

2018 Budget and Plan

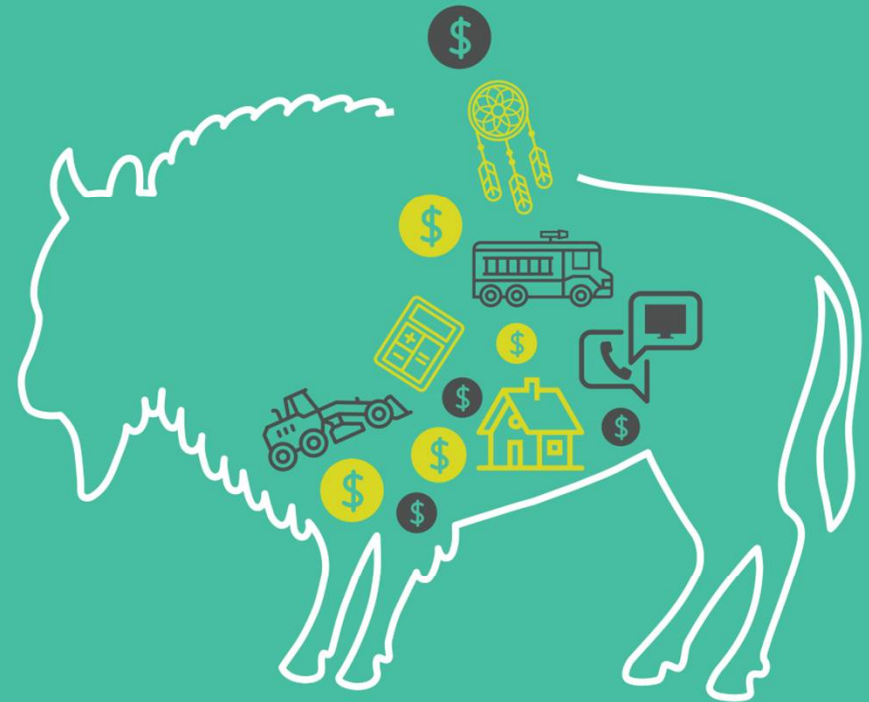
Presenters

**Elsie Hutton,
Chief Financial Officer**

**Linda Ollivier,
Director of Financial Services**

Date

February 27, 2018



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OF WOOD BUFFALO

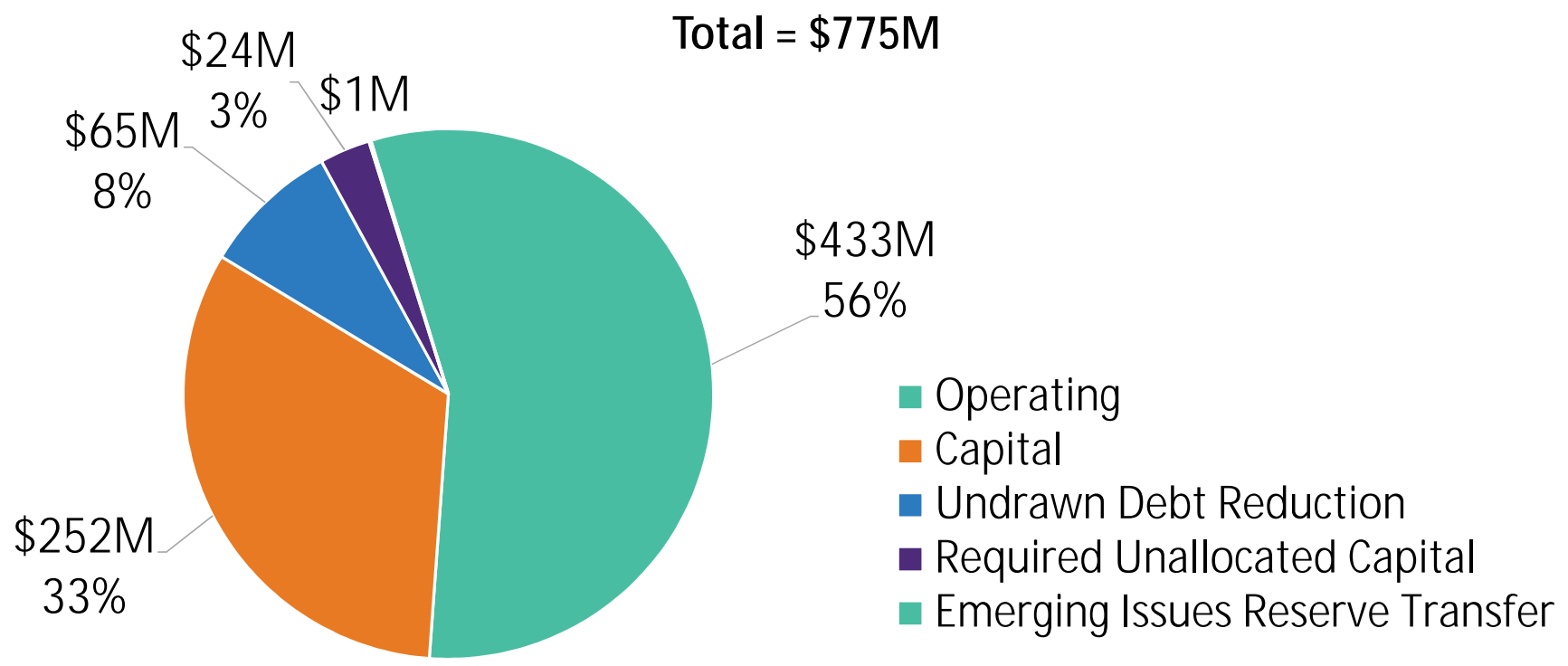
2018 Budgeting Process

- Oct – Nov/17 Internal reviews of proposed 2018 Budget
- Dec 12/17 2018 Interim Operating Budget presented to Council
- Feb 8/18 Proposed Operating and Capital Budgets and Financial Plan presented to Council
- Feb 7-9/18 2018 Proposed Budget workshops for Council (includes Community Investment Program presentations)
- Feb 27/18 Budget presented to Council for approval

2018 Budget

- Zero Based Budgeting (ZBB) approach
- Sustainment of existing programs/services
- Maintenance and rehabilitation of capital assets
- Benchmarking with other communities, where possible
- Updated population projections
- Undrawn debt reduction strategy

