



REGIONAL RECREATION CORPORATION of WOOD BUFFALO Presentation to RMWB Council

October 13, 2015

Mark Power, RRC Board of Directors

Annette Antoniak, Chief Executive Officer

Rachel Orser, Chief Financial Officer

- The purposes and mandate of the RRC are to:
 - advance, promote and encourage recreational, cultural and social activities and events for the benefits of residents of the RMWB;
 - operate existing and future recreational facilities and cultural facilities to serve the cultural, recreational and social needs of the residents of the RMWB.

- Programs planned for 2016 to support RRC's mandate:
 - Fitness
 - Aquatics
 - Golf
 - Dance
 - Visual arts
 - Events

Approach to 2016 Operating Budget

- Zero Based Budgeting approach was used
 - Required every function to be analyzed for its need and associated benefit / cost
 - Required the business to scrutinize all spending and justify every expense items
 - Intent was to eliminate operational duplications, while increasing operational efficiencies

Approval of 2016 Operating Budget

- The RRC Board of Directors approved the following motion at the September 28, 2015 Board meeting:
 - THAT the RRC Board approves the 2016 Operating Budget as presented by the Chief Financial Officer via email on September 17, 2015, which incorporates the modifications requested by the Board on September 14, 2015.

2016 Operating Budget Assumptions

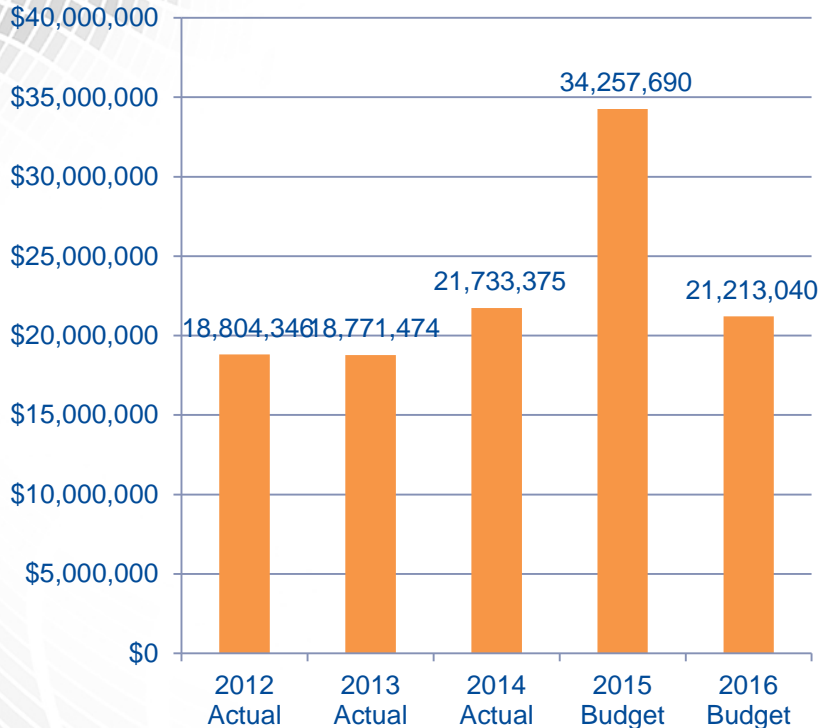
- RRC will be responsible for the operations of properties on MacDonald Island Park, including the Suncor Community Leisure Centre, Shell Place and the Miskanaw Golf Course
- RRC will be responsible for the internal operations at the Anzac facility and the Fort Chipewyan Swimming Pool (assumption is this facility is operational in September 2016)

2016 Operating Budget Request

- The total 2016 grant request is \$17,347,198 representing a increase of \$1,641,198 or 10% compared to the 2015 grant request (\$15,706,000)
- 88% of this increase is attributed to the opening of the Fort Chipewyan Swimming Pool (\$1,064,707) and a contingency for the projected 2015 deficit (\$387,000)

