



Council Meeting

Jubilee Centre Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, April 22, 2014
6:00 p.m.

Agenda

National Anthem

Call To Order

Opening Prayer

Adoption of Agenda

Minutes of Previous Meetings

1. Minutes of previous Council Meeting - April 8, 2014

Delegations

2. Kimberly Fiske, citizen poet re: National Poetry Month
3. Erin Schwab, Vice Chair and Sarah Neiman, Treasurer, Wood Buffalo Arts Council re: 2014 Operating Grant
4. Dave Hodson re: Aging in Place

Those individuals in attendance at the meeting will be provided with an opportunity to address Council regarding an item on the agenda, with the exception of those items for which a Public Hearing is required or has been held. Consistent with all delegations, each presentation will be allowed a maximum of five minutes.

Presentations

5. Rachel Gosse, Deloitte re: 2013 Audited Financial Statements
6. 2013 Audited Consolidated Financial Statements

Public Hearings and Related Reports

7. Land Use Bylaw Amendment – 9206 McCormick Drive – Lot 2, Block 21, Plan 2463 TR - Bylaw No. 14/016
- re-scheduling of public hearing and 2nd and 3rd readings to May 13, 2014
8. Land Use Bylaw Amendment (Eagle Ridge Commercial Site) - Bylaw No. 14/018
- public hearing
- 2nd and 3rd readings

Bylaws

9. 2014 Property Tax Rate Bylaw - Bylaw No. 14/019
- 1st reading
10. Land Use Bylaw Amendment – A Portion of Lot 2, Block 1, Plan 102 1640 (Parsons Creek) - Bylaw No. 14/017
- 1st reading

Reports

11. Subdivision Time Extension Request - Saprae Creek (File Number 2011-SU-00083)

New and Unfinished Business

12. Appointments to the Regional Recreation Corporation

13. Notice of Motion – Demolition of Expropriated Properties

Reporting - Boards and Committees

Adjournment

Unapproved Minutes of a Meeting of the Council of the Regional Municipality of Wood Buffalo held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, April 08, 2014, commencing at 6:00 p.m.

Present: M. Blake, Mayor
T. Ault, Councillor
G. Boutilier, Councillor
L. Bussieres, Councillor
J. Cardinal, Councillor
S. Germain, Councillor
K. McGrath, Councillor
P. Meagher, Councillor
J. Stroud, Councillor
A. Vinni, Councillor (via teleconference)

Absent: J. Chadi, Councillor

Administration: G. Laubenstein, Chief Administrative Officer
A. Rogers, Senior Legislative Officer
R. Kendall, Supervisor, Legislative Services
J. Wall, Legislative Coordinator

Call To Order

The Mayor called the meeting to order at 6:13 p.m.

Opening Prayer

Mayor Blake invited those so inclined to join her in prayer.

Arrival

Councillor G. Boutilier entered the Chamber at 6:14 p.m.

Adoption of Agenda

Moved by Councillor P. Meagher that the agenda be amended by adding Item #21 – 2014 Provincial School Tax Increase; and that the Agenda be adopted as amended.

CARRIED UNANIMOUSLY

Minutes of Previous Meetings

1. Council Meeting - March 25, 2014

Moved by Councillor T. Ault that the minutes of the March 25, 2014 Council meeting be adopted as presented.

CARRIED UNANIMOUSLY

Delegations**2. Lynn Rhoddy, Program Supervisor re: Stepping Stones Youth Services**

Lynn M. Rhoddy, Program Supervisor, gave an overview of the programs available through Stepping Stones Youth Services and spoke to some of the challenges they face, as well as plans for the future.

Moved by Councillor J. Stroud that the presentation from Lynn Rhoddy, be received as information.

CARRIED UNANIMOUSLY

3. Carolyn Goolsby, Director and Cynthia O'Donnell, Chair, Board of Directors re: Wood Buffalo Regional Library

Carolyn Goolsby, Library Director and Cynthia O'Donnell, Chair, Board of Directors provided an overview of the programs that the Library offers to residents, as well as plans for future growth.

Moved by Councillor P. Meagher that the presentation from Carolyn Goolsby and Cynthia O'Donnell be received as information.

CARRIED UNANIMOUSLY

4. Peter Allen, McMurray Fitness re: North Parsons Community Centre

Peter Allen, Owner, McMurray Fitness, spoke in opposition of the proposed fitness facility at the North Parsons Community Centre and indicated that it would be in direct competition with existing and new facilities in the same area.

Moved by Councillor T. Ault that the presentation from Peter Allen be received as information.

CARRIED UNANIMOUSLY

5. Jack (Torchy) Peden, Paul Hunt and Carmen Ramstead re: Save our Snye Group and Clearwater Heritage River Society

Jack (Torchy) Peden, Paul Hunt and Carmen Ramstead, residents, spoke regarding the waterfront redevelopment and expressed their concerns over the public consultation process.

Discussion ensued regarding the height of the light standards located on the waterfront, and it was indicated by administration that the light standards will be lowered.

Moved by Councillor G. Boutilier that the presentation from Jack (Torchy) Peden, Paul Hunt and Carmen Ramstead be received as information.

CARRIED UNANIMOUSLY

6. Antoine Palmer re: Sustainival Alberta

Antoine Palmer, Co-Founder, Sustainival Alberta, gave an overview on the Sustainival and the Green Beast events and requested a financial contribution to support the event.

Moved by Councillor J. Stroud that the presentation from Antoine Palmer be received as information.

CARRIED UNANIMOUSLY

Exit and Return

Councillor K. McGrath exited the Chamber at 7:18 p.m. and returned at 7:21 p.m.

7. Leadership Wood Buffalo Alumni re: Notice of Motion - Audit of Mayor and Council Governance and Activities

Beth Anthony and Grigori Litvinov, Leadership Wood Buffalo Alumni, spoke in favor of the Notice of Motion – Audit of Mayor and Council Governance and Activities (Request for Inspection) which will be discussed later in this meeting.

Exit and Return

Councillor G. Boutilier exited the Chamber at 7:27 p.m. and returned at 7:29 p.m.

Moved by Councillor P. Meagher that the presentation from Leadership Wood Buffalo Alumni be received as information.

CARRIED

For: M. Blake, T. Ault, G. Boutilier, L. Bussieres, J. Cardinal, S. Germain, P. Meagher, J. Stroud, A. Vinni

Opposed: K. McGrath

Recess

A break occurred from 7:46 p.m. to 8:03 p.m.

8. Regional Municipality of Wood Buffalo Library Board Bylaw Amendment - Bylaw No. 14/015

Moved by Councillor P. Meagher that Bylaw No. 14/015, being a bylaw amendment to Regional Municipality of Wood Buffalo Library Board Bylaw No. 00/050, be read a second time.

CARRIED UNANIMOUSLY

Exit

Councillor A. Vinni was disconnected from the teleconference at 8:08 p.m.

Moved by Councillor J. Stroud that Bylaw No. 14/015 be read a third and final time.

CARRIED UNANIMOUSLY

Return

Councillor A. Vinni returned to the meeting at 8:11 p.m.

9. Funding Request for Sustainival

Moved by Councillor T. Ault that \$125,000 be allocated from the Community Services Department's 2014 approved operating budget for Sustainival.

CARRIED UNANIMOUSLY

Bylaws

10. Land Use Bylaw Amendment - 9206 McCormick Drive - Lot 2, Block 21, Plan 2463 TR - Bylaw No. 14/016

Moved by Councillor P. Meagher that Bylaw No. 14/016, being a Land Use Bylaw Amendment specific to Lot 2, Block 21, Plan 2463 TR, be read a first time; and that the required public hearing be held on Tuesday, April 22, 2014.

CARRIED UNANIMOUSLY

11. Land Use Bylaw Amendment (Eagle Ridge Commercial Site) - Bylaw No. 14/018

Moved by Councillor T. Ault that Bylaw No. 14/018, being an amendment to Land Use Bylaw No. 99/059, be read a first time; and that the required public hearing be held on Tuesday, April 22, 2014.

CARRIED UNANIMOUSLY

Reports

12. Lease of Municipal Land: TELUS Monopole AB2321 - Gregoire Drive (Plan 762 2056, Block 48)

Moved by Councillor P. Meagher that a 20 year lease be issued to TM Mobile Inc., for 0.010 hectares more or less of land legally contained within Plan 762 2056, Block 48, as highlighted on Attachment 1 – Subject Area Map dated February 26, 2014.

CARRIED UNANIMOUSLY

Declaration of Pecuniary Interest

Councillor T. Ault declared a potential pecuniary interest as a result of a personal interest and exited the Chamber at 8:23 p.m.

13. CUPE Collective Bargaining Ratification

Moved by Councillor J. Stroud that the Collective agreement with CUPE Local 1505 for the period January 2014 – December 31, 2017 be ratified.

CARRIED UNANIMOUSLY

Return

Councillor T. Ault returned to the Chamber at 8:28 p.m.

14. Community Identification Committee Recommendations –Community Centre facility at Eagle Ridge, Fire Department Facility and a Roadway in Stonecreek, Phase 3C

Moved by Councillor P. Meagher that the Community Centre facility, located in Lot 70MR Block 31 Plan 082 7243, be named “Eagle Ridge Community Centre”; and that the Fire Department Facility, located in Lot 4 Block 24 Plan 122 1589 (200 Airport Road), be named “Fire Hall No. 5”; and that the roadway in Stonecreek, Phase 3C be named “Cobblestone Bay”.

CARRIED UNANIMOUSLY

15. Subdivision Time Extension Request – Draper Road (File Number 2008-WB-RS-015)

Moved by Councillor P. Meagher that the application for Subdivision Time Extension for Lot 2, Block 1, Plan 982 3452 be approved for one year until November 17, 2014.

CARRIED UNANIMOUSLY

16. Resolution Concerning Corporate Governance of the Regional Recreation Corporation of Wood Buffalo

Moved by Councillor G. Boutilier that the following motion be taken from the table: “That Council, acting in its capacity as the sole Member of the Regional Recreation Corporation of Wood Buffalo, pass the resolution included in Attachment 1 – Resolution to Amend RRC Bylaw.”

CARRIED UNANIMOUSLY

Moved by Councillor G. Boutilier that Attachment 1 be amended by deleting the existing section 1(e) and replacing it with the following: “The Regional Municipality of Wood Buffalo may appoint up to four (4) elected members of the municipal council as directors.”

Exit and Return

Councillor A. Vinni disconnected at 8:39 p.m. and returned at 8:41 p.m.

DEFEATED

For: G. Boutilier, L. Bussieres, J. Cardinal,
S. Germain, K. McGrath

Opposed: M. Blake, T. Ault, P. Meagher, J.
Stroud, A. Vinni

Moved by Councillor P. Meagher that Attachment 1 be amended
by deleting section 3 in its entirety.

CARRIED

For: M. Blake, T. Ault, L. Bussieres, J.
Cardinal, S. Germain, K. McGrath, P.
Meagher, J. Stroud, A. Vinni

Opposed: G. Boutilier

Exit and Return

Councillor G. Boutilier exited the Chamber at 9:01 p.m. and returned at 9:02 p.m.

Moved by Councillor A. Vinni to delete section 1(e) and replace it
with a statement that no councillors will be appointed to the
Regional Recreation Corporation.

DEFEATED

For: J. Stroud, A. Vinni

Opposed: M. Blake, T. Ault, G. Boutilier, L.
Bussieres, J. Cardinal, S. Germain, K.
McGrath, P. Meagher

Voting occurred on the original motion.

Moved by Councillor P. Meagher that Council, acting in its
capacity as the sole Member of the Regional Recreation
Corporation of Wood Buffalo, pass the resolution included in
Attachment 1 – Resolution to Amend RRC Bylaw, as amended.

CARRIED

For: M. Blake, T. Ault, G. Boutilier, L.
Bussieres, J. Cardinal, S. Germain, K.
McGrath, P. Meagher, J. Stroud

Opposed: A. Vinni

17. Council Expense Summary – January 1 – December 31, 2013

Moved by Councillor P. Meagher that the Council Expense
Summary for the period January 1 – December 31, 2013 be
received as information.

CARRIED UNANIMOUSLY

18. 2013 General Election: Campaign Disclosure Statements

Moved by Councillor J. Stroud that this report regarding campaign disclosure statements for the 2013 general election be received as information.

CARRIED UNANIMOUSLY

Exit and Return

Councillor L. Bussieres exited the Chamber at 9:16 p.m. and returned at 9:19 p.m.

New and Unfinished Business**19. Notice of Motion – Corporate Restructuring**

Moved by Councillor G. Boutilier that:

1. The following positions shall effective April 23, 2014 become direct reports to the Council: the Municipal Auditor, the Chief Legislative Officer, and the Director of Legal Services/Regional Legal Counsel.
2. The Audit and Budget Committee (which includes the members of the Governance, Agenda and Priorities Committee) shall make a recommendation to Council, for consideration not later than the regularly scheduled Council meeting on April 22, 2014, concerning:
 - (a) the details of the reporting requirements and Council oversight for each of the aforementioned positions and
 - (b) amendments to the employment contracts for the incumbents in those positions to reflect their new reporting structure and reporting requirements.
3.
 - (a) For the purposes of the Municipal Government Act effective April 23, 2014, the Municipal Auditor, the Chief Legislative Officer and the Director of Legal Services/Regional Legal Counsel shall have the status of designated officers;
 - (b) The Director of Legal Services/Regional Legal Counsel is hereby requested to bring forward any new bylaws or necessarily consequential amendments to the Chief Administrative Officer Bylaw, for consideration by Council not later than the regularly scheduled Council meeting on April 22, 2014, to give effect to clauses 1, 2 and 3(a) above.
4. Effective April 23, 2014: the Audit and Budget Committee is re-named the "Finance Committee", its mandate is

expanded to include responsibility for governance oversight of all aspects of the municipality's financial affairs, the Executive Director of Finance/Chief Financial Officer becomes an additional direct administrative point of contact with the Finance Committee and provides regular reports to meetings of the Finance Committee, and the Director of Legal Services/Regional Legal Counsel is hereby requested to bring forward for consideration by Council not later than the regularly scheduled Council meeting on April 22, 2014 any necessarily consequential amendments to the Council Committees Bylaw to give effect to these matters.

Moved by Councillor K. McGrath that the motion be deferred until the second Council Meeting in June, 2014.

CARRIED UNANIMOUSLY

Assuming of Chair

Mayor M. Blake vacated the Chair to put forward the next item for discussion. Deputy Mayor G. Boutilier assumed the Chair at 9:32 p.m.

20. Notice of Motion – Request for Inspection

Moved by Mayor M. Blake that in accordance with the Municipal Government Act Section 571(1)(b) Council requests an inspection of the Regional Municipality of Wood Buffalo be performed with regards to any matters connected to governance function and activities of the Mayor and Council.

DEFEATED

For: T. Ault, M. Blake, P. Meagher, J. Stroud, A. Vinni

Opposed: G. Boutilier, L. Bussieres, J. Cardinal, S. Germain, K. McGrath

Recess

A break occurred from 9:50 p.m. to 9:59 p.m. at which time Mayor M. Blake resumed the Chair.

Extension of Meeting Time

Moved by Councillor P. Meagher that the meeting be extended beyond 10:00 p.m.

CARRIED

For: M. Blake, T. Ault, G. Boutilier, L. Bussieres, J. Cardinal, S. Germain, K. McGrath, J. Stroud

Opposed: P. Meagher, A. Vinni

Exit

Councillor A. Vinni exited the meeting at 10:00 p.m.

21. 2014 Provincial School Tax Increase

Moved by Councillor T. Ault:

1. That a letter from Council be sent to the Province regarding the education tax requisition increase; and
2. That a meeting be scheduled with both local MLAs and the Minister of Education regarding the education tax requisition increase; and
3. That a communications plan, similar to last year, be implemented to ensure the public is aware of the source of the increase on the 2014 tax bill; and
4. That the contact information for both local MLAs be included on the 2014 tax bills.

CARRIED UNANIMOUSLY

22. Notice of Motion Served

Councillor K. McGrath served the following Notice of Motion which will be brought forward for Council's consideration at the April 22, 2014 Council meeting:

"THAT administration be directed to undertake the immediate demolition and clean-up of all expropriated commercial and residential properties in the City Centre Area, with all the work to be completed no later than June 15, 2014."

Update from Administration

Reference was made to the unsightly condition of the Twin Pine Hotel. Although this is not a municipally owned property, it was questioned whether the Municipality could provide direction or possible remedies to the property owner to improve this condition.

The Chief Administrative Officer mentioned that Planning and Development could bring forward possible options available to Council in addressing this type of issue.

23. Anzac Community Recreation Centre - Additional Information/Update

The Chief Administrative Officer confirmed this update has been circulated to members of Council, noting that as much of the information is proprietary in nature, further questions may be best addressed through an in camera meeting.

Reporting - Boards and Committees

- Veterans Memorial Highway Association (Councillor J. Stroud)
- WestJet Launch, Fort McMurray Fire Fighters Fundraiser (Councillor T. Ault)
- Northeastern Alberta Aboriginal Business Association (NAABA), Policing Community Open House, Safety Council, YMM Airport Announcement (Councillor K. McGrath)

- Fort McMurray Chamber of Commerce Annual General Meeting, 2015 Western Canada Summer Games Update, Urban Aboriginal Connection Kick-Off, Affordable Housing Action Plan, Friends for Life- Mental Health Association, April Autism Awareness Month (Mayor M. Blake)

Adjournment

Moved by Councillor J. Stroud that the meeting be adjourned.
CARRIED UNANIMOUSLY

The meeting adjourned at 10:30 p.m.