2018 Operating, Capital and Debt Reduction



2018 Capital Budget

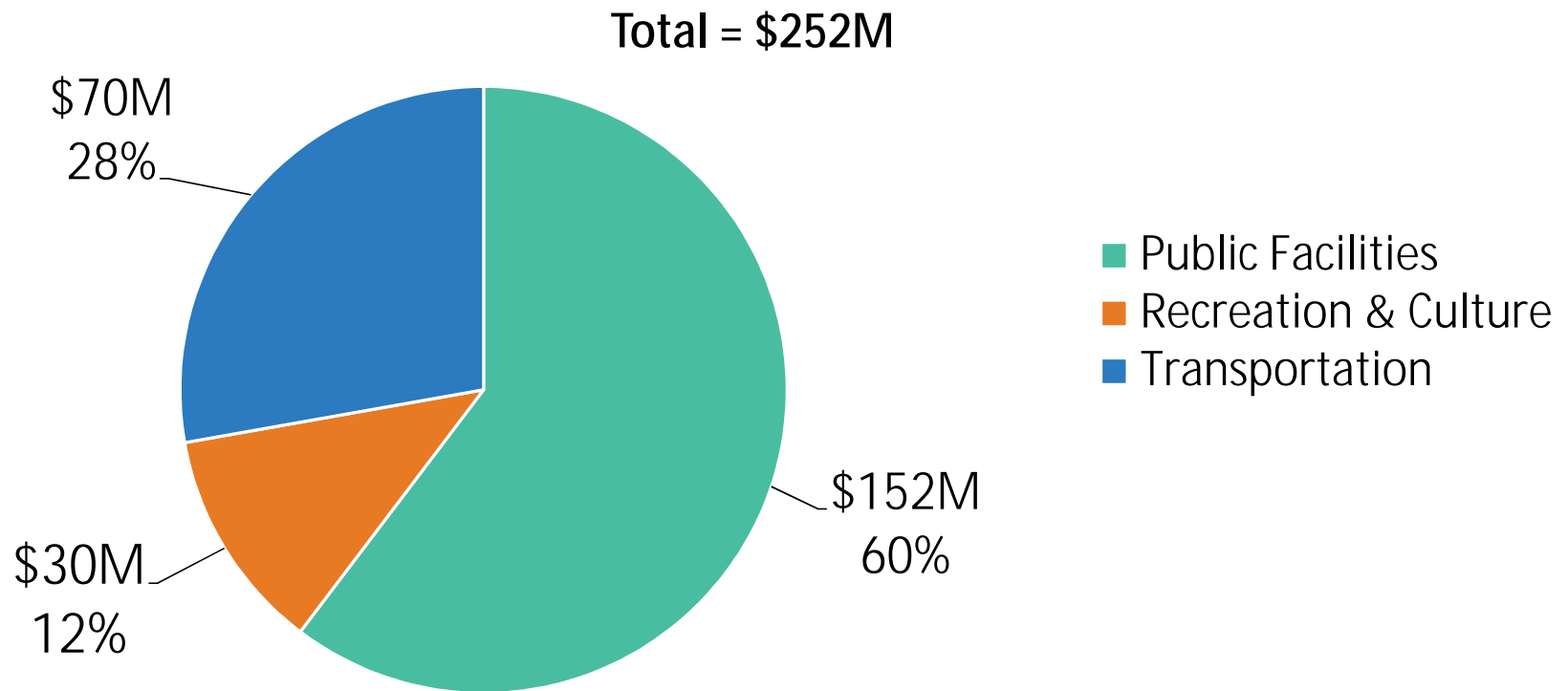
2018 Capital Budget Highlights

- \$140M reduction from 2017 Capital Budget approved Dec. 2016
- No additional debt funding applied towards capital projects