RRC Revenue

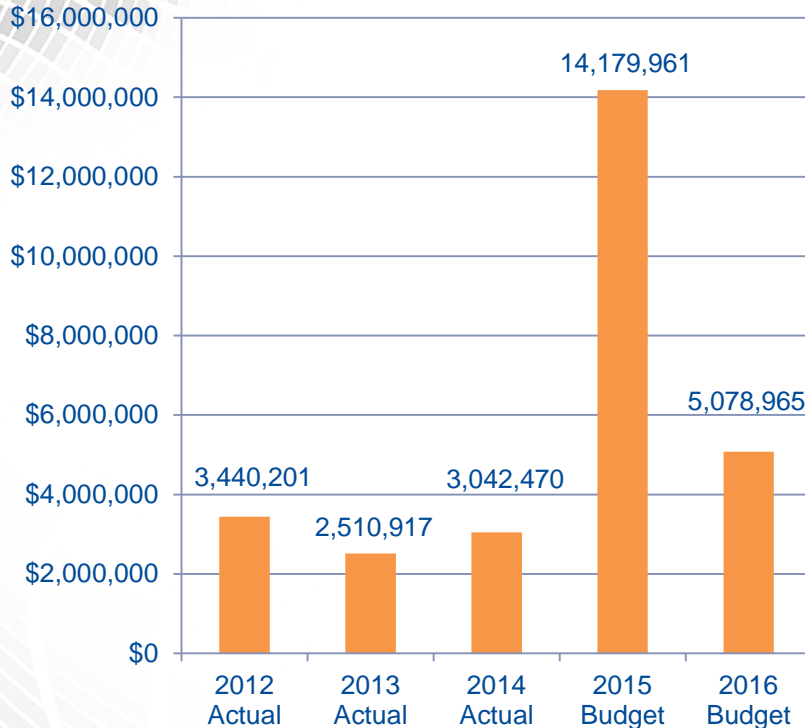
Revenue



- Revenues have decreased 38% relative to the 2015 budget
- Conservative approach implemented based on current economic conditions
 - Events – decrease \$9M
 - Sport and Recreation – decrease \$2M
 - Hospitality – decrease \$1.7M
 - Sponsorship – decrease \$0.5M

RRC Direct Costs

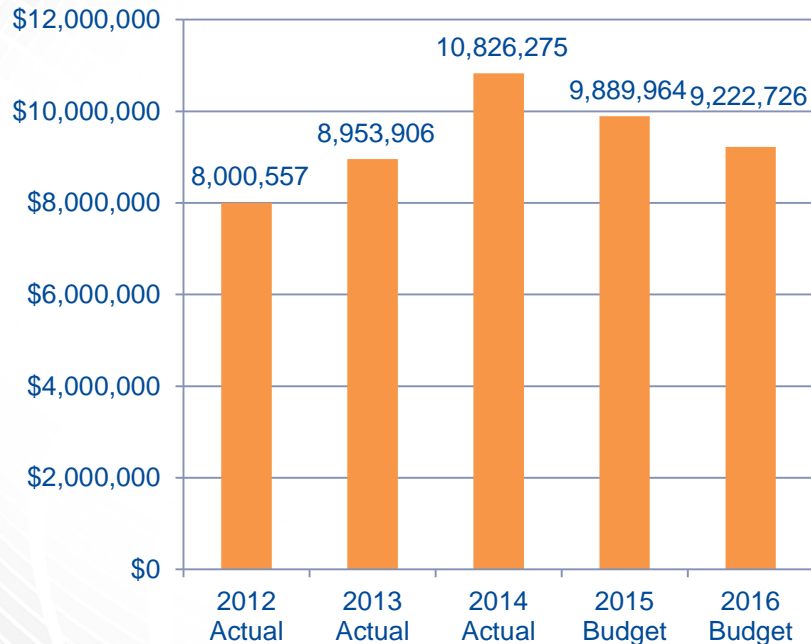
Direct Costs



- Direct costs have decreased 64% relative to the 2015 budget
- Decrease is attributed to:
 - Events (\$8.3M)
 - Correlation with decreased revenues in hospitality, offset by an increase in commodity pricing