Mayor

Chief Legislative Officer



Council Meeting Presentation Request

Completed requests to make a public presentation must be received by 12:00 noon on the Wednesday immediately prior to the scheduled meeting. **Presentations are a maximum of 5 minutes in duration.**

Presentation Information	
Preferred Date of Presentation	Tuesday, April 22, 2014
Name of Presenter(s)	Kimberly Fiske
Organization Represented	Citizen Poet
Topic	Mayor's Poetry City Challenge
Please List Specific Points/Concerns	<p>The Mayor's Poetry City Challenge project encourages municipal councils across Canada to have a local poet read a poem at the start of their Council meeting in March or April 2014. The challenge is a celebration of UNESCO's World Poetry Day (March 21) and National Poetry Month in April. The purpose is to celebrate poetry, writing, small presses and the contribution of poets and all writers to the cultural life in our communities. It also celebrates libraries, and the work of so many mayors and municipalities to promote the Arts, culture, and literacy and reading.</p> <p>For more information about the Mayor's Poetry City Challenge please visit http://poets.ca/programs-2/mayors-poetry-city-challenge-2014/.</p>
Action Being Requested of Council	To allow local poet, Kimberly Fiske, to read a poem at the beginning of the Council Meeting
<p>Are you providing any supporting documentation (ie: Powerpoint)? No.</p> <p>If yes, the documentation <u>must</u> accompany this request, as handouts will not be distributed at the meeting. To ensure that your documents meet minimum standards, please see presentation guidelines on the next page.</p> <p>Supporting documents may be e-mailed to Legislative.Assistants@woodbuffalo.ab.ca.</p>	

As per Procedure Bylaw No. 06/020, a request to make a presentation may be referred or denied.



REGIONAL MUNICIPALITY
OF **WOOD BUFFALO**

Council Meeting Presentation Request

Completed requests to make a public presentation must be received by 12:00 noon on the Wednesday immediately prior to the scheduled meeting. **Presentations are a maximum of 5 minutes in duration.**

Presentation Information	
Preferred Date of Presentation	April 22, 2014
Name of Presenter(s)	Erin Schwab, Vice Chair and Sarah Neiman, Treasurer
Organization Represented	Arts Council Wood Buffalo
Topic	2014 Operating Grant – overview of organization and deliverables
Please List Specific Points/Concerns	
Action Being Requested of Council	
Are you providing any supporting documentation (ie: Powerpoint)? If yes, the documentation <u>must</u> accompany this request, as handouts will not be distributed at the meeting. To ensure that your documents meet minimum standards, please see presentation guidelines on the next page. Supporting documents may be e-mailed to Legislative.Assistants@woodbuffalo.ab.ca .	

As per Procedure Bylaw No. 06/020, a request to make a presentation may be referred or denied.



Arts Council Wood Buffalo
Council Presentation, April 22, 2014

2014 Operating Grant Agreement

Presenters:

Erin Schwab, Vice Chair
Sarah Neiman, Treasurer





HISTORY

Society formed - 2012

ED Seconded from Keyano - May 2013

AGM and Election of Board – Dec 2013





OPERATING GRANT DELIVERABLES

1. Serve as arts advocates
2. Independent granting program
3. Foster growth of arts economy





CURRENT ACTIVITIES

Permanent ED Search

Arts promotion and advocacy

Collaborative projects





FUTURE ASPIRATIONS

Public art program

Increased municipal investment in artists
and arts organizations

Collaborative projects





THANK YOU

QUESTIONS?





Regional Municipality of
Wood Buffalo
Presentation to Council
2013 External Audit Completion
Summary

April 22, 2014

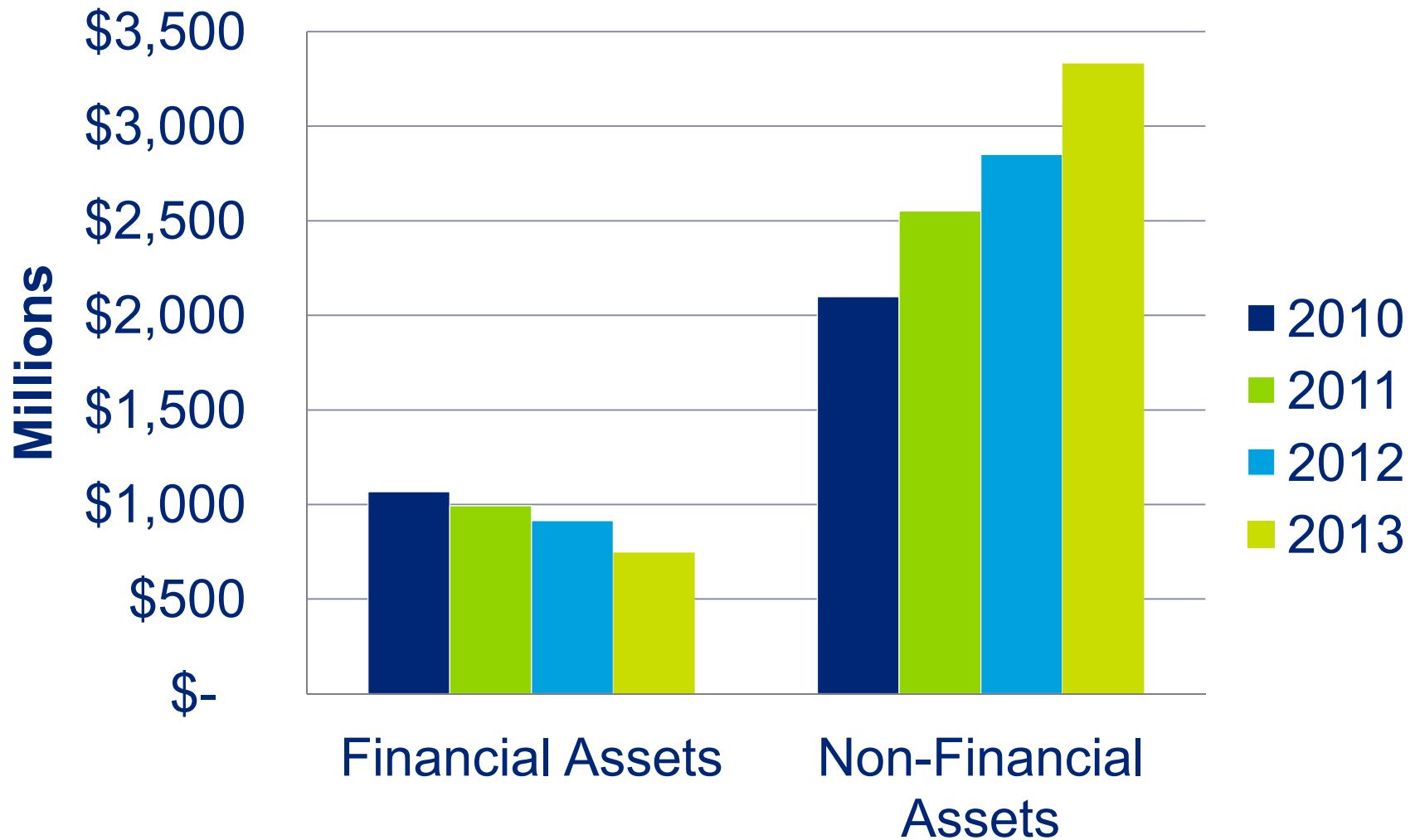
Regional Municipality of Wood Buffalo Independent Auditor's Reports

- Unmodified audit opinion on the consolidated financial statements of the Regional Municipality of Wood Buffalo for the year ended December 31, 2013
- In addition, we will provide separate reports on the following:
 - Municipal Financial Information Return
 - Local Authorities Pension Plan compliance
 - Certain Federal and Provincial grant compliance reports
 - Family and Community Support Services

Regional Municipality of Wood Buffalo Independent Auditor's Reports

- We were also engaged and have previously reported on the following entities for the year ended December 31, 2013:
 - MacDonald Island Park Corporation
 - Regional Recreation Corporation of Wood Buffalo
 - Wood Buffalo Housing & Development Corporation
 - Regional Municipality of Wood Buffalo Library

2013 Audited Results (Consolidated Financial and Non-Financial Assets)



2013 Audited Results (Consolidated Financial and Non-Financial Assets)

- Within legislative limits and municipal policy
- The Municipality's Debt Management Policy has an established debt and debt service limit of 85% (2012 - 85%) of the Municipal Government Act regulations limits
- Debt service limit is at 12.76% (2012 – 13.97%, 2011 – 14.98%, 2010 – 17.34%)



Regional Municipality of Wood Buffalo

Our thanks

We would like to take this opportunity to thank Administration and Staff of the Regional Municipality of Wood Buffalo for their significant efforts in completing the 2013 audit.

Deloitte.

Subject: 2013 Audited Consolidated Financial Statements**APPROVALS:**

Kola Oladimeji, Director, Finance
Glen Laubenstein, Chief Administrative Officer

Audit and Budget Committee Recommendation:

THAT the 2013 Audited Consolidated Financial Statements of the Regional Municipality of Wood Buffalo for the year ended December 31, 2013, be accepted as information.

Summary:

The *Municipal Government Act* requires that every Alberta municipality prepare and submit a Financial Information Return and audited financial statements by May 1 of each year for the preceding year.

Background:

All information from subsidiary Corporations which includes MacDonald Island Park Corporation, Regional Recreation Corporation of Wood Buffalo, Regional Municipality of Wood Buffalo Public Library and Wood Buffalo Housing and Development Corporation have been fully consolidated within the Regional Municipality of Wood Buffalo Financial Statements.

The Municipality's 2013 Audited Consolidated Financial Statements have been reviewed by Deloitte, the Municipality's Auditors, and will also be made available to the public on the Regional Municipality of Wood Buffalo's website. The Auditors will provide a 2013 Audit Report following completion of their audit work.

Budget/Financial Implications:

The 2013 year ended with a surplus of \$5M transferred to the Emerging Issues Reserve, per the Fiscal Responsibility Policy – FIN-160 approved by Council on April 26, 2011. This transfer will be in addition to the minimum \$50M balance required in the Emerging Issues Reserve. The surplus represents 0.75% of the 2013 approved Operating Budget.

Rationale for Recommendation:

Section 276 of the *Municipal Government Act* requires that all municipalities prepare annual financial statements and the auditor's report by May 1 of each year for the immediate preceding year.

The Municipality continues to exhibit a strong financial position as represented in the attached financial statements. This provides a strong foundation as we move forward with the presentation of the 2014–2016 Fiscal Management Strategy.

Attachment:

1. 2013 Audited Consolidated Financial Statements

Consolidated Financial Statements of

**REGIONAL MUNICIPALITY
OF WOOD BUFFALO**

Year ended December 31, 2013

Consolidated Financial Statements of
REGIONAL MUNICIPALITY OF WOOD BUFFALO
Year ended December 31, 2013

Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations and Accumulated Surplus

Consolidated Statement of Change in Net Financial Assets

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Regional Municipality of Wood Buffalo (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies followed by the Municipality are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Mayor and Members of Council met with management and the external auditors to discuss the consolidated financial statements and any significant financial reporting or internal control matters prior to the management approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent auditors appointed by the Municipality. The Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

For: Regional Municipality of Wood Buffalo

Elsie Hutton, CMA
Chief Financial Officer

Glen Laubenstein
Chief Administrative Officer

April 22, 2014

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Financial Position

December 31, 2013

	2013	2012
		(Restated - Note 24)
Financial assets		
Cash and cash equivalents	\$ 109,871,998	\$ 83,910,430
Restricted cash (Note 2)	28,500,698	24,968,743
Taxes and grants in lieu receivable (Note 3)	6,777,064	5,795,482
Trade and other receivables (Note 4)	52,944,396	61,052,505
Inventories held for resale (Note 5)	735,511	1,102,347
Investments (Note 6)	536,733,108	726,473,330
Mortgages and notes receivable (Note 7)	10,427,190	10,627,356
	745,989,965	913,930,193
Liabilities		
Accounts payable and accrued liabilities	149,152,419	123,265,596
Deposit liabilities	11,265,718	8,706,412
Deferred revenue (Note 8)	192,908,082	241,809,794
Employee benefit obligations (Note 9)	19,355,331	16,562,013
Provision for landfill closure and post-closure obligation (Note 10)	12,478,720	13,518,275
Long-term debt (Note 11,12)	420,305,816	438,922,282
	805,466,086	842,784,372
Net financial (debt) assets	(59,476,121)	71,145,821
Non-financial assets		
Tangible capital assets (Note 13)	3,318,071,978	2,841,795,791
Consumable inventories	2,468,109	3,241,271
Prepaid expenses	10,809,402	5,147,072
	3,331,349,489	2,850,184,134
Accumulated surplus (Note 14)	\$ 3,271,873,368	\$ 2,921,329,955

Contractual obligations and contingent liabilities (Note 18)

See accompanying notes to financial statements.

Approved by:

Chief Financial Officer

Chief Administrative Officer

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2013

	Budget	2013	2012
			(Restated - Note 24)
Revenue:			
Net taxes available for municipal purposes (Note 15)	\$ 555,338,949	\$ 550,735,297	\$ 499,241,271
Government transfers (Note 16)	47,551,706	114,587,029	107,211,828
Sales and user charges (Note 21)	76,400,642	85,888,419	84,368,301
Sales to other governments	4,561,999	2,960,403	5,341,330
Penalties and costs on taxes	1,312,150	2,645,603	2,210,060
Licenses and permits	9,189,800	10,742,144	11,132,361
Fines	4,415,100	5,304,681	5,532,318
Franchise and concession contracts	4,195,498	5,225,944	4,576,685
Returns on investments	20,693,339	18,419,609	22,120,784
Rentals	21,966,171	25,749,993	24,462,760
Developers' agreements and levies	-	11,007,606	12,260,757
Other	3,283,579	4,983,166	4,396,343
Gain on disposal of assets	-	-	735,252
	748,908,933	838,249,894	783,590,050
Expenses (Note 17):			
Council and other legislative	1,945,030	1,658,700	1,916,781
General administration	118,321,493	113,482,912	101,258,749
Other general government	4,637,517	3,756,576	3,909,702
Police	36,210,812	35,137,123	37,842,090
Fire	26,142,948	28,479,539	26,540,852
Disaster and emergency measures	822,154	399,646	1,204,450
Ambulance and first aid	8,437,300	9,237,720	8,548,337
Bylaws enforcement	7,396,119	7,034,898	5,031,365
Common and equipment pool	27,451,167	30,377,380	26,131,187
Roads, streets, walks, lighting	27,105,090	44,994,959	42,868,481
Public transport	23,462,166	25,982,977	24,038,594
Storm sewers and drainage	1,140,107	1,134,703	3,601,100
Water supply and distribution	27,619,002	38,548,309	32,609,306
Wastewater treatment and disposal	22,191,850	33,472,306	28,907,210
Waste management	19,766,537	20,660,283	23,027,289
Family and community support	8,422,754	11,248,025	5,369,083
Day care	25,000	25,000	15,060
Cemeteries and crematoriums	156,862	229,506	118,515
Land use planning, zoning and development	14,154,041	12,173,231	11,630,567
Subdivision land and development	6,844,424	9,149,381	5,238,834
Public housing operations	24,000,504	35,018,634	35,665,090
Land, housing and building rentals	3,188,101	2,971,485	3,403,454
Recreation boards	1,503,681	1,623,039	1,800,987
Parks and recreation	56,942,258	65,985,329	55,244,031
Culture: libraries, museums, halls	10,594,844	11,370,170	5,482,571
Other	4,856,713	5,642,222	4,880,089
Loss on disposal of tangible capital assets	-	11,634,312	-
	483,338,474	561,428,365	496,283,774
Annual surplus before other	265,570,459	276,821,529	287,306,276
Other:			
Contributions of tangible capital assets	-	73,721,884	40,345,352
Annual surplus	265,570,459	350,543,413	327,651,628
Accumulated surplus, beginning of year	2,921,329,955	2,921,329,955	2,593,678,327
Accumulated surplus, end of year	\$ 3,186,900,414	\$ 3,271,873,368	\$ 2,921,329,955

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2013

	Budget	2013	2012
			(Restated - Note 24)
Annual surplus	\$ 265,570,459	\$ 350,543,413	\$ 327,651,628
Acquisition of tangible capital assets	(629,132,702)	(481,902,985)	(337,188,825)
Contributions of tangible capital assets	-	(73,721,884)	(40,345,352)
Write down on tangible capital assets	-	-	7,396,000
Loss (gain) loss on disposal of tangible capital assets	-	11,634,312	(735,252)
Amortization of tangible capital assets	-	66,249,827	62,981,082
Proceeds on disposal of tangible capital assets	-	1,464,543	14,552,104
	(363,562,243)	(125,732,774)	34,311,385
Use (acquisition) use of consumable inventories	-	773,162	(2,728,163)
Acquisition of prepaid expenses	-	(5,662,330)	(2,735,510)
	-	(4,889,168)	(5,463,673)
Change in net financial assets	(363,562,243)	(130,621,942)	28,847,712
Net financial assets, beginning of year	71,145,821	71,145,821	42,298,109
Net financial (debt) assets, end of year	\$ (292,416,422)	\$ (59,476,121)	\$ 71,145,821

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO
Consolidated Statement of Cash Flows

Year ended December 31, 2013

	2013	2012
		(Restated - Note 24)
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 350,543,413	\$ 327,651,628
Items not involving cash:		
Contributions of tangible capital assets	(73,721,884)	(40,345,352)
Loss (gain) loss on disposal of tangible capital assets	11,634,312	(735,252)
Amortization of tangible capital assets	66,249,827	62,981,082
Write down of tangible capital assets	-	7,396,000
Change in non-cash assets and liabilities:		
Restricted cash	(3,531,955)	(1,821,172)
Taxes and grants in lieu receivable	(981,582)	(471,452)
Trade and other receivables	8,108,109	49,296,130
Inventories for resale	366,836	5,416,888
Accounts payable and accrued liabilities	25,886,823	(9,849,347)
Deposit liabilities	2,559,306	(43,033)
Deferred revenue	(48,901,712)	(24,433,938)
Employee benefit obligations	2,793,318	2,676,181
Provision for landfill closure and post closure costs	(1,039,555)	1,327,785
Consumable inventories	773,162	(2,728,163)
Prepaid expenses	(5,662,330)	(2,735,510)
Cash provided by operating transactions	335,076,088	373,582,475
Capital:		
Proceeds on disposal of tangible capital assets	1,464,543	14,552,104
Acquisition of tangible capital assets	(481,902,985)	(337,188,825)
Cash applied to capital transactions	(480,438,442)	(322,636,721)
Investing:		
(Increase) decrease in mortgages and notes receivable	200,166	(2,641,336)
Decrease in investments	189,740,222	29,384,597
Cash provided by investing transactions	189,940,388	26,743,261
Financing:		
Long-term debt issued	22,196,067	-
Long-term debt repaid	(40,812,533)	(17,410,063)
Cash applied to financing transactions	(18,616,466)	(17,410,063)
Change in cash and cash equivalents during the year	25,961,568	60,278,952
Cash and cash equivalents, beginning of year	83,910,430	23,631,478
Cash and cash equivalents, end of year	\$ 109,871,998	\$ 83,910,430

See accompanying notes to consolidated financial statements.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

The Regional Municipality of Wood Buffalo (the Municipality) is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c.M-26, as amended (MGA).

