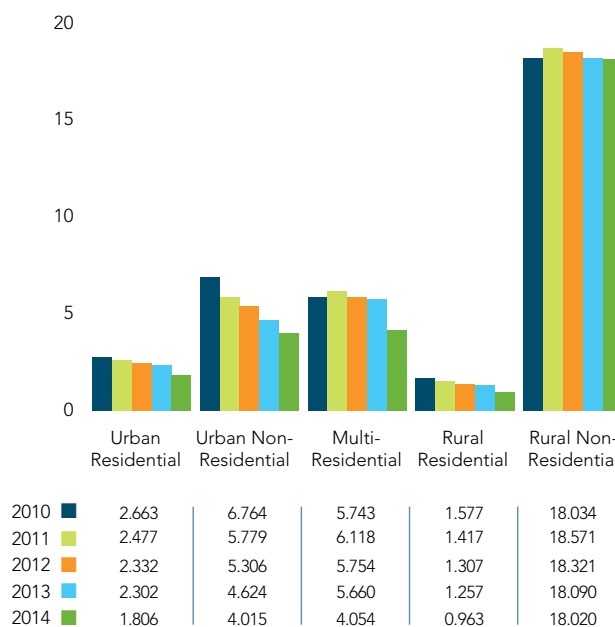
FIGURE 7 **PROPERTY TAX REVENUE PROJECTIONS 2014-2016**



The 2014-2016 property tax revenues presented in Figure 7 are different from the approved 2014 budget and 2015-2016 financial plan based on revised estimates of additional revenue from growth arising from the low risk scenario, and the reduction in residential property tax to offset the Education Tax increase. Figure 7 above includes LIP levies, budgeted as \$418,100 for 2014 through 2016, and provision for estimated assessment appeal losses of about \$20.1M in 2014, \$20.8M in 2015 and \$21.2M in 2016.

It is assumed that the tax revenue projections are the same under the low risk and high risk for 2014 because the tax philosophy followed only offers the low risk and high risk scenarios for future budget years and not the current year.

FIGURE 8 **MUNICIPAL PROPERTY TAX RATES 2010-2014**

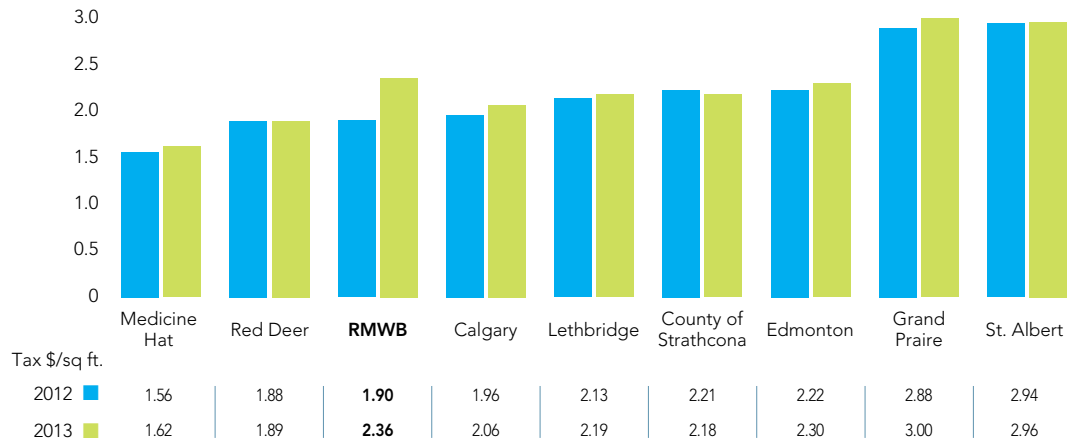


Tax rate facts in the Municipality:

- Tax rates are levied per \$1,000 of assessed value.
- Urban residential property tax rates have decreased by 32.2% from 2.66 in 2010 to 1.81 in 2014.
- Urban non-residential rates have decreased by 40.6% from 6.76 in 2010 to 4.02 in 2014.
- Multi-residential rates decreased by 29.4% from 5.74 in 2010 to 4.05 in 2014.
- Rural-residential represents the least amount of property tax revenue. The tax rates have decreased by 38.9% from 1.58 in 2010 to 0.96 in 2013.
- Rural non-residential property rate class generates the highest tax revenue. The property tax rates in this category have decreased by 0.1% from 18.03 in 2010 to 18.02 in 2014.

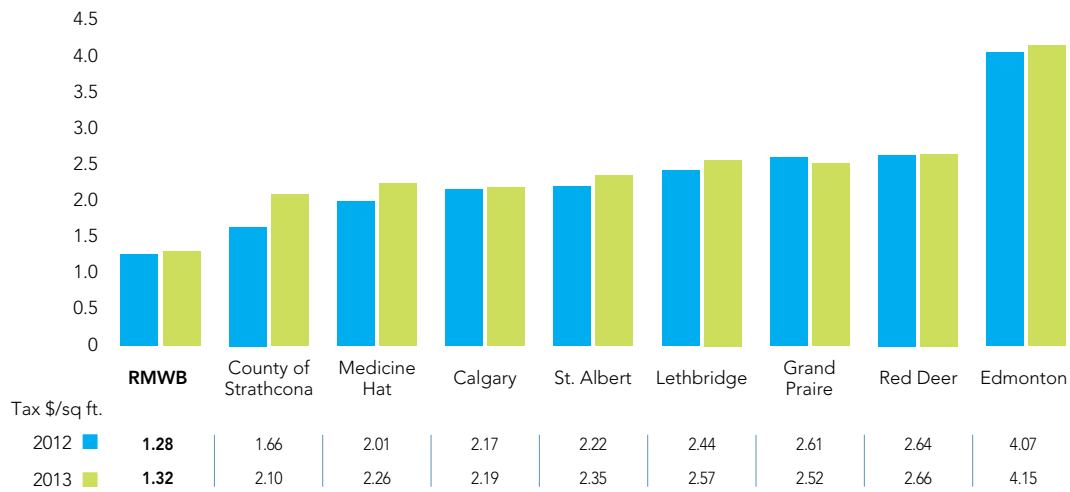
The Municipality's non-residential and residential property tax cost per square foot in 2013 were competitive compared to other municipalities in the province. Figures 9 and 10 on the next page compare the Municipality's tax cost for urban residential and non-residential per square foot.

FIGURE 9 URBAN RESIDENTIAL PROPERTY TAX COST COMPARISON PER SQUARE FOOT 2012-2013¹



¹ Source: Primary research conducted by Assessment & Taxation Department, Regional Municipality of Wood Buffalo

FIGURE 10 URBAN NON-RESIDENTIAL PROPERTY TAX COST COMPARISON PER SQUARE FOOT, 2012-2013





To remain revenue neutral, the property tax rates often need to change. For the 2014 amended budget, the approved property tax rates and tax revenue distributions are shown in Figures 11 and 12.

FIGURE 11 MUNICIPAL PROPERTY TAX RATES, 2013-2014

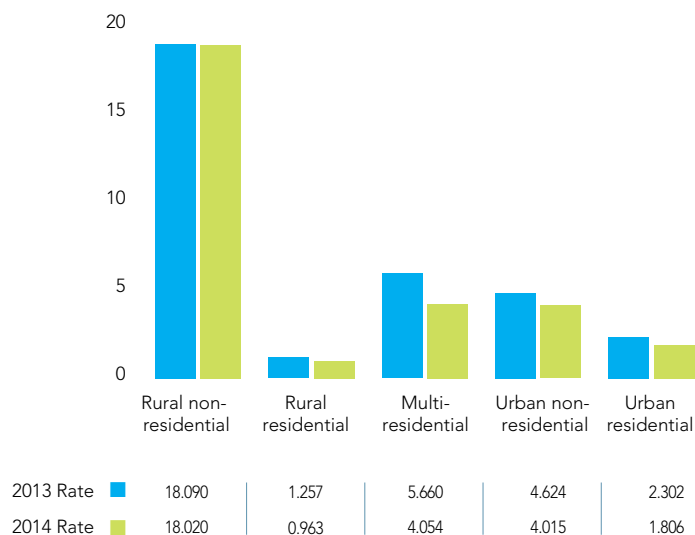
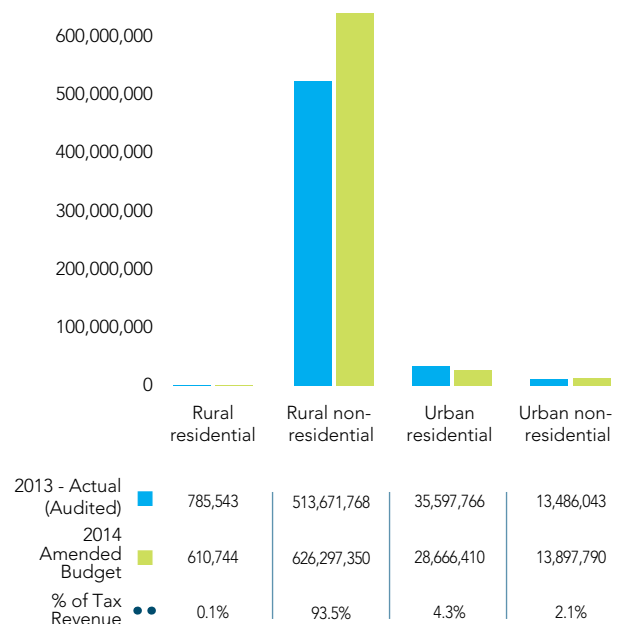


FIGURE 12 PROPERTY TAX REVENUE CONTRIBUTION BY SOURCE 2013-2014





The estimated unadjusted property tax revenue (gross) for 2014 is projected to be approximately \$669.5M based on the revenue neutral assumption. In projecting property tax revenue, two scenarios are assumed: *low risk* and *high risk*.

FIGURE 13 UNADJUSTED PROPERTY TAX REVENUE PROJECTION 2014-2016 (GROSS REVENUE)

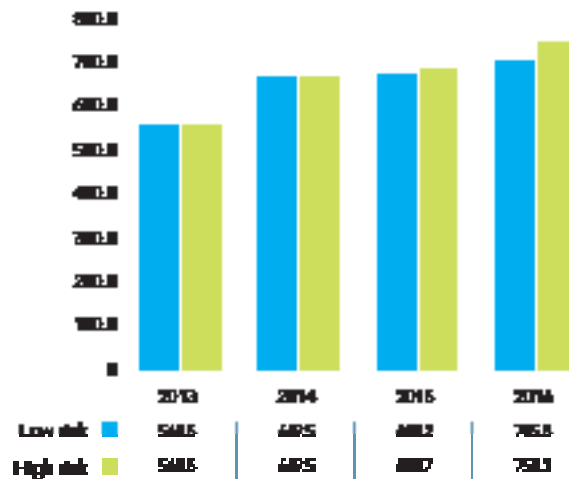


Figure 13 above does not include Local Improvement Plan (LIP) levies budgeted as \$418,100 for 2014 to 2016 and allocation for potential appeal losses of \$20.1M in 2014, \$20.8M in 2015 and \$21.2M in 2016.

Movement from year to year represents tax revenue estimates using projected property assessment growth conservative outlook (low risk) and an optimistic outlook (high risk).

PROPERTY TAX STRATEGY

The Municipality's taxation strategy is guided by the underlying principles of predictability, stability and transparency.

The taxation strategy seeks to achieve:

- **The Urban Residential Taxation Class:** this class will have one of the lowest total tax burdens per square foot as compared to major Alberta cities.
- **The Rural Residential Taxation Class:** this class will have an equal or lower tax burden per square foot as Urban Residential Taxation Class.
- **The Urban Non-Residential Taxation Class:** this class will have one of the lowest total tax burdens per square foot as compared to major Alberta cities.
- **Rural Non-Residential Taxation Class:** this class will have a tax burden that allows the Municipality to maintain a revenue neutral methodology as a result of growth in assessment.

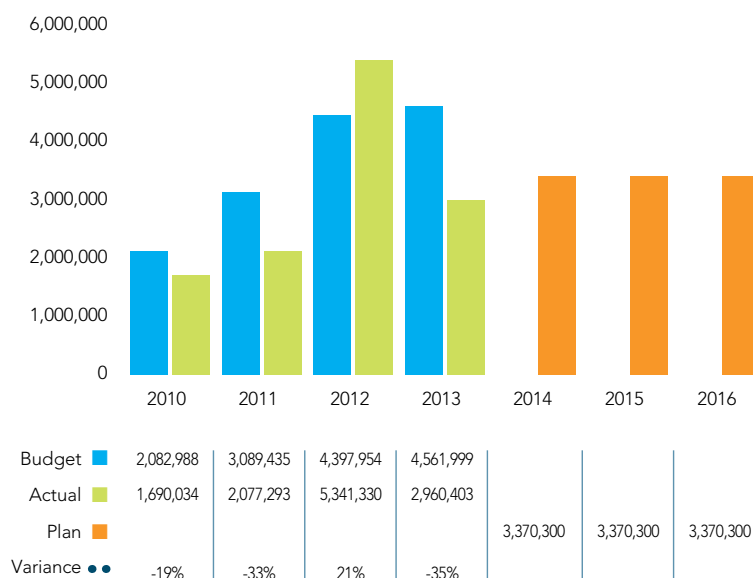
The property taxation strategy contributes to the affordability of living and working in the region while supporting long term capital infrastructure needs. The strategy also takes into account the growth facing the region and the underlying growth drivers.

SALES TO OTHER GOVERNMENTS

This category includes revenue arising from transactions between the Municipality and other public entities such as Aboriginal Affairs and Northern Development Canada (AANDC).

In the 2014 approved Budget, revenue generated from Sale of Goods & Services to Other Governments is \$3.37M. It is expected that the Municipality will maintain 2014 revenue levels in 2015 and 2016.

FIGURE 14 SALES TO OTHER GOVERNMENTS 2010-2016



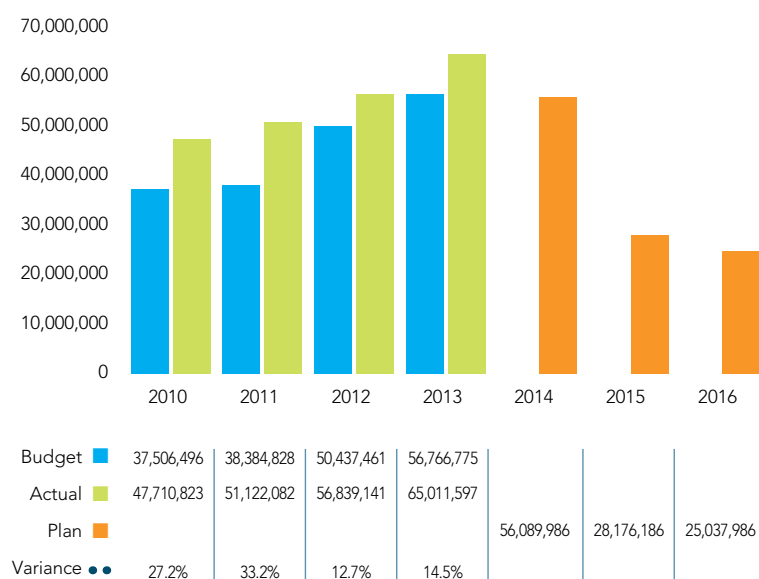
SALE OF GOODS & SERVICES

Sale of Goods & Services is a category that includes various items such as revenue from utility rates, ambulance fees, community program and facility fees.

Actual revenue from the Sale of Goods & Services has increased in the past four years and is attributed to increase in volume rather than increase in charges and rates. The decline in 2014 is attributed mainly to transit fares, which are now collected by the service provider.

Approximately \$28M and \$31M revenues attributable to the MCU for 2015 and 2016 are not included in revenues outlined in Figure 15, per the business case to support formation of the utility.

FIGURE 15 SALES OF GOODS & SERVICES 2010-2016



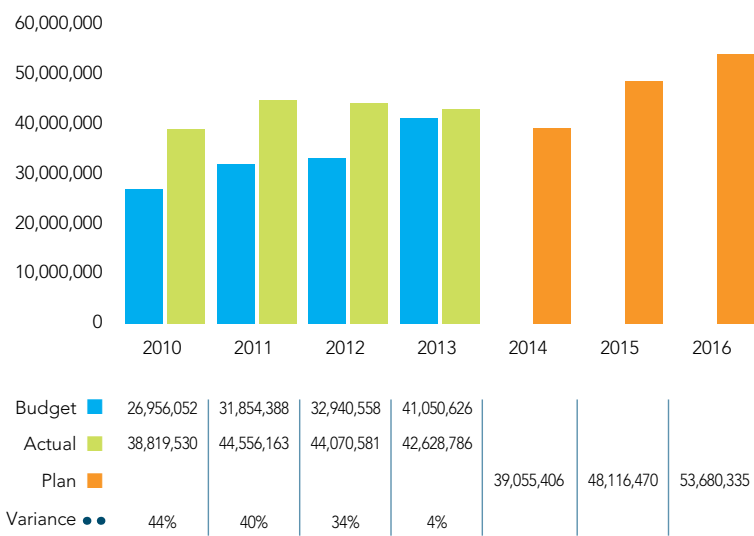


OTHER REVENUE FROM OWN SOURCES

This category includes revenue from permits, fines and penalties, franchise fees, and interest from investments. The revenue from this category is approximately \$39M—about 5% of the total 2014 amended revenue budget—the major contributors to this category being revenue from building permits and investment income. The revenue from own sources have consistently exceeded budget expectations in the past.

Dividend and franchise fees from the MCU of approximately \$9M for 2015 and \$14M for 2016 have been included as part of revenues in Figure 16 above, as outlined in the business case to support formation of the utility.

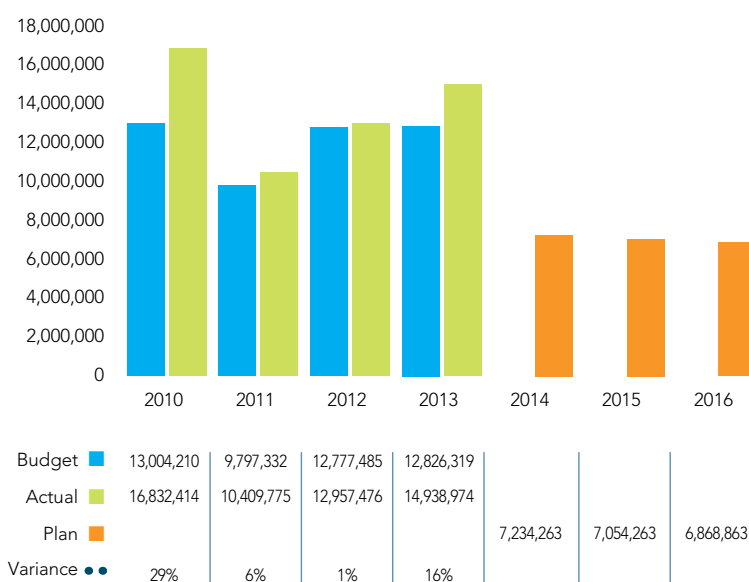
FIGURE 16 OTHER REVENUE FROM OWN SOURCES 2010-2016



GRANTS

Grants include both conditional and unconditional funds secured from federal and provincial government such as the Royal Canadian Mounted Police (RCMP) Grant. Budget variances in this category signify the excess funding received over the budgeted amounts.

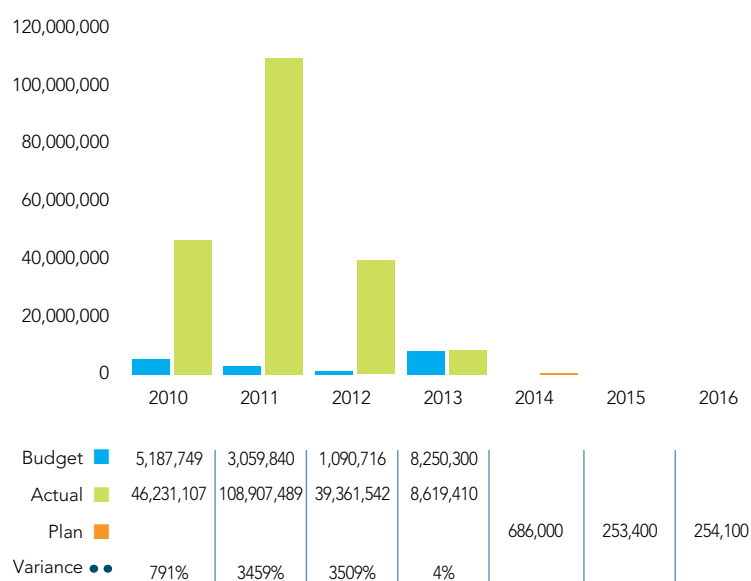
FIGURE 17 GRANTS 2010-2016



OTHER TRANSFERS

The two main revenue items that are recorded in this category are internal charge allocations and transfers from reserves. The 2011 variance is largely comprised of the \$95M transfer from the EIR, which was due to prior year surpluses that accumulated in the EIR balance. The rest of the variances are due to transfer of amounts deemed to be operating in nature transferred from approved capital project budgets. Planned balances in 2014-2016 are transfers from the Photo Radar Enforcement Program. Net revenue from the Photo Radar Enforcement Program are held in the Community Initiatives Reserve and then allocated to preventive programs and community grants. Other components of the variances are transfer from reserves to offset program costs.

FIGURE 18 OTHER TRANSFERS 2010-2016



Expenditure Summaries

EXPENDITURE SUMMARIES

The Municipality has eight expense categories:

- salaries, wages & benefits
- contracted & general services
- purchases from other governments
- materials/goods/supplies & utilities
- small equipment & furnishings
- transfers & grants
- financial service charges
- other expenses

The 2014 amended budget increased due to increased costs for maintaining current level of services provided to the region, growth and delivery of new services.

**FIGURE 19 2014 AMENDED OPERATING BUDGET
EXPENSE COMPOSITION, \$486,288,503**

	2014 Approved Budget	2014 Amended Budget	Variances
Expenses			
Salaries, Wages & Benefits	201,228,500	201,228,500	-
Contracted & General Services	151,113,397	151,113,397	-
Purchases From Other Governments	24,735,500	24,735,500	-
Materials, Goods, Supplies & Utilities	32,490,600	32,490,600	-
Small Equipment & Furnishings	5,069,900	5,069,900	-
Transfers & Grants	39,363,706	39,363,706	-
Financial Services Charges	31,428,400	31,428,400	-
Other Expenditures	858,500	858,500	-
Subtotal	\$ 486,288,503	\$ 486,288,503	-
Transfer to Reserve	220,097,152	269,713,713	49,616,561
Total	\$ 706,385,655	\$ 756,002,216	\$ 49,616,561

**FIGURE 20 2014 AMENDED OPERATING BUDGET EXPENSE
COMPOSITION CHART, \$486,288,503**

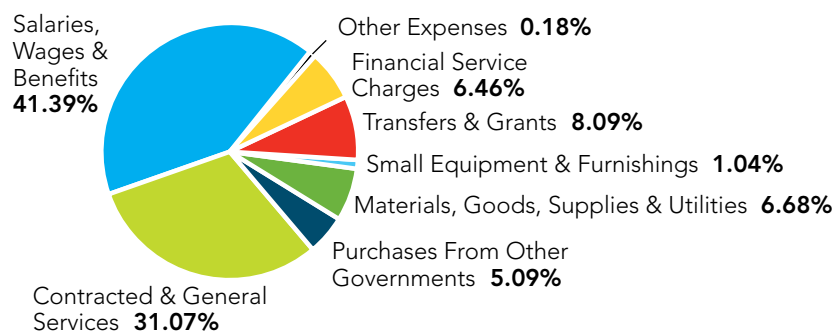


Figure 21 on the next page shows the expense trend from 2012-2016. The increases are largely due to salaries, wages and benefit increases, as well as costs incurred for providing additional contracted services.

