

Strathcona County Financial Update

June 23, 2020

Agenda

Anticipated/Potential Revenue Losses updated from (April 21st)

Operating results – April 30th

Operating results – May 31st

What are we hearing right now!

Risks

How do we compare to our peers?

Anticipated/Potential Revenue Losses

Month	April	May	June	July	Aug	Sept	Total
RPC revenues (all)	2,200,000	1,600,000	1,295,000	1,922,000	1,448,000	1,987,000	10,452,000
PDS User Fees	250,000	290,000	300,000	300,000	300,000	325,000	1,765,000
RCMP Penalties and Fines	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Investment income	90,000	120,000	250,000	630,000	650,000		1,740,000
Transit Fares Suspended	450,000	340,000	340,000	280,000	270,000	82,000	1,762,000
Utility bill penalties	8,000	8,000	8,000				24,000
Penalties on taxes				210,000	280,000	330,000	820,000
Community Centre rentals and parking	12,000	12,000	22,000	22,000	22,000	22,000	112,000
Total	3,210,000	2,570,000	2,415,000	3,564,000	3,170,000	2,946,000	17,875,000

Anticipated/Potential Revenue Losses

Month	March (half)	April	May	Total March to May	May-31 Raw Numbers	Difference
RPC revenues (all)	780,000	2,200,000	1,600,000	4,580,000	4,300,000	280,000
PDS User Fees	250,000	250,000	290,000	790,000	641,000	149,000
RCMP Penalties and Fines		200,000	200,000	400,000	100,000	300,000
Investment income		90,000	120,000	210,000	86,000	124,000
Transit Fares Suspended	50,000	450,000	340,000	840,000	636,000	204,000
Utility bill penalties	2,000	8,000	8,000	18,000	18,000	-
Penalties on taxes				-	-	-
Community Centre rentals and parking	6,000	12,000	12,000	30,000	80,000	- 50,000
Total Expected Losses	1,088,000	3,210,000	2,570,000	6,868,000	5,861,000	1,007,000

April 30 Results with Y/E Projection

	April 30	Year End
Revenues		
Recreation, Parks and Culture	(3.1)	(8.5)
Planning and Development Services	(0.5)	(1.5)
Transit	(0.3)	(0.8)
Reduction of tax increase to 0%	(2.6)	(2.6)
Penalties & Fines	1.0	2.9
Expenditures		
Wages & Benefits	(0.6)	(1.9)
Training & Development	0.6	1.8
Professional services	0.6	2.0
Contracted services	0.9	3.0

May 31 Results with Y/E Projection

	May 31	Year End
Revenues		
Recreation, Parks and Culture	(4.2)	(9.7)
Planning and Development Services	(0.6)	(1.5)
Transit	(0.6)	(1.4)
Reduction of tax increase to 0%	(2.6)	(2.6)
Penalties & Fines	1.0	1.3
Expenditures		
Wages & Benefits	3.7	8.6
Training & Development	0.8	2.0
Professional services	0.4	1.1
Contracted services	0.9	2.3

What are we hearing?

Government of Canada – June 17

“Prime Minister Justin Trudeau said he will release a “snapshot” of federal finances on July 8, adding his government “will continue to reflect” on when it will release a full fiscal update or a 2020 budget.” – June 18, 2020, The Globe & Mail

Bank of Canada – June 18

“The Bank of Canada expects a two-phase recovery for the Canadian economy, with the initial “reopening” phase from COVID shutdowns to be followed by a slower, bumpier and more unpredictable “recuperation” phase, deputy governor Lawrence Schembri said Thursday.” – June 19, 2020, The Globe and Mail

What are we hearing?

Government of Canada – June 18

“Parliamentary Budget Office Yves Giroux says this years federal deficit could reach \$256-billion, a figure that does not include the major expansion of the Canada Emergency Response Benefit announced by the government this week.”

– June 19, 2020, The Globe & Mail

Business Council of Alberta & Viewpoint Research – June 2020

Report - “EXCEPTIONAL TIMES & EXCEPTIONAL MEASURES: ALBERTA CEOS ON SHUTDOWN IMPACTS & FUTURE RECOVERY”

Risks

Impact of Property Tax and Utility Payment Deferrals

Impact on the Government of Alberta Budget Forecasts

Impact of the Municipality Assessment Model Review

Budget Forecasts

Budget 2020 Key Energy and Economic Assumptions

Fiscal Year Assumptions ^a	2017-18 Actuals	2018-19 Actuals	2019-20 Estimate	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	
Crude Oil Prices^b							
WTI (US\$/bbl)	53.69	62.77	58.00	58.00	62.00	63.00	
Light-Heavy Differential (US\$/bbl)	14.40	23.31	14.70	19.10	20.60	16.40	
WCS @ Hardisty (Cdn\$/bbl)	50.38	51.65	57.70	51.20	54.50	60.60	
Calendar Year Assumptions ^a	2017 Actuals	2018 Actuals	2019 Estimate	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Gross Domestic Product							
Real (billions of 2012 dollars)	341.0	346.5	347.7	356.5	366.4	376.9	387.3
% change	4.8	1.6	0.3	2.5	2.8	2.9	2.8
Other Indicators							
Employment (thousands)	2,287	2,331	2,343 ^c	2,375	2,426	2,476	2,527
% change	1.0	1.9	0.5 ^c	1.4	2.1	2.1	2.1
Unemployment Rate (%)	7.8	6.6	6.9 ^c	6.7	6.0	5.5	5.1

ENERGY & THE ENVIRONMENT



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How do we compare?

With other (comparable size population) municipalities in Canada

Budgets

Per capita spend

Other factors

Comparable size (population) municipalities in Canada

Prov	Municipality	Population	Area (km ²)	Roads (km)	Expenditures	Expenditures		
						Per Capita	Per Square Km	Per Road Km
BC	Delta	102,238	183.70	540.00	225,421,409	2,205	1,227,117	417,447
	Nanaimo	90,504	91.30	567.00	165,753,508	1,831	1,815,482	292,334
	Kamloops	90,280	311.00	1,330.00	196,506,000	2,177	631,852	147,749
AB	Red Deer	100,418	104.70	3,000.00	357,916,000	3,564	3,418,491	119,305
	Lethbridge	99,769	127.20	805.00	368,418,000	3,693	2,896,368	457,662
	Strathcona County	98,381	1,265.00	1,704.00	362,211,114	3,682	286,333	212,565
ON	Chatham-Kent	101,647	2,458.00	979.00	331,783,208	3,264	134,981	338,900
	Clarington	92,013	611.30	900.00	90,314,318	982	147,741	100,349
	Waterloo	104,986	64.02	Not listed	111,985,000	1,067	1,749,219	
	Brantford	97,496	74.44	1,148.00	324,558,024	3,329	4,359,995	282,716
QC	Saint-Jean-sur-Richelieu	95,114	225.78	Not listed	160,675,000	1,689	711,644	
NS	Cape Breton	94,285	2,430.06	Not listed	146,860,803	1,558	60,435	
NB	Moncton	71,889	142.00	438.18	153,971,298	2,142	1,084,305	351,388
	Saint John	67,575	315.96	573.98	223,510,168	3,308	707,400	389,404

Looking to the Future

Food for thought?

Is it the desire of Council to maintain existing service levels?

Intent of administration to engage in this broader conversation in budget discussions with Council in July?

Questions