1. Significant accounting policies:

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Municipality are as follows:

(a) Reporting entity:

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus, of the reporting entity. The reporting entity is comprised of entities whose operations and assets are under the control of the Municipality. In addition to general municipal tax supported operations, they include:

Regional Municipality of Wood Buffalo Library
Wood Buffalo Housing & Development Corporation
MacDonald Island Park Corporation
Regional Recreation Corporation of Wood Buffalo

Interdepartmental and inter-organizational transactions and balances have been eliminated.

(ii) Other boards and commissions

The Municipality is a member of various other boards and commissions that are not included in the reporting entity.

(iii) Alberta School Foundation Fund and School Boards

The schedule of net taxes available for municipal purposes includes requisitions for the Alberta School Foundation Fund and School Boards that are not part of the reporting entity.

(iv) Trust funds

Trust funds and their related operations administered by the Municipality are not included in these consolidated financial statements.

(b) Basis of accounting:

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenue is based on market value assessments determined in accordance with the MGA. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on assessment appeals outstanding as at December 31.

Government transfers and grants are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, provided the transfers are authorized, any eligibility criteria have been met by the Municipality, stipulations have been satisfied, and reasonable estimates of the amounts can be made. Prior to that time, any amounts received, along with the restricted interest thereon, are recorded as deferred revenue.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

Authorized transfers from the Municipality to other organizations or individuals are recorded as an expense when the recipients have met the eligibility criteria and the amount can be reasonably estimated. The majority of transfers made by the Municipality are in the form of grants or operating subsidies.

Revenues for the provision of goods or services are recognized in the period in which the goods are provided or the services are rendered. Revenues from sponsorships are recognized over the terms of the sponsorship agreements. Rental income is recognized as revenue in the relevant tenancy period. Revenues from land and building sales related to inventories held for resale are recognized when title transfers and all of the rights and responsibilities of ownership have transferred, the price to the buyer is determinable and collection is reasonably assured. Amounts received under rights holder agreements have been deferred and are recognized as revenue on a straight line basis over the 25 year life of the agreements.

Returns on investments is recorded as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Deferred revenue represent amounts received from third parties for a specified operating or capital purpose. These amounts are recognized as revenue in the period when the related expenses are incurred.

Expenses are recognized as they are incurred and are measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash and cash equivalents consists of bank deposits and short-term investments with original term to maturity of three months or less.

(d) Excess collections and under-levies:

Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is recorded as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is recorded as a receivable and property tax revenue is increased.

Mill-rates in a subsequent year are adjusted for any excess collections or under-levies of the prior year.

(e) Investments:

Portfolio investments are recorded at amortized cost. Investment premiums and discounts are a amortized on a net present value basis over the term of the respective investments. When there is a significant impairment, other than a temporary decline, the respective investment is written down to recognize the loss.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(f) Inventories for resale:

Property and other inventories are recorded at the lower of cost and net realizable value. Property inventory held under equity and affordability programs which have been sold, but where revenue recognition criteria have not been met, are recorded at the lower of cost and net realizable value.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	10 to 30
Buildings and building improvements	5 to 50
Engineered structures	10 to 75
Machinery and equipment	4 to 25
Vehicles	5 to 15

Annual amortization is charged at 50% in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipality's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital asset are less than their net book value.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Natural resources

Natural resources that have not been purchased are not recognized as tangible capital assets in these consolidated financial statements.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as tangible capital assets in these consolidated financial statements.

(v) Capitalization of costs

The Municipality does not capitalize interest costs associated with the acquisition or construction of tangible capital asset with the exception of direct costs relating to certain rental properties under development, including carrying costs such as property taxes, interest on debt specifically related to the properties and other costs.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(vi) Leases

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vii) Consumable inventories

Consumable inventories are recorded at the lower of cost and replacement cost.

(h) Landfill closure and post-closure obligation:

The *Alberta Environmental Protection and Enhancement Act* sets out the regulatory requirements to properly close and maintain all landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The estimated costs relating to this requirement are being accrued over the estimated remaining life of the landfill site based on usage.

The reported obligation may be affected by changes and factors such as the estimated total expenditures, regulatory requirements, inflation, and interest rates. Due to the inherent uncertainty involved in making such estimates and assumptions, actual costs reported in future periods could differ from those estimates.

(i) Employee future benefits:

The costs of multi-employer defined benefit pension plan benefits such as Local Authorities Pension Plan (LAPP) and APEX pension plans are the employer's contributions to the plan in the period. Health and dental benefits are provided on an administrative services only basis. The Municipality is responsible for the employer share of benefit premiums throughout the year as well as any shortfall or surplus at the end of the period.

(j) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period.

Actual results could differ from those estimates.

Management has used estimates to determine employee benefit obligations, landfill closure and post closure costs, accrued liabilities, provisions for tax assessment appeals, tangible capital asset useful lives, provision for investment impairment as well as provisions made for allowances for taxes and other receivables and inventories.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(k) Adoption of new accounting standards:

The following summarizes changes to Canadian public sector accounting standards issued by the Public Sector Accounting Standards Board (PSAB) that have been adopted by the Municipality during the current fiscal year.

(i) Government Transfers

The updated Government Transfers section, PS3410, comes into effect for fiscal years beginning on or after April 1, 2012. This section pertains to government transfers received by the Municipality as well as contributions made by the Municipality to individuals, organizations or other governments and may be applied retroactively or prospectively. PS3410 clarifies the transferring government and recipient government recognition criteria, stipulations and authorization and the impact of these conditions on the accounting treatment. Further, this section provides requirements for financial statement presentation and disclosure.

The Municipality adopted this new standard prospectively in 2013. Government transfers received by the Municipality are reported as deferred revenue until events giving rise to the transfer have occurred at which time revenue is recognized in the period the associated expenses are incurred. Government transfers paid by the Municipality are reported as expenses when the eligibility criteria has been met and the transfer is authorized. As a result of adopting this standard, there has been no impact on the Municipality's consolidated financial statements.

(ii) Tax Revenue

Public sector accounting standard PS3510 Tax Revenue discusses the different types of taxes and clarifies standards on the timing, recognition, measurement and reporting of tax revenue in government financial statements. This section applies for fiscal years beginning on or after April 1, 2012. This standard is in agreement with the policies for tax revenue used by the Municipality. The adoption of this standard did not result in an adjustment to the consolidated financial statements.

(l) Recent accounting standard pronouncements:

The following summarizes upcoming changes to public sector standards issued by PSAB. In 2013, the Municipality will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in the Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

(i) Liability for Contaminated Sites

PS3260 Liability for Contaminated Sites comes into effect for fiscal years beginning on or after April 1, 2014. PS3260 establishes standards on remediation, recognition and measurement and provides requirements for financial statement presentation and disclosure. The Municipality has begun the process of reviewing policies, procedures and systems to ensure consistent and accurate identification and estimation of liabilities associated with contaminated sites.

(ii) Financial Statement Presentation

PS1201 Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising for the re-measurement of financial instruments and items denominated in foreign currencies as well as the governments proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2016.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(I) Recent Accounting Standard Pronouncements (continued):

(iii) Foreign Currency Translation

PSAB issued PS2601 Foreign Currency Translation, replacing the current PS2600 applicable for fiscal years beginning on or after April 1, 2016. This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

(iv) Financial Instruments

PS3450 Financial Instruments applicable for fiscal years beginning on or after April 1, 2016 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments, all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

(v) Portfolio Investments

Section PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450. Upon adoption of PS3450 and PS3041 Temporary Investments PS3030 will no longer apply.

2. Restricted cash:

Restricted cash is comprised of proceeds from the Province of Alberta related to the Hawthorne Heights project of \$19,200,000 (2012 - \$18,206,236) which are restricted as per an amended Hawthorne Heights Conditional grant funding agreement and are to be used for a future development project, and various tenant deposits and reserves required under funding agreements related to the delivery of affordable housing programs.

Under the terms of the mortgage agreements related to affordable housing operations, the Municipality deposits 4% of the gross income of the related properties into the restricted replacement reserves account. This amount is reserved for major capital repairs. Withdrawals require prior approval by the lender following submission of paid invoices for approved major capital repairs.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

3. Taxes and grants in lieu receivable:

	2013	2012
Current	\$ 5,678,018	\$ 4,656,579
Arrears**	1,160,150	1,234,598
	6,838,168	5,891,177
Less allowance for doubtful accounts	61,104	95,695
	\$ 6,777,064	\$ 5,795,482

** levies which were imposed one year or longer prior to year end

4. Trade and other receivables:

	2013	2012
Government transfers	\$ 1,833,954	\$ 5,856,109
GST recoverable	7,157,087	6,195,419
Utility receivables	4,659,342	4,672,012
Developer charges	1,731,608	1,728,974
Trade receivables - net	37,562,405	42,599,991
	\$ 52,944,396	\$ 61,052,505

5. Inventories held for resale:

	2013	2012
		(Restated - Note 24)
Inventories held for resale	\$ 297,211	\$ 400,253
Property inventory held under equity and affordability programs	438,300	702,094
	\$ 735,511	\$ 1,102,347

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

6. Investments:

	2013		2012	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Cash	\$ 3,217,259	\$ 3,217,259	\$ 3,007,689	\$ 3,007,689
Bankers acceptances and notes	46,325,863	46,681,477	43,528,005	43,565,582
Government and government guaranteed bonds	287,300,731	286,378,409	353,654,480	359,606,850
Corporate bonds and debentures	192,481,834	190,659,970	316,356,078	319,860,751
Mutual funds	5,538,894	5,561,295	7,549,264	7,549,264
Accrued interest	1,868,527	1,868,527	2,377,814	2,377,814
	\$ 536,733,108	\$ 534,366,937	\$ 726,473,330	\$ 735,967,950

Bankers acceptances and notes have maturities of less than one year and stated interest rates from 1.60% to 5.30% (2012 - 2.60% to 5.50%).

Government and government guaranteed bonds bear interest at stated average interest rates from 1.03% to 5.60% (2012 - 1.03% to 6.50%).

Corporate bonds and debentures bear interest at stated average interest rates from 1.03% to 10.22% (2012 - 1.03% to 11.80%).

The market value of certain investments fluctuates with changing market interest rates. The carrying value of certain investments has not been written down to market value because management has concluded, based on a review of market information for these investments, there is no obvious indication of significant impairment that is other than temporary. As a result no write down has occurred in 2013 and 2012.

7. Mortgages and notes receivable:

The mortgages and notes receivable include:

- (a) Housing affordability loans, bearing interest at rates ranging from 0% to 6% per annum, compounded semi-annually, payable in monthly instalments of interest only, repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees with a receivable balance of \$3,824,230 (2012 - \$4,022,220),
- (b) Home equity loans which are non interest bearing, without monthly repayment terms, with principal repayable when the borrower sells the property, secured by vendor take back mortgages on land and buildings and market appreciation guarantees with a receivable balance of \$2,996,879 (2012 - \$3,017,037).
- (c) Demand promissory notes receivable and second mortgages receivable bearing interest at 0% to 6% per annum, with monthly repayment terms representing a 25 year amortization period, secured by land and buildings with a receivable balance of \$345,586 (2012 - \$355,211).
- (d) Employee home purchase assistance loan are non-interest bearing with principal repayments of 1% per year with a receivable balance of \$59,348 (2012 - \$nil).
- (e) A vendor take-back mortgage with interest at 4% per annum with a receivable balance of \$1,150,000 (2012 - \$1,150,000).
- (f) A net investment in a long-term lease arrangement with a receivable balance of \$2,051,146 (2012 - \$2,082,888).

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

8. Deferred revenue:

Deferred revenue is comprised of the funds noted below, the use of which is externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified. Certain deferred revenues relate to government transfers as further described in Note 16.

	2013	2012
		(Restated - Note 24)
<u>Government transfers</u>		
Operating:		
Community Housing Plan Grant	\$ 2,450,240	\$ 2,104,579
Rent Supplement Program Grant	1,083,939	1,055,724
Marshall House Grant	86,467	94,488
Sustainable Remote Housing Grant	96,840	101,880
Other Grants	664,682	506,200
RCMP Grant	364,600	349,653
	<u>4,746,768</u>	<u>4,212,524</u>
Capital:		
Community Development Plan	35,265,761	80,169,823
Alberta Municipal Infrastructure Program	162,971	1,093,089
Alberta Municipal Sustainability Initiative Grant	27,361,060	32,227,828
Alberta Infrastructure Transportation Grant	1,823,917	1,094,018
New Deal for Cities and Communities Grant	6,278,550	6,410,556
Alberta Affordable Housing Initiative	46,205,528	46,197,275
Alberta Transportation Grant	131,098	-
Strategic Transportation Infrastructure Grant	-	4,821,764
	<u>117,228,885</u>	<u>172,014,353</u>
	121,975,653	176,226,877
<u>Other</u>		
Corporate Donations and Naming Rights	476,191	571,428
Rights Holder Agreements (a)	1,523,200	1,608,000
RCMP Agreements	133,833	-
Deferred Property Taxes	12,943,120	13,661,002
Deferred Offsite Levies and Developer Charges (b)	43,108,628	46,474,101
Lifetime golf and fitness memberships	1,193,322	1,175,539
Other	11,554,135	2,092,847
	<u>70,932,429</u>	<u>65,582,917</u>
	<u>\$ 192,908,082</u>	<u>\$ 241,809,794</u>

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

8. Deferred Revenue (continued):

(a) Rights Holder Agreements

From 2006 to 2009 contributions totalling \$2,120,000 were received from entities within the Municipality in exchange for rights holder agreements for certain vacant units in apartment projects owned by the Municipality for a period of 25 years. The Municipality has the sole right to accept or reject the proposed tenants based on the Municipality's pre-established criteria. The right holders have first right of refusal to certain vacant units and if there is no proposed or accepted tenant, the rights holder can lease the unit for a one year term so that the unit remains available for a future referred tenant, subject to acceptance by the Municipality's acceptance criteria. If there is no proposed or accepted tenant, and the rights holder does not exercise its option to lease the unit, then the Municipality can lease the unit to another tenant for a one year lease. The rights holder can assign or sell their rights under the agreements and have the right to both terminate the agreements and have the right of first refusal to renew the agreements after 25 years under the new terms and conditions. Should the Municipality commit an act of default under the agreements, the contributions become repayable. The agreements do not convey any interest in land and buildings to the rights holders and regular monthly rental payments are required under any unit rented.

(b) Offsite Levies and Developer Charges

The Municipality collects offsite levies and developer charges from property developers prior to new development commencing within the Municipality. During 2013, the Municipality received \$6,582,706 (2012 - \$10,425,834) in levies and charges, allocated interest on the unspent levies and charges of \$1,059,427 (2012 - \$nil) and recognized \$11,007,606 (2012 - \$12,256,804) as income. Deferred revenue of \$43,108,628 (2012 - \$46,474,101) has been recorded.

9. Employee benefit obligations:

	2013	2012
Accrued vacation pay and overtime bank	\$ 8,124,199	\$ 6,824,045
Accrued salary and benefits	11,231,132	9,737,968
	<u>\$ 19,355,331</u>	<u>\$ 16,562,013</u>

(a) Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to those benefits with the next budgetary year.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

(b) Local Authorities Pension Plan

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act.

The Municipality is required to make current service contributions to LAPP of 10.43% (2012 - 9.91%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 14.47% (2012 - 13.74%) for the excess. Employees of the Municipality are required to make current service contributions of 9.43% (2012 - 8.91%) of pensionable salary up to the year's maximum pensionable salary and 13.47% (2012 - 12.74%) on pensionable salary above this amount. Contributions for current service are recorded as expenditures in the year in which they become due.

Total current service contributions by the Municipality to LAPP are \$14,486,526 (2012 - \$12,169,407). Total current service contributions by the employees of the Municipality to LAPP in 2013 are \$13,384,094 (2012 - \$11,131,530).

The LAPP reported a deficiency for the overall plan as at December 31, 2012 of \$ 4,977,303,000 (2011 - \$4,639,390,000). Information as at December 31, 2013 is not available at the time of preparing these financial statements.

(c) APEX supplementary pension plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipalities Association sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees (approximately 91 beneficiaries). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the Municipality. Employees and the Municipality are required to make current service contributions to APEX of 2.5% and 3% respectively on pensionable earnings up to \$138,500 (2012 - \$132,333) per employee per year.

Total current service contributions by the Municipality to APEX in 2013 were \$549,319 (2012 - \$413,366). Total current service contributions by the employees of the Municipality were \$450,826 (2012 - \$340,803).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation, and retirement age of employees. The cost of post retirement benefits is fully funded.

(d) Other employee benefit plans

Basic Life, accidental death and dismemberment, short term disability, long term disability, extended health, dental and vision benefits are fully funded by the Municipality. The Municipality's contributions are expensed to the extent that they do not relate to discretionary reserves. The Municipality accrues its obligations for employee non-pension future benefits.

The Municipality sponsors certain employee registered and non-registered retirement plans, which are funded through employee and/or employer contributions.