- Additional grant funding allocated subsequent to budget workshop
- Capital projects added based on Council motions:
 - Pre-design/Design of Ryan/Hodgson Memorial Park
 - Taiga Nova/Abasand Lift Station Wetwell Platforms

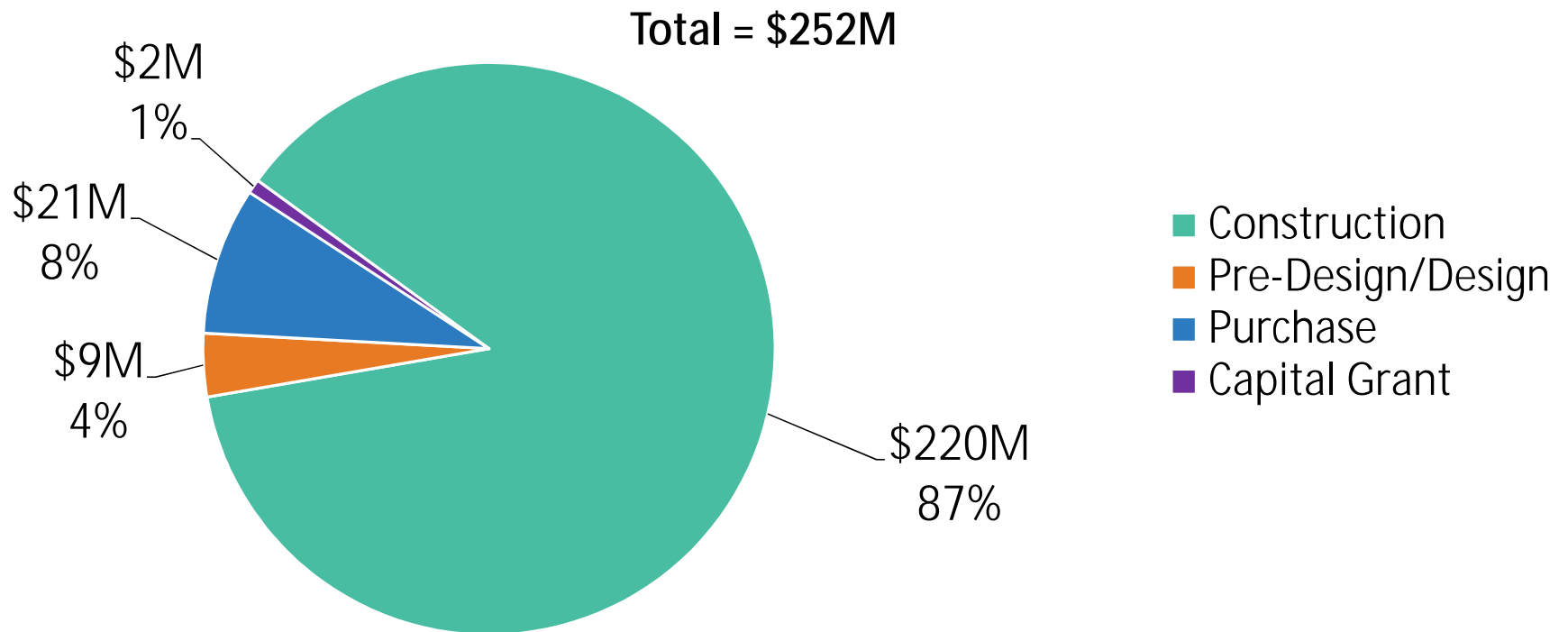
2018 Capital Budget Highlights - continued

