



Council Meeting

Council Chamber
Municipal Building - Jubilee Centre
9909 Franklin Avenue, Fort McMurray

Tuesday, June 10, 2008
6:00 p.m.

Amended Agenda

Call to Order

Opening Prayer

Adoption of Agenda

Minutes of Previous Meetings

- A. Regular Meeting – May 27, 2008

Delegations

None scheduled.

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.

Public Hearings

None scheduled.

Bylaws

- A. Bylaw No. 08/031 – Partial Closure of Road Plan 5076 LZ, Fort Chipewyan (*1st reading*)
- B. Bylaw No. 08/036 – Gregoire Lake Area Structure Plan Amendment (*1st reading – Public Hearing to be held June 24, 2008*)
- C. Bylaw No. 08/037 – Land Use Bylaw Amendment – Anzac (*1st reading - Public Hearing to be held June 24, 2008*)
- D. Bylaw No. 08/038 – Amendment to Debuture Bylaw No. 07/048 – MacDonald Island Park Redevelopment Project (*1st reading*)

Reports

- A. Funding Request for the 2008 “Squirts C” Provincial Softball Championships
- B. MacDonald Island Park Corporation 2007 Operating Deficit

- C. Amended Operating Protocol Principles: Not-for-Profit Corporations Review
- D. RCMP/Bylaw and Search and Rescue Warehouse

New and Unfinished Business

Updates

- A. Reporting of Councillors on Boards and Committees
(*Councillors Blair, Byron, Clarkson and Allen*)
- B. Mayor's Update

Adjournment

Subject: Bylaw No. 08/031 – Partial Closure of Road Plan 5076 LZ, Fort Chipewyan**APPROVALS:**

Dennis Peck, General Manager
Susan Motkaluk, Deputy Chief Administrative Officer
Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation(s):

THAT Bylaw No. 08/031, being a bylaw to close a government road allowance, be read a first time.

Summary:

A request has been received to close a portion of a road allowance located in Fort Chipewyan to facilitate development of the Archie Simpson Arena.

Background:

Community Services requested to close part of Road Plan 5076 LZ. During the review of the development permit application for the new arena, a road Right-of-Way was identified as underlying the existing Archie Simpson Arena. The original Archie Simpson Arena was developed by the Provincial Government but a road closure was never completed. In order to obtain a development permit for the Archie Simpson Arena, the appropriate road closure is necessary.

Section 18 of the Municipal Government Act states that a Municipality has direction, control and management of all roads within the Municipality. The Municipality has administrative control over Road Plan 5076 LZ even though ownership lies with the Crown.

Upon closure of a road plan, title is transferred from the Minister of Transportation to the Regional Municipality of Wood Buffalo at no cost.

The bylaw has been reviewed by the Land Title Office to ensure the accuracy of legal descriptions.

Rationale for Recommendation(s):

Administration supports the partial closure of the undeveloped government road allowance in Fort Chipewyan. Council approval of the road closure bylaw is required in order to proceed with the Archie Simpson Arena development process.

Attachments:

1. Proposed Bylaw No. 08/031
2. Subject Area Map

BYLAW NO. 08/031

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO FOR THE PURPOSE OF CLOSING AND CREATING TITLE TO UNDEVELOPED GOVERNMENT ROAD ALLOWANCES IN ACCORDANCE WITH SECTION 22 OF THE MUNICIPAL GOVERNMENT ACT, CHAPTER M-26, REVISED STATUTES OF ALBERTA 2000, AS AMENDED

WHEREAS application has been made to Regional Council to have the road allowance closed, and

WHEREAS the Regional Council of the Regional Municipality of Wood Buffalo deems it expedient to provide for a bylaw for the purpose of closing certain roads, or portions thereof, situated in the said municipality, and thereafter disposing of same, and

WHEREAS, notice of the intention of Regional Council to pass a bylaw has been given in accordance with Section 606 of the Municipal Government Act, and

WHEREAS, Regional Council was not petitioned for an opportunity to be heard by any person claiming to be prejudicially affected by the bylaw.

NOW THEREFORE BE IT RESOLVED that the Regional Council of the Regional Municipality of Wood Buffalo in the Province of Alberta does hereby close for the purpose of creating title to the following described road allowances, subject to the rights of access granted by other legislation:

Plan 5076LZ

All that portion of road lying north of the production westerly of the north limit of Cardinal Avenue as shown on plan 2694RS

Excepting thereout all mines and minerals

This Bylaw shall become effective when it has received third and final reading and has been signed by the Mayor and Chief Legislative Officer.

Read a first time this _____ day of _____, 2008.

Mayor

Chief Legislative Officer

APPROVED this _____ day of _____, 2008.

Minister of Transportation

Read a second time this _____ day of _____, 2008.

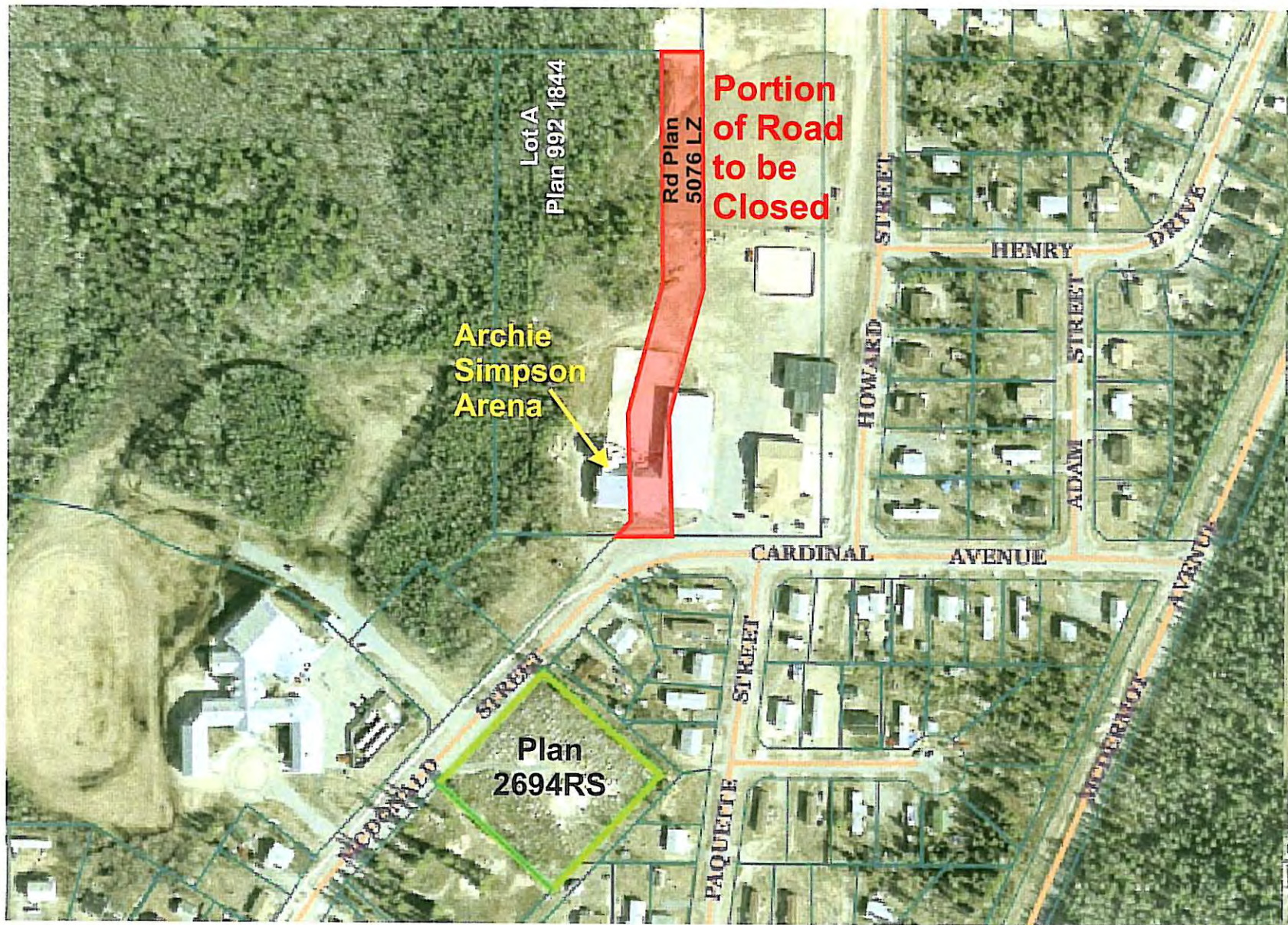
Read a third time and final time this _____ day of _____, 2008.