(e) Employee housing initiative - designated housing units

On February 14, 2006, a designated housing unit program was established by the Municipality. Under this program, a specified number of rental units (18) are provided for exclusive use by employees of the Municipality to assist with transitional housing needs.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

(e) Employee housing initiative - designated housing units (continued)

The program is for new employees requiring transitional housing, or in unique cases, for an existing employee where affordable housing cannot be secured by the employee within the Municipality. The designated rental units are allocated as per the qualifying incomes of the employees as determined by the Municipality. Units are allocated based on merit and employees enter into short term lease agreements for the rental of the designated rental units at an agreed upon monthly rental cost. The employee is responsible for the monthly rental cost and any required damage deposit.

Shared rental accommodation is also available for up to six months through several houses currently rented by the Municipality.

(f) Employee housing initiative - home equity protection program

On February 14, 2006, a home equity protection program was established by the Municipality. Under this program, any employee approved for participation in the program will be compensated by the Municipality in an amount equal to any loss in value of the employee's principal residence between the date of the employee's approval for participation in the program and the date of sale of the principal residence by the employee. Existing employees of the Municipality were eligible to join the program until June 30, 2007. After June 30, 2007, only new employees of the Municipality are eligible to join. The program is discontinued and has not accepted new participants since November 30, 2013.

Employees who are approved for participation in the program become eligible for payment under the program after the employee has completed three years of uninterrupted permanent employment with the Municipality. If an employee ceases to be an employee of the Municipality within the three year period or if an employee is not in continuous occupancy of their principal residence, they are not eligible for payment under the program.

At December 31, 2013, no amounts have been accrued (2012 - \$nil) within the consolidated financial statements relating to this program as management is of the opinion that, based on current market conditions, no obligations exist with respect to the outstanding arrangements.

At December 31, 2013, 397 employees are approved and participate in the program with an aggregate secured property value of \$239,346,766 based on assessed values. Of the participating employees, 260 (2012 - 171) currently meet the eligibility requirements with a secured property value of \$152,770,759 based on assessed values.

(g) MuniSERP - supplemental retirement program

MuniSERP is an accrued benefit obligation for certain groups of employees; the future benefit plan commenced in 2012. An actuarial valuation for this plan was completed by the Municipality's actuaries as at December 31, 2013.

MuniSERP is a supplementary retirement program that cannot be prefunded.

This is a Municipal contributed plan for a certain group of employees. MuniSERP is managed through Alberta Municipal Services Corporation.

This program provides benefits in excess of those allowed under the registered pension plans - LAPP and APEX Supplementary Pension Plans. This program is not a registered pension plan and thus is not subject to pension regulation.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Employee benefit obligations (continued):

- (g) MuniSERP - supplemental retirement program (continued)

The following presents the MuniSERP net (asset) underfunded liability as at December 31, 2013

	2013	2012
Accrued benefit obligation		
Balance, beginning of year	\$ 1,199,338	\$ -
Current service cost and interest cost	433,691	1,199,338
Balance, end of year	1,633,029	1,199,338
Assets held to fund liability	1,666,611	789,152
Net (asset) underfunded liability	(33,582)	410,186

The significant actuarial assumptions measuring the Municipality's accrued benefit obligation are:

	2013	2012
Inflation	2.50%	2.50%
Wages and salaries escalations	4.00%	4.00%
Interest (discount rate on accrued benefit obligations)	5.00%	5.00%
Average Municipal service (years)	2.50	2.00

10. Landfill closure and post-closure obligation:

The obligation recorded at December 31, 2013 for the landfill closure was \$12,478,720 (2012 - \$13,518,275) and represents the present value of closure and post-closure costs of the Municipality Landfill sites, using annual rates of 1.30% (2012 - 1.30%) for inflation and discount rates of 3.94% (2012 - 3.06%) for post closure and 2.87% (2012 - 2.37%) for pre closure.

The closing of existing facilities involve contouring the site to promote positive drainage to minimize leachate production, site slope reduction to prevent excessive erosion and cap damage and covering the site with low permeability clay to prevent water infiltration followed by application of topsoil and vegetation. Estimates are based on the current closure plan developed for and approved by Alberta Environment. Post closure activities are expected to occur for 25 years and will involve surface and ground water monitoring, landfill cover maintenance and erosion management as per Alberta Environment standards.

As of the end of 2013 there are 6 sites currently closed. Mariana Lake site was closed in 2003, Janvier and Conklin sites were closed in 2011, Fort Chipewyan old site was closed in 2012 and two sites in Fort McMurray were closed in 2013. Increases in obligation costs have been accounted for to adjust for the two phase landfill closure cost that have been approved by Alberta Environment to support the landfill gas management system construction capital project. The Fort MacKay site is currently being re-closed following the identification of post closure damage to the site. Additional accruals were provided for in 2011 and 2012 to remediate the damages.

The Fort Chipewyan and the Fort McMurray Regional landfill are currently the only two open landfill sites within the Regional Municipality of Wood Buffalo. The Fort McMurray Regional landfill began operations in early 2011 and the new Fort Chipewyan landfill began operations in June 2012.

	2013		
	Total Cells	Cells Used	% Used
Capacity utilization			
Fort McMurray - regional landfill	8	3.4	43%
Fort Chipewyan - new site	2	0.3	15%

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

11. Long-term debt:

	2013	2012
Municipal debt:		
Capital leases supported by general tax levies	\$ -	\$ 25,357
Debentures supported by general tax levies (a)	195,890,234	204,695,808
Debentures supported by utility rates (a)	136,339,962	142,629,319
	332,230,196	347,350,484
Controlled organizations debt:		
Capital leases	-	3,803
Long-term debt (a)	88,075,620	91,567,995
	88,075,620	91,571,798
	\$ 420,305,816	\$ 438,922,282

Municipal debt

(a) Debentures supported by general tax levies and utility rates

The payments on principal and interest for debentures supported by general tax levies and utility rates for the next five years and thereafter are as follows:

	Principal	Interest	Total
2014	\$ 15,225,088	\$ 15,583,270	\$ 30,808,358
2015	15,764,292	14,827,919	30,592,211
2016	15,702,338	14,054,973	29,757,311
2017	16,115,009	13,267,030	29,382,039
2018	16,280,307	12,466,969	28,747,276
Thereafter	253,143,162	91,271,151	344,414,313
	\$ 332,230,196	\$ 161,471,312	\$ 493,701,508

Interest on long-term debt in 2013 amounted to \$16,313,770 (2012 - \$16,934,816).

The debenture debt above is repayable to Alberta Capital Finance Authority, has interest rates ranging from 2.4% to 11.0% per annum, and matures in years 2014 through 2035.

Debenture debt is issued on the credit and security of the Municipality.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

11. Long-term debt (continued):Controlled organizations debt

(b) Long-term debt

Long-term debt is comprised of commercial mortgages with weighted average interest rate of 3.82%, payments of \$496,251 per month including principal and interest, maturities from 2015 to 2023, with land and buildings pledged as collateral with a carrying value of \$187,600,816 (2012 - \$182,319,495).

Contractual principal repayments of long-term debt over the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2014	\$ 2,660,268	\$ 3,294,737	\$ 5,955,005
2015	2,757,060	3,197,945	5,955,005
2016	2,856,414	3,098,591	5,955,005
2017	2,959,465	2,995,540	5,955,005
2018	3,066,355	2,888,650	5,955,005
Thereafter	73,776,058	33,531,782	107,307,840
	<u>\$ 88,075,620</u>	<u>\$ 49,007,245</u>	<u>\$ 137,082,865</u>

The long-term debt is also collateralized by property and equipment and a general assignment of rents, leases and sales proceeds, deposits and all other payments on the housing projects.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. Debt and debt service limits:

Section 276(2) of the *Municipal Government Act* requires that debt, maximum allowable debt and debt service limits as defined by Alberta Regulation 255/2000 (the Regulation) for the Municipality be disclosed as follows:

Debt Limit

	2013	2012
		(Restated - Note 24)
Maximum allowable debt	\$ 1,374,840,818	\$ 1,286,108,450
Total municipal debt	332,230,196	347,350,484
Amount of total debt limit available	\$ 1,042,610,622	\$ 938,757,966
Percentage used	24.16%	27.01%

Debt service limit

	2013	2012
		(Restated - Note 24)
Maximum allowable debt service	\$ 240,597,143	\$ 225,068,979
Annual payments on existing municipal debt	30,808,358	31,437,919
Amount of service on debt limit available	\$ 209,788,785	\$ 193,631,060
Percentage used	12.80%	13.97%

The debt limit is calculated at 2.0 times revenue of the Municipality (as defined in the Regulation as amended by Ministerial Order L:038/06) and the debt service limit is calculated at 0.35 times of the same revenue. Incurring debt beyond these limitations requires approval by the Provincial Minister of Municipal Affairs.

Pursuant to section 6(1) of the Regulation, the Municipality has elected to exclude revenues, total debt and debt service costs for certain controlled corporations from its debt limit and debt service limit calculations. The controlled corporations that have been excluded are Wood Buffalo Housing & Development Corporation, MacDonald Island Park Corporation and the Regional Recreation Corporation of Wood Buffalo.

The Municipality's Debt Management Policy (amended November 27, 2012) has an established debt and debt service limit of 85% of the Municipal Government Act and regulation limits.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Tangible capital assets:

	2013								
	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2013 Totals	
COST:									
Balance, Beginning of Year	\$ 339,517,786	\$ 101,336,804	\$ 533,130,487	\$ 1,654,750,244	\$ 64,713,986	\$ 62,246,931	\$ 608,833,081	\$ 3,364,529,319	
Acquisition of tangible capital assets	14,471,631	29,162,265	4,202,252	170,338,974	8,134,981	6,171,840	323,142,926	555,624,869	
Disposal of tangible capital assets	(384,871)	(5,944)	-	(15,671,988)	(1,503,134)	(1,467,987)	(618,280)	(19,652,204)	
Balance, End of Year	\$ 353,604,546	\$ 130,493,125	\$ 537,332,739	\$ 1,809,417,230	\$ 71,345,833	\$ 66,950,784	\$ 931,357,727	\$ 3,900,501,984	
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	\$ -	\$ 17,070,316	\$ 57,399,596	\$ 390,883,947	\$ 27,502,228	\$ 29,877,441	\$ -	\$ 522,733,528	
Annual amortization	-	6,744,729	13,673,067	33,696,857	6,815,262	5,319,912	-	66,249,827	
Accumulated amortization on disposals	-	(5,052)	-	(3,921,344)	(1,192,648)	(1,434,305)	-	(6,553,349)	
Balance, End of Year	\$ -	\$ 23,809,993	\$ 71,072,663	\$ 420,659,460	\$ 33,124,842	\$ 33,763,048	\$ -	\$ 582,430,006	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, End of Year									
	\$ 353,604,546	\$ 106,683,132	\$ 466,260,076	\$ 1,388,757,770	\$ 38,220,991	\$ 33,187,736	\$ 931,357,727	\$ 3,318,071,978	

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Tangible capital assets (continued):

	2012 (Restated - Note 24)								
	Land	Land Improvements	Buildings and Improvements	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2012 Totals	
COST:									
<i>Balance, Beginning of Year</i>	\$ 303,239,296	\$ 50,282,336	\$ 491,866,634	\$ 1,361,025,618	\$ 52,205,772	\$ 59,515,815	\$ 692,183,790	\$ 3,010,319,261	
Acquisition of tangible capital assets	49,789,440	42,671,486	53,892,686	293,724,626	8,502,264	4,908,384	(75,954,709)	377,534,177	
Reclassification / Adjustment	-	8,382,982	(12,542,908)	-	4,159,926	-	-	-	
Write down	-	-	-	-	-	-	(7,396,000)	(7,396,000)	
Disposal of tangible capital assets	(13,510,950)	-	(85,925)	-	(153,976)	(2,177,268)	-	(15,928,119)	
<i>Balance, End of Year</i>	\$ 339,517,786	\$ 101,336,804	\$ 533,130,487	\$ 1,654,750,244	\$ 64,713,986	\$ 62,246,931	\$ 608,833,081	\$ 3,364,529,319	
ACCUMULATED AMORTIZATION:									
<i>Balance, Beginning of Year</i>	\$ -	\$ 13,279,212	\$ 44,615,549	\$ 358,521,490	\$ 21,070,423	\$ 24,377,039	\$ -	\$ 461,863,713	
Annual amortization	-	3,791,104	12,840,757	32,362,457	6,562,685	7,424,079	-	62,981,082	
Accumulated amortization on disposals	-	-	(56,710)	-	(130,880)	(1,923,677)	-	(2,111,267)	
<i>Balance, End of Year</i>	\$ -	\$ 17,070,316	\$ 57,399,596	\$ 390,883,947	\$ 27,502,228	\$ 29,877,441	\$ -	\$ 522,733,528	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, End of Year	\$ 339,517,786	\$ 84,266,488	\$ 475,730,891	\$ 1,263,866,297	\$ 37,211,758	\$ 32,369,490	\$ 608,833,081	\$ 2,841,795,791	

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$931,357,727 (2012 - \$608,833,081) have not been amortized. Amortization of these assets will commence when the assets are available for use.

(b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$73,721,884 (2012 - \$40,345,352).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value.

(d) Reclassification / Adjustment

During 2012 the Municipality reclassified the land improvements and equipment related to the MacDonald Island Park facility to better represent the classification of the components of the facility.

(e) Write down

During 2012 the Municipality wrote down \$7,396,000 related to assets previously capitalized as it was determined that the assets were impaired. No write-downs occurred in 2013.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

14. Accumulated surplus:

	2013	2012
		(Restated - Note 24)
Operations:		
Surplus - undesignated	\$ 124,538	\$ 124,538
Operating reserves:		
General administration	112,566,264	101,330,789
Common services	142,575	142,575
Recreation	374,838	365,934
Urban parks	289,776	294,775
Regional Municipality of Wood Buffalo Library	2,416,056	3,055,330
Wood Buffalo Housing & Development Corporation	35,214,919	51,711,109
MacDonald Island Park Corporation	(21,723)	(681,150)
	150,982,705	156,219,362
Total operations	151,107,243	156,343,900
Capital:		
Deficiency - undesignated	(237,573,927)	(149,259,717)
Capital reserves:		
General	440,226,676	493,153,051
Equipment	706,327	706,327
Common services	708,599	708,599
Roads and streets	32,219	32,059
Water supply	2,052,107	2,052,107
Sewage	2,317,650	2,317,650
Recreation	6,907,212	6,907,212
Wood Buffalo Housing & Development Corporation	6,012,887	4,010,045
MacDonald Island Park Corporation	1,610,213	1,485,213
	460,573,890	511,372,263
Invested in tangible capital assets	2,897,766,162	2,402,873,509
Total capital	3,120,766,125	2,764,986,055
Accumulated surplus	\$ 3,271,873,368	\$ 2,921,329,955

Reserves are a key tool used to set aside funds to replace existing capital assets, respond to emergent needs, stabilize tax rates, and fund future capital projects. Capital reserves are substantially committed to current budgeted capital projects.

Operating and capital reserves related to the Regional Municipality of Wood Buffalo Library Board, Wood Buffalo Housing & Development Corporation, MacDonald Island Park Corporation and the Regional Recreation Corporation of Wood Buffalo are dedicated for those entities and are not available for general use by the Municipality.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

15. Net Taxes Available for Municipal Purposes

	Budget	2013	2012
			(Restated - Note 24)
Taxation:			
Real property taxes	\$ 594,971,916	\$ 606,257,801	\$ 538,229,439
Government grants in lieu of property taxes	1,452,943	1,416,634	1,546,921
Special assessments and local improvement taxes	369,700	358,559	409,854
Well drilling	520,000	1,096,892	769,327
	597,314,559	609,129,886	540,955,541
Requisitions:			
Alberta School Foundation Fund	40,925,848	54,692,135	39,454,459
School boards	1,049,762	3,702,454	2,259,811
	41,975,610	58,394,589	41,714,270
Net taxes available for municipal purposes	\$ 555,338,949	\$ 550,735,297	\$ 499,241,271

The Municipality is required to levy taxes under section 353 of the Municipal Government Act towards payment of education requisitions. Education tax revenues are recorded at the amounts levied. Actual taxes levied over/under the amount requisitioned are recorded as an adjustment to taxes and grants in lieu receivable.

16. Government Transfers

	Budget	2013	2012
Federal transfers:			
Conditional shared cost agreements and grants			
- Operating	\$ 487,764	\$ 497,445	\$ 792,749
- Capital	-	(107,494)	-
Total federal government transfers	487,764	389,951	792,749
Provincial transfers:			
Conditional shared cost agreements and grants			
- Operating	16,363,942	13,622,511	23,661,624
- Capital	30,700,000	100,574,567	82,757,455
Total provincial government transfers	47,063,942	114,197,078	106,419,079
Total government transfers	\$ 47,551,706	\$ 114,587,029	\$ 107,211,828

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(a) Community Development Plan

In 2009, the Municipality entered into an agreement with the Province of Alberta to service the development of Crown Lands known as Parsons Creek and Saline Creek Plateau. To facilitate this servicing, for residential and other purposes, a grant totalling \$243,380,000 will be provided by the Province with final payment due June 2014. During 2013, the Municipality received a grant allocation of \$14,580,000 (2012 - \$35,380,000) allocated interest on the unspent grant in the amount of \$795,770 (2012 - \$1,141,834) recognized \$60,279,832 (2012 - \$56,992,342) as capital government transfers. Deferred revenue of \$35,265,761 (2012 - \$80,169,823) has been recorded.

(b) Alberta Municipal Infrastructure Program

The Province of Alberta introduced the Alberta Municipal Infrastructure Program in 2005 to assist municipalities in addressing capital infrastructure needs. This program terminated in 2009. During 2013, the Municipality allocated interest on the unspent grant in the amount of \$4,564 (2012 - \$64,687), and recognized \$934,682 (2012 - \$7,629,305) as capital government transfers. Deferred revenue of \$162,971 (2012 - \$1,093,089) has been recorded.