Approximately \$67M in 2015 and \$68M in 2016 expense amounts in various categories attributable to the MCU are

not included in expenses in Figures 19 and 20. However, the service fees of \$39M in 2015 and \$40M in 2016 have been included, thereby incorporating assumptions from the business case to support the formation of the MCU.

Additional debt service amounts of approximately \$45.3M in 2015 and \$46.2M in 2016 have been included.

FIGURE 21 EXPENSE TREND ANALYSIS 2012-2016

	2012 Actual (Audited)	2013 Actual (Audited)	2014 Amended Budget*	2015 Adjusted Financial Plan**	2016 Adjusted Financial Plan**
Expenses					
Salaries, Wages & Benefits	163,243,798	178,487,423	201,228,500	175,200,833	175,515,133
Contracted & General Services	125,815,581	129,111,390	151,113,397	173,043,977	176,910,686
Purchases From Other Governments	22,922,173	22,877,551	24,735,500	25,743,000	26,489,880
Materials, Goods, Supplies & Utilities	26,986,073	28,147,658	32,490,600	18,078,224	18,433,140
Small Equipment & Furnishings	4,720,086	3,823,437	5,069,900	2,382,854	2,418,154
Transfers & Grants	44,354,310	48,637,443	39,363,706	39,251,603	39,262,138
Financial Services Charges	33,461,068	32,275,279	31,428,400	75,881,324	75,960,055
Other Expenses	1,516,992	13,421,894	858,500	869,500	867,902
Total Expenses	423,020,081	456,782,075	486,288,503	510,451,315	515,857,088
Original Budget and Plan - Jan 17, 2014			486,288,503	494,150,517	498,116,576
Increased Expenses			-	16,300,798	17,740,512
Original Transfer to Reserves - January 17, 2014	231,076,155	225,590,494	220,097,152	241,225,602	253,918,908
Amended Transfer to Reserves			269,713,713	249,579,718	257,901,632
Additional Transfer to Reserve			49,616,561	8,354,116	3,982,724
Total change from original budget and plan			49,616,561	24,654,914	21,723,236

*Incorporates the proposed change in the property tax bylaw.

**includes the proposed change in MCU and Financial Service Charges

FIGURE 21a RECONCILIATION OF INCREASED EXPENSE, 2014-2016

	2014	2015	2016
Expenses, Original Budget and Plan - Jan 17, 2014	486,288,503	494,150,517	498,116,576
Less: Planned expenses associated with MCU	-	(67,226,282)	(68,011,755)
Add: Service fee to be paid to MCU	-	38,851,000	40,165,000
Add: Increased debt service	-	44,676,080	45,587,267
Expenses, Amended Budget and Plan - May 13, 2014	486,288,503	510,451,315	515,857,088
Net increase, from Original to Amended Budget and Plan	-	16,300,798	17,740,512

Figure 21 above displays a net increase in expenses in 2015 and 2016 since the approval of the financial plan on January 17, 2014. The expenses related to the MCU have been removed from the financial plan, but the service fee has been added to the contracted and general services category. The Financial Services Charges has also

increased because of the projected increase in drawdown of debt. Figure 21a provides reconciliation of the difference between the amount budgeted on January 17, 2014, and the amount of the amended budget approved by Council on May 13, 2014. Figures 22 and 23 provide more details of the variances in the operating plan years.

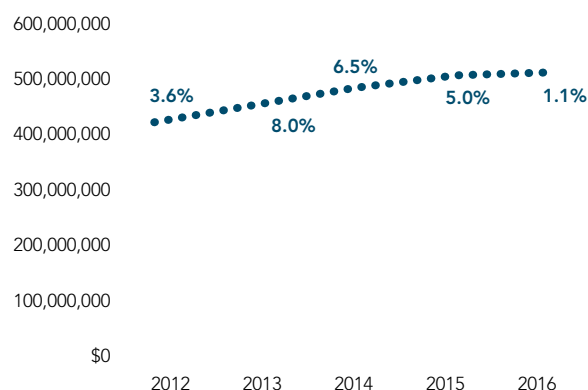
**FIGURE 22 2015 AMENDED OPERATING BUDGET
EXPENSE COMPOSITION**

	2015 Approved Plan	2015 Adjusted Plan	Changes
Expenses			
Salaries, Wages & Benefits	206,766,633	175,200,833	(31,565,800)
Contracted & General Services	152,415,420	173,043,977	20,628,557
Purchases from Government	25,743,000	25,743,000	-
Materials, Goods, Supplies & Utilities	33,020,323	18,078,224	(14,942,099)
Small Equipment & Furnishings	4,868,594	2,382,854	(2,485,740)
Transfers & Grants	39,251,603	39,251,603	-
Financial Services Charges	31,215,444	75,881,324	44,665,880
Other Expenses	869,500	869,500	-
Subtotal	494,150,517	510,451,315	16,300,798
Transfer to Reserve	241,225,602	249,579,718	8,354,116
Total	735,376,119	760,031,034	24,654,914

**FIGURE 23 2016 AMENDED OPERATING BUDGET
EXPENSE COMPOSITION**

	2015 Approved Plan	2015 Adjusted Plan	Changes
Expenses			
Salaries, Wages & Benefits	207,080,933	175,515,133	(31,565,800)
Contracted & General Services	155,332,558	176,910,686	21,578,128
Purchases from Government	26,489,880	26,489,880	-
Materials, Goods, Supplies & Utilities	33,746,365	18,433,140	(15,313,225)
Small Equipment & Furnishings	4,953,608	2,418,154	(2,535,454)
Transfers & Grants	39,262,138	39,262,138	-
Financial Services Charges	30,383,192	75,960,055	45,576,863
Other Expenses	867,902	867,902	-
Subtotal	498,116,576	515,857,088	17,740,512
Transfer to Reserve	253,918,908	257,901,632	3,982,725
Total	752,035,484	773,758,720	21,723,236

FIGURE 24 EXPENSE PROFILE 2012-2016



2014-2016 EXPENSE STRATEGY

Monthly, quarterly and annual financial reports are prepared to compare the actual revenues and expenses to budgeted amounts. These reports are distributed to management for review.

Budgets must be in place for all expenses for both operating and capital costs. An expenditure may be made for an emergency that was not contemplated in the financial plan but the plan is amended, as soon as practical, to include the expense and the funding source.

Any unbudgeted expenses are approved by Council, while any reallocation of the approved Budget can be approved by administration, in accordance with Fiscal Policy Fin-160.

For the preparation of the FMS, certain expense assumptions have been made:

- Undrawn debt of \$377M at the end of 2013 will be drawn at the beginning of 2015 and thereafter all debt is drawn three years after commitment or approval.
- An interest rate of 3.5% has been assumed for future debt draws.

Salaries, Wages and Benefits usually account for about 41% of the Municipality's total approved Operating Budget. There is a labour agreement in place with the Canadian Union of Public Employees (CUPE) to the end of 2018, and negotiations are in process with the International Association of Fire Fighters (IAFF). Conservative increases are included in this category, subject to change based on the outcome of ongoing negotiations.

Exempt staff increases are based on annual performance reviews and market rate increases. Vacant positions are partially funded based on estimated hiring dates.

The Municipal debt strategy is:

- Debt limit is not to exceed 85% of the debt limit per Municipal Government Act and regulations.
- Debt service is not to exceed 85% of the debt service limit per Municipal Government Act and regulations.



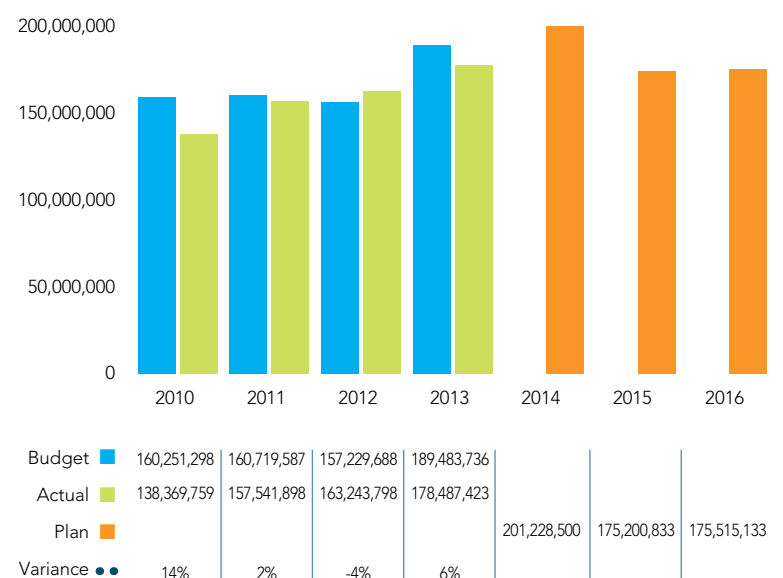
SALARIES, WAGES & BENEFITS

Salaries, Wages & Benefits account for about 41.4% of the 2014 approved Operating Budget totaling \$201M. The budget has increased by 13% from the previous year actual, due to:

- Increase in salaries for the existing employees as per the union agreements.
- While the Municipality still faces difficulty filling some positions, recruitment efforts in the past two years have resulted in filling most of the vacancies.

Both 2015 and 2016 plan years are lower than the 2014 budget as a result of the formation of the MCU. See Figure 33 for further details.

FIGURE 25 SALARIES, WAGES & BENEFITS 2010-2016



The variances between Budget and actual Salaries, Wages and Benefits each year are primarily due to estimates for vacant positions: these are difficult to project, are dependent on the rate at which vacancies are filled, and are driven by the labour market.

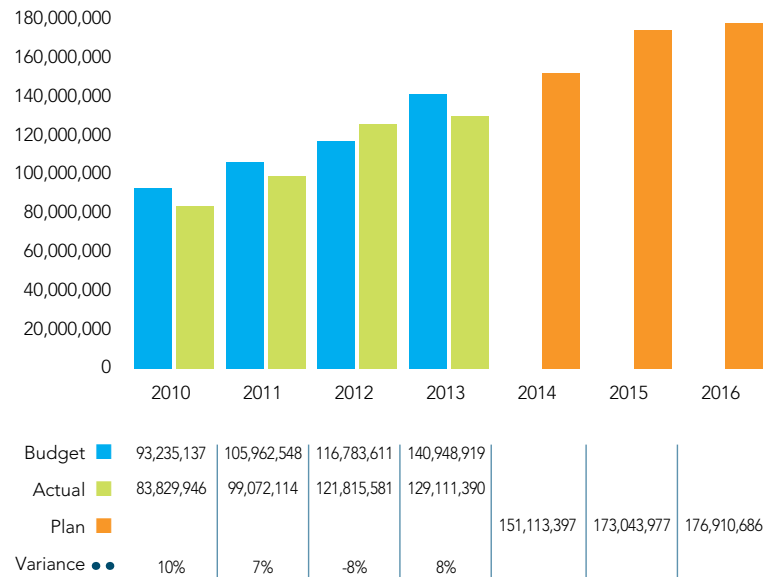
CONTRACTED & GENERAL SERVICES

Contracted & General Services consist of various expense categories including recruitment, training, travel, telephones & internet, professional services, legal costs and other minor expense categories.

This expense category is influenced by operating projects and changes in pricing of ongoing operations. The Contracted & General Services cost increased about 17% from last year actuals, due to factors such as additional professional services and an increase in transit contract costs.

The financial plan shows an increase in Contracted and General Services for 2015 and 2016: This is the net result of removing the costs related to the MCU and adding in the service fee that will be paid for those services. Details on the MCU impact are shown in Figure 33.

FIGURE 26 CONTRACTED & GENERAL SERVICES 2010-2016

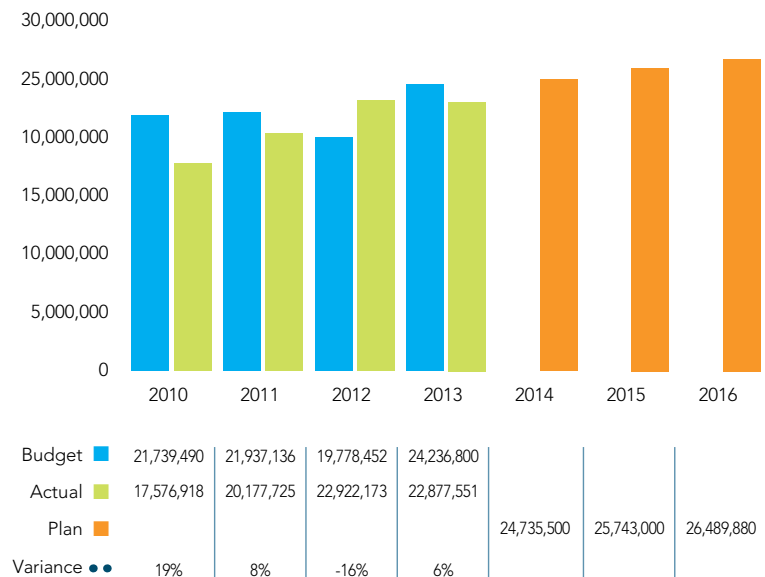


PURCHASES FROM OTHER GOVERNMENTS

Purchases from Other Governments include transactions between other municipalities and other public agencies. A significant portion of these costs are related to RCMP contracts.

Purchases from Other Governments represent 5% of the 2014 approved Budget and are expected to remain relatively flat over the next few years.

FIGURE 27 PURCHASES FROM OTHER GOVERNMENTS 2010-2016

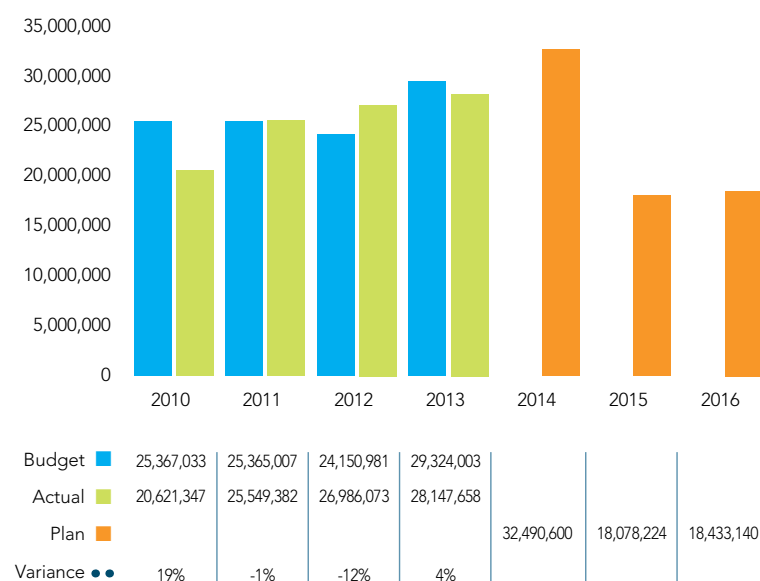


MATERIALS, GOODS, SUPPLIES & UTILITIES

The Materials, Goods, Supplies & Utilities category consists of expenses incurred to maintain and operate the Municipality on a daily basis. The major items in this category include fuel & lubes, chemicals & salts, natural gas and electricity.

As shown in Figure 28, the decrease in this category in 2015 and 2016 is a direct budget impact of the MCU being formed in 2015. See also Figure 33 for further information on the MCU.

FIGURE 28 MATERIALS, GOODS, SUPPLIES & UTILITIES 2010-2016

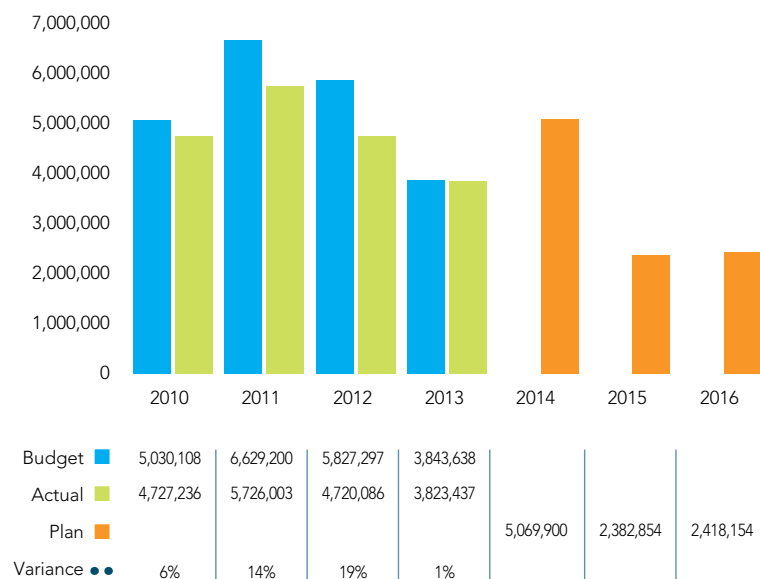


SMALL EQUIPMENT & FURNISHINGS

The major categories in Small Equipment & Furnishing include office equipment, computer hardware and field equipment. The expenses in 2013 reduced as a result of expected slowdown in office equipment as most renovations have been completed.

The reduction of expenses in this category in 2015 and 2016 is a result of the MCU impact on the financial plan. See Figure 33 for further information about the MCU budget impact.

FIGURE 29 SMALL EQUIPMENT & FURNISHINGS 2010-2016



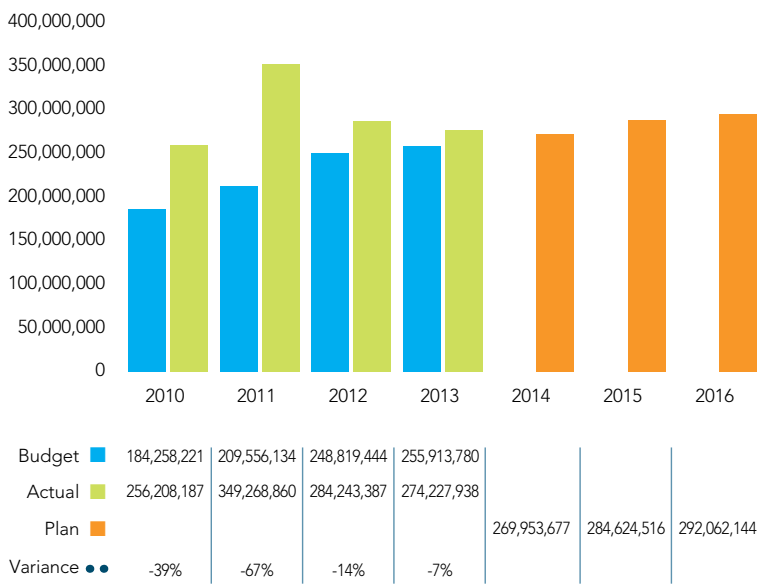


TRANSFERS & GRANTS

Transfers to capital, reserves and other internal charges are recorded in this expense category. The amounts presented in Figure 30 are inclusive of reserve transfers and are different from Figure 18 presented in the revenue summaries section of the report.

The large variances in this category are a result of additional revenue that the Municipality generates, which are transferred to either CIR or EIR, as approved by Council. These transfers represent the amount transferred and committed to current and future funding requirements. The transfer of \$264M to the CIR is included in the 2014 amended budget.

FIGURE 30 TRANSFERS & GRANTS 2010 -2016

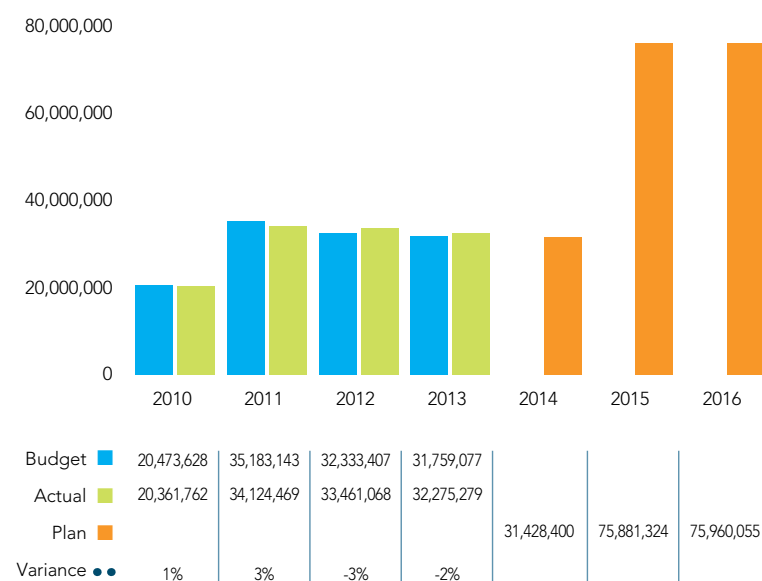


FINANCIAL SERVICES CHARGES

Items included in this category are bank charges, debenture principal and debenture interest. Figure 31 is exclusive of amortization since the Municipality does not budget for amortization. Debt service budget provisions are based on actual debt drawn or expected to be drawn in future years.

If the Municipality draws \$377M of committed debt in 2015, and implements the strategy to ensure all debt is drawn three years after commitment or approval, debt service would be \$75.9M in 2015 and \$76.0M in 2016. Based on the financial plan which was approved by Council, these potential debt services charges have not been included in the FMS. The impact on debt service limits is reflected in the section "Debt and Debt Service Limits". Administration continues to monitor cash flow requirements as well as prevailing and projected interest rate levels.