SIGNED and PASSED this _____ day of _____, 2008

Mayor

Chief Legislative Officer

Archie Simpson Arena in fort Chipewyan
Road Plan 5076 LZ to be closed



**Subject: Bylaw No. 08/036 – Gregoire Lake Area Structure Plan
Amendment – Block A, Plan 772 0841; Part of N.W. 2-88-8-
W4M; Lot 1, Plan 942 0970; Lot 2, Plan 942 0970**

APPROVALS:

Dennis Peck, General Manager
Susan Motkaluk, Deputy Chief Administrative Officer
Rodney Burkard, Chief Administrative Officer

Administrative Recommendation:

Administration does not recommend support of the proposed amendment as future development may impact the quality of Gregoire Lake and cause adverse effects on the lake environment. If Council concurs with non-support, no motion is required, as the bylaw will be considered defeated. Should Council wish to proceed with first reading and scheduling of a public hearing, the following resolution is required:

“THAT Bylaw No. 08/036, being an amendment to the Gregoire Lake Area Structure Plan, be read a first time and a public hearing be scheduled to take place on June 24, 2008”.

Summary:

The intent of the proposed amendment is to remove the subject lands from the Restricted Development Area designation to allow for potential development. The Gregoire Lake Area Structure Plan (Ministerial Order No. 477/91) designates the subject lands as areas of “Restricted Development” (Attachment 2, Map 1: Land Use Areas) where no new development can occur. The applicants have applied to remove their lands from the designation.

Background:

In the late 1980’s, local residents voiced concerns regarding the current water quality of Gregoire Lake and future developments around the lake. In 1989, a lake management planning process was initiated at the request of the Improvement District Advisory Council and was led by the Planning Branch of Alberta Municipal Affairs, which resulted in adoption of the Gregoire Lake Area Structure Plan on June 11, 1991. The Area Structure Plan contains policies and recommendations designed to guide decisions pertaining to future land use and development of the lands immediately surrounding Gregoire Lake.

Significant policies that relate to the application are:

Policy # 1

The Improvement District will control further land development during the 1991 to 1996 period. During this period the objective of the Improvement District will be to address

and resolve water quality and water use issues through implementation of specific improvement measures. In 1996 or sooner the situation will be reviewed and evaluated.

Policy # 2

The Improvement District will continue to allow development on existing lots and parcels in accordance with the provisions of the Planning Act, Improvement District 18(N) Land Use Order and Map 1, Land Use Areas. (The Improvement District is encouraged to re-evaluate this non-development policy upon resolution of the water-related issues)

Policy # 4

The Improvement District will not permit the development of new recreational land uses. However, the expansion of existing campgrounds and resorts may be permitted in accordance with Map 1, Land Use Areas.

Policy #12

When development permit applications are being reviewed by the Improvement District the provisions of Map 1, shall apply.

Policy #19

The Improvement District will not permit any development in the Gregoire Lake drainage basin which could have a detrimental effect on the lake environment.

In addition to the Restricted Development Area designation (Attachment 2, Map 1: Land Use Areas), the subject lands are located in the Surmont Creek Drainage Basin and provide the major inflow into Gregoire Lake (Map 5: Gregoire Lake ASP, 1991). The Area Structure Plan states that the area is also prone to flooding and is not within the area considered to have development potential (Map 9: Gregoire Lake Area Structure Plan, 1991).

Administration cannot support the amendment to the Gregoire Lake Area Structure Plan until a thorough environmental impact assessment (EIA) and a geotechnical survey have been conducted on the lands in question. In addition, the location of the creek bank, the high water mark and the extent of the wetland must also be delineated and submitted to the appropriate municipal department review agencies for review and approval prior to any consideration for an amendment.

Rationale for Recommendation(s):

Administration does not support the removal of the lands from the boundaries of the area designated Restricted Development Area, as future development may impact the quality of Gregoire Lake and cause adverse effects on the lake environment (Attachment 4, Memorandum: Alberta Environment; Attachment 5: UMA Engineering Ltd.).

Attachments:

1. Bylaw No. 08/036 – Gregoire Lake Area Structure Plan Amendment
2. Map 1: Land Use Areas, Gregoire Lake Area Structure Plan, Ministerial Order #477/91, Background Report

3. Memorandum: Applicants' reasons for amendment
4. Aerial Photograph for Site Specific Amendment
5. Memorandum: Alberta Environment
6. Memorandum: UMA Engineering
7. Memorandum: Summary of Reports
 - a. Surface Water Assessment Branch, Technical Services and Monitoring Division, Alberta Environment Protection (1994). *Summary of Water Quality in Gregoire Lake 1989-1993*. Alberta Environment Protection.
 - b. Monitoring and Evaluation Branch, Environmental Assurance Division, Alberta Environment (2006). *Gregoire Lake Water Quality Monitoring Report - Provincial Parks Lake Monitoring Program*. Alberta Government.

BYLAW NO. 08/036

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND THE GREGOIRE LAKE AREA STRUCTURE PLAN - MINISTERIAL ORDER NO. 477/91.

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 an Area Structure Plan.

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 an Area Structure Plan.

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

1. THAT Ministerial Order No. 477/91 is hereby amended by removing Block A, Plan 772 0841; Part of N.W. 2-88-8-W4M; Lot 1, Plan 942 0970 as shown on Schedule "A" and Lot 2, Plan 942 0970, as shown on Schedule "B" attached hereto and forming a part of this bylaw, from the area defined as "Restricted Development Area".
2. THAT the Chief Administrative Officer is authorized to consolidate the bylaw.
3. THAT 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 2008.

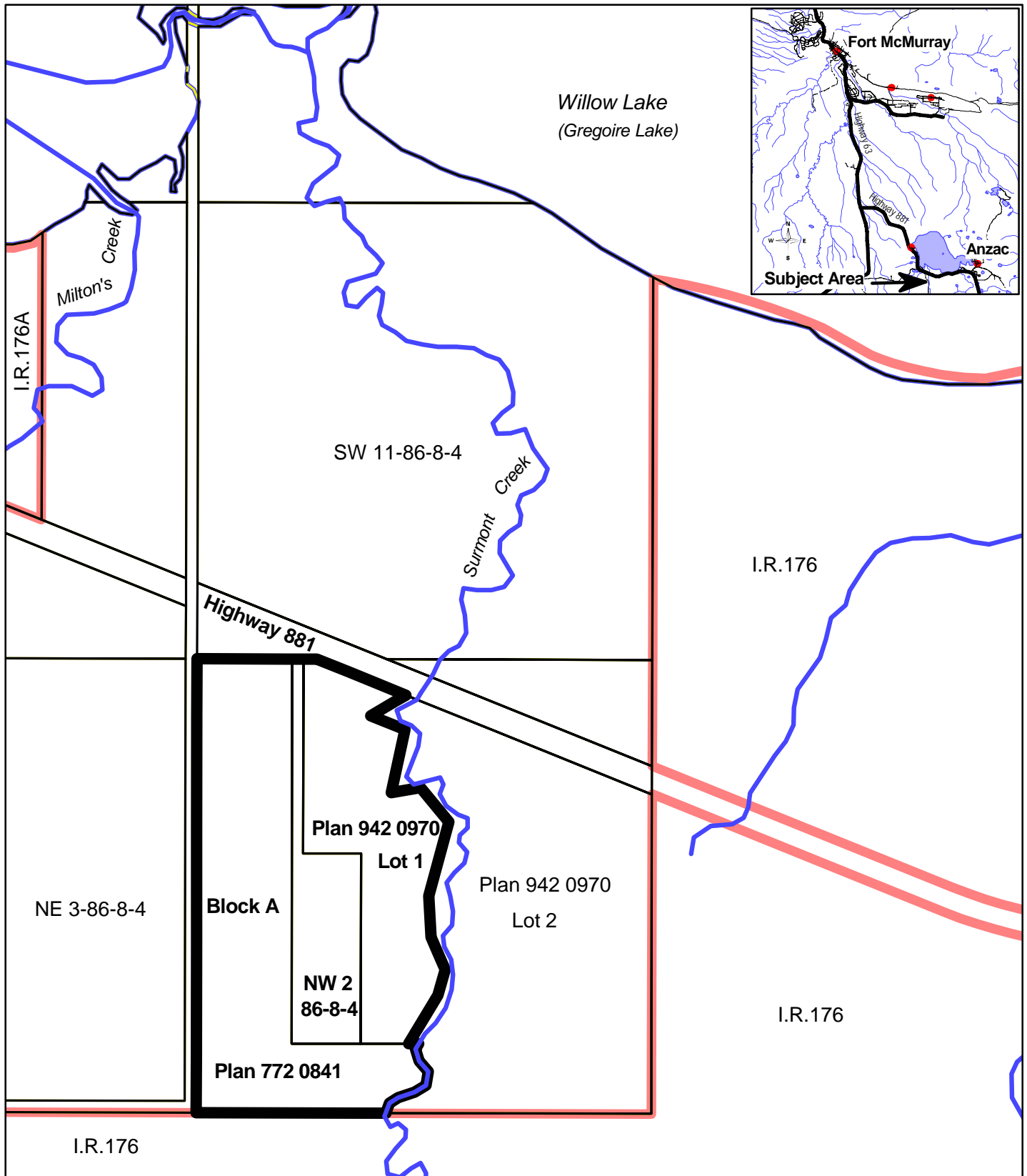
READ a second time this day of , A.D. 2008.