(c) Alberta Municipal Sustainability Initiative Grant

In 2007, the Province of Alberta introduced the Municipal Sustainability Initiative program to assist municipalities with managing growth pressures, provide sustainable funding and support infrastructure needs. Based on a pre-established formula and budget availability, the Municipality will receive an annual grant allocation until 2016. In 2013, the Municipality received \$21,376,657 (2012 - \$19,779,011), allocated interest on the unspent grant in the amount of \$298,432 (2012 - \$194,679) and recognized \$26,541,857 (2012 - \$5,465,526) as capital government transfers. Deferred revenue of \$27,361,060 (2012 - \$32,227,828) has been recorded.

(d) Alberta Infrastructure Transportation Grant

The Alberta Infrastructure Transportation Grant provides annual cost-shared financial assistance to cities for developing and implementing safe and effective roadway network and transportation systems. In 2013, the Municipality received \$4,604,388 (2012 - \$4,138,148), allocated interest on the unspent grant in the amount of \$17,011 (2012 - \$74,480) and recognized \$3,891,500 (2012 - \$9,909,103) as capital government transfers. Deferred revenue of \$1,823,917 (2012 - \$1,094,018) has been recorded.

(e) New Deal for Cities and Communities Grant

The New Deal for Cities and Communities program assists municipalities in addressing their sustainable municipal capital infrastructure needs. Funding is received through the allocation of the federal gasoline tax to Alberta municipalities. This grant program has been extended to 2014 and the Municipality will receive an additional \$5,012,918 under the terms of this program. In 2013, the Municipality received \$5,021,918 (2012 - \$5,012,918), allocated interest on the unspent grant in the amount of \$68,613 (2012 - \$69,787) and recognized \$5,213,537 (2012 - \$4,502,741) as capital government transfers. Deferred revenue of \$6,278,550 (2012 - \$6,410,556) has been recorded.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(f) Alberta Transportation Grant

The Municipality entered into an agreement with the Province of Alberta in 2013 to receive \$200,000 towards the cost of the preliminary engineering of a bypass near Sunset Sales and Recycling. During 2013, the Municipality received a grant of \$180,000, allocated interest on the unspent grant in the amount of \$471 and recognized \$49,373 as capital government transfers. Deferred revenue of \$131,098 has been recorded.

(g) Strategic Transportation Infrastructure Grant

The Municipality entered into an agreement with the Province of Alberta to undertake the maintenance and construction of the Fort MacKay Bridge Replacement project. The Municipality received \$nil in 2013 (2012 - \$2,000,000). During 2013, the Municipality allocated interest on the unspent grant in the amount of \$22,470 (2012 - \$47,156) and recognized \$4,844,234 (2012 - \$1,985,455) as capital government transfers. Deferred revenue of \$nil (2012 - \$4,821,764) has been recorded.

(h) Community Housing Plan Grant

The Community Housing Plan grant assists homeless individuals to obtain housing and provide support services through funding provided to a number of not-for-profit organizations. The grant is a flow-through arrangement where money is received from both the Province of Alberta and the Government of Canada and the Municipality administers the funds on their behalf. Accruals are set up at the end of each year to record the deferred revenue from the Province of Alberta and record the trade and other receivable from the Government of Canada. Deferred revenue of \$2,450,240 (2012 - \$2,104,579) has been recorded on amounts received from the Province of Alberta. Trade and other receivables - government transfers of \$10,709 (2012 - \$169,001) has been recorded on amounts due from the the Government of Canada.

(i) RCMP Grants

The Province of Alberta provides two RCMP grants through the Alberta Solicitor General and Minister of Public Security - the New Police Officers Grant (NPOG) and the Municipal Policing Assistance Grant (MPAG). NPOG provides assistance to Municipalities to promote the hiring of new police officers throughout the province. MPAG helps communities to meet the costs of their policing services. During 2013, the Municipality received \$1,458,400 (2012 - \$1,168,596) and recognized \$1,443,453 (2012 - \$1,075,455) as operating government transfers. Deferred revenue of \$364,600 (2012 - \$349,653) has been recorded.

(j) Rent Supplement Program Grant

The rent supplement program grant provides housing assistance for individuals and families residing or needing to reside in the Regional Municipality of Wood Buffalo. This grant is a flow-through arrangement where money is received from the Province of Alberta and the Municipality administers the funds on their behalf. The Municipality makes claims for qualified individuals or families, receives the funds and pays them out to qualified individuals on a monthly basis. During 2013, the Municipality received \$4,656,452 (2012 - \$5,645,359), recognized \$4,628,239 (2012 - \$5,062,314) in operating government transfers. Deferred revenue of \$1,083,939 (2012 - \$1,055,724) has been recorded.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

16. Government Transfers (continued):

(k) Alberta Housing & Urban Affairs

The Municipality entered into an agreement with the Province of Alberta to undertake maintenance and capital improvements to revitalize existing lodge units under the Lodge Renewal Funding Initiative. During 2013, the Municipality received a grant of \$12,358 (2012 - \$nil) and recognized \$19,509 (2012 - \$nil) as operating government transfers. Accounts receivable of \$7,151 (2012 - \$nil) has been recorded.

(l) Alberta Affordable Housing Initiative

The Province of Alberta provides grants to support the development and supply of affordable housing in Stone Creek, Hawthorne Heights and Parsons Creek. During 2013, the Municipality received \$7,875,000 (2012 - \$nil), allocated interest on the unspent grants in the amount of \$8,253 (2012 - \$8,186) and recognized \$nil (2012 - \$nil) as operating government transfers. Deferred revenue of \$46,205,528 (2012 - \$46,197,275) and accounts receivable of \$18,375,000 (2012 - \$26,250,000) has been recorded.

17. Expenses by Object

	Budget	2013	2012
			(Restated - Note 24)
Salaries, wages and benefits	\$ 221,326,298	\$ 209,699,771	\$ 189,265,356
Contracted and general services	149,858,867	143,460,867	137,729,586
Purchases from other governments	24,236,800	22,877,551	22,922,173
Materials, goods, supplies and utilities	43,230,406	48,210,565	48,271,980
Provision for allowances	502,800	3,788,417	(518,095)
Transfers to other governments	-	-	44,001
Transfers to local boards and agencies	7,794,000	7,794,875	3,665,000
Transfers to individuals and organizations	15,456,134	17,889,114	9,902,957
Bank charges and short-term interest	476,653	988,710	570,677
Interest on long-term debt	20,307,951	19,982,898	21,295,143
Other	148,565	8,851,458	153,914
Amortization of tangible capital assets	-	66,249,827	62,981,082
Loss on disposal of tangible capital assets	-	11,634,312	-
Total expenses	\$ 483,338,474	\$ 561,428,365	\$ 496,283,774

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

18. Contractual obligations and contingent liabilities:

(a) Operating leases

The Municipality has entered into lease agreements for the leasing of office space and equipment until 2022. The annual lease payments in each of the following years are:

2014	\$4,346,394
2015	5,204,186
2016	3,894,539
2017	3,401,006
2018	2,547,515
Thereafter	8,951,026
	<u>\$ 28,344,666</u>

(b) Borrowing facilities (line of credit)

Two of the Municipality's controlled entities entered into banking agreements that include a revolving demand credit facility available in the amount of \$250,000 and \$9,000,000 which bear interest at prime and prime plus 3% respectively. At December 31, 2013, no amounts were drawn against these facilities. In addition, one of the Municipality's controlled entities has access to a \$60,000 Visa business facility which is drawn upon from time to time with their accounts receivable pledged as security on this facility.

(c) Development agreements

Developers have entered into agreements with the Municipality in the amount of approximately \$55,000,000 and are committed to installing and constructing certain works to serve the development of lands within the Municipality. The Municipality has taken security from developers in the form of deposit liabilities in the amount of \$ 8,727,627 (2012 - \$2,480,117) and letters of credit in the amount of \$32,901,395 to ensure performance by the developers under the agreements.

(d) Contingent liabilities

The Municipality is a defendant in various lawsuits as at December 31, 2013. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of loss can be reasonably estimated, amounts have been included in accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

19. Salary and benefits disclosure:

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officer by Alberta Regulation 313/2000 is as follows:

	Salary (a)	Benefits and Allowances (b,c)	Total 2013	Total 2012
Mayor Blake	\$ 127,779	\$ 19,104	\$ 146,883	\$ 142,157
Ward 1				
Councillor Germain	37,632	12,248	49,880	48,452
Councillor Meagher	37,632	12,110	49,742	50,319
Councillor Boutilier	4,591	1,579	6,170	-
Councillor McGrath	4,591	1,937	6,528	-
Councillor Bussieres	4,591	1,579	6,170	-
Councillor Ault	4,591	1,937	6,528	-
Ward 2				
Councillor Chadi	4,591	1,579	6,170	-
Councillor Cardinal	4,591	1,579	6,170	-
Ward 3				
Councillor Vinni	37,632	13,607	51,239	49,461
Ward 4				
Councillor Stroud	37,882	11,992	49,874	48,471
Former				
Councillor Kirschner	33,140	16,227	49,367	49,999
Councillor Thomas	33,140	16,247	49,387	50,023
Councillor Burton	33,140	11,764	44,904	21,215
Councillor Tatum	33,140	15,030	48,170	21,225
Councillor Blair	33,140	11,970	45,110	50,023
Councillor Flett	33,140	14,404	47,544	44,193
Councillor Allen	-	-	-	20,440
Councillor Scott	-	-	-	17,436
Chief Administrative Officers	433,015	100,780	533,795	464,728
Designated Officer				
Current	253,199	48,392	301,591	192,697
Former	-	-	-	245,873
	\$ 1,191,157	\$ 314,065	\$ 1,505,222	\$ 1,516,712

(a) Salary are disclosed as gross wages paid.

(b) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(c) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, travel, car and technology allowances.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

20. Segment disclosures:

The Municipality provides a wide range of services to its ratepayers. Segment disclosures are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- (a) **Fiscal Services** provides financial and purchasing services for the Municipality.
- (b) **General Government** consists of corporate administration and general municipal services for the Municipality.
- (c) **Protective Service** is comprised of police, traffic safety, bylaw enforcement, fire rescue and ambulance services.
- (d) **Transportation** includes bus, roadway and parking services.
- (e) **Environmental Use and Protection** delivers services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, underground services, water and wastewater treatment, as well as community relation services in support of waste management programs.
- (f) **Public Health and Welfare** provides family and community support services along with cemeteries.
- (g) **Planning and Development** is comprised of the Community Development Planning branch, the Comprehensive Planning branch and the Implementation branch.
- (h) **Recreation and Culture** develops initiatives to provide opportunities and support in the areas of arts heritage and culture, and in recreation, sport and leisure.
- (i) **Subsidiary entities** includes Wood Buffalo Housing & Development Corporation, MacDonald Island Park Corporation, Regional Recreation Corporation of Wood Buffalo and the Regional Municipality of Wood Buffalo Library.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

20. Segment disclosures (continued):

	2013									
	Fiscal Services	General Government	Protective Service	Transportation	Environmental use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2013 Total
Revenue:										
Net taxes available for municipal purposes	\$ 548,949,133	\$ -	\$ -	\$ 157,349	\$ 203,810	\$ -	\$ -	\$ -	\$ 1,425,005	\$ 550,735,297
Government transfers	-	101,147,266	8,647,318	328,005	-	1,534,436	-	37,000	2,893,004	114,587,029
Sales and user charges	-	8,488,371	3,339,521	4,588,120	54,272,167	59,807	182,530	1,026,389	13,931,514	85,888,419
Sales to other governments	-	-	218,196	-	2,742,207	-	-	-	-	2,960,403
Penalties and costs on taxes	1,443,530	1,044,979	-	-	157,335	-	-	-	(241)	2,645,603
Licenses and permits	-	864,712	31,365	8,030	-	-	9,837,577	460	-	10,742,144
Fines	-	131,365	5,112,269	-	-	-	-	-	61,047	5,304,681
Franchise and concession contracts	5,225,944	-	-	-	-	-	-	-	-	5,225,944
Returns on investments	-	16,128,890	-	161	-	492	11,482	8,904	2,269,680	18,419,609
Rentals	-	18,449	1,703,000	13,163	-	-	(12,076)	31,355	23,996,102	25,749,993
Developers' agreements and levies	-	11,007,606	-	-	-	-	-	-	-	11,007,606
Other	(25)	585,427	20,765	-	150,830	227,560	6,274	106,108	3,886,227	4,983,166
	555,618,582	139,417,065	19,072,434	5,094,828	57,526,349	1,822,295	10,025,787	1,210,216	48,462,338	838,249,894
Expenses:										
Salaries, wages and benefits	-	54,018,781	43,806,027	24,931,707	29,734,322	4,732,900	10,513,834	14,222,863	27,739,337	209,699,771
Contracted and general services	1,652,458	42,098,129	6,804,939	49,791,686	14,482,694	865,851	11,644,394	4,921,367	11,199,349	143,460,867
Purchases from other governments	-	30,771	22,352,191	492,869	-	-	1,720	-	-	22,877,551
Materials, goods, supplies and utilities	9,168	3,414,878	2,985,424	9,981,720	13,319,510	162,235	540,466	2,114,118	15,683,046	48,210,565
Provision (recovery) for allowances	51,699	3,324,775	324,570	-	8,319	-	-	-	79,054	3,788,417
Transfers to local boards and agencies	-	-	-	-	-	-	-	7,794,875	-	7,794,875
Transfers to individuals and organizations	-	8,801,734	20,000	-	-	6,472,250	250,000	14,247,298	(11,902,168)	17,889,114
Bank charges and short-term interest	-	697,512	3,114	-	14,357	-	87,401	745	185,581	988,710
Interest on long-term debt	-	514,134	791,065	591,583	7,330,999	8,676	1,032,458	6,045,763	3,668,220	19,982,898
Other	8,782,114	63,019	4,945	-	1,301	79	-	-	-	8,851,458
Amortization of tangible capital assets	-	1,081,237	2,451,810	16,698,926	27,791,737	5,501	227,457	10,637,210	7,355,949	66,249,827
Loss on disposal of tangible capital assets	-	11,626,448	-	-	-	-	-	-	7,864	11,634,312
	10,495,439	125,671,418	79,544,085	102,488,491	92,683,239	12,247,492	24,297,730	59,984,239	54,016,232	561,428,365
Annual surplus before other	545,123,143	13,745,647	(60,471,651)	(97,393,663)	(35,156,890)	(10,425,197)	(14,271,943)	(58,774,023)	(5,553,894)	276,821,529
Other:										
Contributions of tangible capital assets	-	43,290,750	-	29,010,358	-	-	1,420,776	-	-	73,721,884
Annual surplus	\$ 545,123,143	\$ 57,036,397	\$ (60,471,651)	\$ (68,383,305)	\$ (35,156,890)	\$ (10,425,197)	\$ (12,851,167)	\$ (58,774,023)	\$ (5,553,894)	\$ 350,543,413

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

20. Segment disclosures (continued):

2012										
(Restated - Note 24)										
	Fiscal Services	General Government	Protective Service	Transportation	Environmental use and Protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Subsidiary Entities	2012 Total
Revenue:										
Net taxes available for municipal purposes	\$ 495,885,641	\$ -	\$ -	\$ 168,499	\$ 241,356	\$ -	\$ -	\$ -	\$ 2,945,776	\$ 499,241,272
Government transfers	-	96,520,763	8,455,998	353,323	3,140	1,531,894	32,206	49,498	265,006	107,211,828
Sales and user charges	2,490	549,960	2,562,606	4,154,914	48,886,796	26,743	187,125	311,442	27,686,225	84,368,301
Sales to other governments	-	-	234,928	-	5,106,402	-	-	-	-	5,341,330
Penalties and costs on taxes	1,589,638	456,408	-	-	164,639	-	-	-	(625)	2,210,060
Licenses and permits	-	761,434	45,972	7,525	-	-	10,893,405	285	(576,260)	11,132,361
Fines	-	164,440	5,303,724	-	-	-	-	-	64,154	5,532,318
Franchise and concession contracts	4,576,685	-	-	-	-	-	-	-	-	4,576,685
Returns on investments	-	19,749,648	-	-	-	446	951	10,322	2,359,417	22,120,784
Rentals	-	26,379	-	10,680	-	-	337,945	16,448	24,071,307	24,462,759
Developers' agreements and levies	-	12,256,804	-	3,953	-	-	-	-	-	12,260,757
Other	-	477,943	94,929	1,551	150,400	360,932	10,000	255,682	3,044,906	4,396,343
Gain (loss) on disposal of tangible capital assets	-	763,285	-	-	-	-	-	-	(28,033)	735,252
	502,054,454	131,727,064	16,698,157	4,700,445	54,552,733	1,920,015	11,461,632	643,677	59,831,873	783,590,050
Expenses:										
Salaries, wages and benefits	-	48,489,359	41,247,814	22,433,956	26,160,996	4,055,196	8,178,233	14,960,146	23,739,656	189,265,356
Contracted and general services	3,776	42,877,756	6,108,086	43,303,532	20,927,547	300,761	10,339,402	5,276,998	8,591,728	137,729,586
Purchases from other governments	-	32,796	22,239,550	649,062	-	-	765	-	-	22,922,173
Materials, goods, supplies and utilities	-	3,405,375	2,873,289	8,664,360	13,773,269	186,252	144,423	2,683,166	16,541,846	48,271,980
Provision (recovery) for allowances	83,783	(878,949)	245,682	-	17,091	-	-	-	14,298	(518,095)
Transfers to other governments	-	-	44,001	-	-	-	-	-	-	44,001
Transfers to local boards and agencies	-	-	-	-	-	-	-	3,665,000	-	3,665,000
Transfers to individuals and organizations	-	14,746,846	20,000	12,000	-	2,655,254	250,000	13,731,399	(21,512,542)	9,902,957
Bank charges and short-term interest	-	328,955	1,398	105	9,944	50	75,362	854	154,009	570,677
Interest on long-term debt	-	541,052	843,131	663,482	7,641,892	11,237	1,059,152	6,176,326	4,358,871	21,295,143
Other	153,618	4,166	1,718,227	25,575	(42,080)	(1,711,568)	(3,049)	9,025	-	153,914
Amortization of tangible capital assets	-	1,814,223	2,595,037	14,382,344	19,365,113	5,476	228,745	8,493,211	16,096,933	62,981,082
	241,177	111,361,579	77,936,215	90,134,416	87,853,772	5,502,658	20,273,033	54,996,125	47,984,799	496,283,774
Annual surplus before other	501,813,277	20,365,485	(61,238,058)	(85,433,971)	(33,301,039)	(3,582,643)	(8,811,401)	(54,352,448)	11,847,074	287,306,276
Other:										
Contributions of tangible capital assets	-	1,897,875	-	16,965,106	21,482,371	-	-	-	-	40,345,352
Annual surplus	\$ 501,813,277	\$ 22,263,360	\$ (61,238,058)	\$ (68,468,865)	\$ (11,818,668)	\$ (3,582,643)	\$ (8,811,401)	\$ (54,352,448)	\$ 11,847,074	\$ 327,651,628

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

21. Sales and User Charges by Segment

	Budget	2013	2012
			(Restated - Note 24)
Council and other legislative	\$ 20,000	\$ 28,599	\$ 37,495
General administration	352,964	5,177,845	324,399
Other general government	138,000	365,356	190,556
Police	1,020,800	1,131,010	1,122,386
Fire	107,700	108,055	133,540
Disaster and emergency measures	-	96,365	-
Ambulance and first aid	1,203,800	1,968,597	1,304,314
Bylaw enforcement	-	35,493	2,366
Common and equipment pool	102,000	1,043,300	69,724
Roads, streets, walks, lighting	845,897	1,910,987	2,275,106
Public transport	1,827,003	1,307,332	1,810,083
Storm sewers and drainage	-	326,501	-
Water supply and distribution	23,143,937	22,491,625	21,380,783
Wastewater treatment and disposal	16,882,641	19,147,838	16,237,155
Waste management	10,293,833	12,632,704	11,268,858
Family and community support (recovery)	-	26,021	(2,850)
Cemeteries and crematoriums	25,100	33,786	29,593
Land use planning, zoning and development	257,000	179,474	165,980
Subdivision land and development	-	2,714	-
Public housing operations	5,866,536	3,854,427	16,158,338
Land, housing and building rentals	-	-	21,146
Recreation boards	30,000	-	6,086
Parks and recreation	14,283,431	14,020,390	11,833,243
Total sales and user charges	\$ 76,400,642	\$ 85,888,419	\$ 84,368,301

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

22. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2013 operating and capital budgets approved by Council .

Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 677,888,888
Capital budget	629,132,702
Subsidiaries' budget	47,817,852
Less:	
Transfers from other funds	287,325,151
Proceeds from issuance of long-term debt	318,605,358
Total revenue	748,908,933
Expenses:	
Operating budget	677,888,888
Capital budget	629,132,702
Subsidiaries' budget	40,946,892
Less:	
Transfers to other funds	220,375,178
Capital expenditures	629,132,702
Long-term debt principal payments	15,122,128
Total expenses	483,338,474
Annual surplus	\$ 265,570,459

23. Financial instruments:

The Municipality's financial instruments consist of cash and cash equivalents, restricted cash, taxes and grants in lieu receivable, trade and other receivables, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Municipality is not exposed to significant currency risks from its financial instruments.

The Municipality is subject to credit risk with respect to taxes and grants in lieu receivable, trade and other receivables and mortgages and notes receivable. Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

24. Restatements of prior year:

During the year the Municipality reviewed the treatment of developer agreements and levies and determined that amounts unutilized at year end, as a result of unsatisfied restrictions established in respective bylaws, should be classified as deferred revenue rather than capital reserves established after flowing amounts collected through revenue in the year collected. This correction has been applied retroactively and as such 2012 amounts previously reported have been restated.

During the year, the agreements related to Wood Buffalo Housing & Development Corporation's Affordable Home Ownership Program were reviewed and it was determined that the revenue recognition criteria was met at the time of title transfer and execution of the agreements.

The effects of these two restatements are presented below:

2012 Opening Balances			
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Financial Position			
Net financial assets			
Beginning of year	\$ 93,589,505	\$ (51,291,396)	\$ 42,298,109
Accumulated surplus			
Operating	145,373,013	(2,982,372)	142,390,641
Capital	2,499,596,710	(48,309,024)	2,451,287,686
Total	\$ 2,644,969,723	\$ (51,291,396)	\$ 2,593,678,327

2012 Closing Balances			
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Financial Position			
Assets			
Mortgages and notes receivable	\$ 10,193,778	\$ 433,578	\$ 10,627,356
Inventories held for resale	58,134,118	(57,031,771)	1,102,347
Liabilities			
Deferred revenue	248,600,959	(6,791,165)	241,809,794
Net financial assets			
End of year	120,952,849	(49,807,028)	71,145,821
Accumulated surplus (1)			
Operating	159,676,827	(3,332,927)	156,343,900
Capital	2,811,460,156	(46,474,101)	2,764,986,055
Total accumulated surplus	2,971,136,983	(49,807,028)	2,921,329,955

(1) Accumulated surplus change comprised of:

Operating reserve:			
Wood Buffalo Housing & Development Corporation	55,044,036	(3,332,927)	51,711,109
Capital reserve:			
General	539,627,152	(46,474,101)	493,153,051

2012			
	As Reported	Increase (decrease)	Restated
Consolidated Statement of Operations and Accumulated Surplus			
Sales and user charges*	\$ 86,710,572	(2,342,271)	\$ 84,368,301
Investment income*	21,183,689	937,095	22,120,784
Developers' agreements and levies**	10,425,834	1,834,923	12,260,757
Materials, goods, supplies and utilities*	49,326,601	(1,054,621)	48,271,980
Impact on annual surplus		\$ 1,484,368	

* change also in public housing operations or planning and development segments.

** change also in general administration or general government segments.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

Notes to Consolidated Financial Statements

Year ended December 31, 2013

24. Restatements of prior year (continued):

Tangible Capital Assets

Certain tangible capital assets were reclassified between categories in note 13 to the consolidated financial statements to correct classification in the prior year. As a result, there was no impact on the 2012 ending balance of tangible capital assets reported at cost or net book value.

Impact of reclassification on 2012 cost categories:

	As Reported	Reclassification	Restated
Engineered structures	\$ 1,920,080,139	(265,329,895)	\$ 1,654,750,244
Vehicles	78,763,297	(16,516,366)	62,246,931
Construction in progress	326,986,820	281,846,261	608,833,081
Total	\$ 2,325,830,256	-	\$ 2,325,830,256

25. Approval of financial statements:

These financial statements were approved by Management and presented to Mayor and Council on April 22, 2014.

**Subject: Land Use Bylaw Amendment – 9206 McCormick Drive –
Lot 2, Block 21, Plan 2463 TR - Bylaw No. 14/016**

APPROVALS:

Felice Mazzoni, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation:

THAT the public hearing for Bylaw No. 14/016 be re-scheduled to May 13, 2014.

Summary:

On April 14, 2014, Administration was notified that the applicant had failed to post the required notification signage on the subject property in accordance with the provisions of the Land Use Bylaw; therefore, the public hearing is unable to proceed on the scheduled date. A resolution of Council is required to change the hearing date.

Background:

Bylaw No. 14/016, being an amendment to the Land Use Bylaw to redesignate Lot 2, Block 21, Plan 2463 TR from the Parks and Recreation District (PR) to the Public Services District (PS). The intent of the proposed zoning change is to allow for the development of a Reunification or Group Home at 9206 McCormick Drive within a portion of the existing building. Bylaw No. 14/016 received first reading on April 8, 2014. As required by the Municipal Government Act, the public hearing was advertised in local newspapers (March 21 and 28, 2014) and notification was sent to adjacent property owners. The Municipality's Land Use Bylaw requires that applicants also place notification signage on site; however, on April 14, 2014, the applicant advised staff that they had not posted the public notice on the subject property.

Rationale for Recommendation:

As the applicant has failed to meet the requirements of the Land Use Bylaw regarding public notice signage, it is requested that the public hearing and consideration of second and third readings of the proposed bylaw be re-scheduled to occur on May 13, 2014. Re-scheduling of the hearing will require that the hearing be re-advertised and that notification be re-sent to adjacent property owners.

Attachment:

1. Council Report – April 8, 2014 – Bylaw No. 14/016 – Land Use Bylaw Amendment – 9206 McCormick Drive – Lot 2, Block 1, Plan 2463TR



COUNCIL REPORT

Meeting Date: April 8, 2014

Subject: Land Use Bylaw Amendment – 9206 McCormick Drive – Lot 2, Block 21, Plan 2463 TR - Bylaw No. 14/016

APPROVALS:

Felice Mazzoni, Director
Henry Hunter, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation(s):

1. THAT Bylaw No. 14/016, being a Land Use Bylaw Amendment specific to Lot 2, Block 21, Plan 2463 TR, be read a first time.
2. THAT the required public hearing be held on Tuesday, April 22, 2014.

Summary:

An application has been received to amend the Land Use Bylaw to redesignate Lot 2, Block 21, Plan 2463 TR from the Parks and Recreation District (PR) to the Public Services District (PS). The purpose of the amendment is to redesignate the property to a Land Use district that is more suitable for the existing Community Service Facility.

The authority to amend the Land Use Bylaw is vested with Council under the *Municipal Government Act*.

Background:

The Athabasca Tribal Council (ATC) was established in 1987 and represents the interests of the five First Nations of North Eastern Alberta. The facility located at 9206 McCormick Drive has been in operation since 1990, and provides services to enhance and promote the general wellbeing of the First Nations community.

In November 2013, an application was made to redesignate Lot 2, Block 21, Plan 2463 TR from the Parks and Recreation District (PR) to the Public Services District (PS). The current Parks and Recreation designation does not allow for the Reunification or Group Home that ATC is proposing to develop in a portion of the existing building. The reunification home would be a facility that will bring children (aged 0 to 12 years old) back to the region they are familiar with and maintain them in their cultural environment.

The purpose of Public Service District is to provide for the development of buildings and uses for the delivery of educational, health, government, and other institutional services. This district includes provision for both a Community Service Facility and a Group Home, making it a suitable district for the ATC facility.

The subject property is currently designated as Established Neighbourhood in the Municipal Development Plan (11/027), and falls within the Waterways district of the Neighbourhood Stabilization Zone in the City Centre Area Redevelopment Plan (12/003). Small-scale intensification, with a particular emphasis on providing a mix of housing types that meet a variety of needs is encouraged in this area, and this amendment would allow for the continuation of a housing type that meets a distinct need.

Rationale for Recommendation:

It is the opinion of Administration that the Public Services (PS) designation is more appropriate for both the current use of the site and the addition of a Group Home. This will allow the ATC to expand the services that they provide to members of the community. Should the land use rezoning be approved, the use of a Group Home will still be required to obtain a Development Permit and all other applicable permits.

Administration supports the proposed amendment and recommends that Bylaw No. 14/016 be given first readings.

Attachment:

1. Bylaw No. 14/016

BYLAW NO. 14/016

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059.

WHEREAS Section 639 of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto requires Council to enact a Land Use Bylaw;

AND WHEREAS Section 191 (1) of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw;

NOW THEREFORE, the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, in open meeting hereby enacts as follows:

1. Bylaw No. 99/059 is hereby amended by:
 - (a) redesignating Lot 2, Block 21, Plan 2463 TR from the Parks and Recreation District (PR) to the Public Services District (PS), as depicted in Schedule A.
2. The Chief Administrative Officer be authorized to consolidate this bylaw.
3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, A.D. 2014.

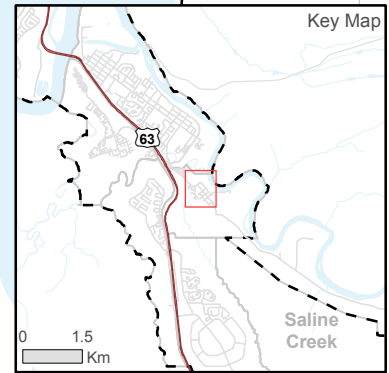
READ a second time this _____ day of _____, A.D. 2014.

READ a third and final time this _____ day of _____, A.D.2014.

SIGNED and PASSED this _____ day of _____, A.D.2014.

Mayor

Chief Legislative Officer



From PR - Parks and Recreation
to PS - Public Services

-  Road
-  Subject Parcel
-  Park Area
-  Water Feature



0 30 60
Meters 1:3,836

8. Public Hearing re: Land Use Bylaw Amendment – (Eagle Ridge Commercial Site) – Bylaw No. 14/018

- A. Introduction from Administration
 - Bradley Evanson, Manager, Community Development Planning
- B. Opening Statement from Applicant
 - Wayne Benz, Project Manager, Centron Development
- C. Written Presentations
 - none received
- D. Verbal Presentations
 - Malcolm Edirisinghe, resident, in support
- E. Other Verbal Presentations (Time Permitting and with Consent of Council)
- F. Questions of Council
- G. Closing Statement from Applicant
- H. Closing Statement from Administration

Email received in Legislative Assistants Inbox from Malcolm Edirisinghe on Sunday April 13, 2014 at 9:00 a.m.

I would like to appear before council to support the proposed changes.

My name is Malcolm Edirisinghe.

Thanks

Malcolm

**Subject: Land Use Bylaw Amendment (Eagle Ridge Commercial Site)
- Bylaw No. 14/018****APPROVALS:**

Felice Mazzoni, Director
Henry Hunter, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendations:

1. THAT Bylaw No. 14/018, being an amendment to Land Use Bylaw No. 99/059, be read a second time.
2. THAT Bylaw No. 14/018 be read a third and final time.

Summary:

The Regional Municipality of Wood Buffalo has received an application to amend the Land Use Bylaw to re-designate two vacant parcels (Lot 1 & 2, Block 50, Plan 082 6307) in Eagle Ridge from Apartment and Commercial Mixed Use District (R5-MU) and Apartment Density Residential District (R5) to Shopping Centre Commercial District (C3) as shown in Schedule A. The purpose is to accommodate a wider variety of commercial uses while still allowing for some residential units above the commercial.

Background:

In 2001, Regional Council adopted the Timberlea Area Structure Plan, which established the land use framework for the community. The Area Structure Plan provides the guidance needed for all development in Timberlea including Eagle Ridge. The subject lands are currently designated to allow for predominately residential multi-family uses with only limited commercial uses as an option. Community Development Planning, in cooperation with Centron – the developer of Eagle Ridge, has determined that this parcel would be suitable for a mixed use development with a stronger focus on commercial uses than the current district allows, while still retaining some residential opportunities. To facilitate this development, Administration has determined that only the Land Use Bylaw 99/059 must be amended but that the Timberlea ASP can remain in place without the need for an amendment.

Rationale for Recommendations:

The proposed amendment supports various policies in the Municipal Development Plan, namely:

- U.1.2 calls for established neighbourhoods to be protected and enhanced through the redevelopment of vacant and underutilized parcels.
- U.1.5 - Plan for a Hierarchy of Retail and Commercial Centres, and by providing a full range of services according to the needs of neighbourhoods.

- U.2.1 - Focus on Transit by connecting bus service to City Centre and employment sites to the north.

The proposed amendment is also consistent with the vision and intent of the Timberlea Area Structure Plan:

- Section 4.2 recommends that multi-family and commercial sites be located immediately adjacent to Confederation Way
- Section 4.5 identifies both of the subject parcels as potential commercial sites if market conditions warrant
- The Land Use Plan in Figure 4 has specifically identified this site as suitable for future commercial activity as shown on Attachment 2.

Transportation has been a key element of concern for the development. In December 2013 a Traffic Impact Assessment (TIA) was completed and circulated to all stakeholders. One of the fundamental recommendations was to create a round-about on Eagle Ridge Boulevard. This was to ensure that with the increased traffic, flow remained continuous and that any congestion concerns would be mitigated. Presently, there are existing bus bays located along Eagle Ridge Boulevard and it is the intent of this development to move some of the bus traffic off of the road and bring it into the site. This will contribute to reducing congestion, as the site will be comprehensively designed to incorporate Transit Oriented Development principles. The TIA was accepted by the Engineering Department in February 2014.

The proposed bylaw amendment responds to a need land for more commercial land in Timberlea. The developer believes determined that there is sufficient multi-family residential housing located in Timberlea, almost to the point of over-dedication, and that commercial land use is deficient.

As the land designations proposed in the bylaw amendment align with the Area Structure Plan for Timberlea adopted by Council in March 2001, Administration supports Bylaw No. 14/018, and recommends that it be given second and third readings.

Attachments:

1. Bylaw No. 14/018
2. Timberlea Area Structure Plan – Land Use Map

BYLAW NO. 14/018

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059

WHEREAS Section 639 of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, hereby enacts as follows:

1. Land Use Bylaw No. 99/059 is hereby amended by redesignating:
 - (a) Lot 1, Block 50, Plan 082 6307 from Apartment Density Residential District (R5) to Shopping Centre Commercial District (C3);
 - (b) Lot 2 Plan, Block 2, Plan 082 6307 from Apartment Density Residential District (R5) and Apartment and Commercial Mixed Use District (R5-MU) to Shopping Centre Commercial District (C3);as depicted on Schedule A.
2. The Chief Administrative Officer is authorized to consolidate this bylaw.
3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this 8th day of April, A.D. 2014.

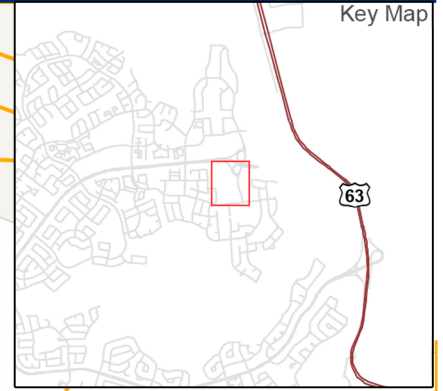
READ a second time this _____ day of _____, A.D. 2014.