- Further analysis and review required based on Council motions:
 - Revisit design of Sapræe Creek Community Hall
 - Review and scope reduction for Fort Chipewyan Animal Shelter to reduce costs
 - Collaborate with Fort McKay Community Association on Fort McKay Pavilion project business case

2018 Capital Budget, by Category



2018 Capital Budget, by Type

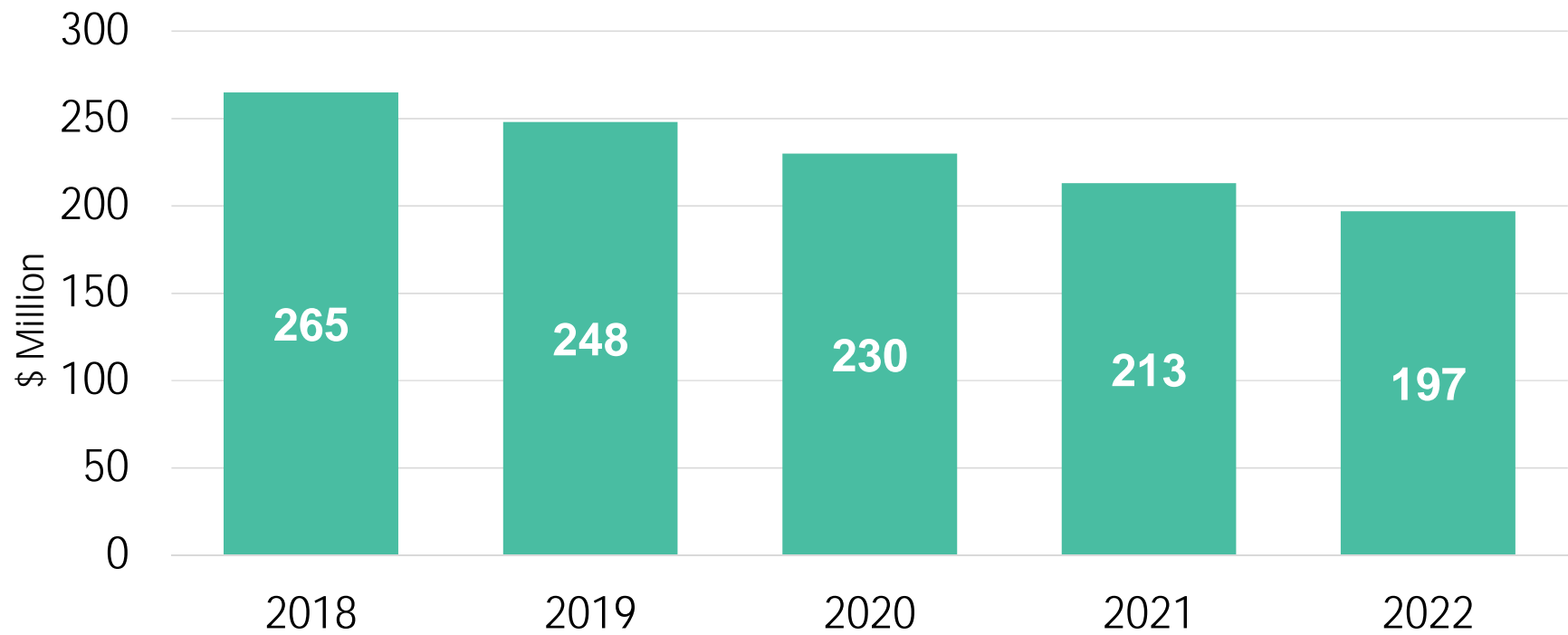


2018 Capital Budget & 2019 - 2023 Plan