READ a third and final time this day of , A.D. 2008.

SIGNED and PASSED this _____ day of _____, A.D. 2008

MAYOR

CHIEF LEGISLATIVE OFFICER



Gregoire Lake Area Structure Plan Amendment (M.O. 477/91)

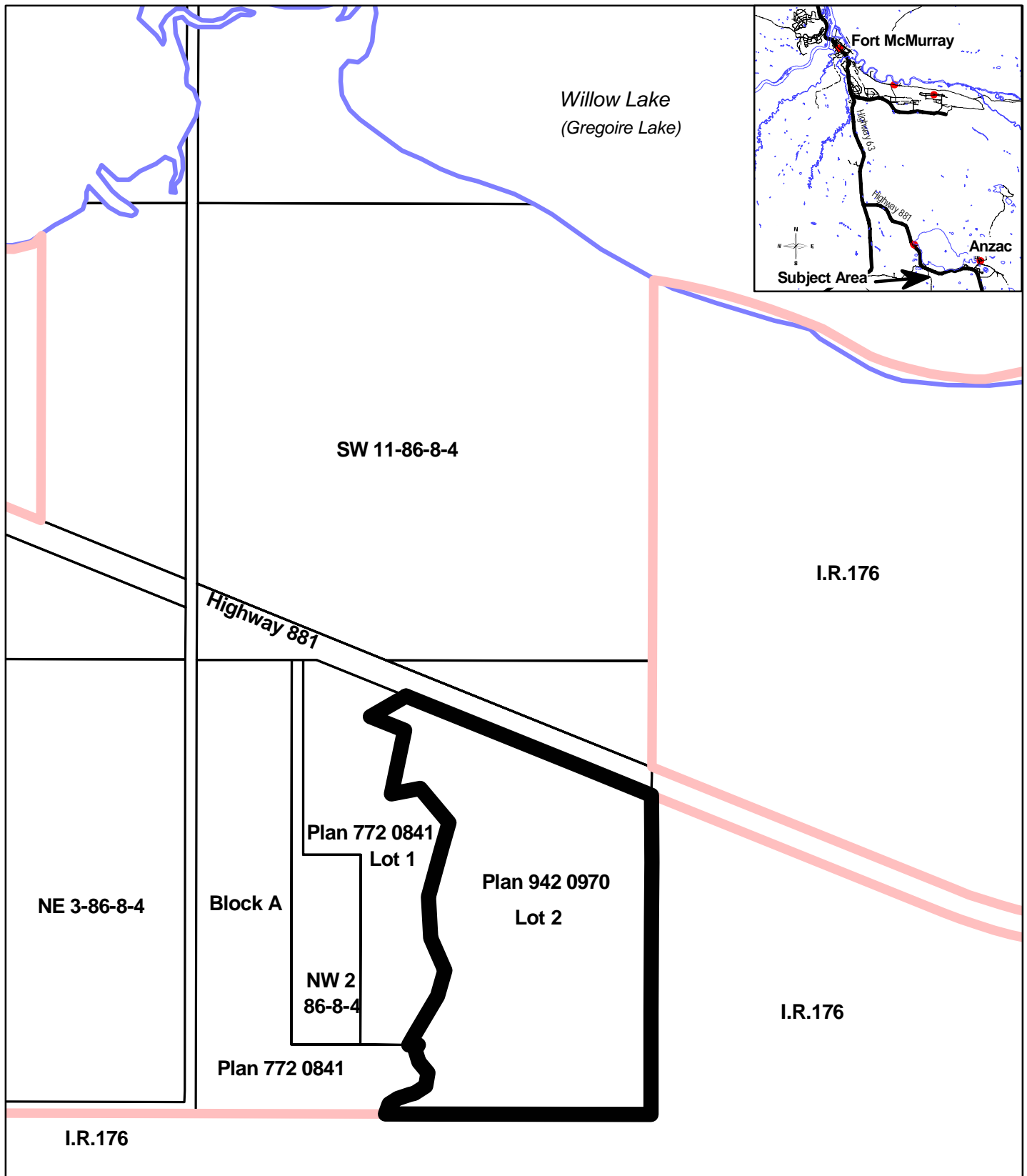
Remove From Restricted Development Area

Site Specific:

Block A, Plan 772 0841

Part of N.W. 2 - 86-8-W4

Lot 1, Plan 942 0970

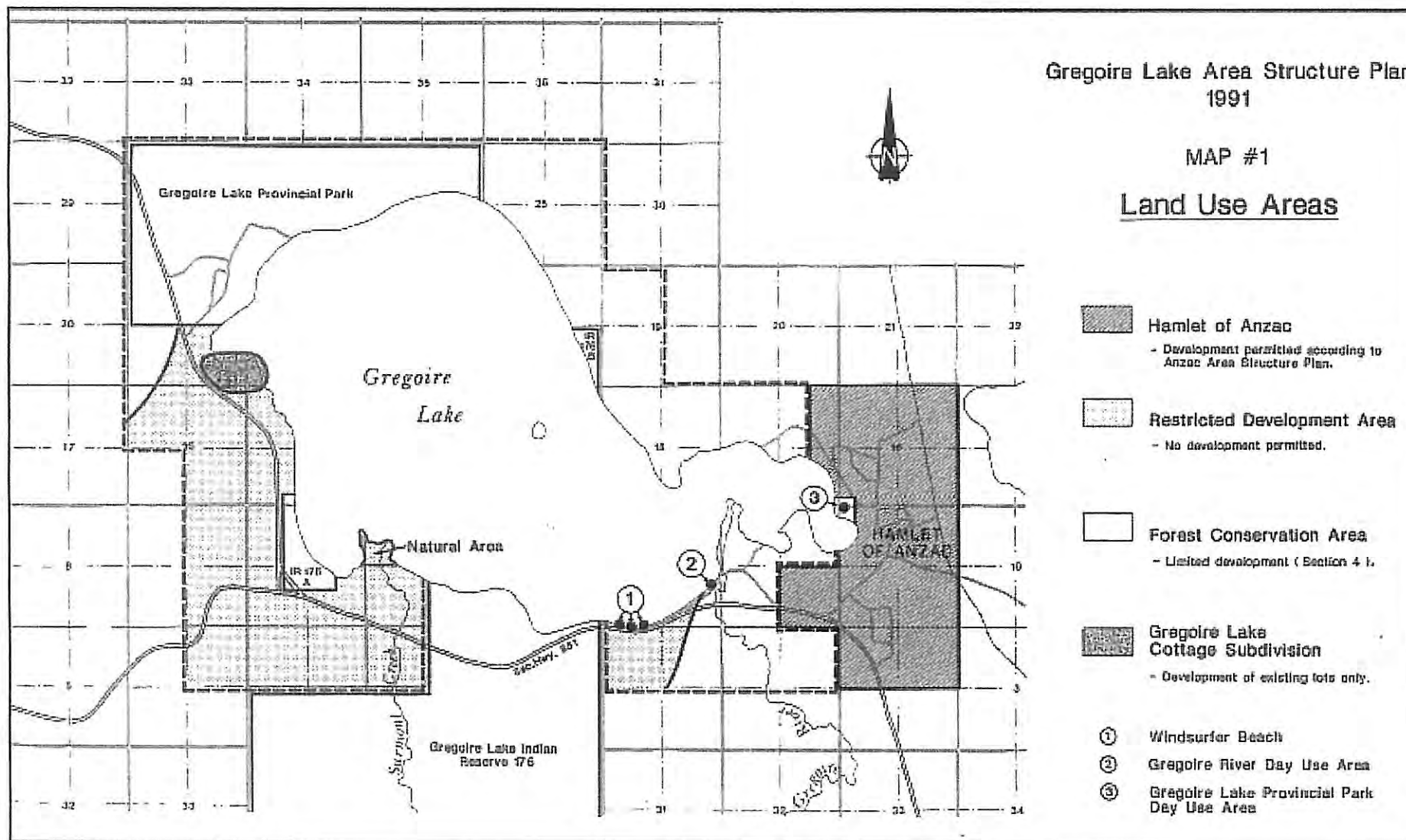


Gregoire Lake Area Structure Plan Amendment (M.O. 477/91)

Remove From Restricted Development Area

Site Specific: Lot 2, Plan 942 0970





Sir and/or Madame,

We are requesting an Amendment to the Gregoire Lake Area Structure Plan, Ministerial Order #477/91 signed June 11, 1991.