Operating Expenses - Other

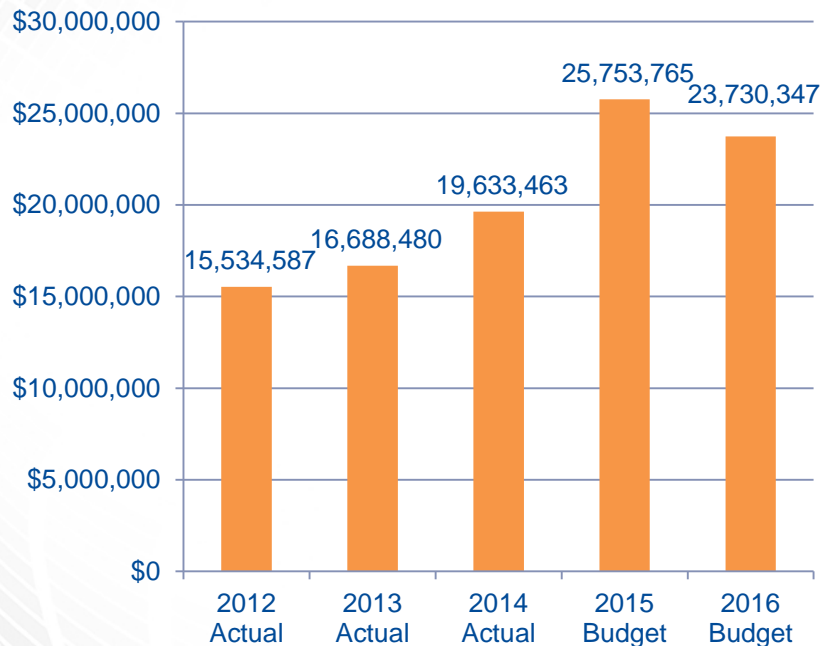
Operating Expenses - Other



- Operating Expenses – Other have decreased 7% relative to the 2015 budget
 - Existing facilities have decreased OE-O by 14% through improved operating efficiencies
 - This is offset by the operating expenses – other associated with the opening of the Fort Chipewyan Swimming Pool (7%)

Wages and Benefits

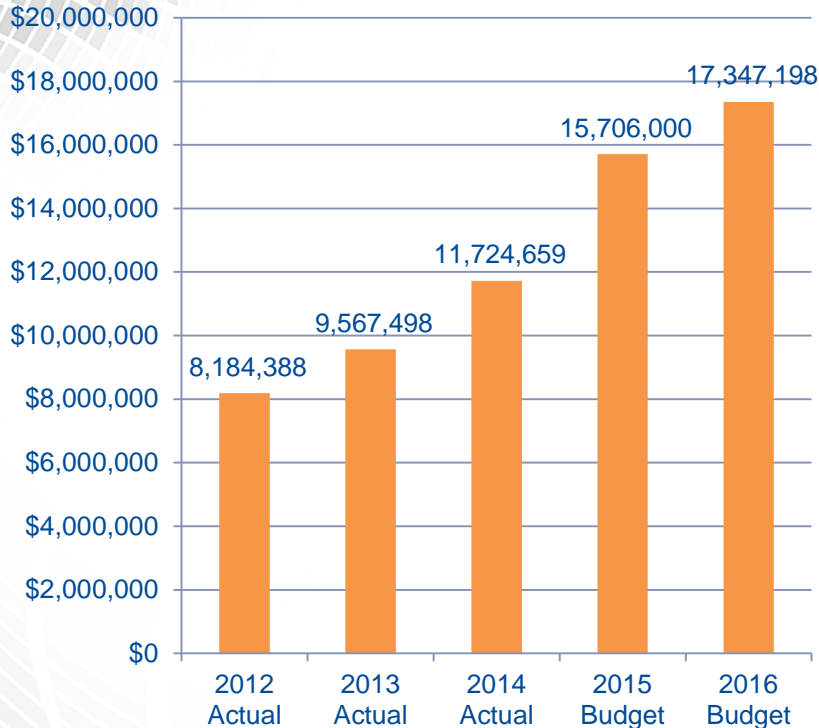
Wages and Benefits



- Wages and benefits have decreased 8% relative to the 2015 budget
 - Existing facilities have eliminated 16 full time equivalent positions, offset by a 4% wage increase (\$2.4M decrease)
 - Offset by the staff required in the opening of the Fort Chipewyan Swimming Pool (\$402k)