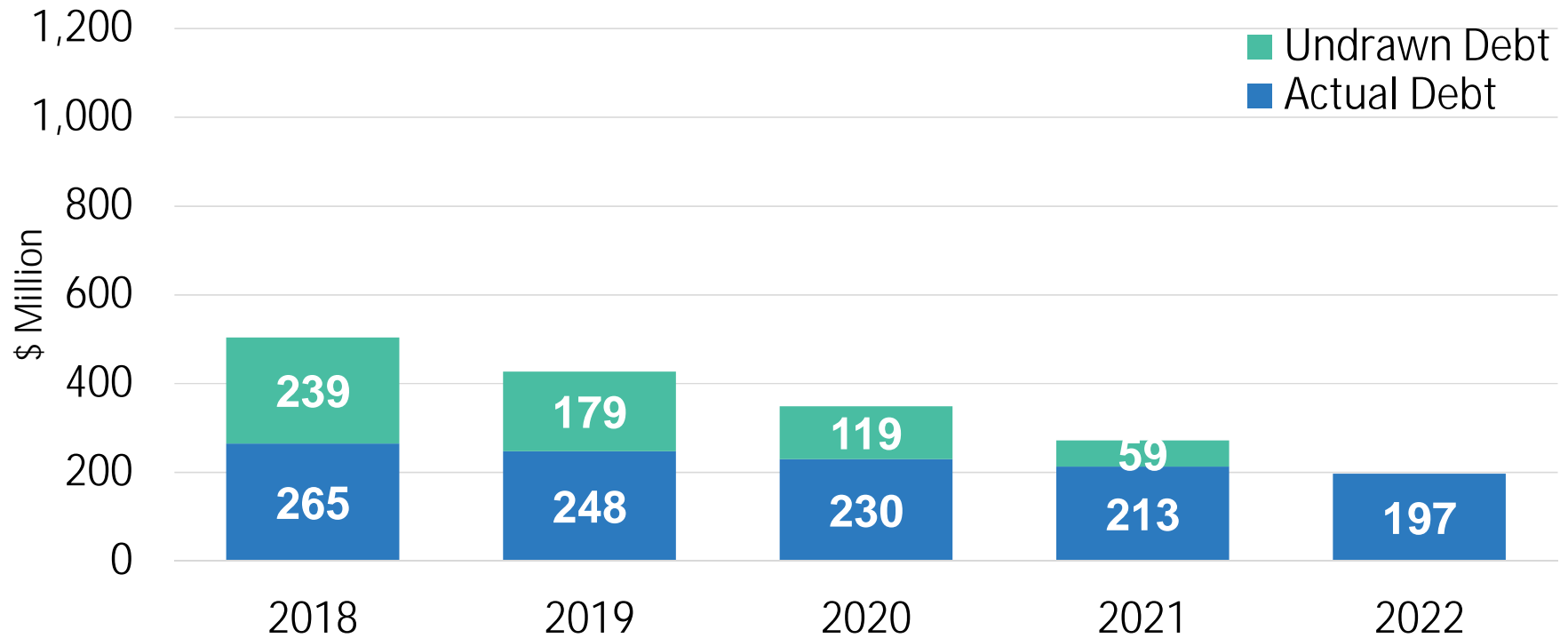
Category	2018 (\$'M)	2019 (\$'M)	2020 (\$'M)	2021 & after (\$'M)	Total (\$'M)
First year of a pre-approved multi-year projects	-	10	12	-	22
Single year projects	59	53	7	16	135
First year of multi-year projects	22	89	52	86	249
Other than first year of a multi-year project	163	246	106	133	648
Equipment purchases	8	3	5	6	22
2018 Capital Budget/Plan	252	401	182	241	1,076