We request that the descriptions related to our lands per the descriptions on Map 1 of the Gregoire Lake Area Structure Plan be changed from **"Rural District, Restricted Development Area, No Development permitted"** to simply **"Rural District with the "Restricted Development Area, No Development permitted" removed from our property.**

The Gregoire Lake Area Structure Plan was adopted in 1991, and was meant to have a useful life of five years. It was intended to *slow* development in the area while the health of the lake's water was assessed as there was a **"perception"** that it was deteriorating. Under Section 3.0, "General Planning Policy" it states **"Land development issues were only seen as important as they affect these water related concerns."** It is now 16 and ½ years later, and the plan has not been updated in any way even though there have been two lake studies completed by the Alberta Government that show the water in the lake to be of good quality.

In the Gregoire Lake Area Structure Plan Background Report it lists the 1990 population of Anzac on approximately 90 lots ^{as 267} and of Gregoire Lake Estates with 88 available lots of which 81 are developed and a population of 83. This is for a total of 350 permanent residents living on the shore lands of Gregoire Lake. In the 2006 census the residents are listed as – Anzac 711 (now approximately 230 lots) and Gregoire Lake Estates 285 for a total of 996 permanent residents. This is almost an increase of **200%** in the population living in the lake area.

In the Summary of Water Quality in Gregoire Lake 1989-1993 by Patricia Mitchell, Surface Water Assessment Branch, Technical Services and Monitoring Division, Alberta Environment Protection, January 1994 it states under "Results and Discussion" that "Median or average values of these trophic indicators vary considerably from year to year, **but there is certainly no indication of water quality deterioration. If anything, water quality is improving."**

In the Gregoire Lake, Water Quality Monitoring Report, Provincial Parks Lake Monitoring Program Prepared by Heidi Swanson, M.Sc. & Ron Zurawall, Ph.D, P.Biol., Limnologist Water Quality Specialist, Monitoring and Evaluation Branch, Environmental Assurance Division, Alberta Environment, February, 2006 it states in the "Summary" that "Gregoire Lake is a meso-eutrophic water body with good recreational water quality. Since the beginning of data collection in 1989, water level and water quality have remained relatively stable."

So, despite considerable growth in population since the conception of the Gregoire Lake Area Structure Plan almost 20 years ago, both studies that have been produced by Alberta Environment on the water quality of Gregoire Lake during that time disprove the "perception" that water quality was worsening.


In the Section 1.4, "Planning Area" it states "The Gregoire Lake Area Structure Plan directly affects lands within one kilometer of the lake shoreline. Quarter section lines are used as boundaries." Our property is in excess of one kilometer from the lake, however as GPS was either not widely available or available at all in 1990, the area was delineated by using a map and a ruler which made the area that is covered well outside of the one kilometer Planning Area in many places and less than one kilometer in others. I understand that this was how areas were customarily delineated prior to the technological advances that are currently used. You only have to look at the Highway 63/881 Corridor Area Structure Plan to see that the area is delineated relative to the layout of the highways via GPS and not by quarter section lines. Technology has advanced in the last two decades since the Gregoire Lake Area Structure Plan was put in place. The Gregoire Lake Area Structure Plan makes continual references to "shore lands" which we certainly are not. Alberta Environment and Sustainable Resource Development have appropriate set backs from all water bodies dependent upon what type of development may be pondered. However, they have no particular encumbrances upon our lands related to either Surmont Creek or Gregoire Lake.

Our properties are among a very few privately owned lands in the area covered by the Gregoire Lake Area Structure Plan that are outside of the Hamlets. We are only mentioned once in the Background Report and there is just a reference to the fact that there are two privately held quarter sections along the South shore. It does not mention that one of those quarter sections lies directly adjacent to the Natural Reserve Area and Gregoire Lake. This is not the quarter that our properties are part of. Our property is part of the other quarter section that is south of and on the other side of Highway 881 from that quarter. This quarter section has been subdivided into four separate parcels of which the applicants are the owners of three of these parcels. None of our land fronts on Gregoire Lake. The remainder of the land in the Gregoire Lake Area Structure Plan is Crown Land. In Policy 2 it states that development on existing lots and parcels will be allowed and again recommends re-evaluation of any non-development policy if the lake water is satisfactory.

In Policy 1 it states "The Improvement District will **control** further land development during the 1991 to 1996 period. During this period the objective of the Improvement District will be to address and resolve water quality issues through implementation of specific improvement measures. In 1996 or sooner the situation will be reviewed and evaluated. Map 1, Land Use Areas identifies the land use area designed to control future land development."

We contend that the time for the reevaluation has long since passed and that in light of the two lake studies that Alberta Environment has produced and the wealth of information that they have formulated these reports upon, that the lake water is in good condition and as our property is not directly adjacent to Gregoire Lake, that the **removal** of the "**Restricted Development Area, No Development permitted**" description on our property is in order.

Thank you


John Tobin
Yvette Simon


David Platt
Darlene Platt

The Amendment

I would like the Gregoire Lake Area Structure Plan amended so that Fibre Recovery Systems Inc., the owner of Lot 2 Plan 9420970, can proceed with an application for a permit to build a campground on Lot 2 Plan 9420970. Such a development is a normal discretionary use for property designated as "Rural District." However, in the case of Lot 2 Plan 9420970 and surrounding lots, the Gregoire Lake Area Structure Plan prohibits such development.

Reason for Amendment

The Gregoire Lake Area Structure plan was written in 1991. In section 3.0 General Planning Policy it states

"There is no immediate development pressure on lands surrounding Gregoire Lake, although such pressure could increase in the future."

A few lines later in Policy #1 we read

"The improvement district will control further land development during the 1991 to 1996 period. During this period the objective of the Improvement District will be to address and resolve water quality and water use issues through implementation of specific improvement measures. In 1996 or sooner [my emphasis] the situation will be reviewed and evaluated."

In policy #2 we read

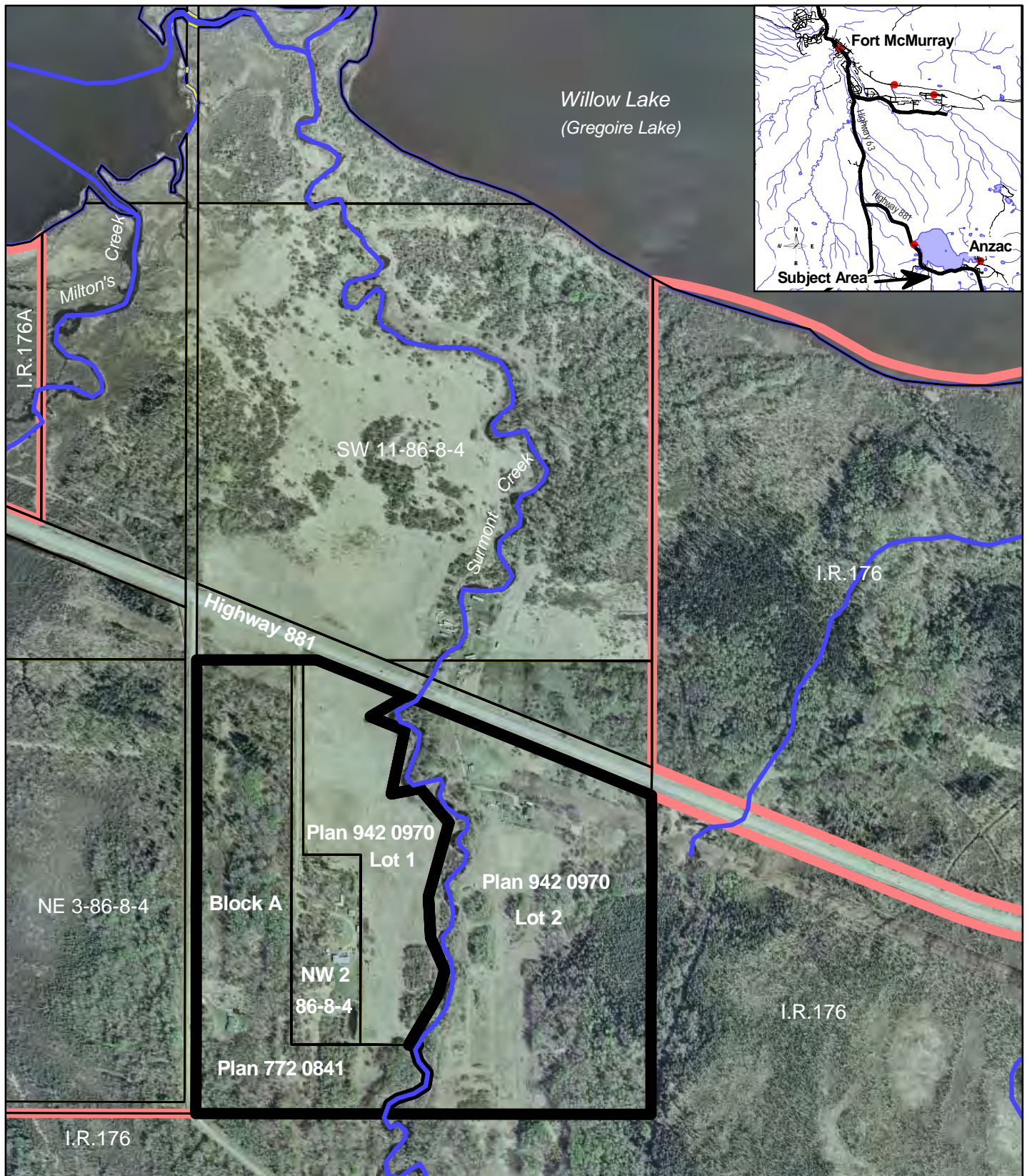
"(The improvement district is encouraged to re-evaluate this non-development policy upon resolution of the water-related issues.)"