FIGURE 31 FINANCIAL SERVICES CHARGES 2010-2016



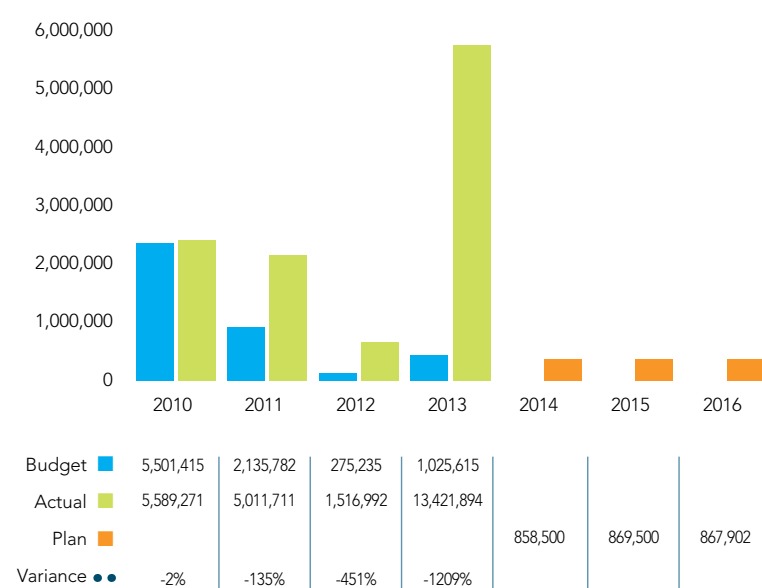
OTHER EXPENSES

Charges related to internal services, bad debt expense, inventory shrinkage are some of the major expenses that are recorded in Other Expenses.

The variance between 2012 and 2013 is attributed to transfers of operating costs relating to approved capital projects. These costs do not qualify to be recorded as Tangible Capital Assets, and have to be expensed as operating costs. Funding was provided within original capital project budgets.

The bulk of the actual cost in 2013 relates to: excess tax appeal loss, over budget, of \$8M related to the 2010 tax year; and \$3.7M allowance for doubtful debt.

FIGURE 32 OTHER EXPENSES 2010-2016



Municipal Corporate Utility (MCU)

MUNICIPAL CORPORATE UTILITY (MCU)

A presentation made to Council in December 2011 outlines the purpose of the MCU as providing alternative delivery method for those services now being provided by the Environmental Services Department, specifically water, wastewater, and solid waste services. It would also undertake to explore and promote the following opportunities:

- Implementation of green practices and operations on a regional basis with resultant potential for positive impact on climate change, waste diversion, renewable energy, water conservation and water quality.
- Generation of new sustainable income through innovative service agreements and partnerships.
- Local economic diversification and employment opportunities.
- Provision of value-added benefits with no increase in costs for residential services.
- Opportunity for partnerships with regional educational institutions.
- New sustainable skill set development and career opportunities for staff to maximize recruitment and retention efforts.²

The terms and conditions of the formation of the MCU have yet to be decided. The FMS has been prepared with the assumption that the MCU will proceed in 2015. However, the final impact on the financial plan cannot be determined until the MCU has been approved by the Province. At the time of publication, the financial impact for 2015 and 2016 is based on the MCU business case that was prepared in 2012 and summarized in Figure 33 on the next page.

The revenue and expenses related to the Environmental Services Department are removed from the financial plan as these will now be the responsibility of the MCU. The MCU will pay a dividend and franchise fee to the Municipality. In turn, the Municipality will incur a service fee as payment to the MCU for the provision of the utility services.

The impact on the financial plan is a net gain of \$9.6M in 2015 and \$11.4M in 2016.

FIGURE 33 IMPACT OF MCU ON FINANCIAL PLAN, 2015-2016

	2015 Plan	2016 Plan
Revenue		
Sales-Goods-Services	(27,934,000)	(31,082,000)
Other Revenue From Own Sources - Dividend	4,190,000	4,662,000
Other Revenue From Own Sources - Franchise Fee	5,000,000	10,000,000
	(18,744,000)	(16,420,000)
Expenses		
Salaries Wages and Benefits	(31,565,800)	(31,565,800)
Contracted and General Services	(18,222,443)	(18,586,872)
Contracted and General Services - Service Fee	38,851,000	40,165,000
Materials Goods Supplies	(14,942,099)	(15,313,225)
Fixed Asset Acquisition	(2,485,740)	(2,535,454)
Financial Service Charge	(10,200)	(10,404)
	(28,375,282)	(27,846,755)
Net gain	9,631,282	11,426,755

² Source: Investigation of a Municipal Controlled Corporate Utility Model for Environmental Services, Regional Municipality of Wood Buffalo Council Meeting Minutes, December 13, 2011, www.woodbuffalo.ab.ca.

Debt and Debt Service

The Debt Limit and Debt Service Limit for the Municipality are governed by Alberta Regulation 255/2000 of the MGA and Municipality's Debt Management Policy FIN-120.

DEBT STRATEGY

The Municipality uses debt to fund capital projects based on two principles:

- Use debt to fund capital projects that have a longer useful life.
- Use debt finance as a funding source of “last resort.”

The first principle respects the inter-generational equity philosophy, which states that each generation that benefits from an amenity must bear their fair share of financial burden, and the second principle indicates a conservative approach to debt use.

The Municipality considers the use of alternative sources of funding such as grants, developer contributions, off-site levies, donations, user fees, or reserves for capital asset acquisition or construction to minimize the requirement for debt. The Alberta Capital Finance Authority (ACFA) is the lender of choice unless a more attractive loan arrangement is available from another acceptable lender.

For a municipality facing rapid population growth and the associated demand for new infrastructure and infrastructure rehabilitation, use of debt is a reality as general revenue growth typically lags infrastructure demand.

Figure 34 below outlines the Debt Limit and Debt Service calculations under both the low risk and high risk scenarios.

FIGURE 34 DEBT LIMIT AND DEBT SERVICE CALCULATIONS, LOW AND HIGH RISK

	Low Risk (\$ Million)			High Risk (\$ Million)		
	2014	2015	2016	2014	2015	2016
Debt Limit						
Revenue of Prior Year*	689	756	760	689	756	770
Debt Limit-Per MGA (2xRevenue)	1,379	1,511	1,520	1,379	1,511	1,540
Council Approved Limit (85% of MGA limit)	1,172	1,284	1,292	1,172	1,284	1,309
Actual Debt	317	646	604	317	646	604
Undrawn Debt	778	491	502	778	491	502
Actual Total Debt Percentage	22.99%	42.74%	39.74%	22.99%	42.74%	39.21%
Committed Debt (Actual & Undrawn)	1,095	1,137	1,106	1,095	1,137	1,106
Committed Debt Percentage	79.39%	75.26%	72.81%	79.39%	75.26%	71.84%
Debt Service						
Debt Service Limit-Per MGA (0.35xRevenue)	241	264	266	241	264	270
Council Approved Limit (85% of MGA limit)	205	225	226	205	225	229
Actual Debt Service	31	76	76	31	76	76
Actual Debt Service Percentage	12.77%	28.70%	28.57%	12.77%	28.70%	28.19%

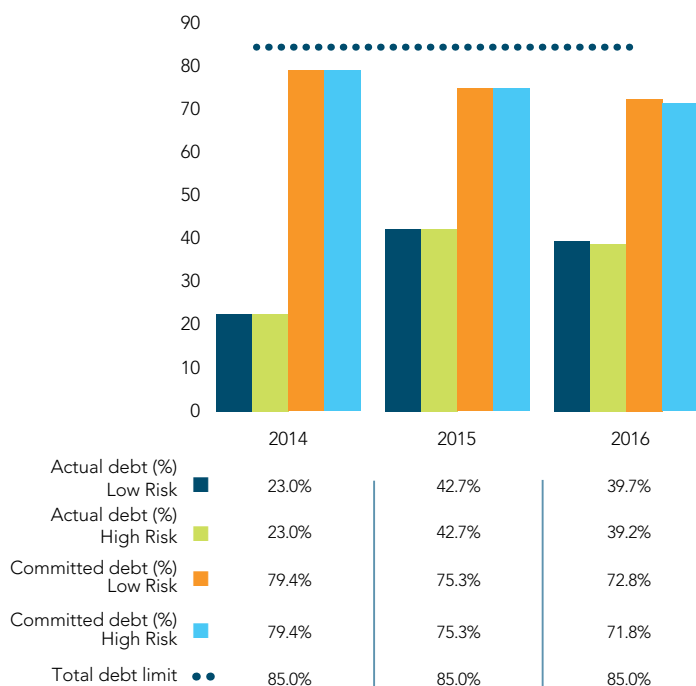
* For calculating debt limit, revenue does not include Contributions of Tangible Capital Assets nor Grants. It is based on the prior year revenue, as required by the MGA.

DEBT LIMIT

The MGA states that a municipality cannot exceed the debt limit of two times its total revenue.³ Council has approved a Debt Management Policy FIN-120, which permits a debt limit up to 85% of the provincially legislated limit.

Actual debt refers to actual debentures drawn and outstanding by the Municipality while committed debt refers to total debt approved (through debenture bylaws) eligible to be drawn by the Municipality. Committed debt is an addition of actual debt drawn and undrawn debt.

FIGURE 35 DEBT LIMIT TREND 2014-2016

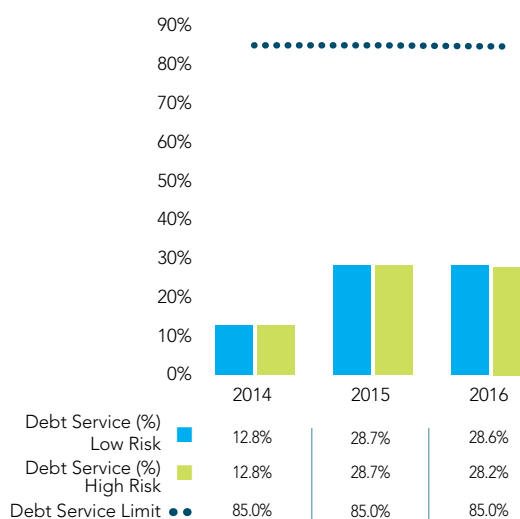


DEBT SERVICE LIMIT

Debt Service is defined as annual principal and interest amounts owing on outstanding loans made by the Municipality plus annual principal and interest amounts that the Municipality will be liable to pay on loans guaranteed by the Municipality.

The MGA debt service limit is calculated as .35 times of the total revenue. The Municipality's Debt Management Policy establishes a limit as 85% of the legislated limit and was amended in 2012 increasing the limit from 75% to 85% of the legislated limit. As depicted in Figure 35 above, both the low risk and high risk outlook on debt service are under the prescribed limit of 85% of the MGA as set by Council.

FIGURE 36 DEBT SERVICE COMPARISON (%) 2014-2016



While total committed debt is being tracked, committed debt service is more difficult to project, as it is tied to unpredictable capital projects delivery and related backlog. Consequently, it is difficult to predict when the debt would be drawn. For planning purposes, debt is assumed to be drawn three years after Council's approval.

³Source: Total revenue reported in the last year audited annual financial statement



Fiscal Stability Reserves

GENERAL RESERVE STRATEGY

The Municipality has an established reserve strategy to meet future operations and capital expenses.

The reserve is in place to hedge against future risk factors including:

- Revenue shortfalls
- Unanticipated expense increases
- To ensure stable property tax rates

In compliance with the Fiscal Responsibility Policy FIN-160 (approved April 26, 2011), the Municipality holds two reserves: the Emerging Issues Reserve (EIR) and the Capital Infrastructure Reserve (CIR). Council approval is required to utilize funding from both reserves.

EMERGING ISSUES RESERVE (EIR)

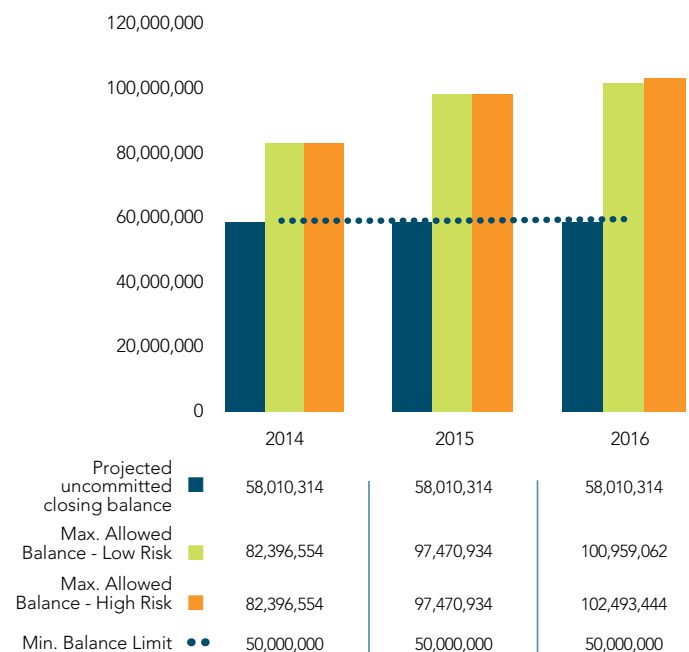
The EIR was established by Council in 2002 to stabilize operating revenues in response to unanticipated loss of revenue as well as provide funding flexibility in responding to unplanned events and other significant price changes. Funding of the EIR comes from operating surplus (if any) at the end of the financial year.

The EIR is governed as follows:

- Maximum EIR balance equivalent to 15% of the audited prior year's net property tax revenue and is subject to a minimum uncommitted balance of \$50M.
- Council approval is required to utilize funding from the EIR.

As depicted in Figure 37 below, the \$50M minimum uncommitted balance is maintained in the EIR for the period 2014-2016.

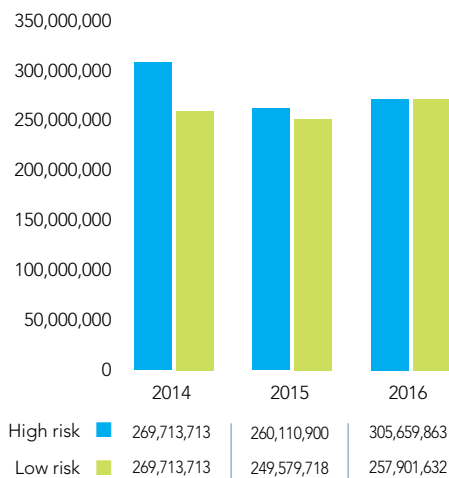
FIGURE 37 PROJECTED EMERGING ISSUES RESERVE BALANCES 2014-2016



CAPITAL INFRASTRUCTURE RESERVE (CIR)

The CIR has been established to provide a source for capital project funding with a minimum uncommitted balance of \$50M. The reserve funds unanticipated capital program requirements. The \$49.6M increase in the amended tax revenue for 2014 is also adjusted in the CIR balances. The forecasted capital infrastructure contributions are presented in Figure 38.

FIGURE 38 PROJECTED OPERATING BUDGET TRANSFER TO CIR 2014-2016



Based on the low/high risk scenarios, the projected balance in the CIR is found in Figure 39. In 2015, the CIR falls below the minimum balance—many capital projects were delayed to start in 2015 or later during the 2014 capital budget process. Council will decide the funding priorities for these projects, by removing, postponing or exploring alternative funding sources.

The CIR drawdown outlined in Figure 40 will require revision/reprioritization by Council to meet funding and resource capacity.

The projects that carry forward into multiple years that started in 2014 and prior have the CIR funding set aside—it is the new projects beginning in 2015 or 2016 that will be affected by the prioritization of projects.

FIGURE 39 CAPITAL INFRASTRUCTURE RESERVE PROJECTED BALANCE 2014-2016

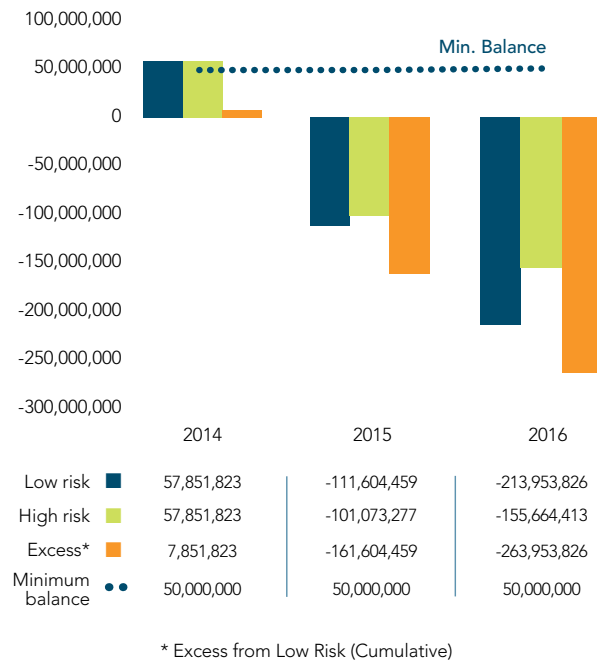
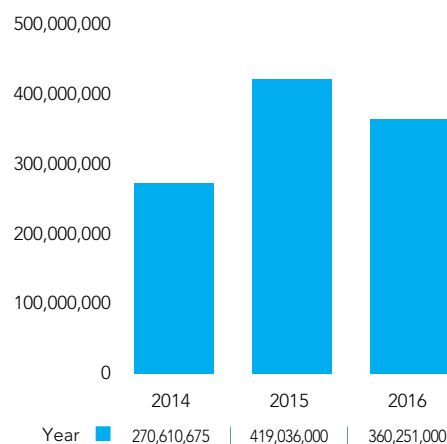


FIGURE 40 PROJECTED CIR DRAWDOWN 2014-2016





Investments

INVESTMENT STRATEGY

The Municipality's investment of funds is governed under Investment Policy FIN-140, as approved by Council. The general investment strategies adopted by the Municipality are to:

- Rebalance investment term such that fiscal reserves balances are invested in the medium and long term periods.
- Review current capital project backlog to establish cash flow which would determine term horizon.

The primary objectives of the policy, in order of priority, are:

- Safety of Principal: investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
- Liquidity: the investment portfolio shall remain sufficiently liquid to meet all operating and capital cash requirements that may be reasonably anticipated.
- Return on Investment: the investments of the fund shall be structured with the objective of attaining a market rate of return.

The investment type is restricted to fixed income securities that are of high credit quality and meet the following maturity criteria:

- Short term investments: maturity of less than a year; 11% of the portfolio

- Medium term investments: maturity greater than one year, but less than ten less than five years; 89% of the portfolio

The Municipality's investments have various levels of oversight and governance. First of all, funds are managed by external fund managers. In addition, there is an Investment Advisory Committee that has oversight responsibility, and is comprised of the CFO (chair), the CAO/COO and the Director of Finance. Finally, a performance update is presented to Council annual.

Given the reclassification of the Short-Term and Medium-Term portfolios that occurred in Q2 2013, only one quarter of performance is available for the complements outlined in Figure 41. The securities distribution of the portfolio is allocated such that 88.7% of the holdings are allotted to the Medium-Term Portfolio and 11.32% to the Short-Term Portfolio.

The total amortized cost of the portfolio is \$523.4M at December 31, 2013. Overall portfolio performance has been above benchmark for the last four years, and ensures the safety of the capital and provides an above-market rate of return as prescribed in the investment policy.

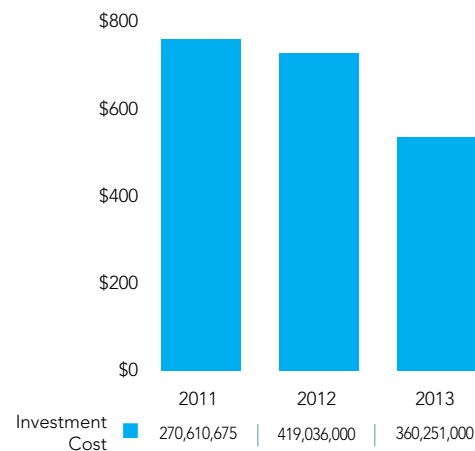
FIGURE 41 TOTAL PORTFOLIO PERFORMANCE SUMMARY, DECEMBER 31, 2013

Market Value		Annualized			Annual (1-year Ending)			
		3 months	1 year	4 year	2013	2012	2011	2010
\$521.6 M	Total Portfolio	0.45%	0.01%	2.03%	0.01%	2.22%	3.50%	2.43%
	DEX 91 Day T-Bill Index	0.25%	1.01%	0.89%	1.01%	1.01%	1.00%	0.54%
	Excess Return (%)	0.20%	-1.00%	1.14%	-1.00%	1.21%	2.50%	1.89%
	DEX Short Term	0.61%	1.40%	2.61%	1.40%	1.17%	4.62%	3.29%
\$462.9 M	Medium Term Portfolio	0.52%	n/a	n/a	n/a	n/a	n/a	n/a
	Dex Short Term	0.61%	n/a	n/a	n/a	n/a	n/a	n/a
	Excess Return	-0.09%	n/a	n/a	n/a	n/a	n/a	n/a
	Quartile Q4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$511.1 M	Short Term Portfolio	0.33%	n/a	n/a	n/a	n/a	n/a	n/a
	DEX 91 Day T-Bill Index	0.25%	n/a	n/a	n/a	n/a	n/a	n/a
	Excess Return	0.08%	n/a	n/a	n/a	n/a	n/a	n/a
	Quartile	Q1	n/a	n/a	n/a	n/a	n/a	n/a



The bulk of the Municipality's investment relate to funds for approved capital projects that are currently active. Further, the liquidity of the portfolio is also maintained as most of the investments can be readily converted or liquidated.

FIGURE 42 TOTAL INVESTMENT COST TREND, 2011-2013 (\$ MILLIONS)

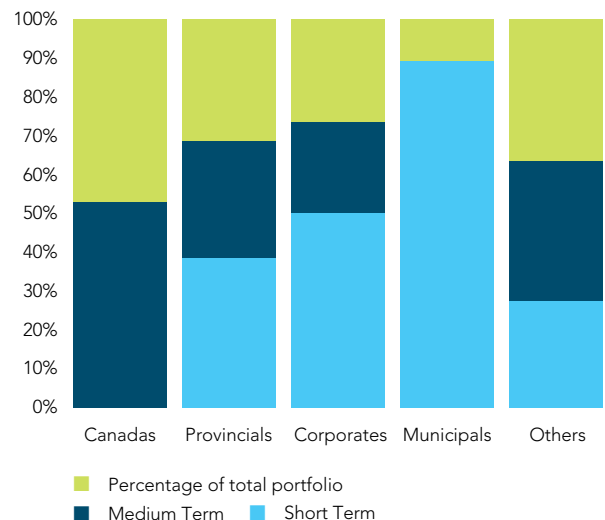


As illustrated in Figure 43 below, the quality of investment grade is also maintained while achieving an above-market rate of return.

FIGURE 43 TOTAL PORTFOLIO INVESTMENT QUALITY ANALYSIS, DECEMBER 31, 2013



FIGURE 44 TOTAL PORTFOLIO SECTOR ANALYSIS, DECEMBER 31, 2013



Financial Condition Indicators

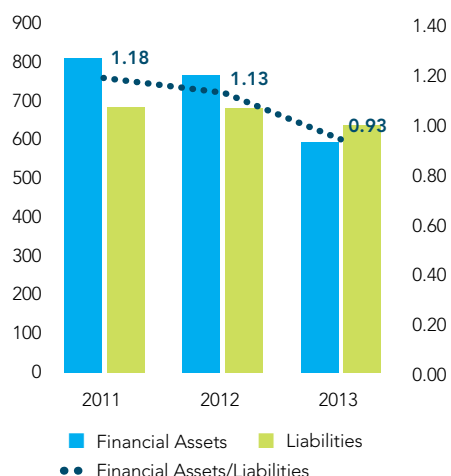
The Municipality uses three sets of financial conditions to measure its overall financial health: sustainability, flexibility, vulnerability.