10

Actual Debt



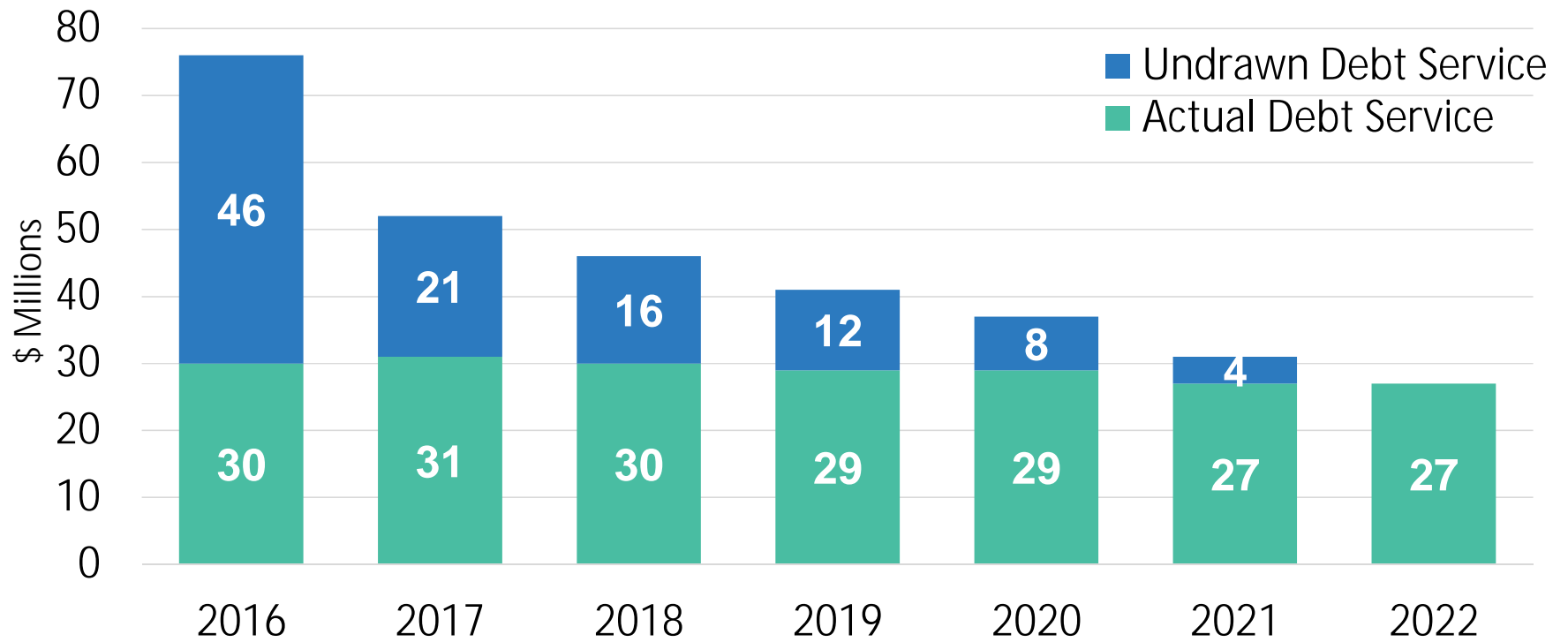
Committed Debt – Undrawn Debt Reduction Plan