It is now 2007 and there is tremendous pressure for development in the area. The water related issues have been dealt with and/or can be dealt with. The required review and evaluation has still not been done. Partly due to the efforts of my neighbors and myself the Municipality has made it a priority to review the Gregoire Lake Area Structure Plan. However, this review will take considerable time. In the meantime I have been encouraged by members of Council to present an amendment specifically to allow my plans to move forward. I am doing just that.

I do not believe the intent of the authors of the Gregoire Lake Area Structure Plan was to prohibit development in the area forever. The period 1991 to 1996 is referred to at several points. I believe the intent of the report was to buy some time to allow study of various water related issues.

Properly designed and built there is no reason why a campground should adversely affect the water quality of Gregoire Lake. (It is ironic to me that the development of an oil sands extraction plant is a permitted use for "rural district" and therefore not prohibited. I suspect

that the potential for adverse effects to the water quality of Gregoire Lake from such a facility is substantially greater than that of a campground.)



Gregoire Lake Area Structure Plan Amendment (M.O. 477/91)

Remove From Restricted Development Area

Site Specific: Block A, Plan 772 0841
 Part of N.W. 2 - 86-8-W4
 Lot 1, Plan 942 0970
 Lot 2, Plan 942 0970



Memorandum

From: Alina Wolanski M.Sc., P.Biol.
Surface Water Quality Specialist
Alberta Environment, Northern Region

Our File Reference:

Your File Reference:

To: Michael Aiton

Date: January 21, 2008

cc. Richard Chabaylo

Subject: **Gregoire Lake – Water Quality and Development Along Surmont Creek**

Background

The Planning and Development Department of Regional Municipality of Wood Buffalo considers developing areas along Surmont Creek for residential and recreational purposes. Surmont Creek is a major source of water inflow to Gregoire Lake which is an important regional recreational resource for the residents of the City of Fort McMurray and the region. The Municipality requested AENV's opinion on the potential environmental impacts that the residential development along Surmont Creek may have on Gregoire Lake.

Based on the review of the available information^{1,2} detailing the water quality status of Gregoire Lake, I provide the following summary on water quality characteristics and assessment of potential impacts of the proposed developments on the lake.

Water Quality and Status of Gregoire Lake

Gregoire Lake is a relatively large (surface area 26 km²), shallow (mean depth 3.9 m) lake and has a moderately large drainage basin (232 km²) located almost entirely to the south/southwest of the lake along Surmont Creek. Most water drains into the lake from the south via Surmont Creek and its tributaries. The outflow is to the Gregoire River which eventually drains to the Athabasca River. A weir is located at the outflow which can be used to achieve desired water levels on Gregoire Lake.

The long term monitoring data indicate that water levels in Gregoire Lake have been fairly stable. Two low water level periods (1982-83 and 1998-99) were likely due to low precipitation².

Prior to 1989 few water quality surveys had been conducted. Since 1989 water samples have usually been collected for analyses once per month during the open-water season (May through September)². The data collected from these surveys suggest that lake is

¹ "Gregoire Lake Area Structure Plan and Background Report" 1991. Prepared for Improvement District No 18(N) by Alberta Municipal Affairs, Planning Branch.

² Gregoire Lake Water Quality Monitoring Report – Provincial Parks Lake Monitoring Program." 2006. Prepared by H. Swanson and R. Zurawell, Alberta Environment.

polymictic; meaning that thermal stratification events (typical to deeper lakes) are short and the lake mixes frequently. Concentrations of dissolved oxygen are adequate; the surface water quality guidelines for oxygen are usually met except near the bottom of the lake. The oxygen depletion near the bottom is typical to lakes in Alberta and is partly associated with high nutrient levels in the lake.

The productivity status indicators (phosphorus and chlorophyll a) suggest that the lake is meso-eutrophic, meaning it has a medium-high productivity which can be manifested as high algal and submergent aquatic vegetation densities – algae blooms are reported in the summer. Despite this classification, the annual average phosphorus levels remain below the surface water quality guidelines for the protection of the aquatic life. The data suggest that an increase in average annual phosphorus levels may have occurred over the past 10 years; however more data are needed to draw any firm conclusion.

Other water quality indicators suggest some unique water quality characteristics. The lake has very "fresh" water with dissolved ion content lower than in many other Alberta lakes. Alkalinity (capacity of water to neutralize acids) and pH are also relatively low. Waters with low alkalinity are not well buffered and are susceptible to changes in pH. Although relatively low compared to other lakes, levels of alkalinity, bicarbonate, hardness and total dissolved solids seemed to have steadily increased over the past 10 years. Overall, Gregoire Lake has good water quality for aquatic life and recreation.

Impact Assessment

As indicated in the letter from the Municipality of Wood Buffalo³, the proposed development would involve approximately 77 residential units. The units would be located along the lower reach of Surmont Creek, near the inflow into the lake and on both sides of the creek. Household waste and sewage would be collected in private septic tanks, whereas storm water runoff would be allowed to enter Surmont Creek³.

It is predicted that, due to its location, the proposed residential development will have adverse effects on water quality and health of Gregoire Lake. It is possible that, in the long term, these impacts would be significant.

The drainage of Surmont Creek constitutes almost the entire watershed of Gregoire Lake. As such, Surmont Creek is the main source of surface water to the lake. Under such circumstance, the protection of Surmont Creek should be a priority.

Typical of many such developments in close proximity to receiving waters, the proposed development would likely increase the loadings of a number of water quality parameters to the creek. These could include: suspended solids, metals, dissolved solids, pesticides and herbicides, nutrients (phosphorus and nitrogen) petroleum (e.g. gasoline) products

³ "Request for environmental information – Gregoire Lake." Letter from Michael Aiton, Regional Municipality of Wood Buffalo. September 24, 2007.

and bacteria. An increase of these constituents will likely impact water quality in Surmont Creek and, because settling and assimilation of contaminants cannot be expected in a short distance, they will be carried into the lake.

The potential for the deterioration of lake water quality due to municipal and cottage developments is well documented in the literature. Inefficient sewage disposal and vegetation removal for residential development can contribute to increased loadings of nutrients, suspended solids, bacteria, yard care pesticides and herbicides into receiving waters – both surface water and groundwater. If nutrient loading is increased to a waterbody, water quality often deteriorates. Impacted lakes become less attractive for recreational use, and the health of the aquatic ecosystem (including fisheries resources) is compromised.

The probability of such impacts increases if contaminated runoff from residential areas is allowed to drain to the lake. This is particularly applicable to the proposed project. The management objectives of setting a 100 m setback will not safeguard the lake from receiving contaminated runoff from the development area. A 100 m setback from Surmont Creek as the only mitigative measure may not be sufficient to prevent surface runoff from entering the creek and eventually Gregoire Lake. In addition to private septic tanks, other quality control measures may be required to reduce the risk of inputs to the creek, particularly from yard and roadway runoff.