SUSTAINABILITY

Sustainability refers to the Municipality's ability to maintain existing programs and meet creditor requirements without the need to take on more debt.

Within this category, the Municipality uses two financial indicators to measure its performance: financial assets and liabilities. The *financial assets to liabilities ratio* measures whether the Municipality has adequate resources to pay its debts as they come due. The liabilities are adjusted for *deferred revenue* related to grant funding that is received but not yet expended according to the terms of the grant agreement. The ratio is continuing to decline which indicates that the Municipality is relatively leveraged for financing future capital projects.

FIGURE 45 RATIO OF FINANCIAL ASSETS TO LIABILITIES, 2011-2013 (\$ MILLIONS)



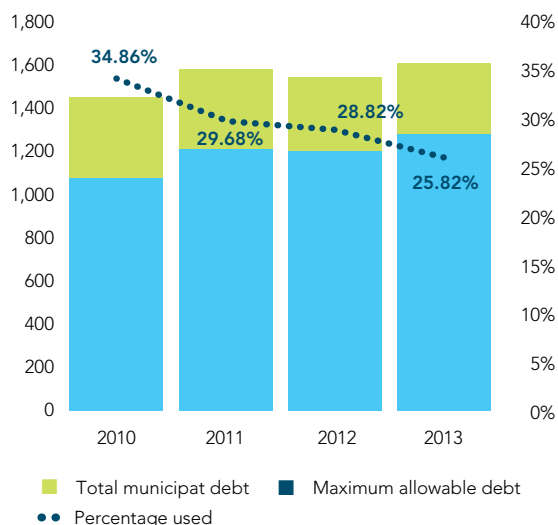
A ratio of 2:1 is desirable. This indicator includes long term debt of \$332M in 2013, \$347M in 2012, and \$362M in 2011. To ensure that the Municipality does not fall below this target, it needs to reprioritize existing capital projects, to ensure less reliance on debt as a source of funding, as well as consider extending time horizons of these projects.

FLEXIBILITY

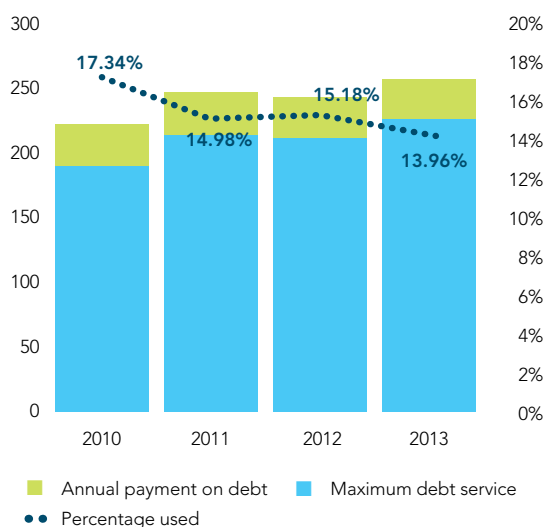
In the flexibility category, the Municipality uses one measure to monitor performance, *public debt charges to maximum allowable debt*, which is a measure of resources spent on debt and debt service relative to the maximum allowable debt as prescribed in the MGA.

As illustrated in Figures 46 and 47 below, the debt and debt service limit are maintained at relatively stable levels without any major swings. This indicates that the debt levels are not negatively impacting the delivery of programs without compromising revenues for debt service. The debt included in this section contains actual debt and does not incorporate the expected debt that is to be drawn in future.

**FIGURE 46 DEBT LIMIT USAGE
2011-2013 (\$ MILLIONS)**



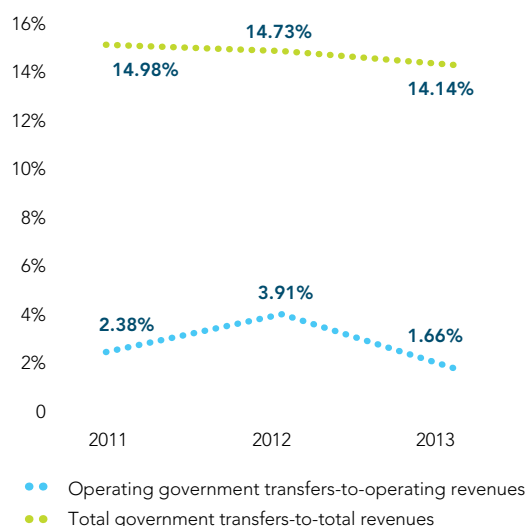
**FIGURE 47 DEBT SERVICE LIMIT USAGE
2011-2013 (\$ MILLIONS)**



VULNERABILITY

To measure vulnerability of the Municipality's portfolio, two indicators are used: operating government transfers to operating revenues and total government transfers to total revenues: The *operating government transfers to operating revenues ratio* measures how much the Municipality is dependent on provincial and federal transfers relative to the operating revenue generated, and the *total government transfers-to-total revenues ratio* measures the level of provincial and federal grants to support both operating and capital programs at the Municipality.

**FIGURE 48 VULNERABILITY INDICATORS
2011-2013**



Operating transfers from provincial and federal governments are limited. The bulk of the transfers support community or not-for-profit organizations and the Municipality acts as a distributing agency. Total government transfers are a combination of operating and capital transfers. Most government transfers relate to capital grants.





REGIONAL MUNICIPALITY
OF **WOOD BUFFALO**

www.woodbuffalo.ab.ca

2015 Proposed Budget, 2016 – 2017 Financial Plan

Consolidation and Transformation of the Big Plans

Audit and Budget Committee

November 4, 2014

Budget Development Work Plan

- Work Plan accepted as information by Audit and Budget Committee - June 3, 2014
- Fiscal Management Strategy (FMS) approved by Council on June 10, 2014
- Budget Presentation to Audit and Budget Committee - November 4, 2014
- Audit and Budget Committee Meetings (amended dates) to discuss the proposed 2015 Budget - November 6, 13, and 20, 2014
- Budget presentation to Council - December 9, 2014

Fiscal Management Strategy

- Unanimously approved by Council on June 10, 2014
 - “Moved by Councillor T. Ault that the 2014-2015 Fiscal Management Strategy, dated June 10, 2014, be used as a guide for 2015 budget development”

Fiscal Management Strategy

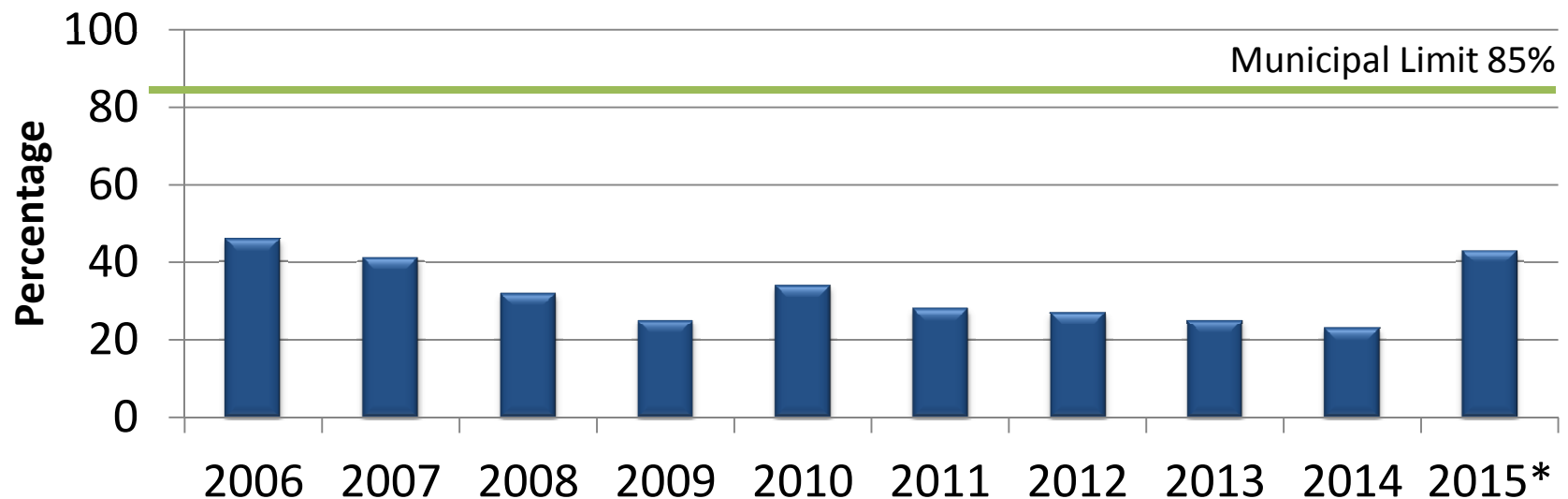
- The Fiscal Management Strategy (“FMS”) is updated annually for Council approval
- Purpose is to provide high level financial overview of the Municipality’s operating and capital needs and provide context for setting property tax rates, user fees and other Municipality charges

2015 PROPOSED BUDGET AND FINANCIAL PLAN DEBT OVERVIEW

Audit and Budget Committee
November 4, 2014

Actual Debt %

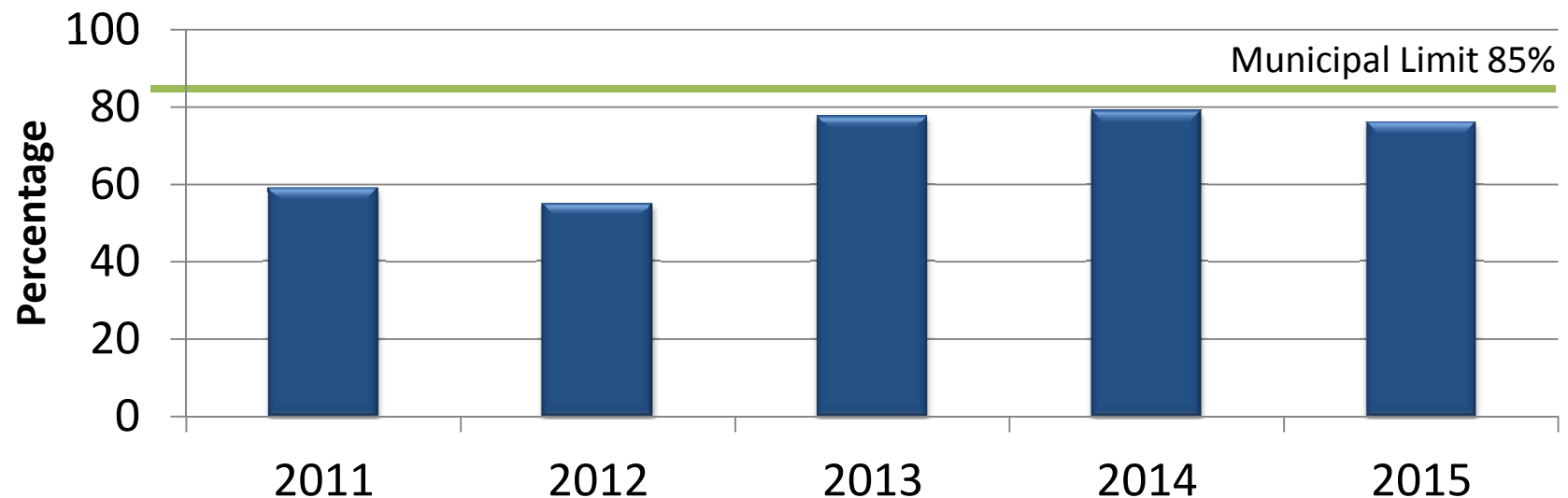
- The *Municipal Government Act* (MGA) debt limit is 2.0 x revenue
- The Municipality's current debt limit is established at 85% of the MGA limit per Council Policy FIN-120



*in line with 2014-2016 FMS

Committed Debt %

- The *Municipal Government Act* (MGA) debt limit is 2.0 x revenue
- The Municipality's current debt limit is established at 85% of the MGA limit



2015 PROPOSED CAPITAL BUDGET AND 2016 – 2020 CAPITAL PLAN

Audit and Budget Committee
November 4, 2014

Capital Budget Guidelines

The Proposed 2015 Capital Budget and 2016-2020 Capital Plan is based on the following considerations:

- Municipal Development Plan
- Area Structure and Redevelopment Plans
- Master Plans
- Fort McMurray Community Development Plan (FMCDP)
- Asset replacement cycles

2015 Proposed Budget Methodology

- Proposed Balanced Operating Budget
- Proposed Unbalanced Capital Budget
- Capital Projects Steering Committee prioritization methodology in order of priority:
 - Multi year projects previously approved by Council
 - 1st year of Pre-construction / Design projects previously approved by Council
 - New single / multi year projects as per Capital Plan

Priority Ranking

- A Core Services
 - B Non-Core Services
 - C Insufficient information
-
- 7 Imminent Health or Safety
 - 6 Legislation / Contractual Obligation
 - 5 Maintain Existing Assets
 - 4 Maintain Current Service Levels
 - 3 Increase Efficiencies
 - 2 Increase Level of Existing Services
 - 1 New Service

Resources Assigned vs Unassigned

- Resources Assigned
 - The administrative review has determined that based on the priority assigned, sufficient resources (internal, external and funding) are available to deliver the project
- Resources Unassigned
 - The administrative review has determined that based on the priority assigned, sufficient resources are **not** available to deliver the projects

2015 Proposed Budget Resource Constraints

- External Resources Capacity Limitation
- Internal Resources Capacity Limitation
- Funding Capacity

Funding Capacity Limitations

- Proposed transfer from 2015 Operating Budget \$285M
- Available borrowing capacity
 - (85% MGA Limit) \$69M
- Grants and Others \$40M
- 2015 available from CIR and Debt \$394M
- Funding Requirements
 - (2014 and prior approved multi years) \$288M
- Available funds for new projects \$106M

as at September 30, 2014

Funding Capacity Limitations

Ongoing previously approved projects

- 2014 and prior years' capital projects carry forwards

- Commitments

\$181M

- Available uncommitted

\$583M

as at September 30, 2014

Public Art

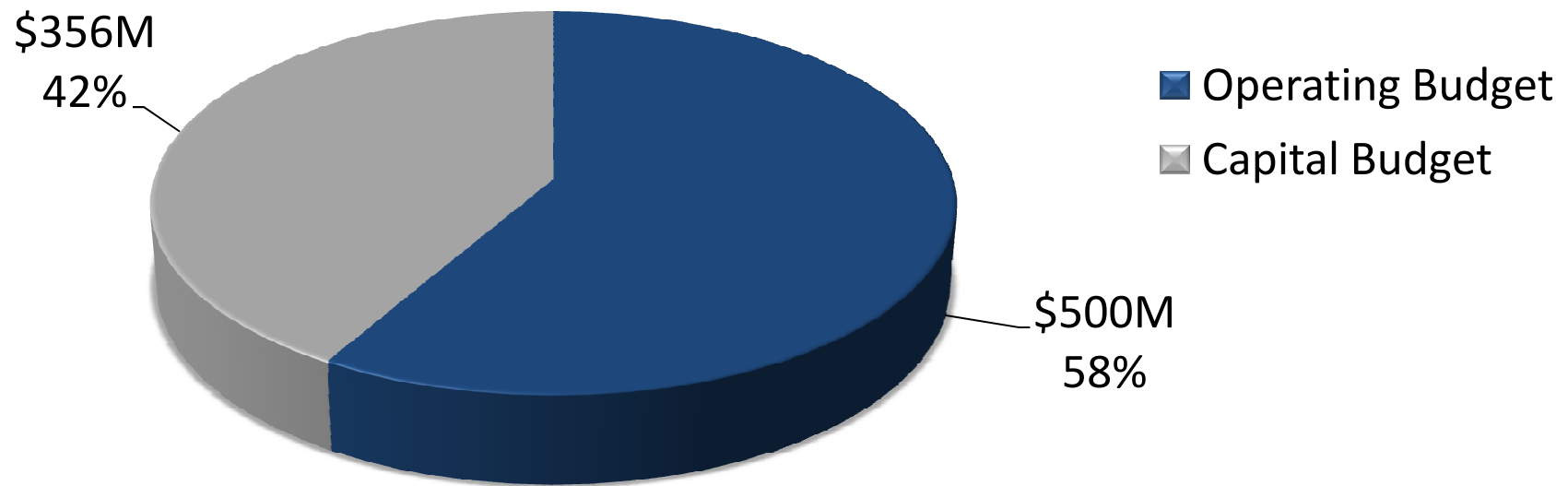
- Municipal Public Art Policy – PRL-160
 - Approved by Council on July 9, 2014
 - Public Art Committee Bylaw 14/020 approved by Council on July 9, 2014
- Effective January 1, 2015, 0.5% of total cost of eligible municipal capital projects over \$1M for public art
- Funds to be held in Public Art Reserve Fund
- Estimated 2015 Public Art Policy impact \$195K

2015 PROPOSED BUDGET AND 2016-2020 FINANCIAL PLAN

Audit and Budget Committee
November 4, 2014

2015 Proposed Operating and Capital Budget

Total 2015 = \$856M



2015 Proposed Operating Budget Analysis

Revenue	\$785,905,100
Operating expenses	\$500,406,080
Funding available for transfer to capital reserve	\$285,499,020
Transfer for capital purposes	\$285,499,020
Balanced Budget	\$ -

2015 Proposed Operating Budget Analysis

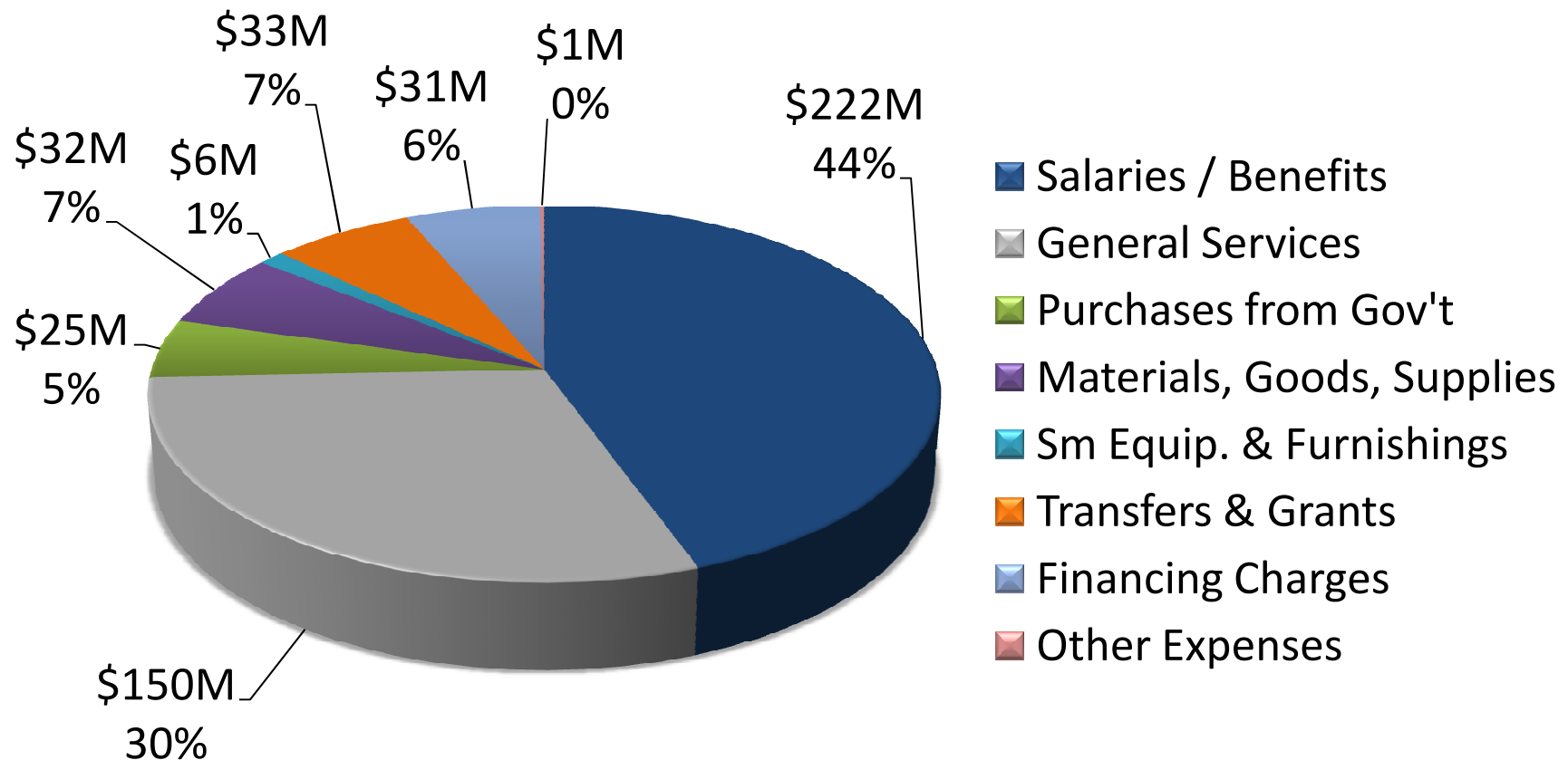
Revenue	2014 (\$'M)	2015 (\$'M)	Change (\$'M)
Taxes	649	659	10
Grants in lieu (taxes)	1	2	1
Sales to Other Governments	3	3	-
Sales of Goods & Services	56	63	7
Other Revenue from Own Sources	39	43	4
Conditional Grants	7	15	8
Other Transfers	1	1	-
TOTAL	756	786	30

2015 Proposed Operating Budget & 2016-2020 Plan

Expenses	2014 (\$'M)	2015 (\$'M)	Change (\$'M)
Salaries, Wages & Benefits	201	222	21
Contracted and General Services	151	150	(1)
Purchases from Government	25	25	-
Materials, Goods, Supplies & Utilities	32	32	-
Small Equipment & Furnishings	5	6	1
Transfers and Grants	39	33	(6)
Financial Service Charges	32	31	(1)
Other Expenses	1	1	-
TOTAL	486	500	14