Debt Service

- Represents debenture interest and principal payments
- 2018 Debt Service \$30M
- Estimated annual future debt service on undrawn debt additional \$16M/year
- Undrawn debt reduction plan avoids future debt service increases

Committed Debt Service



2018 Operating Budget

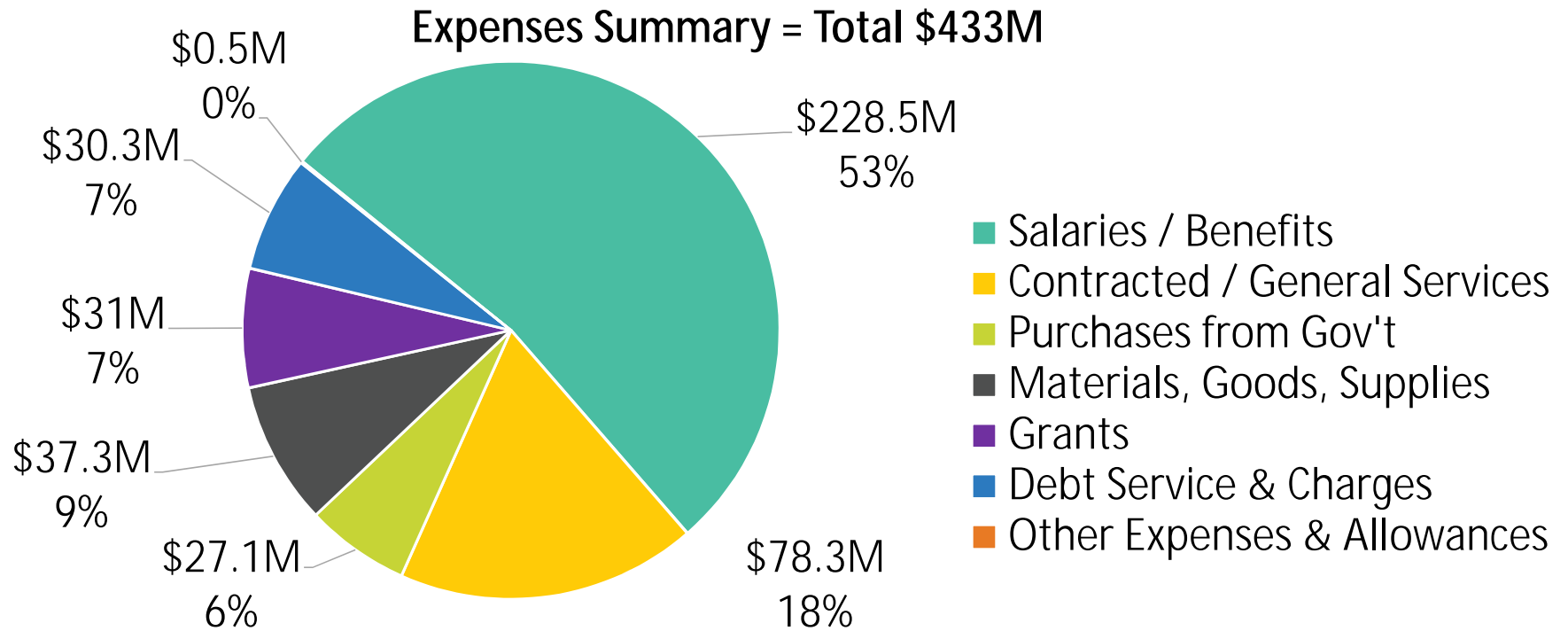
2018 Budget

- Continued focus on efficiencies
- Centralized oversight of expenses
- Business case reviews for staffing and training
- 1% assessment appeal loss contingency

2018 Operating Budget Highlights

- \$94.6M reduction from 2017 Operating Budget
- \$65M allocation towards undrawn debt reduction
- \$43M reduction in net property taxes