The lake and its surrounding areas may already be under considerable pressure. Development in the area is reported to be significant^{1,2}; the shoreline supports three First Nations reserves, two camps, the Hamlet of Anzac and Gregoire Lake Provincial Park. The Gregoire Lake cottage subdivision on the northwest shore is presently the major residential development adjacent to the lake. It was originally designed for summer residences but is now a permanent community¹. The Surmont Creek drainage basin is experiencing notable land use change and development pressure from forestry, oil and gas activities.

Deteriorating water quality in Gregoire Lake has been a regional perception for many years. Lake users have identified the “weed” problem, water quality (odour and algae blooms) and declining fishery as the major issues. While the water quality in Gregoire is relatively good, the lake has certain unique characteristics that make it vulnerable to increased inputs. The relatively low phosphorus to chlorophyll levels, shallow depth and frequent mixing suggests that the lake is very efficient in recycling phosphorus. This in turn implies that any potential increases in nutrient levels may have a measurable effect on the lake trophic status by inducing further eutrophication of the lake – meaning enhanced aquatic plant growth and increased incidence of algae blooms.

Municipal Development Near Lakes - Regulatory Documents and Guidelines

Alberta Environment is not the decision maker with respect to country residential developments, but there is the expectation that developers meet any regulatory requirements under the *Water Act* and *Environmental Protection and Enhancement Act*. Additional documents that are recommended for review include:

- Municipal Policies and Procedures Manual Standards and Guidelines for Municipal Waterworks
- Wastewater and Storm Drainage Systems
- Stormwater Management Guidelines for the Province of Alberta

Conclusion

Surmont Creek constitutes the primary surface water inflow to Gregoire Lake. Any development, whether residential or commercial, in the lower reaches and near the mouth of Surmont Creek has a potential to influence water quality in Gregoire Lake over time. Because of its inherent characteristics, relatively high phosphorus and chlorophyll levels and the existing level of development, Gregoire Lake is vulnerable to eutrophication from increased input of nutrients.

UMA Engineering Ltd.
17007 107 Avenue
Edmonton, Alberta T5E 1G3
T 780.495.7000 F 780.495.7070 www.uma-aecom.com

December 6, 2007

File Name: 7199-041-00-10

Dennis Peck
Manager, Current Planning and Development
Regional Municipality of Wood Buffalo
C9909 Franklin Avenue
Fort McMurray AB T9H 2K4

Dear Dennis:

Re: ASP Amendment Application - Gregoire Lake Area Structure Plan

This is in response to our discussion on November 14, 2007 about criteria for amending the Gregoire Lake Area Structure Plan to accommodate a campground in the SE 11-86-B-4.

According to the information we have, this site is adjacent to the Fort McMurray First Nation lands, south of Highway 881 and east of Surmount Creek. Our comments are below.

1. We have reviewed the Gregoire Lake Area Structure Plan and find it to be a thorough document, typical of the lakeshore management plans prepared in Alberta and Saskatchewan in the 1980s and the 1990s. It was the result of extensive technical analysis and public input.
2. The policy framework for the Gregoire Lake ASP is quite clear. It places strong limitations on new development. Policies 2, 3 and 4 address limitations on new residential, commercial and recreational development. Policy 4 is particularly applicable in that it states that no new recreational land uses will be permitted. Policy 19 states that the Improvement District (now the Regional Municipality) 'will not permit any development in the Gregoire Lake drainage basin which could have a detrimental effect on the lake environment'.
3. The rationale of the policy framework rests on the need to protect the health of the lake, the lakeshore and the watershed. All three are inter-related.
4. The proposed amendment area is adjacent to Surmount Creek which provides the major inflow to Gregoire Lake from an extensive drainage basin extending into the hills and lakes to the south. Any development here would raise issues related to the effect of development on water quality entering the creek and the lake, site suitability analysis, flood risk, appropriate setbacks from the creek, provision of water supply, collection and disposal of wastewater to protect water quality of the creek and lake, management of drainage and stormwater to similarly protect the water quality of the creek and lake. Access control to the First Nation lands may also be an issue.

Appropriate approaches to address these issues include flood-risk and hazard land mapping, determination of the required width of vegetated buffer, geotechnical studies, servicing analysis and proposals, the designation of reserve lands and other mechanisms as required.

5. Typically, a development adjacent to and accessed from a provincial highway would require a traffic impact assessment to determine safety considerations and upgrading requirements.

Dennis Peck
December 6, 2007
Page 2

6. Having said that, it is our opinion that a comprehensive review and update of the entire Area Structure Plan is required prior to any site specific amendments. Otherwise, the value, direction and integrity of the ASP are undermined. Regardless, an update is warranted based on the passage of time and dramatically changing circumstances in the Regional Municipality since 1991.
7. We should also mention (and you may already be aware of this) that Lakeland County has developed a science-based model for determining appropriate vegetated setbacks from a water body. The model considers factors of soil texture, vegetation, slope and other factors in determining the appropriate width of forested setbacks to filter sediments and nutrients. The model has been prepared by AQUALITY Environmental Consulting and applied to Lac la Biche and other lakes. It could be applicable to Gregoire Lake or other lakes.

We hope these few comments are helpful. If we can elaborate on any of the above points we would be pleased to do so.

Sincerely,

UMA Engineering Ltd.



David Klippenstein
Manager, Planning
david.klippenstein@uma.aecom.com

Dk/dk

cc: 7199-041-00-10

FINAL SUMMARY

Summary of Water Quality in Gregoire Lake 1989-1993

- Shallow lake and large watershed in comparison to size of lake
- No decline in lake level, unlike other lakes in the northeastern areas of Alberta
- Dissolved oxygen concentrations are typically high during summer and winter in order to maintain fish populations.
- Lake mixes to bottom periodically during summer ensuring water column well oxygenated; oxygen depletion may also occur during this time and is common in Alberta's productive lakes
- Oxygen depletion also occurs in winter
- Winterkill would be uncommon in lake based on depth and good water quality
- 1993: Fecal coliforms are relatively high; 1994: fecal coliforms at background levels and no major source of contamination
- General water quality assessment measured by concentration of total phosphorous and chlorophyll *a* (summer 1990 and 1993). Chlorophyll *a* highest in August for both years, peak concentration five times lower in 1993.
- High chlorophyll *a* levels = green and murky water, lower chlorophyll *a* levels = clear
- Water low in concentrations of major ions, total dissolved solids and alkalinity. Calcium and bicarbonate dominate ions.
- No indication of water quality deterioration; water quality improving. This may be indication water quality can shift naturally between periods of relatively good and poor water quality
- Excellent recreational water quality
- Lake more productive in past
- Lake is eutrophic: body of water enriched in dissolved nutrients that stimulate growth of aquatic plant life usually resulting in depletion of dissolved oxygen; nutrient enriched and productive
- Few years of data do not allow conclusions about definite trends and their causes
- Influence of weather patterns on lake water quality will be investigated to determine the cause of trends

FINAL SUMMARY*Gregoire Lake: Water Quality Monitoring Report*

- Large drainage basin, very shallow
- Inflow water from Surmont Creek, Outflow is Gregoire River
- Water levels have been stable

- Lake becomes stratified in the summer and winter; lake stratifies weakly during the summer due to shallow depth and mixes completely during wind events or periods of cool weather.
- Lake classified as polymictic = lake mixes frequently and stratification events are rare and short
- Summer = stratification results in decreasing temperature and dissolved oxygen concentrations with increasing depth
- Winter = stratification patterns usually involve water temperatures rising from 0°C at surface (immediately below the ice) to 4°C at the bottom with a concurrent decrease in dissolved oxygen concentrations. Occurs because water is most dense at 4°C

- Oxygen depletion often occurs in the bottom layer of stratified lakes
- Concentrations of dissolved oxygen are sufficient during winter stratification to minimize the risk of winterkill

- Gregoire lake is Meso-eutrophic = algal biomass is somewhat high for the amount of Total phosphorus (limiting nutrient for algal populations) available. Occasional blooms of blue-green algae in summer.
- Fresh, neutral lake with relatively low hardness
- Dominant ions = calcium and bicarbonate; concentrations of these are lower than in many other lakes in Alberta
- Alkalinity is low; not well-buffered against potential acidic depositions from snow or rainfall. Concern over atmospheric emissions from nearby oil sands operations; susceptibility to acidification

- Water level and water quality since 1989 (beginning of data collection) has remained relatively stable

- Good recreational water quality

Subject: Bylaw No. 08/037 – Land Use Bylaw Amendment – Lots 3-8, Block 16, Plan 832 2978, Lots 9, 15, 17 & 18, Block 17, Plan 832 2978, Lots 16A & 16B, Block 17, Plan 902 3066, Lots 1-4, Block 3, Plan 792 0314 and Lots 1-3 & 5-7, Block 11, Plan 792 0314.