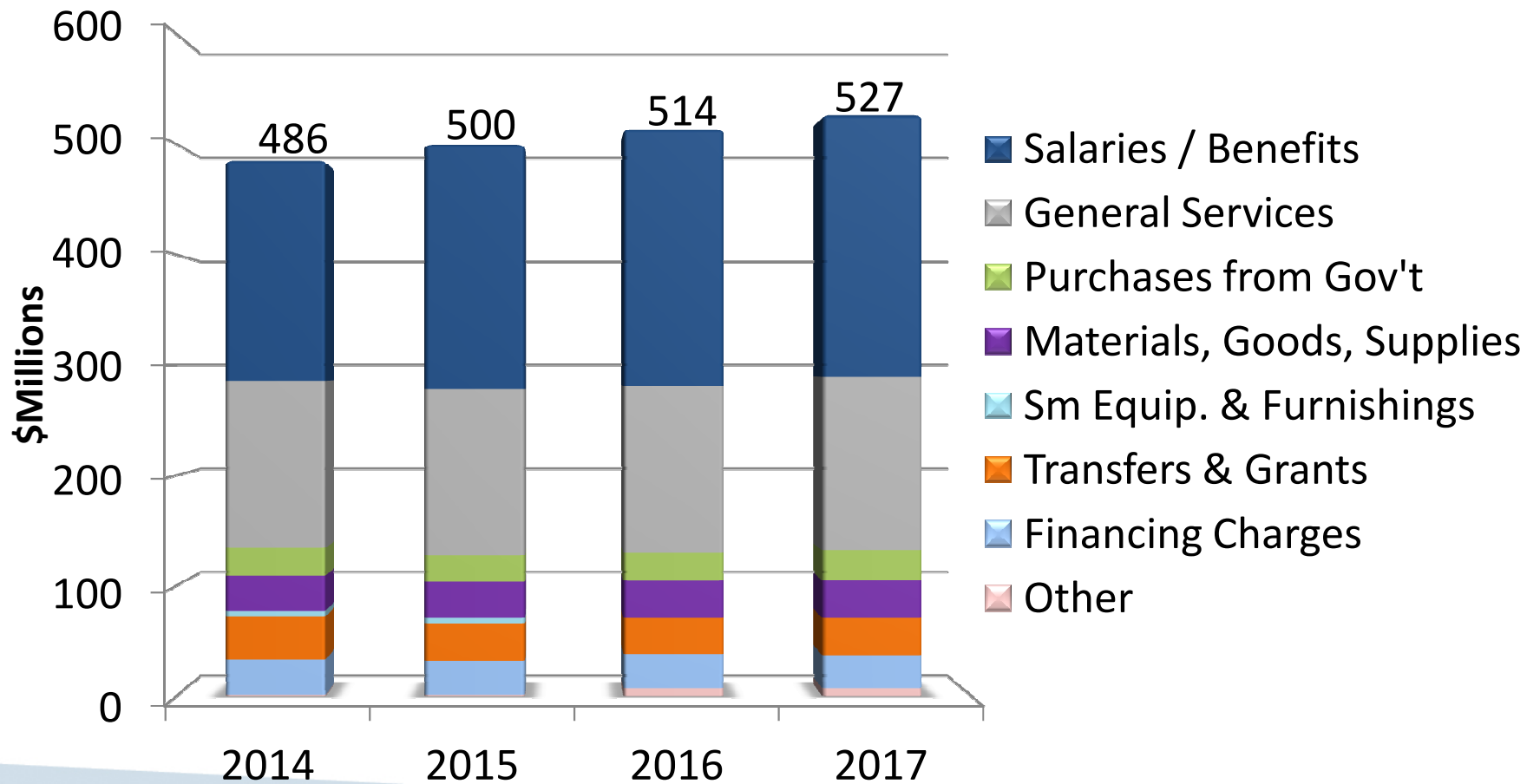
2015 Proposed Operating Budget

Expense Summary = Total \$500M



Operating Budget & Financial Plan Trend

2014 – 2017 Projection



2015 PROPOSED BUDGET AND FINANCIAL PLAN STAFFING

Audit and Budget Committee
November 4, 2014

Staffing Budget (FTE)

- 2014 FTE = 1,383 positions
 - includes 10 FTE positions Council approved on October 14, 2014 for Safety Codes Inspection branch
- 2015 proposed FTE increase = 138 positions
 - includes 5 FTE positions Council approved on October 14, 2014 for Safety Codes Inspection branch
- Total FTE count of 1,521 positions for 2015

*FTE=Full Time Equivalent

Staffing Budget (FTE)

- Growth related
- Contracted Services in-house
 - Safety Codes
 - Animal Control
 - Victim Services
 - Fleet Mechanics
- Enhancement of Service Levels
 - Underground Services Utility – rural
 - New Wastewater Treatment Plants
 - Anzac, MacDonald Island, Conklin
 - Landfill Operators
 - Compost and Snow Melt Facilities

2015 PROPOSED CAPITAL BUDGET AND 2016-2020 CAPITAL PLAN

Audit and Budget Committee
November 4, 2014

2015 Proposed Capital Budget & 2016-2020 Plan

	Capital Plan (\$'M)	Available Funds (\$'M)	Surplus/ (Shortfall) (\$'M)
2015	488	394	(94)
2016	844	333	(511)
2017	739	342	(397)
2018 & after	1,088	1,020	(68)
Total	3,159	2,089	(1,070)

Available funds based on a “*revenue neutral plus new construction growth*” strategy and a debt maximum of 85%

2015 Proposed Capital Budget & 2016-2020 Plan

Budget Changes – Multi Year Projects

	2015 (\$'M)	2016 (\$'M)	2017 (\$'M)	2018 & after (\$'M)	Total (\$'M)
2014 & Prior Approved Budget	343	209	119	115	786
2015 Proposed Budget (Multi Year Projects)	290	449	181	205	1,125
Net Changes	(53)	240	62	90	339

2015 Proposed Capital Budget & 2016-2020 Plan

Funding Sources

	Reserves (\$'M)	Debt (\$'M)	Grants (\$'M)	Levies/ Charges (\$'M)	Total (\$'M)
2015	285	69	30	10	394
2016	293	-	30	10	333
2017	302	-	30	10	342
2018 & after	900	-	90	30	1,020

2015 Proposed Capital Budget & 2016-2020 Plan

Resources Assigned

	Resourced (\$'M)	Available Funds (\$'M)	Total (\$'M)
2015	356	394	38
2016	508	333	(175)
2017	169	342	173
2018 & after	136	1,020	884
Total	1,169	2,089	920

2015 Proposed Budget includes \$195K for Public Art Budget

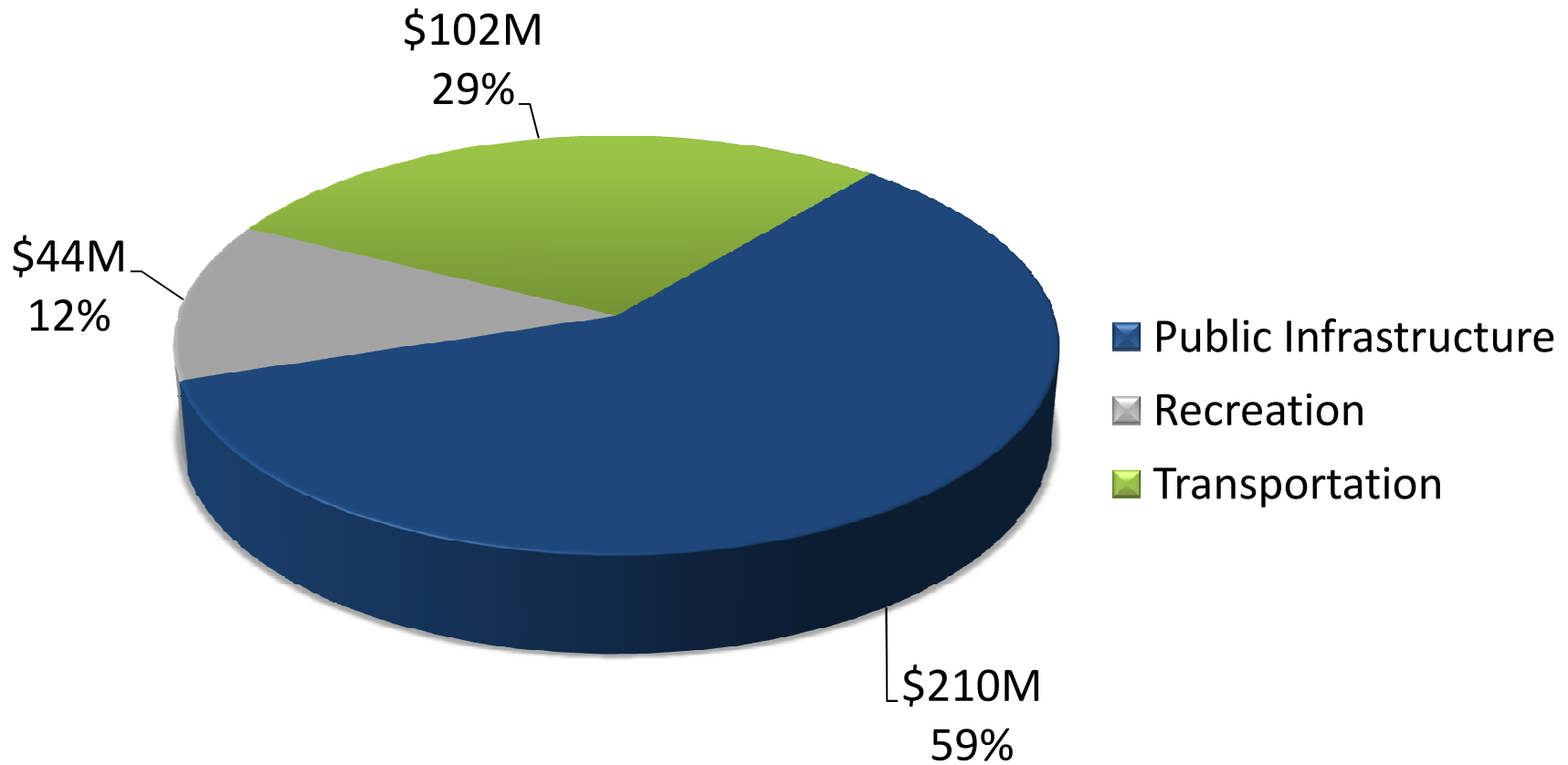
2015 Proposed Capital Budget & 2016-2020 Plan

Resources Unassigned

	Unresourced (\$'M)	Available Funds (\$'M)	Total (\$'M)
2015	132	-	(132)
2016	336	-	(336)
2017	569	-	(569)
2018 & after	952	-	(952)
Total	1,989	-	(1,989)

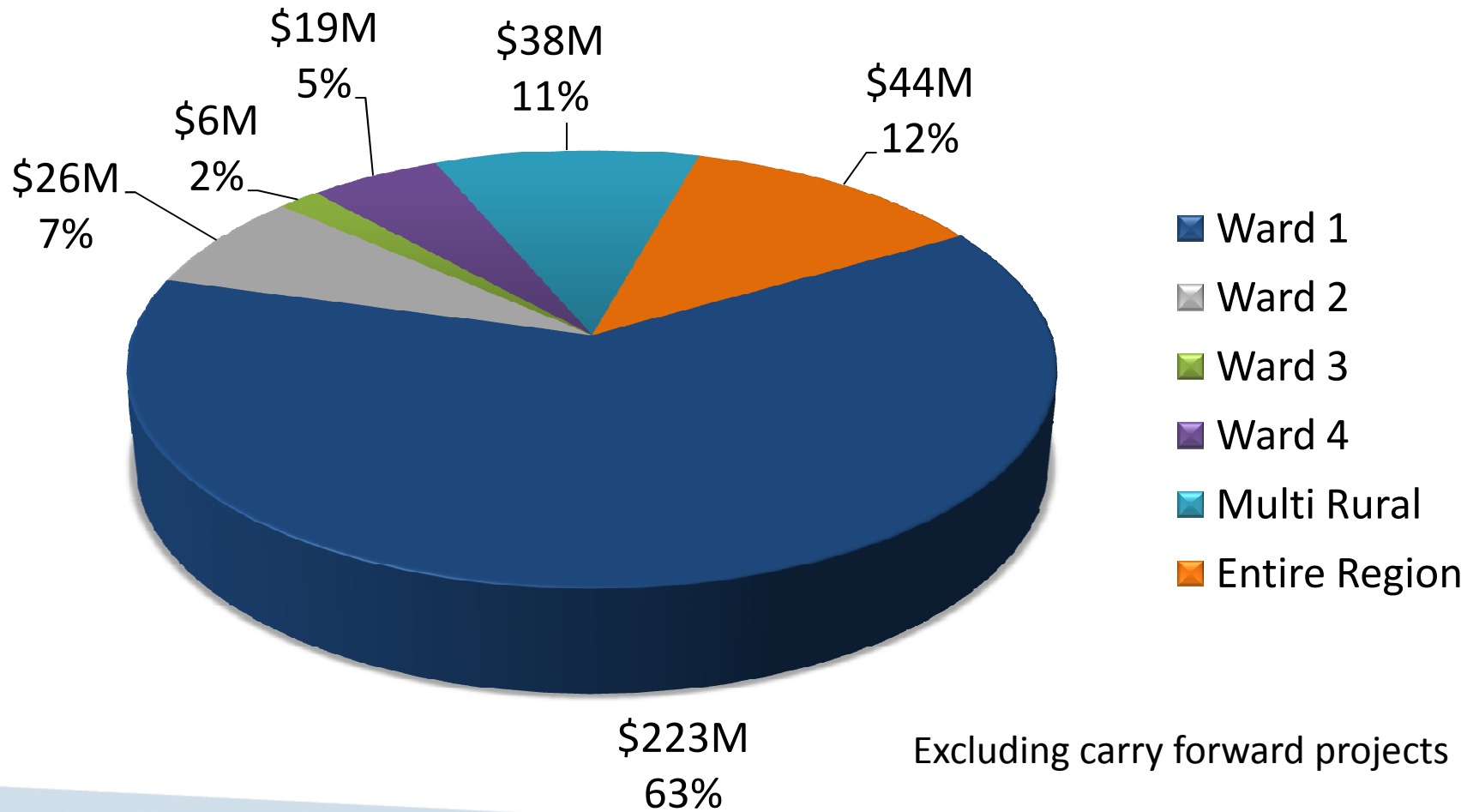
2015 Proposed Capital Budget, by category

67 Projects = \$356M



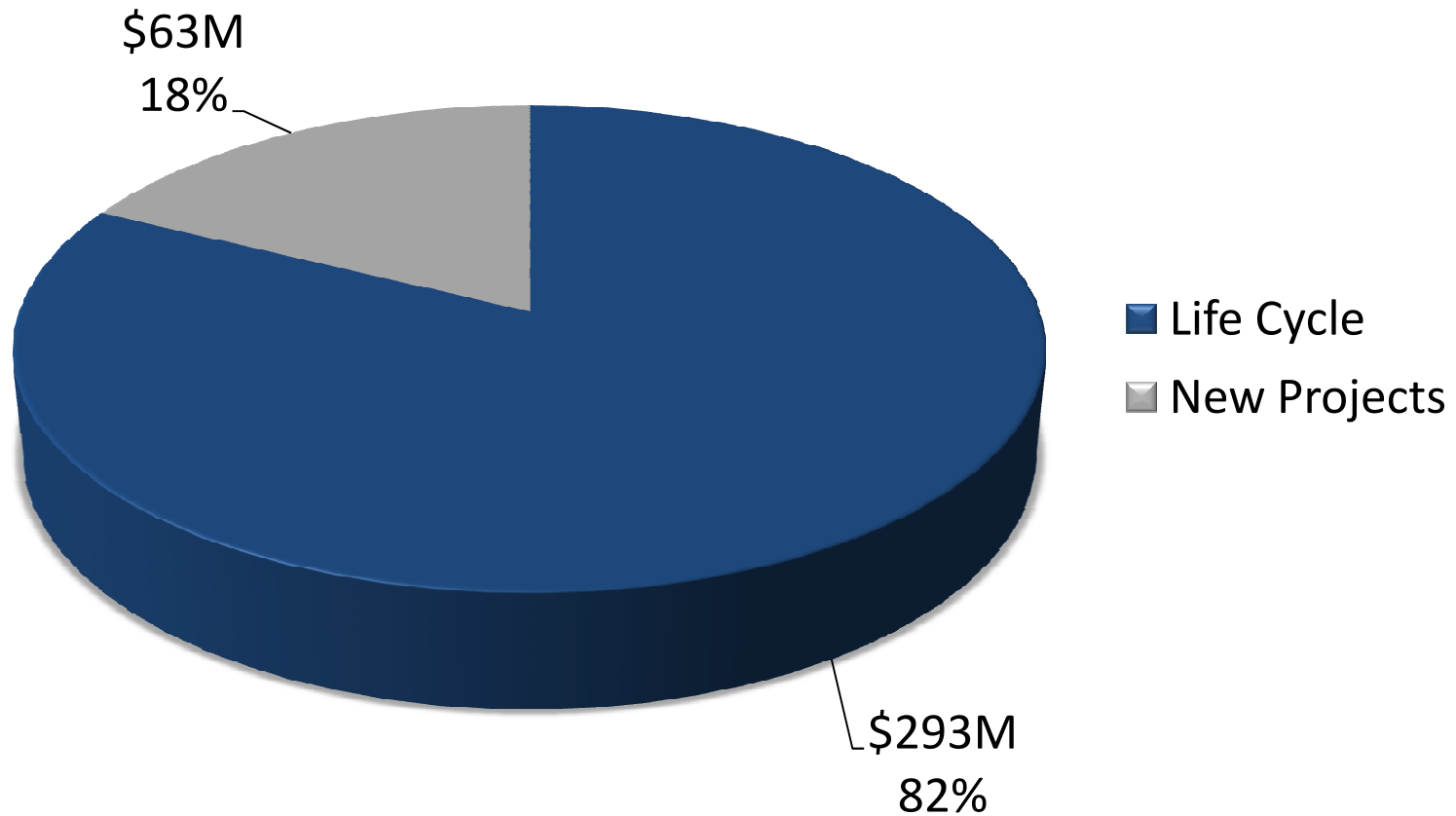
2015 Proposed Capital Budget, by Ward

67 Projects = \$356M



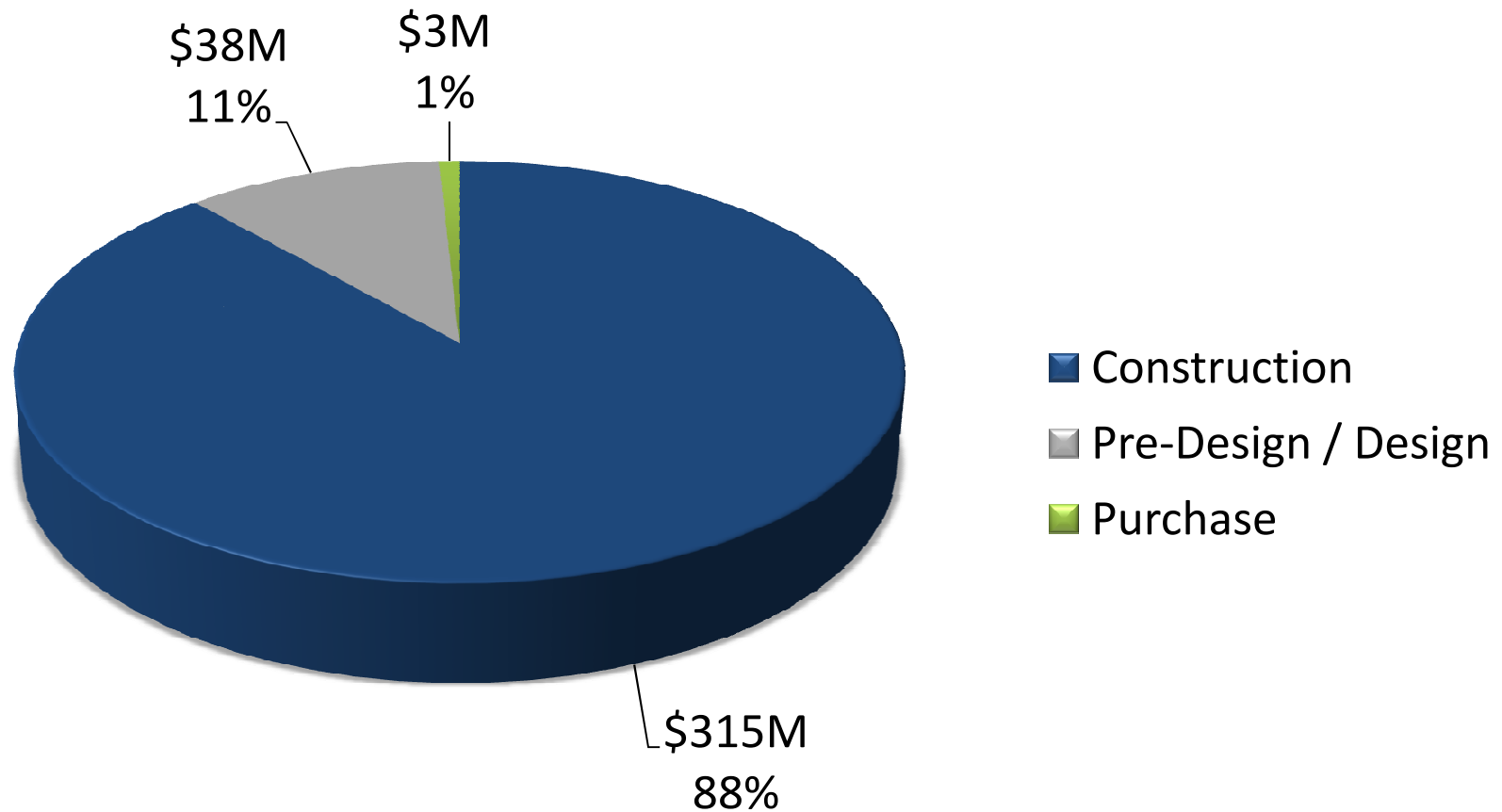
2015 Proposed Capital Budget, by nature

67 Projects = \$356M



2015 Proposed Capital Budget, by type

Total = \$356M



Proposed Capital Grants

- 2015 Proposed Capital Budget include the following Capital Grants:
 - Vista Ridge Capital Grant - \$6.6M
 - MacDonald Island Capital Grant - \$5.3M

2015-2020 Capital Requests, by duration

Resources Assigned

	2015 (\$'M)	2016 (\$'M)	2017 (\$'M)	2018 & after (\$'M)	Total (\$'M)
Approved multi year projects	288	416	141	136	981
First & multi year approved projects (new)	58	92	28	-	178
Single year projects (new)	10	-	-	-	10
Total	356	508	169	136	1,169

2015 PROPOSED BUDGET AND FINANCIAL PLAN NEXT STEPS

Audit and Budget Committee
November 4, 2014

Budget Management and Next Steps

- Audit and Budget Committee Meetings
 - November 6, 13 and 20, 2014
- Debenture Bylaw approvals by Council early 2015
- Flexibility to manage within approved budget per Policy FIN-160 (Fiscal Responsibility Policy)
- Update Fiscal Management Strategy in 2015
- 2015 Property Tax Rate Bylaw

QUESTIONS

Audit and Budget Committee
November 4, 2014

Subject: Financial Performance Update – Third Quarter 2014**APPROVALS:**

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Brian Moore, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Third Quarter 2014 Variances and Projection Report be accepted as information.