RMWB Subsidy Request

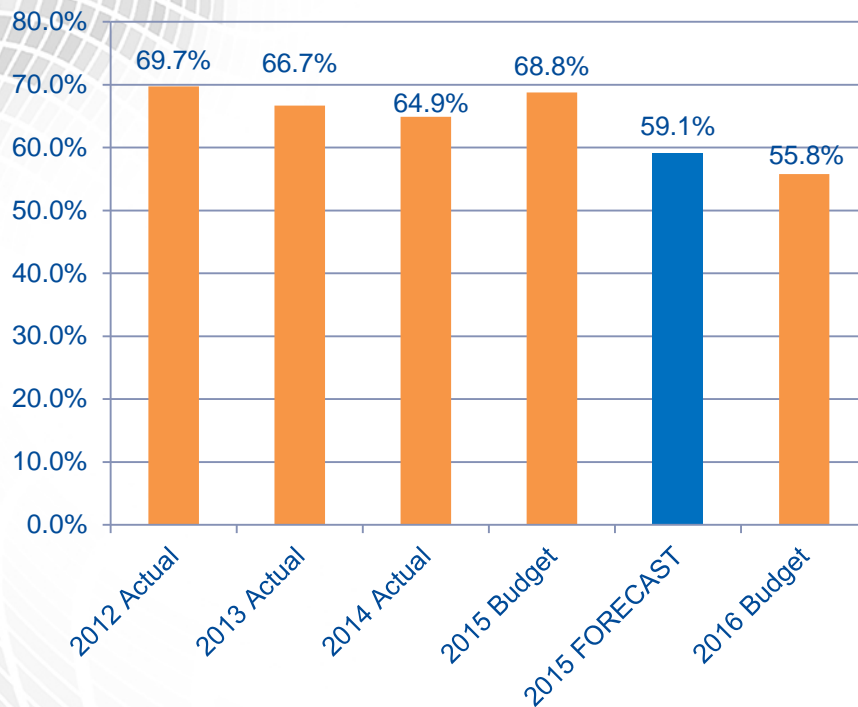
Subsidy Request



- Subsidy request has increased 10% relative to 2015
- Request per facility:
 - MacDonald Island - \$14,512,052 (does not include the 2015 projected deficit)
 - Anzac - \$1,383,439
 - Fort Chipewyan - \$1,064,707

Cost Recovery

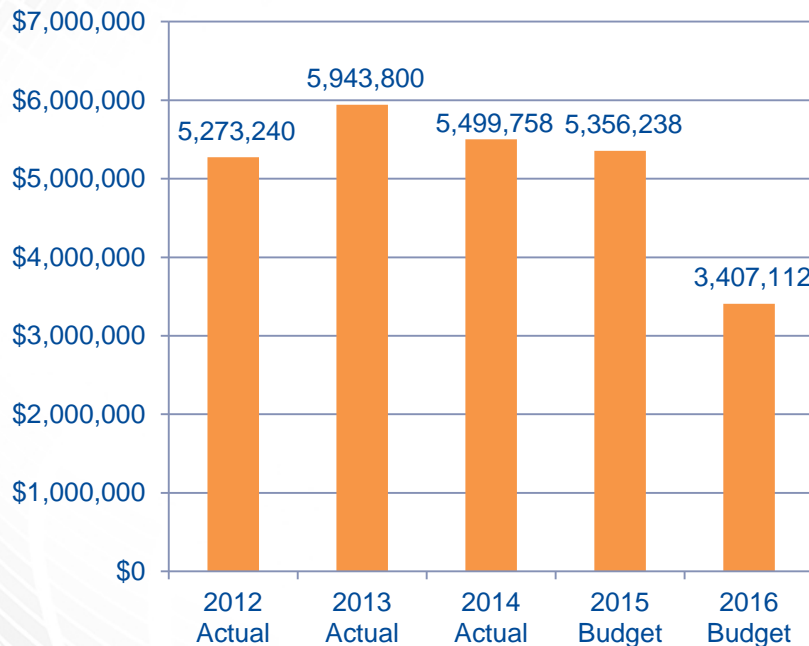
Cost Recovery %



- Cost recovery for 2015 is forecasted to be 59%
- Cost recovery for 2016 is projected to be 56%
- 2016 cost recovery per facility:
 - MacDonald Island - 58.9%
 - Anzac - 24.9%
 - Fort Chipewyan - 0.2%

2016 Sustaining Capital Budget

Sustaining Capital Grant



- The RRC Board of Directors approved the 2016 sustaining capital budget request of \$3,407,000 as presented on July 15, 2015
- To not fund this capital request may increase operational inefficiencies, decrease life expectancy of the facilities or impact continued usage.