READ a third and final time this _____ day of _____, A.D. 2014.

SIGNED and PASSED this _____ day of _____, A.D. 2014.

Mayor

Chief Legislative Officer



From R5 To C3

**Lot: 1
Block: 50
Plan: 082 6307**

From R5 To C3

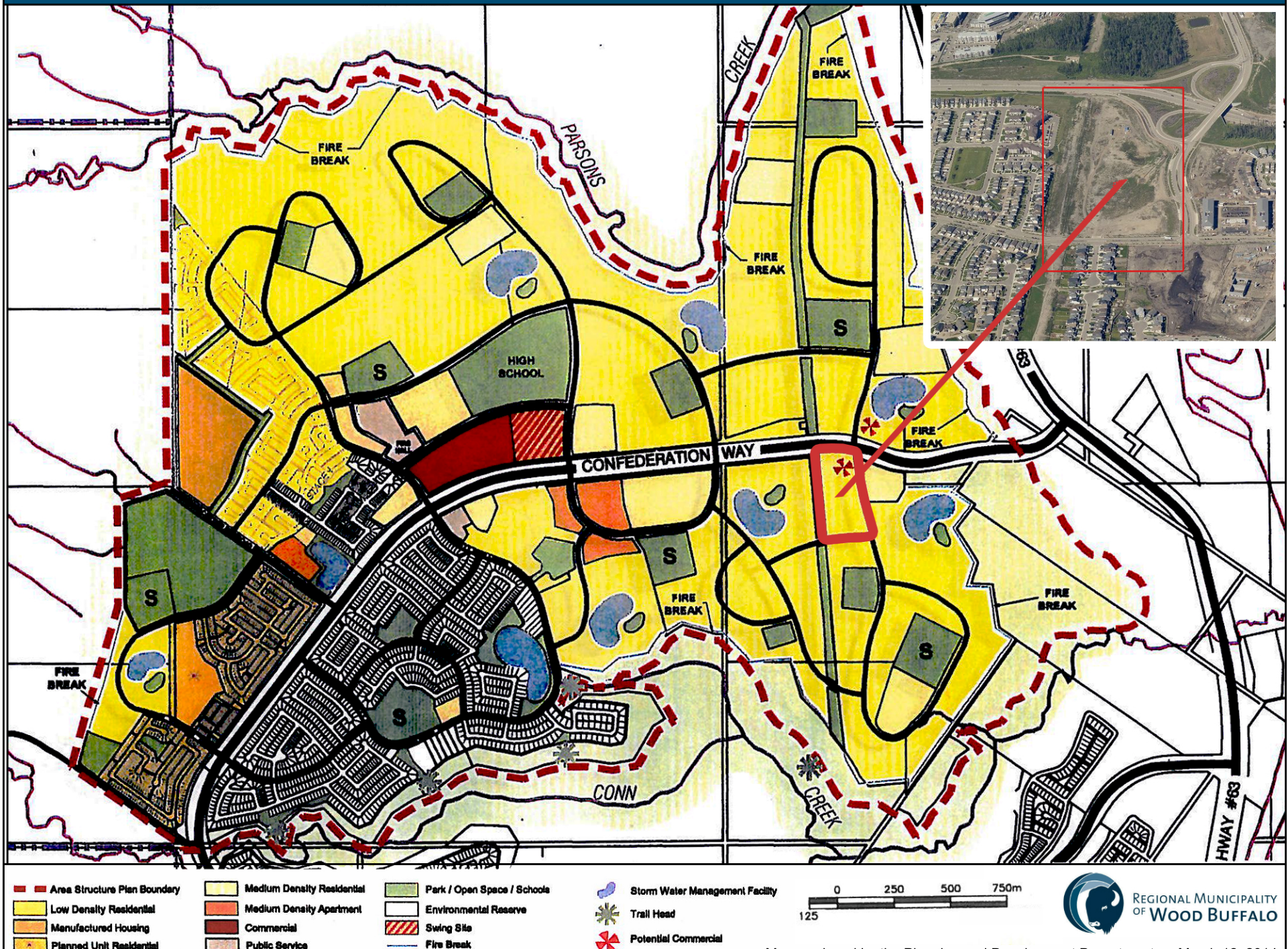
**Lot: 2
Block: 50
Plan: 082 6307**

From R5-MU to C3

EAGLE RIDGE BOULEVARD

BLUE JAY ROAD

LOUTIT ROAD



Subject: 2014 Property Tax Rate Bylaw – Bylaw No. 14/019**APPROVALS:**

Brian Moore, Director
Elsie Hutton, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation:

1. That Bylaw No. 14/019, being the 2014 Property Tax Rate Bylaw, be read a first time.

Summary:

In accordance with the Municipal Government Act, the Regional Municipality of Wood Buffalo is required to pass a Property Tax Rate Bylaw annually for the purpose of completing the work set out in the approved Operating and Capital Budgets.

Background:

A property tax rate bylaw establishes the rates at which various property classes are to be taxed and is calculated based on the total assessment value of all taxable properties within each of the property classes throughout the Municipality. The Order in Council creating the specialized Regional Municipality of Wood Buffalo provided Council with the authority to establish a mill rate structure for each of the Urban and Rural Service Areas.

Assessment valuation standards are prescribed by the Alberta Provincial Government and are either based on a market value premise or on a regulated cost based system depending on property type. The tax levied on all residential and commercial properties is calculated by applying the tax rate against the individual property assessment which is an estimate of the market value as of July 1, 2013. Machinery and Equipment and linear property are assessed based on a regulated cost approach standard established by Ministerial Regulations.

Property taxes are levied to raise revenue to fund municipal expenditures and pay external requisitions from Alberta Education, and seniors' housing (Ayabaskaw House and Rotary House). With respect to requisitions for provincial education and seniors' housing, the requisitioning authorities' tax rates are calculated based on the amounts they request. In imposing levies, it is important to note that the Municipality simply acts as a collector of the funds and has no authority to refuse or change the amount requested by external requisitions.

The education requisition received from the Province for this year has increased by \$10,423,544.41 which equates to an overall 18% increase from 2012. The owner of the typical single family home will experience a 27% increase in education taxes which translates to \$350 per year. This is the second year of a two year Provincial School Tax phase out of the Capping and Mitigation Program which has been in place since 2000. Over the two years the Provincial

Education Tax requisition has increased by 64% with the typical single family home taxes increasing by \$750 or 87%.

A typical residential property tax notice will consist of three components: a municipal levy, an Alberta Education requisition levy, and a levy for seniors' housing. The total amount of property taxes paid will vary based on the actual assessment value and the respective tax rate applied.

In establishing municipal tax rates for the 2014 Property Tax Rate Bylaw, Administration has used the tax revenue neutral plus new construction growth approach for all property classes.

In order to assist with understanding of the 2014 Property Tax Rate recommendations, the following clarifications are provided:

- Property tax remaining tax revenue neutral simply means that the inflationary aspects of the real estate market have been factored out of the mill rate calculation and as a result, the Municipality will collect the same municipal tax revenue for the 2014 tax year as it did in the 2013 tax year on the grouping of properties which existed in 2013.
- The Residential property tax class has experienced varying market value changes due to factors such as location influences, residence type, size, and as such, individual properties will experience differing increases or decreases in taxes.
- The Other Residential property class has experienced differing market value changes due to variations in factors such as vacancy, rents and as such, individual properties may experience differing increases or decreases in taxes.
- Market values in the Non-Residential property class experienced increases and decreases due to factors such as sales information, vacancy, availability, rents and as such, individual properties may experience differing increases or decreases in taxes.

The overall total tax revenue collected for the Residential, Other Residential and Non-Residential property classes for 2014 will increase relative to 2013 as a result of new construction growth being taxed for the first time in the 2014 taxation year.

Since Council approval of the 2014 Operating Budget earlier this year, property taxation revenue estimates for the 2014 taxation year based on tax revenue neutral plus new construction growth approach have been exceeded.

For more information see Attachment 2 – 2014 Property Tax Rate Bylaw Questions and Answers.

Budget/Financial Implications:

During budget development in the fall of 2013, property tax revenue from new construction growth was estimated at \$63,579,902. Property tax revenue from new growth is now estimated at \$109,948,744, resulting in an increase of \$46,368,842 from the approved 2014 Operating Budget. After an allocation for potential appeal adjustments of \$1,569,753 (3%), \$44,799,089 is

available. Audit and Budget Committee (Committee) will review the options available in conjunction with the Fiscal Management Strategy at their May 6 meeting. Based on the Committee's recommendation, Council will discuss as part of the May 13 Council meeting when considering second and third reading of the tax rate bylaw.

Assessment notices were sent out on February 28, 2014 and the deadline for assessment complaints is May 2, 2014. A better estimate of assessment roll totals and resulting property tax revenue impacts cannot be determined until the appeal deadline has passed.

Rationale for Recommendation:

The proposed property tax rates are consistent with the previously adopted tax revenue neutral plus new construction growth strategy proposed in the 2013-2015 Fiscal Management Strategy.

Attachments:

1. Bylaw No. 14/019 – 2014 Property Tax Bylaw
2. 2014 Property Tax Rate Bylaw Questions and Answers

BYLAW NO. 14/019**BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE THE SEVERAL RATES OF TAXATION TO BE IMPOSED FOR THE RURAL AND URBAN SERVICE AREAS FOR THE 2014 FISCAL YEAR.**

WHEREAS Sections 353 and 354 of the *Municipal Government Act*, RSA 2000, c.M-26, require that a municipality adopt a property tax bylaw annually and establish guidelines for the setting of tax rates;

AND WHEREAS estimated amended operating expenses including potential appeal losses for the 2014 fiscal year total \$771,112,497;

AND WHEREAS the approved 2014 budget including potential appeal losses is \$724,743,655;

AND WHEREAS estimated additional revenues as a result of the revenue neutral methodology of Council will total \$46,368,842;

AND WHEREAS estimated Local Improvement Program levies total \$418,100;

AND WHEREAS estimated operating revenues from sources other than taxation levies total \$106,435,955;

AND WHEREAS the Alberta School Foundation Fund (ASFF) has issued the following requisitions to the Regional Municipality of Wood Buffalo, namely;

- | | | |
|-----|-------------------------------|-----------------|
| i) | for residential and farm land | \$35,703,789.64 |
| ii) | for non-residential | \$31,113,398.68 |

AND WHEREAS the Fort McMurray Roman Catholic Separate School District #32 (R.C.S.S.D) has made the following requisitions to the Regional Municipality of Wood Buffalo, namely;

- | | | |
|-----|-------------------------------|----------------|
| i) | for residential and farm land | \$1,688,549.04 |
| ii) | for non-residential | \$209,605.28 |

AND WHEREAS the Ayabaskaw House has made the following requisition to the Regional Municipality of Wood Buffalo, namely;

- | | | |
|----|------------------------|-------------|
| i) | for all property types | \$32,706.00 |
|----|------------------------|-------------|

AND WHEREAS the Rotary House Senior's Lodge has made the following requisition to the Regional Municipality of Wood Buffalo, namely;

- | | | |
|----|------------------------|----------------|
| i) | for all property types | \$2,034,001.00 |
|----|------------------------|----------------|

AND WHEREAS Section 10 of the Order in Council No. 817-94 regarding the amalgamation of Improvement District 143 and City of Fort McMurray, which became effective on the first day of April, 1995, allows the Municipality, by Bylaw, to establish different rates of taxation for the

Fort McMurray Urban Service Area and the Rural Service Area for each assessment class or subclass referred to in Section 297 of the *Municipal Government Act*;

AND WHEREAS the net annual tax levy requirements for the Regional Municipality of Wood Buffalo for 2014 are estimated to be:

- | | |
|-----------------------|---------------|
| i) Municipal Purposes | \$664,258,442 |
|-----------------------|---------------|

AND WHEREAS the total Regional Municipality of Wood Buffalo Rural Service Area assessment of land, building, and improvements from which tax levy requirements may be raised totals \$34,695,942,065;

AND WHEREAS the total Regional Municipality of Wood Buffalo Urban Service Area assessment of land, building, and improvements from which tax levy requirements may be raised totals \$18,003,471,696;

AND WHEREAS it is deemed necessary to impose several rates of taxation for the 2014, as hereinafter set out, against those properties from which the tax levy requirements may be raised;

NOW THEREFORE the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, duly assembled, hereby enacts, as follows:

1. The Director of Assessment and Taxation is authorized and required to levy the following rates of taxation against the assessed value of all lands, buildings, and improvements as shown upon the Municipal Assessment Roll.

EDUCATION

Alberta School Foundation Fund

- | | |
|----------------------------|-----------|
| • Residential and Farmland | 0.0024739 |
| • Non-Residential | 0.0029856 |

Fort McMurray R.C.S.S.D. #32

- | | |
|----------------------------|-----------|
| • Residential and Farmland | 0.0024739 |
| • Non-Residential | 0.0029856 |

SENIORS' FACILITIES

- | | |
|----------------------------|-----------|
| • Ayabaskaw Home | |
| ▪ Residential and Farmland | 0.0000006 |
| ▪ Non-Residential | 0.0000006 |
| ▪ Machinery and Equipment | 0.0000006 |
| • Rotary House | |
| ▪ Residential and Farmland | 0.0000389 |
| ▪ Non-Residential | 0.0000389 |
| ▪ Machinery and Equipment | 0.0000389 |

MUNICIPAL PURPOSES RURAL SERVICE AREA

- | | |
|----------------------------|-----------|
| • Residential and Farmland | 0.0012243 |
| • Non-Residential | 0.0179951 |
| • Machinery and Equipment | 0.0179951 |

MUNICIPAL PURPOSES URBAN SERVICE AREA

- | | |
|----------------------------|-----------|
| • Residential and Farmland | 0.0023098 |
| • Other Residential | 0.0051616 |
| • Non-Residential | 0.0040066 |
| • Machinery and Equipment | 0.0040066 |

Definitions

2. For the purpose of this Bylaw:

- a. “other residential” has the same meaning as set out in Bylaw No 13/012 being the Bylaw to create residential subclasses.

3. This Bylaw comes into force when it is passed.

READ a first time this _____ day of _____, A.D 2014.

READ a second time this _____ day of _____, A.D. 2014.

READ a third and final time this _____ day of _____, A.D. 2014.

SIGNED and PASSED this _____ day of _____, A.D. 2014.

Mayor

Chief Legislative Officer

2014 Property Tax Rate Bylaw Questions and Answers

What do we mean by “Tax Revenue Neutral”?

Property taxes’ remaining tax revenue neutral simply means that the Municipality will collect the same tax revenue for the 2014 tax year as it did in the 2013 tax year on properties which existed in 2013. In reference to the recommended 2014 Tax Rate Bylaw, Residential, Other Residential and Non-Residential properties are recommended to remain tax revenue neutral. Assessed values in the Residential property tax class, as an example, experienced differing value changes due to market influences. Although the Municipality is collecting the same tax revenue in 2014 from all classes of properties “which existed in 2013”, there will be both tax increases and decreases within the property classes. The overall total tax revenue collected for all property classes will increase as a result of new properties (new construction) being taxed for the first time in the 2014 taxation year.

How do property taxes in Fort McMurray (Urban Service Area) compare to municipal Residential taxes in other urban centers with a population of 50,000 or greater?

As of 2013 the Municipality has the 3rd highest residential property taxes in comparison to 9 Alberta urban centers with a population of 50,000 or greater when we were 3rd lowest in 2012. This is a direct result of the dramatic increase in Provincial School Taxes in 2013.

How do property taxes in Fort McMurray (Urban Service Area) compare to municipal Non-Residential taxes in other urban centers with a population of 50,000 or greater?

As of 2013 the Municipality has the lowest Non-Residential property taxes in comparison to urban centers with a population of 50,000 or greater.

Has the Provincial Education Requisition levy (school taxes) changed?

The 2014 Provincial Education property requisition and resulting school taxes for both Non-Residential and Residential properties has **increased**. For the typical single family home, the 2014 school tax increase is 27% which translates into a \$340 increase. In the past two years Provincial Education Taxes have increased by \$750 or 87% for the typical home.

Is the current property tax revenue enough to address future capital requirements?

The municipality currently has a strong financial position. Additional funding may be required in the medium term for capital projects. Administration is currently evaluating optimal financing and will make recommendations to Council in due course.

**Subject: Land Use Bylaw Amendment – A Portion of Lot 2, Block 1,
Plan 102 1640 (Parsons Creek) - Bylaw No. 14/017****APPROVALS:**

Felice Mazzoni, Divisional Manager
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation(s):

1. THAT Bylaw No. 14/017, being an amendment to Land Use Bylaw No. 99/059 specific to a portion of Lot 2, Block 1, Plan 102 1640 (Parsons Creek), be read a first time.
2. THAT the required public hearing be held on May 13, 2014.

Summary:

The Regional Municipality of Wood Buffalo has received an application to amend the Land Use Bylaw to redesignate the second phase of development in Parsons Creek (Lot 2, Block 1, Plan 102 1640) from Urban Expansion District (UE) to Neighbourhood District (ND), Mixed Development District (MDD), Multi-Family Residential District (MFD), Public Service District (PS), Town Centre District (TCD), Parks and Recreation District (PR). The addition of these lands will allow the population of Parsons Creek to increase to 16,000. The proposed new Land Use Bylaw for the Municipality will address total capacity and density for Parsons Creek. It is anticipated that this Bylaw will be before Council by the end of 2014.

The authority to amend the Land Use Bylaw is vested with Council under the *Municipal Government Act*.

Background:

Consisting of approximately 817 hectares, Parsons Creek is a master-planned community being developed by the Government of Alberta. To facilitate the development of Parsons Creek, Council approved the Land Use Bylaw amendment for Phase One on January 25, 2011 (Bylaw No. 11/001). Subsequent amendments to Phase One were presented to Council on November 26, 2013, with Bylaw No. 13/040 (Multi-family) being approved and Bylaw No. 13/041 (Public Services) being deferred. This amendment application does not include an amendment to Phase One Public Service district to include a Health Facility.