Summary:

As part of Audit and Budget Committee oversight responsibilities, quarterly updates are presented to the Committee identifying variances on actual expenses against the Council approved budget and the projection to year end.

Background:

The year-to-date (YTD) operating budget variance as at September 30, 2014 was trending positively in comparison to the Council approved revised 2014 Operating Budget.

A positive YTD variance of \$50M existed at September 30, 2014. This is based on an actual September 30, 2014 of \$174M net surplus compared to \$124M net surplus budgeted for the third quarter resulting in a positive variance of \$50M.

Revenue from all sources including taxation levied in the third quarter was \$770M while \$756M was budgeted for the same period providing a favorable variance of \$14M. Revenue from taxes accounted for 87% (\$667M) net of allowance for possible tax appeals. The favorable variance was primarily due to increases in both power and gas franchise revenue based on price increases and volume growth respectively. In addition, the \$6M contingency on the Alberta Health Services (AHS) new agreement is no longer required thereby contributing to the favorable variance.

Operating expenses for this period were \$596M compared to a budget of \$632M resulting in a \$36M favorable variance. Contracted general services accounted for \$17M (47%) of this variance, while salaries & wages accounted for about 17%.

The September 2014 year-end projected surplus is \$17M, 2.3% of the approved operating revised budget of \$756M. The projected surplus takes into consideration the funding for the following projects approved by Council totaling \$15.9M:

- \$250K – Fort McMurray International Air Show
- \$13M – Northside Twin Arena - Phase 1

- \$360K – Parsons Creek Town Centre Marketing Plan
- \$495K – Royal Canadian Legion
- \$1.5M – Medevac
- \$125K – Sustainaval
- \$212K – KPMG Accountability Audit

Year-end projections are updated on a continuous basis by departments as new information becomes available.

Rationale for Recommendation:

Year-to-date performance and projections for the third quarter are within the best standard practice of $\pm 3\%$ variance on budget. Departments continue to monitor and update their projections as information becomes available and we expect a favorable variance at the end of the 2014 fiscal year within this range of $+3\%$.

Attachments:

1. Third Quarter 2014 Variances and Projections Report – Revenue and Expenses – Corporate – Quarter Ended September 30, 2014
2. Third Quarter 2014 Variances and Projections Report – Expenses Breakdown – Salaries, Wages and Benefits – Quarter Ended September 30, 2014
3. Third Quarter 2014 Variances and Projections Report – Expenses Breakdown – Contracted and General Services – Quarter Ended September 30, 2014
4. Third Quarter 2014 Variances and Projections Report – Expenses Breakdown by Segment – Quarter Ended September 30, 2014

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Third Quarter 2014 Variances and Projection Report
Revenue and Expenses - Corporate
Quarter Ended September 30, 2014

	Q3 Actual* YTD (\$'000)	Budget YTD (\$'000)	Variance YTD (\$'000)	Amended 2014 Budget (\$'000)	Year End Projection (\$'000)	Variance (\$'000)	Comments
Revenue							
Taxes	667,083	673,584	(6,501)	647,808	646,618	(1,190)	Reduction Bulk Water Sales, increase in reimbursement from Medivac flights, more companies utilizing RMWB sewage stations to dump to assist in sewage treatment. Gas and Power Franchise price and volume revenues higher than originally budgeted. \$6.0M contingency for AHS no longer required and \$2.5M Community Plan for Homlessness carry-forward Carry Forward's offset by Expenses.
Grants in Lieu - Taxes	1,761	1,758	2	1,758	1,761	2	
Sales to Other Government	1,637	2,821	(1,184)	3,370	3,194	(176)	
Sales Goods - Services	47,103	41,815	5,289	56,090	60,163	4,073	
Other Revenue from own sources	31,556	29,625	1,931	39,055	42,087	3,032	
Unconditional Grants	715	0	715	0	474	474	
Conditional Grants	14,442	6,085	8,357	7,234	15,582	8,347	
Other Transfers	5,545	595	4,950	686	9,432	8,746	
Total Revenue	769,841	756,283	13,558	756,002	779,310	23,308	
Expenses							
Salaries, Wages and Benefits	141,924	148,196	6,272	201,148	190,704	10,444	Lower occupancy than budgeted and lower actual wage increase than budgeted in contingency. Increased funding provided to Medivac services. Savings from Consultants no longer required. 2013 Carry Forward's RCMP vacancy rate approx 18% Tax appeal allowance accounted for 91% of projected variance
Contracted and General Services	91,847	108,880	17,033	152,738	155,920	(3,182)	
Purchases from Other Governments	17,038	18,377	1,339	24,736	23,239	1,497	
Materials, Goods, Supplies and Utilities	18,344	23,115	4,772	30,949	29,040	1,909	
Small Equipment & Furnishings	3,491	4,230	738	5,067	5,390	(322)	
Transfers and Grants	300,643	308,013	7,370	309,077	320,559	(11,481)	
Financial Services Charges	21,800	20,199	(1,601)	31,428	33,044	(1,616)	
Other Expenses	680	711	31	859	4,089	(3,231)	
Total Expenses	595,767	631,721	35,954	756,002	761,985	(5,983)	
Surplus / (Deficit)	174,074	124,562	49,512	0	17,325	17,325	

*Actual includes commitments

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Third Quarter 2014 Variances and Projection Report
Expenses Breakdown - Contracted and General Services
Quarter Ended September 30, 2014

	Q3 Actual* YTD (\$'000)	Budget YTD (\$'000)	Variance YTD (\$'000)	Amended 2014 Budget (\$'000)	Year End Projection (\$'000)	Variance (\$'000)	Comments
Expenses							
Contracted and General Services							
Training	1,624	2,975	1,351	4,185	2,980	1,205	Less training due to staff vacancies
Telephone	1,582	1,573	(9)	2,121	2,126	(5)	
Advertising/Promotion	990	1,614	624	2,471	1,699	772	Some plans are on hold pending Communications Committee directive - Council
Legal Fees	1,225	1,235	10	3,520	3,160	360	Cases requiring external legal advice less than originally anticipated.
Engineering Consultant Fees	1,831	5,607	3,775	7,350	7,600	(250)	
Consultant Fees	2,585	5,759	3,174	8,891	6,727	2,164	Reduction in consultancies
Professional Services	4,006	4,254	248	5,786	6,032	(246)	
Application Software Support	1,880	1,632	(248)	2,168	3,217	(1,049)	SAP Application Software License for 2014
General Services Contracted	29,004	28,152	(852)	42,010	48,859	(6,849)	offset by 2013 budget carry forward
Winter Roads	1,149	834	(315)	2,376	2,376	0	
Vehicle Repairs & Maintenance	2,388	3,778	1,390	5,088	4,868	220	
Transit Contract Services	16,165	18,527	2,362	24,703	24,872	(169)	
Building Rental & Lease	4,037	3,959	(78)	5,279	5,432	(153)	
Insurance Premiums	4,339	3,687	(652)	3,709	4,341	(632)	Increase in insurance rate
Other Expenses	19,042	25,294	6,252	33,080	31,629	1,451	Medivac Expenses
Total Expenses - Contracted and General Services	91,847	108,880	17,033	152,738	155,920	(3,182)	
Honoraria	28	6	(22)	20	31	(11)	Draft Honorarium Policy and Procedure under
Honorarium Disbursements	45	325	280	431	80	351	
Total - Honorariums and Disbursements	73	331	258	451	111	340	

*Actual includes commitments

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Third Quarter 2014 Variances and Projection Report
Expenses Breakdown - Contracted and General Services
Quarter Ended September 30, 2014

	Q3 Actual* YTD (\$'000)	Budget YTD (\$'000)	Variance YTD (\$'000)	Amended 2014 Budget (\$'000)	Year End Projection (\$'000)	Variance (\$'000)	Comments
Expenses							
Contracted and General Services							
Training	1,624	2,975	1,351	4,185	2,980	1,205	Less training due to staff vacancies
Telephone	1,582	1,573	(9)	2,121	2,126	(5)	
Advertising/Promotion	990	1,614	624	2,471	1,699	772	Some plans are on hold pending Communications Committee directive - Council
Legal Fees	1,225	1,235	10	3,520	3,160	360	Cases requiring external legal advice less than originally anticipated.
Engineering Consultant Fees	1,831	5,607	3,775	7,350	7,600	(250)	
Consultant Fees	2,585	5,759	3,174	8,891	6,727	2,164	Reduction in consultancies
Professional Services	4,006	4,254	248	5,786	6,032	(246)	
Application Software Support	1,880	1,632	(248)	2,168	3,217	(1,049)	SAP Application Software License for 2014
General Services Contracted	29,004	28,152	(852)	42,010	48,859	(6,849)	offset by 2013 budget carry forward
Winter Roads	1,149	834	(315)	2,376	2,376	0	
Vehicle Repairs & Maintenance	2,388	3,778	1,390	5,088	4,868	220	
Transit Contract Services	16,165	18,527	2,362	24,703	24,872	(169)	
Building Rental & Lease	4,037	3,959	(78)	5,279	5,432	(153)	
Insurance Premiums	4,339	3,687	(652)	3,709	4,341	(632)	Increase in insurance rate
Other Expenses	19,042	25,294	6,252	33,080	31,629	1,451	Medivac Expenses
Total Expenses - Contracted and General Services	91,847	108,880	17,033	152,738	155,920	(3,182)	
Honoraria	28	6	(22)	20	31	(11)	Draft Honorarium Policy and Procedure under review
Honorarium Disbursements	45	325	280	431	80	351	
Total - Honorariums and Disbursements	73	331	258	451	111	340	

*Actual includes commitments

REGIONAL MUNICIPALITY OF WOOD BUFFALO
 Third Quarter 2014 Variances and Projection Report
 Expenses Breakdown by Segments
 Quarter Ended September 30, 2014

	Q3 Actual* YTD (\$'000)	Q3 Budget YTD (\$'000)	Variance YTD (\$'000)	Amended 2014 Budget (\$'000)	Year End Projection (\$'000)	Variance (\$'000)
General Government						
Council and other legislative	2,072	1,260	(812)	1,816	1,880	(64)
General administration	66,143	102,138	35,995	139,257	143,401	(4,144)
Other general government	9,223	6,813	(2,410)	8,971	7,405	1,566
Sub-total	77,438	110,211	32,773	150,044	152,686	(2,642)
Protective Services						
Police	26,226	27,556	1,330	36,821	35,768	1,054
Fire	20,178	20,638	459	27,683	27,727	(44)
Disaster and emergency measures	475	628	153	840	764	75
Ambulance and first aid	8,230	6,799	(1,431)	9,016	11,234	(2,218)
Bylaw enforcement	4,651	7,775	3,123	10,351	6,813	3,538
Sub-total	59,761	63,395	3,634	84,710	82,306	2,405
Transportation						
Common and equipment pool	17,529	19,782	2,253	26,141	26,488	(348)
Roads, streets, walks, lighting	23,294	23,579	284	32,554	33,491	(938)
Public transport	17,341	19,924	2,583	26,502	26,469	33
Sub-total	58,164	63,285	5,121	85,196	86,448	(1,252)
Environmental Services						
Storm sewers and drainage	869	958	90	1,277	1,852	(575)
Water supply and distribution	21,100	20,476	(625)	26,119	28,309	(2,190)
Wastewater treatment and disposal	15,060	13,064	(1,996)	16,896	16,221	675
Waste management	14,349	16,941	2,593	22,832	29,585	(6,754)
Sub-total	51,378	51,440	62	67,125	75,968	(8,843)
Public Services						
Family and community support	20,027	26,774	6,747	28,244	25,118	3,126
Daycare	0	0	0	0	0	0
Cemeteries and crematoriums	402	452	50	626	498	128
Sub-total	20,429	27,226	6,797	28,870	25,616	3,253
Planning & Development						
Land use planning, zoning and development	8,949	9,627	678	13,395	12,445	951
Subdivision land and development	3,331	3,692	361	5,198	3,832	1,366
Public housing operations	1	0	(1)	0	0	0
Land, housing and building rentals	2,072	2,102	29	2,872	2,467	405
Sub-total	14,353	15,421	1,068	21,465	18,743	2,722
Recreation						
Recreation boards	0	0	0	0	0	0
Parks and recreation	28,594	25,952	(2,642)	30,774	32,397	(1,622)
Sub-total	28,594	25,952	(2,642)	30,774	32,397	(1,622)
Culture: libraries, museums, halls	4,172	5,078	906	5,104	5,107	(3)
Sub-total	4,172	5,078	906	5,104	5,107	(3)
Total expenses	314,289	362,008	47,719	473,288	479,271	(5,983)
Transfers & Grants	269,714	269,714	0	282,714	282,714	0
Commitments	11,764		(11,764)	0	0	0
Total expenses/reserves/gain & loss on TCA	595,767	631,721	35,954	756,002	761,985	(5,983)

*Actual includes commitments

**Subject: 2015 Community Investment Program Applicant
Presentations****APPROVALS:**

Carole Bouchard, Director
Marcel Ulliach, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the presentations from the Regional Recreation Corporation, Fort McMurray Public Library and Fort McMurray Oil Barons Crescent Point Energy Western Canada Cup Budget be received as information, and the respective funding requests forwarded for consideration through the 2015 Budget process.

Summary:

The proposed 2015 Community Investment Program criteria for presentation to the Audit and Budget Committee was amended and approved by Council on October 28, 2014. The rationale for the amendment was to allow an opportunity for additional community groups to present to Council in an open forum so Council and the public can be knowledgeable about each organization's mandate, services and programs and have a closer understanding of what is happening in the community.

Background:

Council approved on October 28, 2014 the following criteria for presentations to the Audit and Budget Committee: operating grants of \$500,000 and above and new funding requests. This will consist of three (3) community groups presenting their 2015 Budgets on November 4th: the Regional Recreation Corporation, the Fort McMurray Public Library, and the Fort McMurray Oil Barons Crescent Point Western Canada Cup. Four (4) additional community groups will present their 2015 Budgets on November 18th.

Budget/Financial Implications:

The 2015 proposed funding requests for the group presentations is as follows:

- The Regional Recreation Corporation \$15.286 Million
- The Fort McMurray Public Library \$ 5.1 Million
- The Fort McMurray Oil Barons Crescent Point Western Canada Cup \$150,000

Rationale for Recommendation:

To provide the Audit and Budget Committee and the public an opportunity to receive presentations from funded agencies to get a closer understanding of their mandate and proposed budget to inform Council and the public how municipal funding is being allocated within the community.

Attachments:

1. The Regional Recreation Corporation 2015 Operating and Capital Budget Presentation
2. The Fort McMurray Public Library 2015 Operating Budget Presentation
3. The Fort McMurray Oil Barons Crescent Point Western Canada Cup Budget Presentation

ONE.

Attachment 1

REGIONAL RECREATION CORPORATION of WOOD BUFFALO

Presentation to the

Audit and Budget Committee

Mike Cachia
Chairman, RRC Board of Directors

November 4, 2014

Russell Agnew
Interim COO RRC

Rachel Orser
Director, Capital Projects and Procurement RRC

REGION • SERVICE • TEAM

ONE.

Approach to 2015 Operating Budget

- Review the 2013 complete year results and 2014 actual results until the end of May
- Submitted a placeholder amount July 31, 2014 to the RMWB stressing that it had not been approved by the RRC Finance Committee nor the RRC Board of Directors
- *\$15,705,200 is the total amount of the 2015 grant request which includes operation of MacDonald Island, Shell Place and Anzac as well as the following events sponsorships*
 - *Northern Kickoff - \$155,000*
 - *Grand Slam of Curling – the Elite - \$25,000*
 - *Canada Day Fireworks/Family Activities - \$115,000*
 - *Half Marathon - \$125,000*

ONE.

Approach to 2015 Operating Budget

- Presented revised 2015 operating budget to RRC Finance Committee October 21, 2014
- Presented revised 2015 operating budget to RRC Board of Directors October 27, 2014

ONE.

Budget Assumptions

- RRC will be responsible for the full operations of properties on MacDonald Island including MIP, Shell Place and Miskanaw golf course
- RRC will be responsible for internal operations at the Anzac facility
- Sponsorship has incremental growth associated with the addition of Shell Place facility
- Staff and organizational changes to support existing operations and increased requirements related to Shell Place and events are reflected in this budget
- Includes required delivery of sport and entertainment related events as directed by RRC's Board mandate

ONE.

Budget Assumptions - continued

- RRC will be responsible for the construction of the Northside Twin Arenas and operate upon completion
- Service standard in all locations mirrors those currently in place
- Collective Agreement currently being negotiated – estimate impact has been incorporated into the budget

ONE.

Significant Items

- Members growth from 9,514 in 2014 to 10,485 in 2015
- Hospitality (Food & Beverage) to continue existing trend and grow by \$1,502,000 additional revenue with the addition of Shell Place facility and hosting of large events
- FTE increases of 43 (2014 – 246; 2015 – 289) to match additional facility responsibilities and personnel requirements to attain revenue projections. The majority of the FTE increases were in Hospitality, Guest Services, Custodial and Operations.
- Overall increase of \$3,487,000 in 2015 operating grant request is attributed to increased FTE, inflation, special events funding as per RMWB administration and anticipated wage increases currently being negotiated

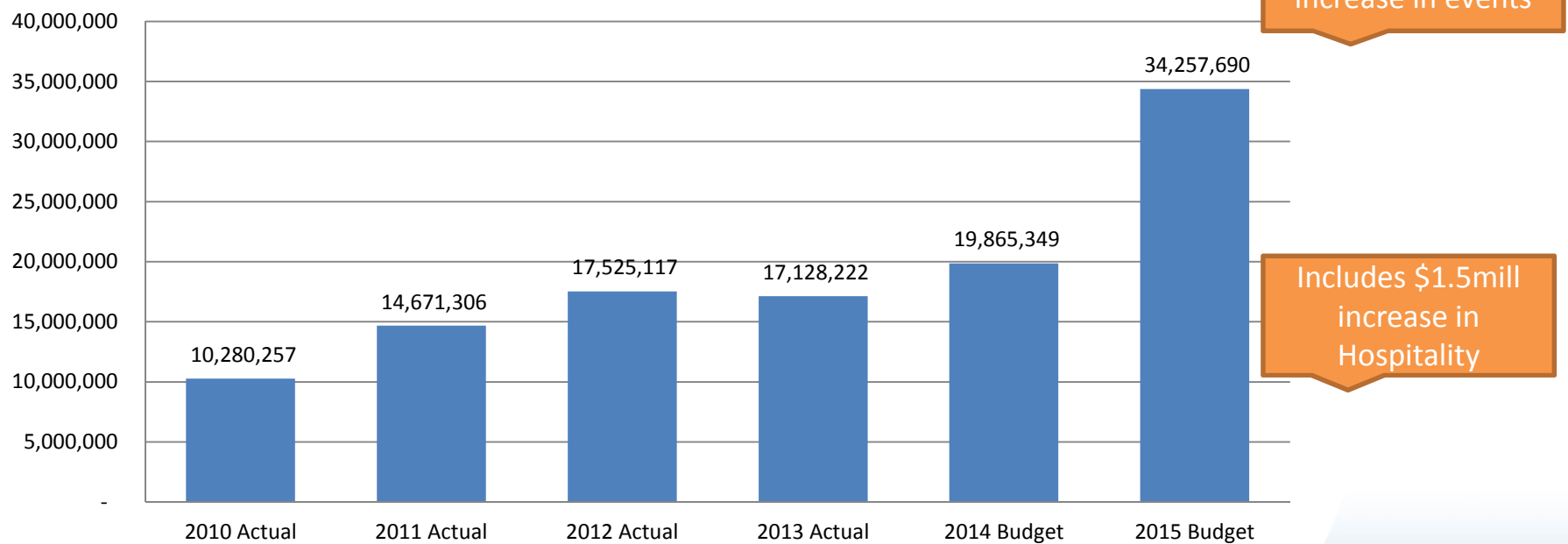
ONE.

Revenue Opportunities

- Increased economies of scale with growth off the Island and on-boarding of Shell Place
- Large events utilizing the Shell Place facility i.e. NKO, Canada Day concerts, End of Summer concert
- Golf renovations complete and new membership plan introduced
- Advertising opportunities surrounding Shell Place and Anzac
- Hospitality growth as a result of an increase in facility capacity
- Increased program space with Shell Place

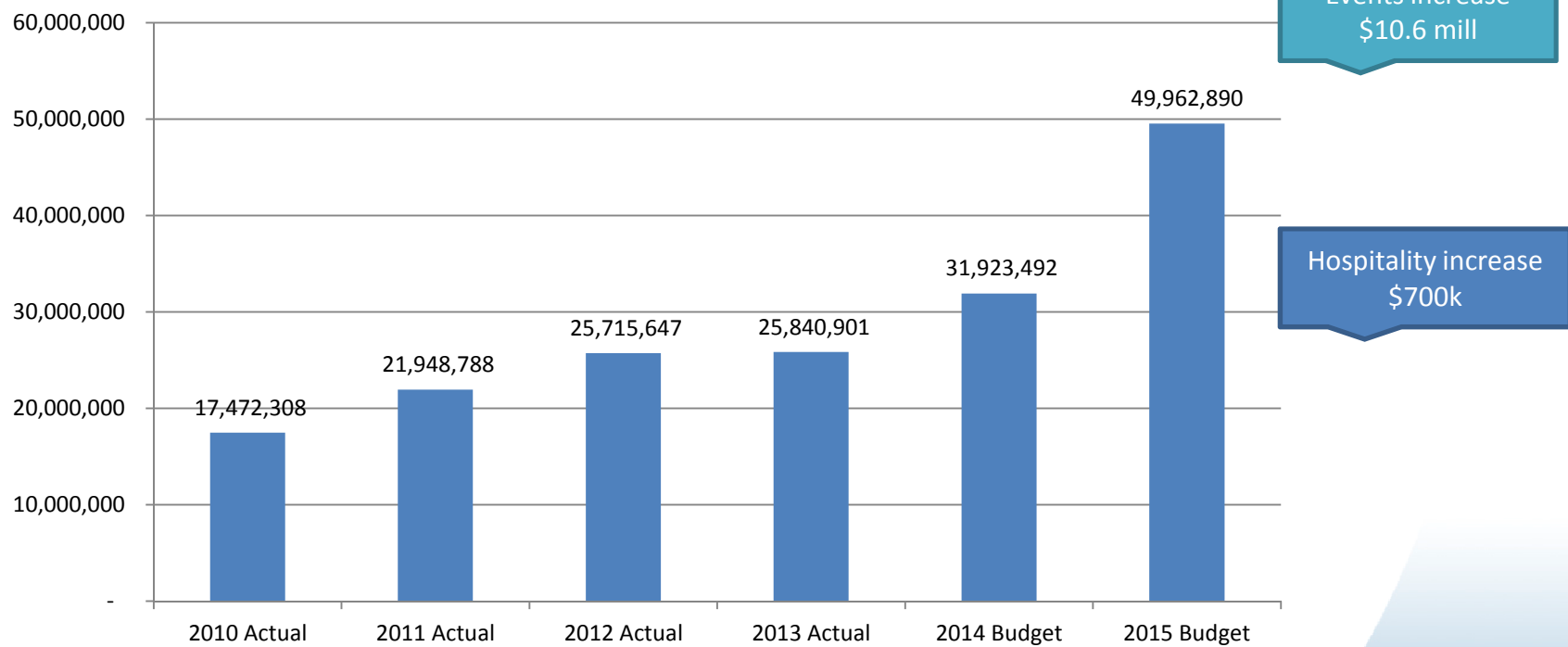
ONE.