2018 Operating Budget

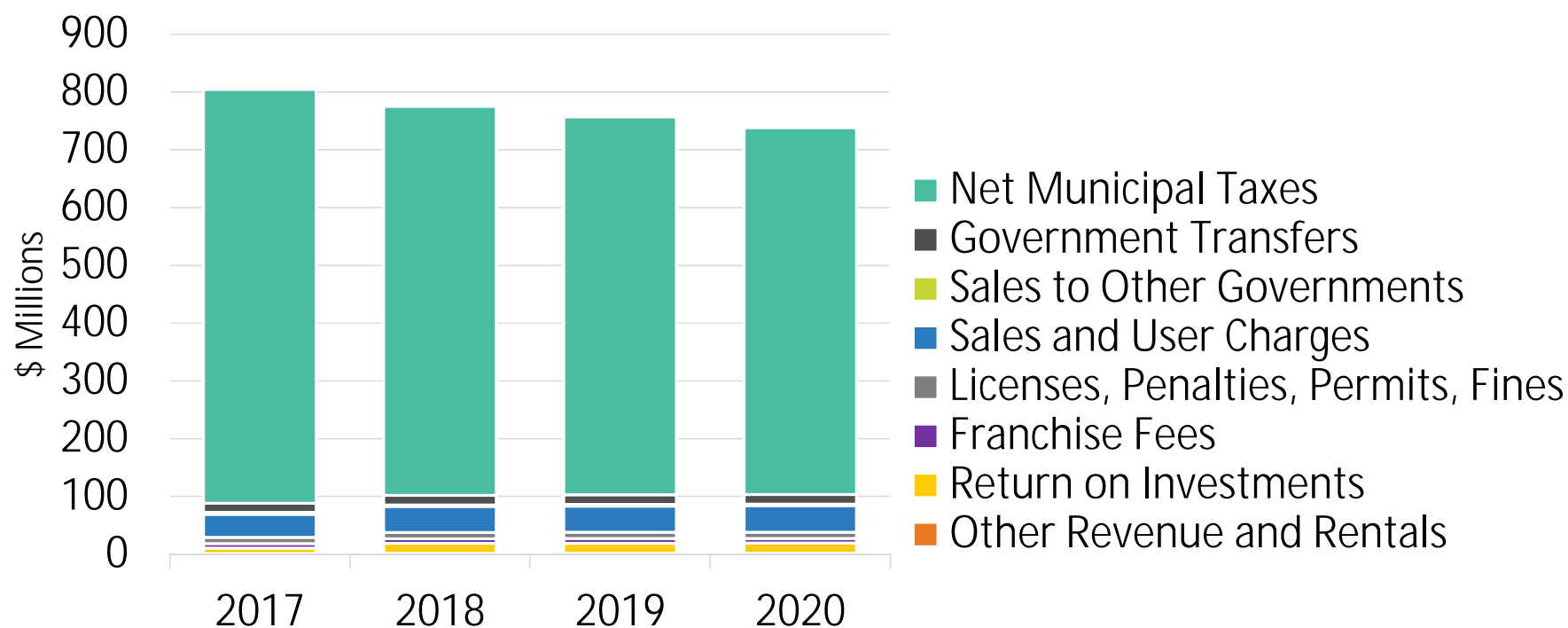


2018 Operating Budget Revenue Analysis

Revenue	2017 Budget (\$'M)	2017 Projection (\$'M)	2018 (\$'M)	2018 Change (\$'M)
Net Taxes Available – Municipal	716.0	712.6	672.7	(43.3)
Government Transfers	15.5	17.0	16.5	1.0
Sales to Other Governments	3.3	2.6	2.6	(0.7)
Sales and User Charges	39.9	44.0	45.0	5.1
Licenses, Penalties, Permits, Fines	10.9	10.5	10.8	(0.1)
Franchise Fees	7.9	7.9	7.9	-
Return on Investments	9.1	12.2	17.4	8.3
Other Revenue and Rentals	1.6	2.1	1.7	0.1
Total	804.2	808.9	774.6	(29.6)

19

Operating Budget & Financial Plan Trend - Revenue



Next Steps

- 2018 Property Tax Rate Bylaw Process

Questions?