The Parsons Creek Phase Two area for development is approximately 187.70 ha. This phase has two approved plans created in collaboration with Municipal departments, the Planning & Development department and the Developer; Phase Two Outline Plan and Urban Design Plan. These plans provide a framework for orderly development of land use, transportation, and servicing.

On November 28, 2013, an application to amend the Land Use Bylaw for Phase Two and add the Town Centre District (TCD) was accepted.

Rationale for Recommendation(s):

The purpose of Phase Two is to create a balanced community of residential, institutional, recreational, and commercial opportunities. The proposed Town Center District affects the lands to be released to the Municipality in exchange of infrastructure improvements, part of the agreement with the Provincial Government. This District will provide institutional and commercial opportunities servicing a number of local neighbourhoods helping to alleviate some of the commercial land shortage identified in the *Commercial and Industrial Land Use Study (CILUS)*. A fire hall facility may be developed in this district to service Parsons Creek.

Transportation Connectivity has been a key element of the development. The Parsons Creek interchange, currently under construction, will provide proper access to Phase Two and it should be completed by the fall of 2015. The land use redesignation will allow for the developer to move forward with constructing underground and surface improvements, ensuring lands are available for development prior to the completion of the interchange. Furthermore, this proposal will prevent an increase in density above what the Traffic Impact Analysis anticipates for road network capacity. Current land use districts do not establish a formal cap on density. Instead, that has historically been regulated by a Traffic Impact Analysis, which does not typically carry the force of a bylaw. This proposal would establish a hard density cap of a maximum number of dwelling units or floor space (Floor Area Ratio) of non-residential uses no greater than is anticipated by the Traffic Impact Analysis. This does not alter the anticipated density within Parsons Creek, but it does prevent an increase of density from occurring without reopening of the Traffic Impact Analysis.

The changes made to the Parsons Creek Land Use Regulations are in keeping with the planning framework for the new Land Use Bylaw, currently under development. Administration supports the proposed amendment and recommends that Bylaw No. 14/017 be given first reading to allow for scheduling of a public hearing.

Attachments:

1. Bylaw No. 14/017

BYLAW NO. 14/017

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059

WHEREAS Section 639 of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, hereby enacts as follows:

1. Land Use Bylaw No. 99/059 is hereby amended by:
 - (a) Redesignating a portion of Lot 2, Block 1, Plan 102 1640 from Urban Expansion (UE) to Neighbourhood District (ND), Mixed Development District (MDD), Multi-Family Residential District (MFD), Public Service District (PS), Town Centre District (TCD), Parks and Recreation District (PR), as depicted in Schedule A.
 - (b) Inserting the attached Schedule B Town Centre District (TCD) as Section 8.4.7
 - (c) Amend Part 8 Parsons Creek Land Use Regulations to add Floor Area Ratios and Densities as follows:
 - 8.4.1.4.9** Floor Area Ratio
 - a) Maximum 0.72
 - 8.4.2.4.9** Floor Area Ratio
 - a) Maximum 1.4
 - 8.4.2.4.10** Density
 - a) Maximum 60 units per hectare
 - b) Notwithstanding Section 8.4.2.4.10(a), the maximum density may be exceed if capacity can be demonstrated through the appropriate studies
 - 8.4.3.4.9** Floor Area Ratio
 - a) Maximum 1.0
 - 8.4.4.4.11** Floor Area Ratio
 - a) Maximum 1.0
 - 8.4.5.3.11** Density
 - a) Maximum 19.83 units per hectare

- b) A minimum of 30% semi-detached dwellings with the exception of Block 31 and Block 33

8.4.6.7 Density

- a) Maximum density of 200 units per hectare
- b) Notwithstanding Section 8.4.6.7, the maximum density may be exceed if capacity can be demonstrated through the appropriate studies

- 2. The Chief Administrative Officer is authorized to consolidate this bylaw.
- 3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, A.D. 2014.

READ a second time this _____ day of _____, A.D. 2014.

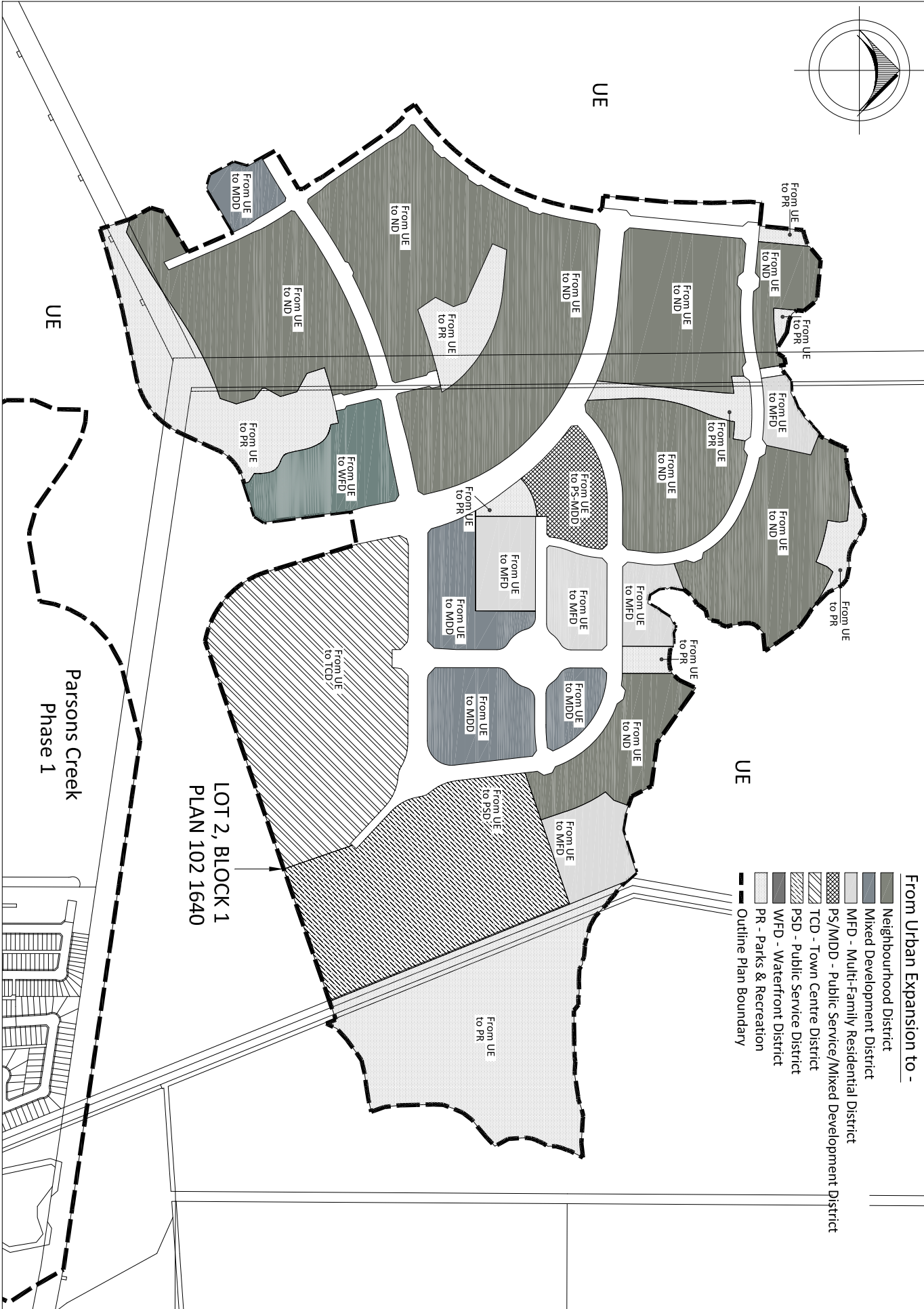
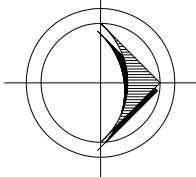
READ a third and final time this _____ day of _____, A.D. 2014.

SIGNED and PASSED this _____ day of _____, A.D. 2014.

Mayor

Chief Legislative Officer

Parsons Creek Phase 2 Land Use Bylaw Amendment - Schedule A



8.4.7 TCD Town Centre District

8.4.7.1 Purpose

The purpose of this District is to provide opportunities for commercial development that serves a number of neighbourhoods. Lodging, office, entertainment and essential public services may also be included within the shopping complexes.

8.4.7.2 Discretionary Uses – Development Officer

The following are discretionary uses that may be approved by the Development Officer:

- a) Community Facility
- b) Entertainment
- c) Essential Public Service
- d) Lodging
- e) Office (above ground floor)
- f) Restaurant – including drive thru facilities
- g) Retail
- h) Service

8.4.7.3 Uses Not Permitted

The following uses are **NOT** permitted in this zone:

- a) Adult Entertainment Facility
- b) Dating and Escort Services

8.4.7.4 General Site Provisions

- a) More than one (1) building may be developed on one lot
- b) Any required garbage enclosures or storage areas shall be located in the rear of the property.

8.4.7.5 Site Provisions

In any TCD Town Centre District no development shall be permitted except where in addition to the General Provisions of Section 8.3:

8.4.7.5.1 The Front Yard Setbacks are:

- a) Where any building is proposed within 40 metres of a public road, the minimum setback is 3.0 metres to a maximum of 9.0 metres

8.4.7.5.2 The Rear Yard Setbacks are:

- a) Any main building may be located to a minimum of 8.0 metres from the rear property line

8.4.7.5.3 The Side Yard Setbacks are:

- a) Any main building may be located to a minimum of 0.0 metres from the interior side property line
- b) Any main building may be located to a minimum of 3.0 metres from the exterior side property line

8.4.7.5.4 Building Height

- a) No building shall be more than two (2) storeys
- b) Notwithstanding (a), in the case of lodging and office no building shall be more than six (6) storeys.

8.4.7.5.5 Parking Requirements

- a) All required loading spaces shall be located in the rear of the property.
- b) For all retail uses the minimum parking requirement shall be 4.0 stalls per every 100 square metres of gross floor area.

8.4.7.5.6 Landscaping Requirements

- a) For areas abutting streets, one (1) deciduous tree (min 50mm caliper, canopy occurring 2.0 metres above finish grade) every 10.0 metres along the street frontage.

8.4.7.5.7 Floor Area Ratio

- a) Maximum 0.3

**Subject: Subdivision Time Extension Request – Saprae Creek
(File Number 2011-SU-00083)****APPROVALS:**

Felice Mazzoni, Director
Henry Hunter, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation:

THAT the application for Subdivision Time Extension for Lot 1, Block 5, Plan 082 1581 be approved for one year until March 26, 2015.

Summary:

An application has been received to request a Subdivision Time Extension for Lot 1, Block 5, Plan 082 1581 in Saprae Creek.

While the Subdivision Authority Bylaw No. 14/006, adopted on March 11, 2014, grants Administration the authority to make decisions on subdivision applications, the authority to grant a time extension on a subdivision approval is still vested with Council under Subsection 6 of Section 657 of the *Municipal Government Act*.

Background:

The subdivision application for the lands described as Lot 1, Block 5, Plan 082 1581 in Saprae Creek was approved on March 26, 2012. This approval granted permission to subdivide this parcel into 19 residential lots and was in effect until March 26, 2014. (Attachment 1).

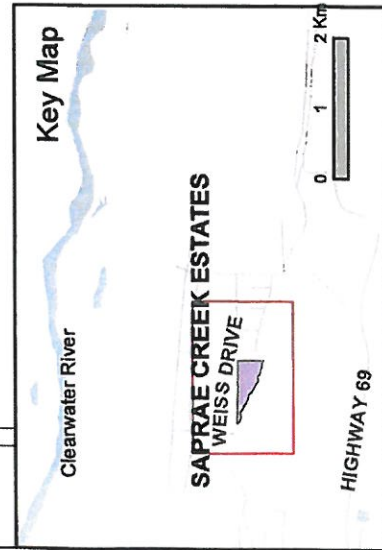
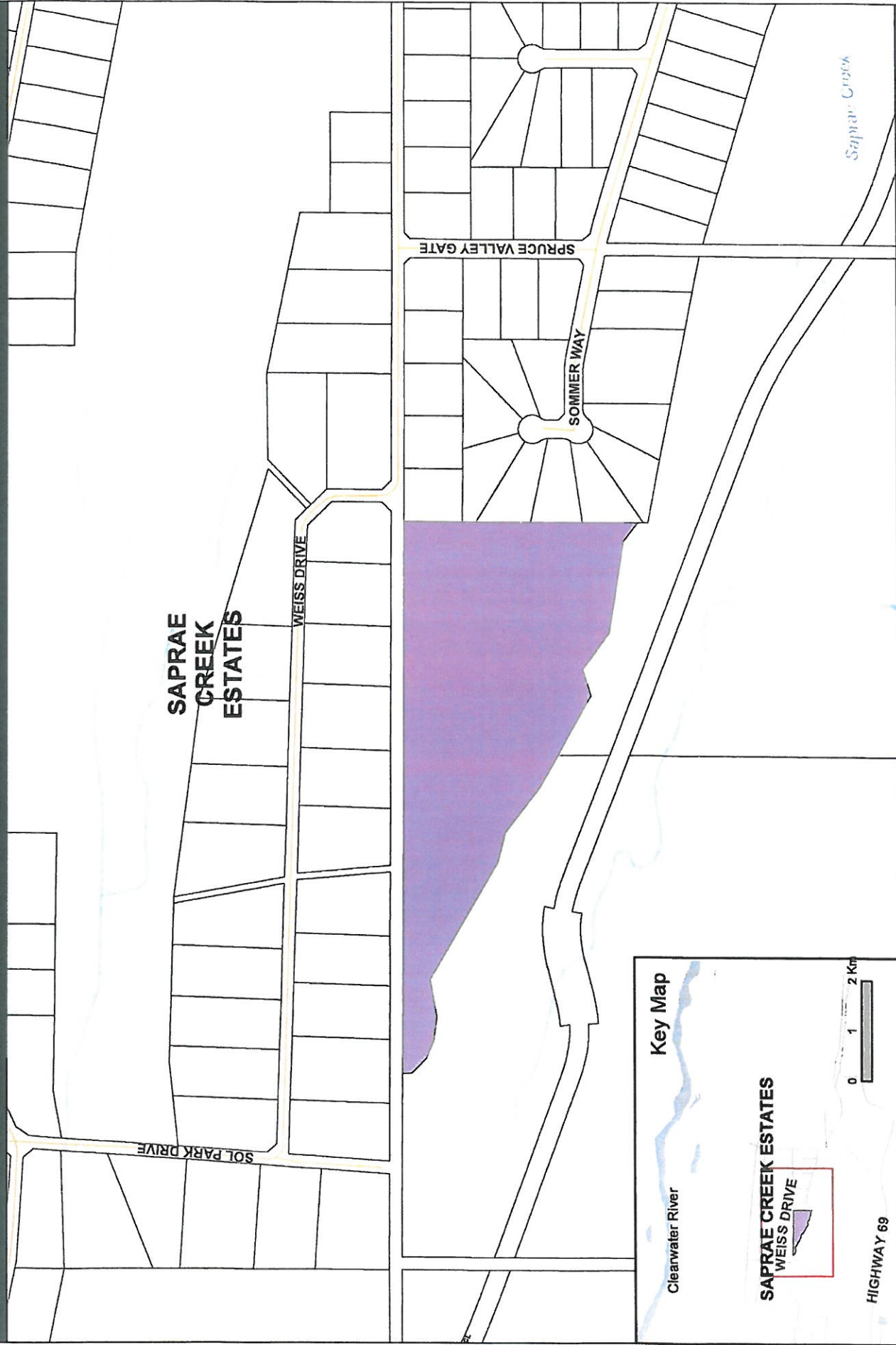
Rationale for Recommendation:

The proposed subdivision is still in accordance with the Highway 69/Clearwater River Valley Area Structure Plan (Bylaw No. 99/058), as there have been no changes to this statutory plan since the original subdivision approval. Additionally, the application still aligns with the Land Use Bylaw (Bylaw No. 99/059) and applicable regulations. The applicant requires a subdivision time extension of one year to allow for future residential development to take place.

Administration supports this extension and recommends that a time extension of one year be granted for this subdivision approval.

Attachment:

1. Subject Property Map



Subject Property

1:8,000

Lot 1, Block 5, Plan 082 1581



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Subject: Appointments of Councillors to Regional Recreation Corporation**Recommendation:**

THAT Councillors McGrath and Cardinal be appointed to the Regional Recreation Corporation, effective immediately.

Summary and Background:

At the October 29, 2013 Organizational Meeting of Council, discussion occurred relative to the Regional Recreation Corporation and Council passed a resolution providing that the governing documents for the Regional Recreation Corporation be amended to provide for the appointment of two Councillors to the Board of Directors. The appointments would be made on the basis that one of the Councillors would represent the Urban Service Area and one would represent the Rural Service Area.

On April 8, 2014, Council approved a resolution to amend the bylaws of the Regional Recreation Corporation to include the appointment of up to two elected members of Council.

Rationale for Recommendation:

The resolution to amend the bylaws of the Regional Recreation Corporation to include the appointment of up to two elected members of council was approved at the April 8, 2014 Council meeting.

Subject: Notice of Motion – Demolition of Expropriated Properties**Recommendation:**

THAT Administration be directed to undertake the immediate demolition and clean-up of all expropriated commercial and residential properties in the City Centre Area, with all work to be completed by no later than June 15, 2014.

Summary and Background:

At the regular Council meeting held on Tuesday, April 8, 2014, Councillor McGrath served notice of his intent to bring forward the following motion for consideration at the April 22, 2014 Council Meeting:

“THAT Administration be directed to undertake the immediate demolition and clean-up of all expropriated commercial and residential properties in the City Centre Area, with all work to be completed by no later than June 15, 2014.”

In accordance with the Procedure Bylaw, the motion is now before Council for consideration.