Total Revenue



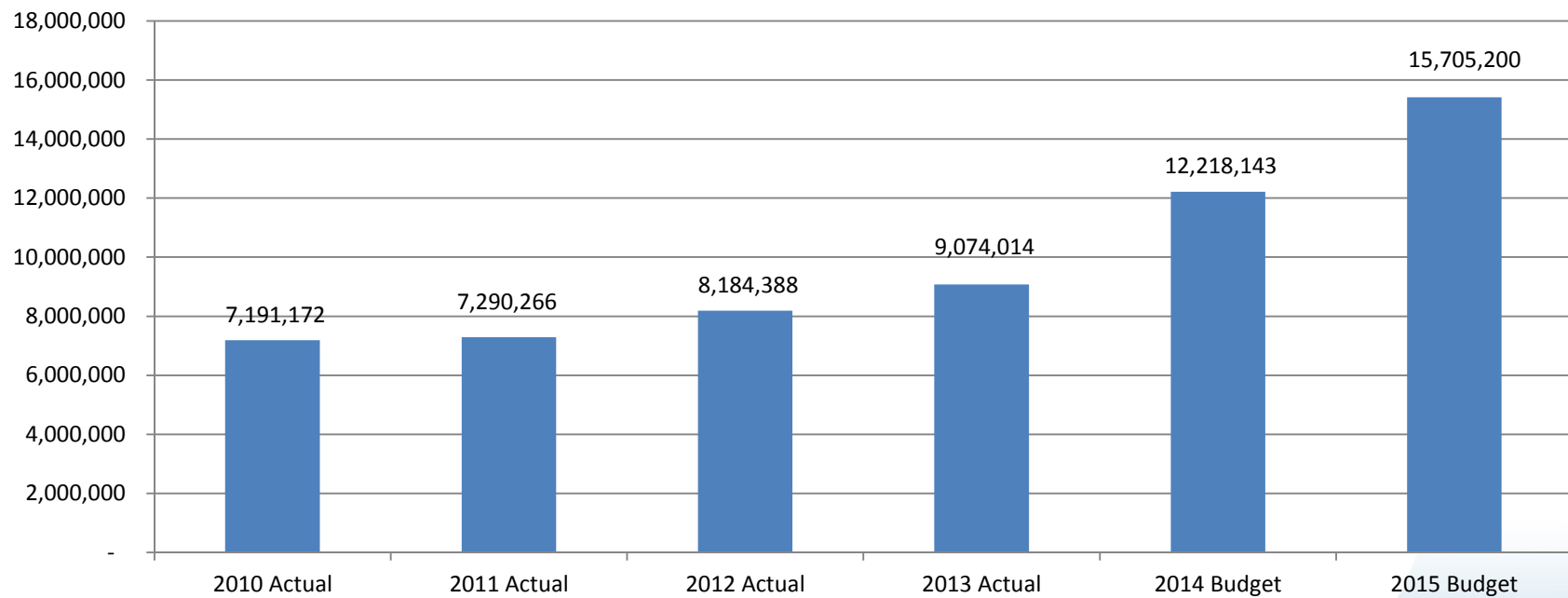
ONE.

Total Expenses



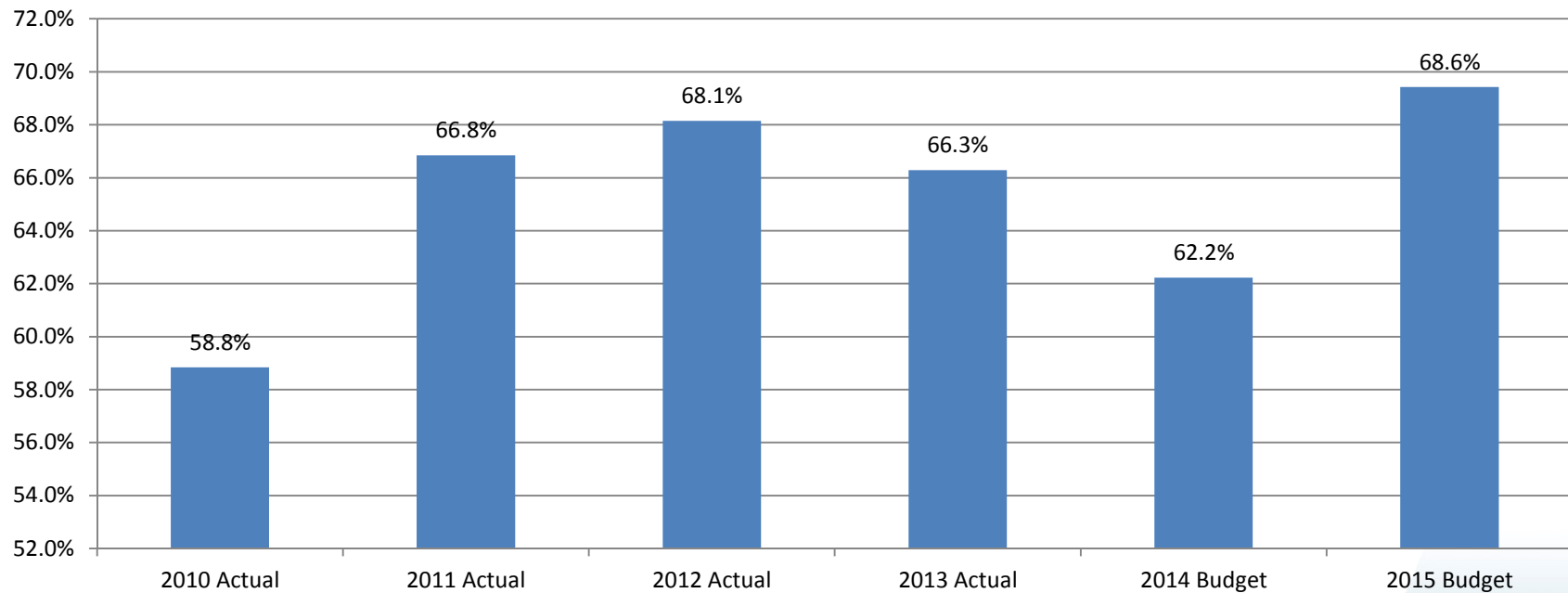
ONE.

RMWB Subsidy



ONE.

Cost Recovery %



ONE.

Summary Operating Budget

- Aggressive approach with regards to Shell Place revenue performance, specifically events
- Cautious approach to other revenue in 2015 given 2014 actual and projections
- Focus on cost recovery has been established – overall goal 70%
- Manage expenses with bulk of change driven by events costs (margin 20%)
- RMWB subsidy increases request agrees to previous notice

ONE.

Recommendation – Operating Budget

- The RRC Board of Directors recommends a funding subsidy of \$15,705,200 for the 2015 operating year (includes Anzac, Shell Place, MIP)
- The RRC Board of Directors would like to convey that this budget includes financial commitments that implement an aggressive events strategy
- The RRC Board instructed RRC Administration to implement the event strategy immediately
- The RRC Board of Directors instructed the RRC Administration to submit the approved grant request to the RMWB

ONE.

Sustaining Capital Budget

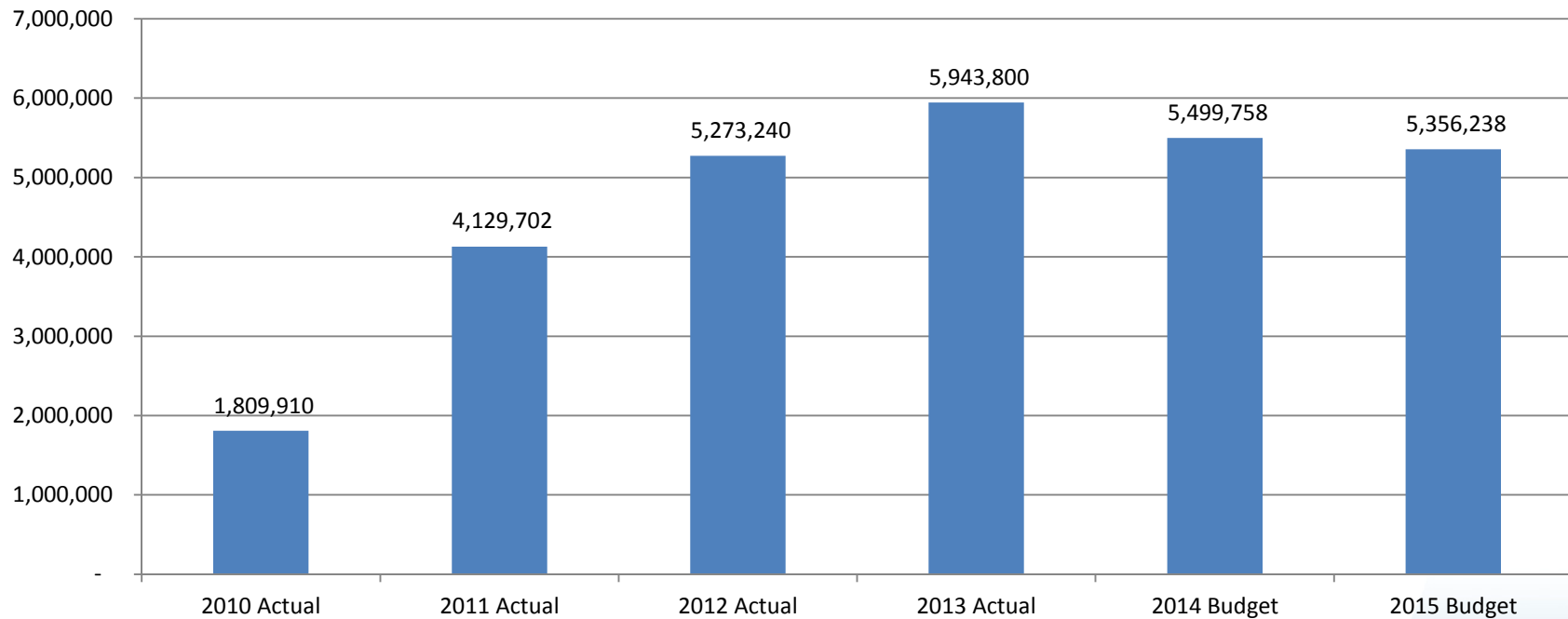
- The RRC Board of Directors approved a request for sustaining capital funding in the amount of \$5,356,238 for the 2015 fiscal year (2014 - \$5,499,758)
- Major Projects Anticipated over \$100,000:

25 meter pool filtration upgrade \$100,000	LED lights upgrade (Aquatics) \$150,000
Aquatic dehumidifier \$100,000	Library heating and cooling coil \$150,000
Cooling tower upgrade (refrigeration plant) \$250,000	Grounds equipment, \$354,000
Partnership recognition \$300,000	Way-find \$100,000
Advertising / marketing infrastructure \$100,000	Permanent digital video board \$200,000
Stage systems \$150,000	Upgrade to production package \$150,000
Core switch upgrade \$128,000	Office furnishings \$400,000
Trail lighting \$300,000	Other items under \$100,000 - \$2,424,238

- The RRC Board of Directors approved the 2015 capital budget as presented on August 25, 2014
- To not fund this capital request would decrease life expectancy of the facilities and could impact continued usage

ONE.

Sustaining Capital Grant



ONE.

Additional Capital Requests

- The RRC Board of Directors recommends a capital funding requirement in the amount of \$5,560,500 for 2015. This request is for the additional parking needed in conjunction with the Shell Place Project. To not fund this capital request could impact obtaining a occupancy permit as the parking capacity requirements would not be met.
- The RRC Board of Directors recommends a capital funding requirement in the amount of \$8,625,000 for 2015. This request is for the renovation of the curling rink at MacDonald Island Park. This model would allow the needs of the Fort McMurray Oil Sands Curling Club users to be met. To not fund this request could impact the continued use of the facility.

ONE.

Additional Capital Requests

- In 2014 RMWB Council approved \$41.8 million for the construction of phase 1 of the Northside Recreation Centre (Twin Arenas). For 2015 RMWB council directed RMWB Administration to include \$152 million for the construction of phase 2 of the Northside Recreation Centre in their capital request. To not fund this project would impede the development of the Abraham's land.
- There is \$2 million remaining to be funded on the MacDonald Island Park expansion grant in 2015. Given that this a multi-year project not funding will have implications on the delivery of the project.

Fort McMurray Public Library Presentation to the Regional Municipality of Wood Buffalo Audit and Budget Committee

Cynthia O'Donnell
Chair, Board of Directors

November 4, 2014

Carolyn Goolsby
Director of Library Services



OUR ONGOING VISION

- Service to all residents of Wood Buffalo
- Making Connections, Building Community
 - Ideas, stories, programs and events
- 21ST century Library – Services for our unique community, meeting our residents where they are



2015 - AN EXPANDED MISSION

- Mobile Library Services crucial to extending services to all of Wood Buffalo
 - Develop staffing levels to ensure sufficient staff time to meet 21st century needs and to serve rural areas
 - Currently making a needs assessment of rural areas – developing rural services based on need and public input
 - Develop Mobile Services based on how best to meet community needs - \$750K in reserve for Mobile Services
- Improve electronic content, awareness and access

2015 OPERATING BUDGET

(in thousands)

	Budget 2015	Budget 2014	Variance
Municipal Grant	5,083	4,083	1,000
Other Revenues	805	1,033	(228)
Operating Expenses	(6,270)	(5,787)	483
Non-Operating Items	(651)	(634)	17
Non-Cash Adjustment (Amortization Expense)	690	629	61
Net Impact (taken from Reserves)	(343)	(676)	333

SIGNIFICANT BUDGET ITEMS 2015

(in thousands)

EXPENSES	Budget 2015	Budget 2014	Variance
Wages and Benefits	4,337	3,615	722
Electronic Databases and Periodicals	154	88	66
Amortization of Capital Assets	690	629	61
Program Supplies	40	16	24
Professional Fees	65	43	22
Rent, Utilities, Janitorial	479	469	10
50 th Anniversary Celebrations	100	0	100

SIGNIFICANT BUDGET ITEMS 2015

(detail - in thousands)

	Budget 2015	Budget 2014	Variance
Wages and Benefits	4,337	3,615	722
	FTE 2015	FTE 2014	Variance
	48.07	40.66	7.41

- (4) Library Assistant II
 - Community Relations
 - Tween Services
 - 2 in Mobile Services
 - Hired August 2015
- Library Assistant III, Digital Services
- Administrative Assistant

SIGNIFICANT BUDGET ITEMS 2015

(detail - in thousands)

	Budget 2015	Budget 2014	Variance
Electronic Databases and Periodicals	154	88	66

- Increasing demand for electronic books, downloadables, and databases

Amortization of Capital Assets	690	629	61
--------------------------------	-----	-----	----

Reflects increase in capital assets.

SIGNIFICANT BUDGET ITEMS 2015

(detail - in thousands)

	Budget 2015	Budget 2014	Variance
Professional Fees	65	43	22

Auditor fees were above expected for 2014 and the budget was increased accordingly for 2015.

Program Supplies	40	16	24
------------------	----	----	----

This reflects an increase in sponsorship revenues for program supplies which must be expended in 2015.

SIGNIFICANT BUDGET ITEMS 2015

(detail - in thousands)

	Budget 2015	Budget 2014	Variance
Rent, Utilities, Janitorial	479	469	10

2% increase over 2014 to account for expected rate changes.

50 th Anniversary Celebrations	100		100
---	-----	--	-----

- Wood Buffalo Regional Library – launching the new brand in our 50th Anniversary year
- Celebrations throughout Canadian Library Month in October

NON-OPERATING ITEMS 2015 - Capital

(in thousands)

	Budget 2015	Budget 2014	Variance
Materials	526	574	(48)
Capital Improvements	121	60	61

- Materials are physical books and media that the Library owns (does not count electronic items)
- Planned Capital Improvements for 2015
 - Children's Program Room Floor
 - Soundproofing Study Rooms
 - Reorganize/decorate Children's Library and Adult Quiet Room
 - Projectors and screens for Teen Area and Children's Library
 - Re-organize administrative space to add offices

2015 – Restricted Cash

(in thousands)

	Budget 2015	Budget 2014	Variance
Mobile Library	750	750	0

- Mobile Library Services planned for 2015
 - Needs Assessment under way
 - Restricted to Rural & Mobile Services

Sustainability Reserve	500	788	(288)
------------------------	-----	-----	-------

- Reflects an appropriate reserve intended to sustain the library in the short-term if necessary.



In Conclusion

- Your Public Library serves all of Wood Buffalo
- Growing along with our Municipality
- Request funding support of \$5.1M for 2015

Thank You for Your Support and Consideration

Fort McMurray Oil Barons Presentation to the

Regional Municipality of Wood Buffalo Audit and Budget Committee

Scott Mundy
Chair, Western Canada Cup Committee

November 4, 2014

Mark Hannah
Co-chair, Western Canada Cup Committee

Crescent Point

2015

**Crescent Point Energy
Western Canada Cup
Fort McMurray**

**FORT
McMURRAY
AB 2015**

What is the Western Canada Cup (WCC)?

- Western Regional Championship of Junior A hockey
- 5 teams compete; host, BCHL, AJHL, SJHL, MJHL
- Top 2 advance to Royal Bank Cup
- Prior hosts: Nanaimo, BC & Dauphin, MB
- Fort McMurray awarded 2015 WCC in Fall 2013
 - Bid chosen over Brooks & Lloydminster
- Event to be held April 25th – May 3rd, 2015 at the Casman Centre

An Event Like No Other

- Local host committee plans to schedule frequent events around the hockey games
- Safway Stockyard
 - Events tent with room for overflow crowds for games
 - Live entertainment throughout the event
 - Showcasing local artists
- Jersey Gala
- Opening Ceremonies

Tangible Benefits

- Spectator Spending: est. \$1,957,280
 - 20,800 spectator admissions
 - Average 3 days attended
 - 70% of spectators resident in local economy
 - 2,080 commercial stayers, at 4 nights spent in host economy
 - Avg. cost \$179 per bed-night, plus average \$75 daily spend on non-accommodation
- Attendee Spending: est. \$366,720
 - 150 total attendees
 - 11 days attended
 - 20% resident in host economy (Oil Barons)
 - 120 commercial stayers, average of 14 nights each spent in local economy
 - Avg. cost \$179 per bed-night, plus average \$50 daily spend on non-accommodation
- Event Organizer Spending: \$1,045,000
- **Total Economic Impact: \$3,369,000**

Intangible Benefits

- Raising the profile & public image of Fort McMurray; creating ambassadors
 - Exposing outsiders to municipal amenities, including the International Airport
- Support the Fort McMurray Oil Barons in developing local athletes, local athletics and moving athletes both abroad and locally
- Kick off 2015 as the year Fort McMurray truly emerges onto the world stage
- Help to build towards eventual hosting of larger sports events
- AJHL has expressed the desire for Fort McMurray to serve as a flagship ideal for how the WCC is organized

Local Partners

- Relationships established with several local businesses, with more to come:
 - Billboard Direct
 - Safway
 - CEDA
 - Diversified
 - Casman
 - Hertz
 - Fort McMurray Hotel Group

Current Projected Budget

- Income
 - 20,800 tickets at average \$20 price: \$416,000
 - Concessions & beer sales: \$250,000
 - 50/50 Sales: \$70,000
 - Merchandise: \$60,000
 - Sponsorships: \$110,000

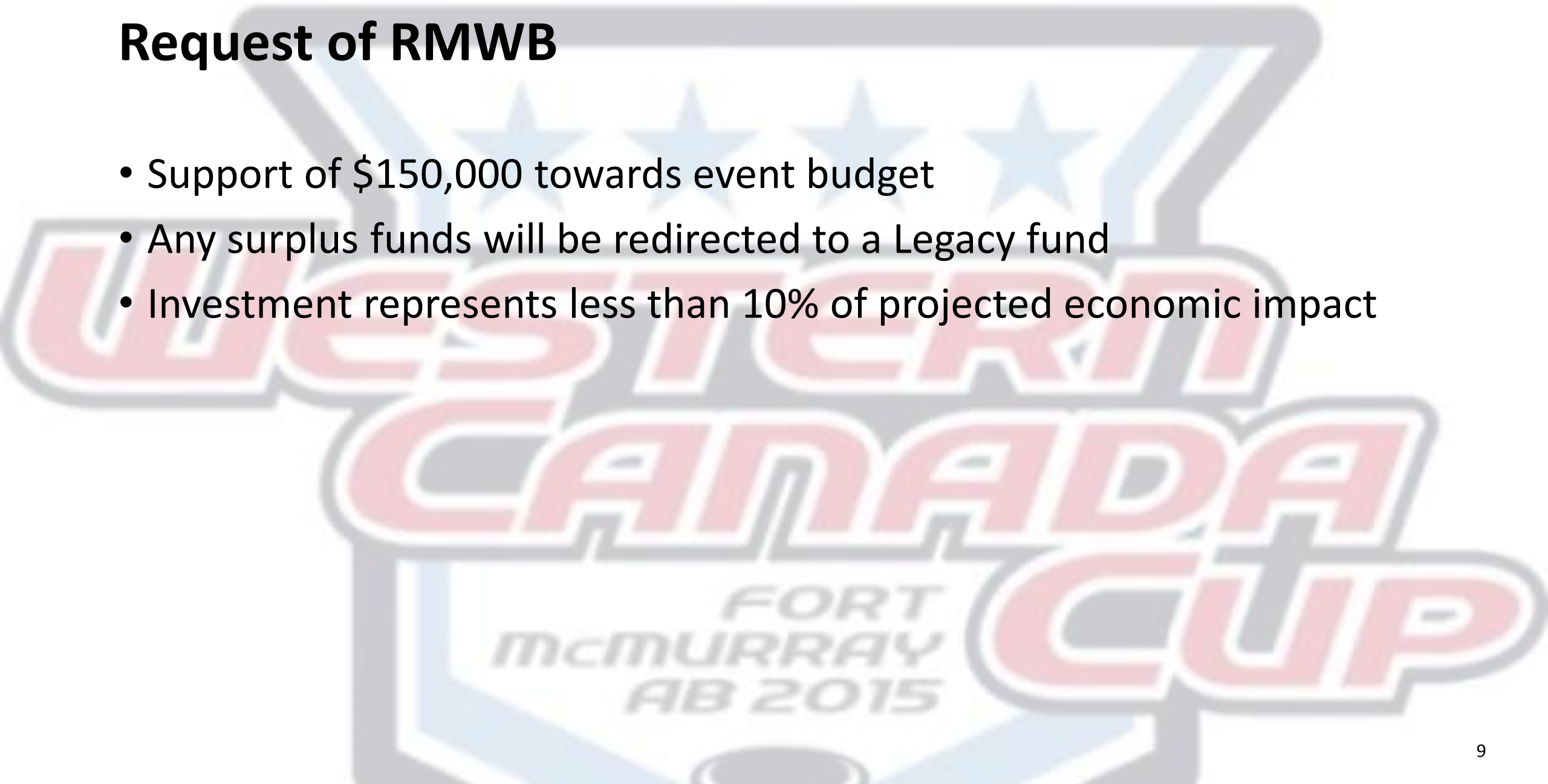
Total Projected Income: \$906,000

Current Projected Budget

- Expenses
 - Site: \$300,000
 - Concession/Beer \$140,000
 - Facilities \$ 50,000
 - Security/Special Event \$110,000
 - Marketing: \$170,000
 - Hosting/Accommodation: \$280,000
 - Contingency/Team Payments/Misc.: \$295,000
- Total Projected Expenses: \$1,045,000**
- **Projected Loss: (\$139,000)**

Request of RMWB

- Support of \$150,000 towards event budget
- Any surplus funds will be redirected to a Legacy fund
- Investment represents less than 10% of projected economic impact



Conclusion

- Potential for world-class event to kick off world-class 2015
- Event has the promotion of Fort McMurray, the Oil Barons, and the RMWB as key goals
- Economic return on investment significant and diverse
- Lasting legacy of success for local organizations and local athletics
- Potential to supersede the 2000 Royal Bank Cup and Northern Classic as hallmark moments in Fort McMurray hockey history

Subject: Animal Control Services**APPROVALS:**

Bob Couture, Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

THAT the Capital Request for Animal Control Services, for the Municipality, as summarized on Attachment 1, dated October 7, 2014, be recommended to Council for approval; and

THAT \$7,400,000 be transferred from the 2014 Operating Budget to the Capital Infrastructure Reserve to fund the capital requests as summarized on Attachment 1, dated October 7, 2014; and

THAT the \$130,800 Operating funds for Animal Control Services be funded from:

- the Bylaw Services 2014 Operating Budget;
- the Chief Operating Officer's 2014 Operating Budget surplus;
- the 2014 Corporate Operating Budget surplus; or
- the Emerging Issues Reserve;

in that order.

Summary:

As of October 1, 2014, the Fort McMurray SPCA has ceased the provision of animal control services, and the responsibility has now been assumed by the Municipality's Bylaw Services Department. Additional staff is required to fulfill legislated obligations to the end of 2014, and capital funds are required for the construction of adequate animal control facilities in both Fort McMurray and Fort Chipewyan. Specialized animal control vehicles are also required to fulfill this service.

Background:

Up until the mid-1990's animal control was performed by Bylaw Services. In 1997 a formal agreement was structured with the Fort McMurray SPCA (FMSPCA) to provide animal control services to the Municipality while continuing the charitable function of the FMSPCA. In the intervening years the Municipality has supported the FMSPCA by providing both an increased financial contribution based on animal control services as well as capital dollars for the renovation to both lands and building in support of an animal control service.

In May of 2013 the FMSPCA announced that as an organization they would cease delivery of animal control services to the Municipality. Over the course of the following 16 months ongoing negotiations between Municipality representatives and the FMSPCA has netted an agreed upon course of action. The agreement would have the Municipality continue to provide the building and lands for use by the FMSPCA under a lease agreement. On October 1, 2014 the FMSPCA

ceased providing animal control services, resulting in Bylaw Services assuming this responsibility. It was also agreed that the Municipality would provide a seamless transition of the FMSPCA animal control officers into the employment of the Municipality which has been accomplished. The FMSPCA was requested to continue to provide kennel services in support of the animal control operation after October 1st, on an interim basis, to allow the Municipality to build the facilities and capacity to support animal control operations (shelter and kennel's). The FMSPCA has taken the position not to perform this task.

In order to ensure that the Municipality has an effective reliable animal control process in place, Bylaw Services has made arrangements for the use of an interim facility for use as a shelter and kenneling of animals, leasing of vehicles, purchasing of equipment and supplies in direct support of animal control operations, using allocated funds within the present Bylaw Services Animal Control Budget.

The Municipality, through Bylaw Services, has begun the process of developing a fully operational, functional and professional Municipal Animal Control Centre. To provide a facility that will address the safety, security and health of the animals, in addition to addressing concerns of the general public and the professional community, there is a requirement for 2014 capital funding as proposed below.

- 1997 - Agreement made with FMSPCA to provide animal control services.
- 2011 - Begin to negotiate a new animal control agreement with the FMSPCA.
- 2012 - FMSPCA audit conducted by the Municipality (\$200,000 variance identified).
- 2013 - FMSPCA budget requested for operations \$2.7 million (October 2012).
- 2013 - FMSPCA announces they no longer will provide animal control services.
- 2013 - Negotiations continue in an effort to develop a new agreement.
- 2013 - Negotiations with the FMSPCA indicate they would not agree to provide service to Fort Chipewyan.
- 2014 - Agreement for the lease of property and building is signed by the FMSPCA.
- 2014 - Parks building to be renovated for Bylaw Services, Animal Control Centre (Jan. 2015 Occupancy).
- 2014 - Meeting with Director, RCMP Support/Bylaw Services Department and FMSPCA provides no agreement.
- 2014 - Bylaw Services prepares for the transfer of animal control responsibilities.
- 2014 - FMSPCA declines to provide kenneling services post October 1st, in support of animal control operations.

Alternatives:

1. There are no alternatives at this time.

Budget/Financial Implications:

- \$3.5 million Fort Chipewyan animal control facility.
- \$3.5 million Fort McMurray animal control facility, renovations to Parks building.
- \$400,000 Purchase of specific animal control vehicles.
- \$770,400 Six (6) FTE Veterinarian Technicians (\$130,800 for Quarter 4 of the 2014 budget, and \$639,600 for 2015).
- 2015 budget impacts will be included in the 2015 budget.

Based on the Third Quarter 2014 Financial Performance Update, a sufficient surplus is projected to fund the impact of the capital requests as well as the remaining 2014 animal control operations. Funding for the capital items is proposed to be transferred from the 2014 operating budget into the Capital Infrastructure Reserve to fund the capital budget requests attached.

Rationale for Recommendation(s):

The Municipality's Bylaws and Provincial Legislation related to the care, treatment and responsibility of animal ownership lies directly with the Municipality. It is only by the vesting of authority through Council to those sworn in as Bylaw Officers that they have the authority to enforce the legislation. The Municipality provided to the FMSPCA special dispensation for their staff to be authorized Bylaw representatives of the Municipality. When the FMSPCA gave notice of their intention to cease delivery of this service the responsibility to uphold the bylaws of the Municipality reverted to Bylaw Services.

It is incumbent upon the Municipality to provide an animal control service that is above reproach. The Municipality will be scrutinized not only by public exposure and opinion but by regulatory officers and those who provide animal care as a profession. It is a responsibility of those in the animal control field to be at the forefront of best practices for animal care procedures and facilities. There must be no question as to the health and care of animals, along with animal control programs which will provide for health and safety of the community served. Animal control services is a function required of all municipalities and a function that brings along with it, emotions and public concerns not found in other municipal services. The Municipality Animal Control Centre will need to be functional, state-of-the-art and open to the public if it is to have any impact on the public. The Bylaw Services Animal Control Centre will provide a standard of care that supersedes minimum requirements along with educational programming and an open-to-the-public capability. Adoption, licensing, disease control, emergency readiness, spay, neutering, micro chipping, homing and return to owner are only a few of the tasks that will be performed by the Centre.

Currently there is no facility within Fort McMurray or Fort Chipewyan that is capable at this time to shelter or kennel animals in support of animal control operations. In order to address this issue it is the recommendation to renovate the present Parks and Recreation building adjacent to the FMSPCA at an estimated cost of \$3.5 million. In addition, due to the isolation of the community of Fort Chipewyan, it is the recommendation to construct a new facility, on a smaller scale, to support animal control operations, at an estimated cost of \$3.5 million.

It is the responsibility of the Municipality to provide animal control operations within the entire region. As it is well known, our environmental conditions are extreme and the roadways in the areas to be serviced are not always easily accessible. In order to accomplish this task, meeting with the Municipality's high standards, and given consideration for the care and safety of animals, it is recommended that four (4) specially built and designed vehicles are purchased at a total cost of \$400,000.

In order to ensure that all animals taken into the custody of the Municipality are provided an excellent standard of care (feeding, watering, exercising, and medical attention), and for this new service to become successful, it is recommended that six (6) additional FTEs are authorized to the Bylaw Services Branch – Animal Health Technologists, at a cost of \$130,800 for Quarter 4 of 2014 budget, and \$639,600 for the 2015 budget.

Attachments:

1. Fort Chipewyan Animal Control Services: Capital Budget Amendment, Capital Budget Business Case, Capital Budget Request.
2. Fort McMurray Animal Control Services: Capital Budget Amendment, Capital Budget Business Case, Capital Budget Request.
3. Animal Control Vehicles: Capital Budget Amendment, Capital Budget Business Case.



CURRENT PROJECT NAME: Fort Chipewyan Animal Control Centre

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	-	-	-	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	-			-

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hotsy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	200,000.00			200,000.00		
2015	3,300,000.00			3,300,000.00		
2016	-					
Thereafter	-					
TOTAL	3,500,000.00	-	-	3,500,000.00	-	-

FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?

Yes

Will the change result in an addition or cancellation of a capital project?

Yes

Will the underlying scope change alter the nature and type of capital project?

n/a

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

Will the change result in Council set debt and debt service limits being exceeded?

No

In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.



PROJECT NAME

Fort Chipewyan Animal Control Centre

1. EXECUTIVE SUMMARY

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hotsy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

2. STRATEGIC PRIORITY ACTIONS

- Build complete communities

3. ANALYSIS

3.1 Justification

Please see attached.

3.2 Assumptions

3.3 Priority Score

	Rate 1 to 5
Imminent Health or Safety	5
Legislation/Contractual Obligation	5
Link to Strategic Plan	5
Maintain Existing Assets	0
Maintain Current Service Levels	0
Increase Revenue	0
Decrease in Expenses	0
Increase Level of Existing Service	0
New Service	0
Other _____	0
	15

4. IMPLEMENTATION

4.1 Estimated Schedules / Milestones

Project Planning*	Predesign	Design	Construction	Completion
Q4-2014	Q1-2015	Q1-2015	Q2-2015	Q3-2015

* If Project Planning includes public consultation and/or land acquisition, the timelines are included in this section.

4.2 Annual Project Capital Cash Flow Requirement

2014 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2014 Total
Engineering Consulting Services				200,000	200,000
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	200,000	200,000

2015 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2015 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted	825,000	825,000	825,000	825,000	3,300,000
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	825,000	825,000	825,000	825,000	3,300,000

2016 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2016 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2017 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2017 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2018 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2018 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

4.3 Project Cash Flow, Capital Budget and Plan

Year	Q1	Q2	Q3	Q4	Total Annual Cost
2014 & Prior				200,000	200,000
2015	825,000	825,000	825,000	825,000	3,300,000
2016					
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	825,000	825,000	825,000	1,025,000	3,500,000

4.4 Impact on Operating Budget

Impact on Operating Budget	2015	2016	2017	2018	2019	Thereafter
REVENUES						
EXPENSES						
Salaries, Wages & Benefits		220,000				
Contracted/General Services						
Materials, Goods & Utilities	20,000					
Other Expenses						
TOTAL EXPENSES	20,000	220,000	-	-	-	-
NET OPERATIONAL REQUIREMENT	(20,000)	(220,000)	-	-	-	-
CHANGE TO STAFF REQUIREMENTS (+/-)						

Note: No permanent staff stationed in Ft. Chip until 2016

5. TOTAL COST OF OWNERSHIP

Year	Total Capital Costs	Total Operating Costs	Total Annual Costs
2014 & Prior	200,000		200,000
2015	3,300,000	20,000	3,320,000
2016		220,000	220,000
2017	-	-	-
2018	-	-	-
2019	-	-	-
Thereafter	-	-	-
Total	3,500,000	240,000	3,740,000

6. APPENDICES

Project Name	Fort Chipewyan Animal Control Centre	\$	3,500,000
Order Code		Project Location	Urban
Project Category	Public Safety	Ward	2
Type of Project	New Asset - Construction	Municipal Function	26 - Bylaw Enforcement

Project Description and Scope

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hot/sy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

Project Cash Flows

Year	Total Annual Cost	Federal Grant	Reserve	Debenture	Other
2014 & Prior	200,000				
2015	3,300,000				
2016					
2017	-				
2018	-				
2019	-				
Thereafter	-				
Total	3,500,000	-	-	-	-

Additional Funding Details

Project Sponsor Department	RCMP/Bylaw Services
Project Sponsor	Greg Scarborough
Sponsor Executive Director	Brian Moore
Project Delivery Department	Public Operations
Delivery Department Contact	To be determined

Project Manager (if assigned)

To be determined



CURRENT PROJECT NAME: Fort McMurray Animal Control Centre

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	-	-	-	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	-			-

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care, have proposed that the Parks building being decommissioned for its purpose be renovated to provide a full scale Animal Control Facility. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hotsy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	200,000.00			200,000.00		
2015	3,300,000.00			3,300,000.00		
2016	-					
Thereafter	-					
TOTAL	3,500,000.00	-	-	3,500,000.00	-	-

FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?

Yes

Will the change result in an addition or cancellation of a capital project?

Yes

Will the underlying scope change alter the nature and type of capital project?

n/a

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

Will the change result in Council set debt and debt service limits being exceeded?

No

In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.

PROJECT NAME

Fort McMurray Animal Control Centre

1. EXECUTIVE SUMMARY

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care, have proposed that the Parks building being decommissioned for its purpose be renovated to provide a full scale Animal Control Facility. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hotsy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

2. STRATEGIC PRIORITY ACTIONS

- Build complete communities

3. ANALYSIS

3.1 Justification

Please see attached.

3.2 Assumptions

3.3 Priority Score

	Rate 1 to 5
Imminent Health or Safety	5
Legislation/Contractual Obligation	5
Link to Strategic Plan	5
Maintain Existing Assets	0
Maintain Current Service Levels	0
Increase Revenue	0
Decrease in Expenses	0
Increase Level of Existing Service	0
New Service	0
Other _____	0
	15

4. IMPLEMENTATION

4.1 Estimated Schedules / Milestones

Project Planning*	Predesign	Design	Construction	Completion
Q4-2014	Q1-2015	Q1-2015	Q1-2015	Q4-2015

* If Project Planning includes public consultation and/or land acquisition, the timelines are included in this section.

4.2 Annual Project Capital Cash Flow Requirement

2014 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2014 Total
Engineering Consulting Services				200,000	200,000
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	200,000	200,000

2015 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2015 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted	825,000	825,000	825,000	825,000	3,300,000
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	825,000	825,000	825,000	825,000	3,300,000

2016 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2016 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2017 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2017 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2018 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2018 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

4.3 Project Cash Flow, Capital Budget and Plan

Year	Q1	Q2	Q3	Q4	Total Annual Cost
2014 & Prior				200,000	200,000
2015	825,000	825,000	825,000	825,000	3,300,000
2016					-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	825,000	825,000	825,000	1,025,000	3,500,000

4.4 Impact on Operating Budget

Impact on Operating Budget	2014	2015	2016	2017	2018	Thereafter
REVENUES						
EXPENSES						
Salaries, Wages & Benefits	130,800	639,600	770,400	770,400	770,400	770,400
Contracted/General Services						
Materials, Goods & Utilities		30,000	30,000	30,000	30,000	30,000
Other Expenses			140,000	140,000	140,000	140,000
TOTAL EXPENSES	130,800	669,600	940,400	940,400	940,400	940,400
NET OPERATIONAL REQUIREMENT	(130,800)	(669,600)	(940,400)	(940,400)	(940,400)	(940,400)
CHANGE TO STAFF REQUIREMENTS (+/-)	Note: 2014 salaries already being spent					

5. TOTAL COST OF OWNERSHIP

Year	Total Capital Costs	Total Operating Costs	Total Annual Costs
2014 & Prior	200,000	130,800	330,800
2015	3,300,000	669,600	3,969,600
2016		940,400	940,400
2017	-	940,400	940,400
2018	-	940,400	940,400
2019	-	940,400	940,400
Thereafter	-	940,400	940,400
Total	3,500,000	5,502,400	9,002,400

6. APPENDICES

Project Name	Fort McMurray Animal Control Centre	\$	3,500,000
Order Code		Project Location	Urban
Project Category	Public Safety	Ward	2
Type of Project	New Asset - Construction	Municipal Function	26 - Bylaw Enforcement

Project Description and Scope

On October 1, 2014 the Regional Municipality of Wood Buffalo assumed the responsibility of animal control within its boundaries from the local SPCA who had requested to be relinquished of the duties. Bylaw Services, understanding the nature of the need to provide safe and healthy surroundings for animals brought into their care, have proposed that the Parks building being decommissioned for its purpose be renovated to provide a full scale Animal Control Facility. The facility will allow for animals brought into the care of Bylaw Service to obtain the care, nurturing and safe surroundings required to maintain the health of each animal. The facility will provide the required standard of biosecurity having an isolation room for both felines and canines to ensure general population safety. The facility will maintain a triage space to adequately care for animals injured or in distress, this facility will be utilized by Municipal staff along with providing the proper work area for veterinarians. The facility will be a meeting place for the public to both seek animals they have lost and to meet animals that they may adopt. There will be room available for use as a training and education center for both Officers and the residents of the Municipality. Office space to accommodate Officers and Technologists, lunch room and reception will all form the completed center. The facility will have a high standard of cleanliness including hot/sy, laundry and utensil sterilization and cleaning equipment. Exterior compounds will be developed to allow animals to exercise and to continue to stabilize within a social environment.

Project Cash Flows

Year	Total Annual Cost	Federal Grant	Reserve	Debenture	Other
2014 & Prior	200,000		200,000		
2015	3,300,000		3,300,000		
2016	-				
2017	-				
2018	-				
2019	-				
Thereafter	-				
Total	3,500,000	-	3,500,000	-	-

Additional Funding Details

--

Project Sponsor Department	RCMP/Bylaw Services
Project Sponsor	Greg Scarborough
Sponsor Executive Director	Brian Moore
Project Delivery Department	Public Operations
Delivery Department Contact	TBD
Project Manager (if assigned)	TBD



CURRENT PROJECT NAME: Fort McMurray Animal Control Vehicles

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	-	-	-	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	-			-

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

It is the responsibility of the Municipality to provide animal control operations within the entire region. As it is well known, our environmental conditions are extreme and the roadways in the areas to be serviced are not always easily accessible. In order to accomplish this task, meeting with the Municipality's high standards, and given consideration of the care and safety of animals, it is recommended that four (4) specially built and designed vehicles are purchased at a total cost of \$400,000.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2013 & Prior	-					
2014	100,000.00			100,000.00		
2015	300,000.00			300,000.00		
2016	-					
Thereafter	-					
TOTAL	400,000.00	-	-	400,000.00	-	-

FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?

Yes

Will the change result in an addition or cancellation of a capital project?

Yes

Will the underlying scope change alter the nature and type of capital project?

n/a

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

Will the change result in Council set debt and debt service limits being exceeded?

No

In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.



PROJECT NAME

Fort McMurray Animal Control Vehicles

1. EXECUTIVE SUMMARY

This request is for the purchase of 4 SUVs (vehicles) designed for animal control, to a total cost of \$400,000.

2. STRATEGIC PRIORITY ACTIONS

- Build complete communities

3. ANALYSIS

3.1 Justification

It is the responsibility of the Municipality to provide animal control operations within the entire region. As it is well known, our environmental conditions are extreme and the roadways in the areas to be serviced are not always easily accessible. In order to accomplish this task, meeting with the Municipality high standards, and given consideration of the care and safety of animals, it is recommended that four (4) specially built and designed vehicles are purchased at a total cost of \$400,000.

3.2 Assumptions

3.3 Priority Score

	Rate 1 to 5
Imminent Health or Safety	5
Legislation/Contractual Obligation	5
Link to Strategic Plan	5
Maintain Existing Assets	0
Maintain Current Service Levels	0
Increase Revenue	0
Decrease in Expenses	0
Increase Level of Existing Service	0
New Service	0
Other _____	0
	15

4. IMPLEMENTATION

4.1 Estimated Schedules / Milestones

Project Planning*	Predesign	Design	Construction	Completion
Q4-2014	Q1-2015	Q1-2015	Q1-2015	Q1-2015

* If Project Planning includes public consultation and/or land acquisition, the timelines are included in this section.

4.2 Annual Project Capital Cash Flow Requirement

2014 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2014 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing				100,000	100,000
Contingency					-
Inflation					-
Other					-
	-	-	-	100,000	100,000

2015 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2015 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing	300,000				300,000
Contingency					-
Inflation					-
Other					-
	300,000	-	-	-	300,000

2016 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2016 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2017 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2017 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

2018 Capital Cash Flow Requirements	Q1	Q2	Q3	Q4	2018 Total
Engineering Consulting Services					-
Consultant Fees					-
General Services - Contracted					-
Land					-
Equipment & Furnishing					-
Contingency					-
Inflation					-
Other					-
	-	-	-	-	-

4.3 Project Cash Flow, Capital Budget and Plan

Year	Q1	Q2	Q3	Q4	Total Annual Cost
2013 & Prior					
2014	-	-	-	100,000	100,000
2015	300,000	-	-	-	300,000
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	300,000	-	-	100,000	400,000

4.4 Impact on Operating Budget

Impact on Operating Budget	2014	2015	2016	2017	2018	Thereafter
REVENUES						
EXPENSES						
Salaries, Wages & Benefits						
Contracted/General Services						
Materials, Goods & Utilities						
Other Expenses		30,000	30,000	30,000	30,000	120,000
TOTAL EXPENSES	-	30,000	30,000	30,000	30,000	120,000
NET OPERATIONAL REQUIREMENT	-	(30,000)	(30,000)	(30,000)	(30,000)	(120,000)
CHANGE TO STAFF REQUIREMENTS (+/-)						

Note: \$7500.00/vehicle for maintenance per year (4 vehicles). Life expectancy is 8 years)

5. TOTAL COST OF OWNERSHIP

Year	Total Capital Costs	Total Operating Costs	Total Annual Costs
2013 & Prior			
2014	100,000	-	100,000
2015	300,000	30,000	330,000
2016	-	30,000	30,000
2017	-	30,000	30,000
2018	-	30,000	30,000
Thereafter	-	120,000	120,000
Total	400,000	240,000	640,000

6. APPENDICES