APPROVALS:

Dennis Peck, General Manager

Susan Motkaluk, Deputy Chief Administrative Officer

Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation(s):

THAT Bylaw No. 08/037, being a Land Use Bylaw Amendment – to add “Dwelling Units above Ground Floor Commercial” on Lots 3-8, Block 16, Plan 832 2978, Lots 9, 15, 17 and 18, Block 17, Plan 832 2978, Lots 16A and 16B, Block 17, Plan 902 3066, Lots 1-4, Block 3, Plan 792 0314 and Lots 1-3 and 5-7, Block 11, Plan 792 0314, as a designation to the list of Discretionary Uses to the HC – Hamlet Commercial District within the Hamlet of Anzac, be read a first time.

THAT a public hearing be scheduled to take place on June 24, 2008.

Summary:

The intent of the proposed amendment is to designate land for the development of residential units above ground floor commercial uses, to support the growth of the Hamlet of Anzac. The Planning and Development Department is in support of this amendment.

Background:

The amendment stems from a proposal to provide housing combined with commercial services in the Hamlet Commercial District fronting Highway 881. The developer’s intent is to construct a two storey building on a lot with a total of six (6) residential units above the ground floor commercial. The same designation in the HC – Hamlet Commercial District, within the Hamlet of Anzac, was adopted in 2007 under Bylaw No. 07/002 as “Residential Units above Ground Floor Commercial only on Lot 5, Block 11, Plan 792 0314”. The intent of this amendment is to modify all existing HC – Hamlet Commercial lots in Anzac, those being:

Lots 3 – 8, Block 16, Plan 832 2978

Lots 9, 15, 17 and 18, Block 17, Plan 832 2978

Lots 16A and 16B, Block 17, Plan 902 3066

Lots 1 – 4, Block 3, Plan 792 0314

Lots 1 – 3 and 5 – 7, Block 11, Plan 792 0314

Community consultation took place in the form of a public meeting held on April 29, 2008 at the Anzac Community Hall. Approximately 24 citizens (including the Willow Lake Community Association members) attended and expressed no objection to the proposed amendment.

Rationale for Recommendation(s):

The proposed amendment follows the guidelines set out within the Anzac Area Structure Plan. The Anzac Area Structure Plan encourages intensification and infill of existing commercial districts while maintaining and/or improving “the visual quality and marketability of the highly visible commercial site”.

The designation “Dwelling Units above Ground Floor Commercial” will allow for the intensification of development on existing lots and will provide additional housing units. There is limited land available in Anzac for new development. The intent of this amendment is to provide additional housing to accommodate Anzac’s growing commercial and residential needs.

Attachments:

Bylaw No. 08/037 - Land Use Bylaw Amendment

BYLAW NO. 08/037

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, in open meeting hereby enacts as follows:

1. That Land Use Bylaw No. 99/059 is hereby amended by deleting the designation “Residential Units above Ground Floor Commercial only on Lot 5, Block 11, Plan 792 0314” in Section 110.3, and adding the following designation to the list of Discretionary Uses – Development Officer in the HC – Hamlet Commercial District in Section 110.3:

“Dwelling Units above Ground Floor Commercial only on Lots 3 – 8, Block 16, Plan 832 2978; Lots 9, 15, 17 – 18, Block 17, Plan 832 2978; Lots 16A – 16B, Block 17, Plan 902 3066; Lots 1 – 4, Block 3, Plan 792 0314; Lots 1 -3, 5 – 7, Block 11, Plan 792 0314 (Hamlet of Anzac)”, as shown on Schedule “A” attached hereto and forming a part of this bylaw.

2. That the Chief Administrative Officer is authorized to consolidate this bylaw.
3. That 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 2008.

READ a second time this _____ day of _____, A.D. 2008.

READ a third and final time this _____ day of _____, A.D. 2008.

SIGNED and PASSED this _____ day of _____, A.D. 2008

MAYOR

CHIEF LEGISLATIVE OFFICER

Plan	Block	Lot
832 2978	16	3, 4, 5, 6, 7, 8
832 2978	17	9, 15, 17, 18
902 3066	17	16A, 16B
792 0314	3	1, 2, 3, 4
792 0314	11	1, 2, 3, 5, 6, 7



**Subject: Debenture Bylaw No. 07/048 Amendment – MacDonald Island
Park Redevelopment Project****APPROVALS:**

Susan Motkaluk, Deputy Chief Administrative Officer
Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation(s):

THAT Bylaw No. 08/038, being an amendment to Bylaw No. 07/048 – Debenture Borrowing Bylaw for the MacDonald Island Park Redevelopment Project, be read a first time.

Summary:

At the May 6, 2008 Council meeting, Council approved an increase in funding for the MacDonald Island Park Redevelopment Project of \$21,000,000, bringing the estimated cost of the facility to \$170,000,000.

Background:

On October 25, 2005, Council approved a conceptual design for the addition of a library to the MacDonald Island Park Redevelopment Project and authorized Administration to complete the detailed design, prepare a financing plan and debenture borrowing bylaw, and to report back to Council for approval prior to proceeding with construction. The library would be in addition to the arenas, fieldhouses, childcare, fitness areas, and aquatic centre already under way. The revised cost of the project was shown as \$52,000,000.

On March 14, 2006, Council approved a revised project scope and amended the MacDonald Island Park Redevelopment Project budget from \$52,000,000 to \$106,812,374. The increase is related to the increased scope such as the expanded aquatics centre plus cost increases, primarily driven by detail designs.

On May 8, 2007, Council approved an amendment to the MacDonald Island Park Redevelopment Project, increasing the capital budget from \$106,812,374 to \$147,077,027. This increase was in response to errors and omissions in the previous budget submission, plus cost increases driven by inflation and detail designs.

The engineering consulting firm CRA has prepared estimates of costs required to complete the facility per the actual approved scope. The cost estimates based on all knowns at this time is approximately \$21,000,000 bringing the total facility budget to approximately \$170,000,000.

Alternatives:

1. Debenture finance the additional \$21,000,000.
2. Fund the additional \$21,000,000 from the Capital Infrastructure Reserve.

Budget/Financial Implications:

This borrowing request will increase the Municipality's total committed debt percentage to 78%.

Rationale for Recommendation(s):

The additional \$21 million of funding for the MacDonald Island Park Redevelopment Project if taken from the Capital Infrastructure Reserve would reduce the reserve to \$25 million. Given the cost increase of capital projects, and delays in grant funding, the Chief Financial Officer recommends the additional required funding be debenture financed, rather than reducing the reserve. A balance of between \$50 to \$60 million is the recommended reserve balance.

Attachments:

1. Bylaw No. 08/38 w/amortization schedule
2. 2008 Capital Budget Amendment Request Form

BYLAW NO. 08/038

WHEREAS the Municipal Council of the Regional Municipality of Wood Buffalo has passed Bylaw No. 07/048 authorizing the issuance of a debenture of ONE HUNDRED SEVENTEEN MILLION THREE HUNDRED FIFTY TWO THOUSAND SIX HUNDRED FIFTY THREE (117,352,653.00) xx/100 DOLLARS in respect of the project known as the MacDonald Island Redevelopment, the total cost of which project is estimated to be ONE HUNDRED FORTY SEVEN MILLION SEVENTY SEVEN THOUSAND TWENTY SEVEN (\$147,077,027.00) xx/100 DOLLARS;

AND WHEREAS the Council of the Regional Municipality of Wood Buffalo wishes to increase the amount of borrowing authorized in respect of the aforesaid project;

NOW, THEREFORE, the Municipal Council of the Regional Municipality of Wood Buffalo, duly assembled, enacts as follows:

1. The purpose of this Bylaw is to authorize the borrowing of additional monies to finance the cost of the project known as the MacDonald Island Redevelopment (the "Project");
2. The authorized expenditure for the Project is hereby increased from ONE HUNDRED FORTY SEVEN MILLION SEVENTY SEVEN THOUSAND TWENTY SEVEN (\$147,077,027.00) xx/100 DOLLARS authorized by Bylaw 07/048 to ONE HUNDRED SEVENTY MILLION (\$170,000,000.00) xx/100 DOLLARS;
3. The borrowing in the amount of ONE HUNDRED SEVENTEEN MILLION THREE HUNDRED FIFTY TWO THOUSAND SIX HUNDRED FIFTY THREE (\$117,352,653.00) xx/100 DOLLARS for the Project authorized by Bylaw 07/048 is hereby increased by THIRTY THREE MILLION FIVE HUNDRED THIRTY EIGHT THOUSAND EIGHT HUNDRED FORTY SEVEN (\$33,538,847.00) xx/100 DOLLARS to ONE HUNDRED FIFTY MILLION EIGHT HUNDRED NINETY ONE THOUSAND FIVE HUNDRED (\$150,891,500.00) xx/100 DOLLARS;
4. The maximum rate of interest of the borrowing hereby authorized will be the same as authorized by Bylaw 07/048, namely 14% per annum;
5. The term of the borrowing hereby authorized will be the same as authorized by Bylaw 07/048, 25 (twenty-five) years;
6. The terms of repayment of the borrowing authorized hereby will be the same as Bylaw 07/048, either annual or semi-annual payments;
7. The sources of money to be used to pay the principal and interest owing under the borrowing hereby authorized will be the same as those authorized under Bylaw 07/048;
8. Bylaw 07/048 is hereby amended in accordance with the terms of this Amending Bylaw;
9. This Amending Bylaw shall be advertised in accordance with requirements of the *Municipal*

Government Act, SA 2000, c. M-26, as amended.

10. 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 in Council this _____ day of _____, 2008.

READ a second time in Council this _____ day of _____, 2008.

READ a third time in Council this _____ day of _____, 2008.

SIGNED and PASSED this _____ day of _____, 2008.

CERTIFIED A TRUE COPY

MAYOR

CHIEF LEGISLATIVE OFFICER

CHIEF LEGISLATIVE OFFICER

Debenture Schedule

MacDonald Island Redevelopment

Principal	\$150,891,500.00
Interest	6.00%
Term	25
Payments	\$11,803,746.85

Year	Beginning Balance	Interest	Payment	Principal	End Balance
					\$150,891,500.00
1	\$150,891,500.00	\$9,053,490.00	\$11,803,746.85	\$2,750,256.85	\$148,141,243.15
2	\$148,141,243.15	\$8,888,474.59	\$11,803,746.85	\$2,915,272.26	\$145,225,970.89
3	\$145,225,970.89	\$8,713,558.25	\$11,803,746.85	\$3,090,188.60	\$142,135,782.29
4	\$142,135,782.29	\$8,528,146.94	\$11,803,746.85	\$3,275,599.91	\$138,860,182.37
5	\$138,860,182.37	\$8,331,610.94	\$11,803,746.85	\$3,472,135.91	\$135,388,046.47
6	\$135,388,046.47	\$8,123,282.79	\$11,803,746.85	\$3,680,464.06	\$131,707,582.40
7	\$131,707,582.40	\$7,902,454.94	\$11,803,746.85	\$3,901,291.91	\$127,806,290.50
8	\$127,806,290.50	\$7,668,377.43	\$11,803,746.85	\$4,135,369.42	\$123,670,921.07
9	\$123,670,921.07	\$7,420,255.26	\$11,803,746.85	\$4,383,491.59	\$119,287,429.49
10	\$119,287,429.49	\$7,157,245.77	\$11,803,746.85	\$4,646,501.08	\$114,640,928.41
11	\$114,640,928.41	\$6,878,455.70	\$11,803,746.85	\$4,925,291.15	\$109,715,637.26
12	\$109,715,637.26	\$6,582,938.24	\$11,803,746.85	\$5,220,808.62	\$104,494,828.64
13	\$104,494,828.64	\$6,269,689.72	\$11,803,746.85	\$5,534,057.13	\$98,960,771.51
14	\$98,960,771.51	\$5,937,646.29	\$11,803,746.85	\$5,866,100.56	\$93,094,670.95
15	\$93,094,670.95	\$5,585,680.26	\$11,803,746.85	\$6,218,066.59	\$86,876,604.36
16	\$86,876,604.36	\$5,212,596.26	\$11,803,746.85	\$6,591,150.59	\$80,285,453.77
17	\$80,285,453.77	\$4,817,127.23	\$11,803,746.85	\$6,986,619.63	\$73,298,834.14
18	\$73,298,834.14	\$4,397,930.05	\$11,803,746.85	\$7,405,816.80	\$65,893,017.34
19	\$65,893,017.34	\$3,953,581.04	\$11,803,746.85	\$7,850,165.81	\$58,042,851.53
20	\$58,042,851.53	\$3,482,571.09	\$11,803,746.85	\$8,321,175.76	\$49,721,675.77
21	\$49,721,675.77	\$2,983,300.55	\$11,803,746.85	\$8,820,446.30	\$40,901,229.46
22	\$40,901,229.46	\$2,454,073.77	\$11,803,746.85	\$9,349,673.08	\$31,551,556.38
23	\$31,551,556.38	\$1,893,093.38	\$11,803,746.85	\$9,910,653.47	\$21,640,902.91
24	\$21,640,902.91	\$1,298,454.17	\$11,803,746.85	\$10,505,292.68	\$11,135,610.24
25	\$11,135,610.24	\$668,136.61	\$11,803,746.85	\$11,135,610.24	\$0.00
Total		Interest \$144,202,171.28	Payment \$295,093,671.28	Principal \$150,891,500.00	

**Regional Municipality of Wood Buffalo
Capital Budget Amendment Request, May 6, 2008
2008**

CURRENT PROJECT NAME: MacDonald Island Redevelopment

AMENDED PROJECT NAME:

SPONSOR DEPARTMENT: Public Services

Project Amendment

SPONSOR DIVISION: Public Services

CURRENT PROJECT BUDGET

Funded capital project

Current Priority Score

60

<i>Year</i>	<i>Annual Cost</i>	<i>Fed Grants</i>	<i>Prov Grants</i>	<i>Reserves</i>	<i>Operating Budget</i>	<i>Other Sources</i>	<i>Debtenture Financed</i>
<i>Prior</i>	101,631,398			18,108,500		2,800,000	80,722,898
<i>2008</i>	47,204,129					2,800,000	44,404,129
<i>2009</i>	-						
<i>Thereafter</i>	-						
TOTAL	148,835,527	-	-	18,108,500	-	5,600,000	125,127,027

DESCRIPTION/REASONS FOR BUDGET AMENDMENT

Amended to accomodate current projected cost amounting to \$170M, as a result of the assessment just been done.

AMENDED PROJECT BUDGET (Only required if project is new, deferred, or amended)

Funded capital project

Amended Priority Score

66

<i>Year</i>	<i>Annual Cost</i>	<i>Fed Grants</i>	<i>Prov Grants</i>	<i>Reserves</i>	<i>Operating Budget</i>	<i>Other Sources</i>	<i>Debtenture Financed</i>
<i>Prior</i>	99,831,398			18,108,500		1,000,000	80,722,898
<i>2008</i>	60,168,602						60,168,602
<i>2009</i>	10,000,000						10,000,000
<i>Thereafter</i>	-						
TOTAL	170,000,000	-	-	18,108,500	-	1,000,000	150,891,500

ADDITIONAL INFORMATION

Other sources pertains to fund received from Suncor as part of the fundraising campaign. Reserve for 2008 includes the \$1.7M mitigating measures and \$58.5K signage design both approved by Council last Nov 13, 2007 Council meeting.

Public Services

Sponsor Department

Susan Motkaluk, Deputy Director, Public Service

Project Lead

PLEASE NOTE: Deferred projects must follow the budget process. Deferring a project to a future year does not grant pre-budget approval for that project.

Subject: Funding Request for the 2008 “Squirts C” Provincial Softball Championships**APPROVALS:**

Allan Grandison, Acting General Manager
Susan Motkaluk, Deputy Chief Administrative Officer
Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation(s):

THAT \$10,000 is allocated from the Joint Initiatives Fund for the Fort McMurray Minor Softball Association in support of the 2008 “Squirts C” Provincial Softball Championships.

Summary:

The Fort McMurray Minor Softball Association has requested funding and support from the Municipality, as per Attachment 1, for the 2008 “Squirts C” Provincial Softball Championships scheduled for July 4, 5, and 6.

Background:

This year, Fort McMurray Minor Softball has been given the opportunity to host the 2008 “Squirt C” Provincial Softball Championships. The tournament consists of approximately ten provincial girls’ softball teams aged 10-11. It has been several years since the Municipality has hosted girls’ softball at this level and the association hopes that this event will re-energize enthusiasm and participation of softball in our region.

In the past, field rental fees of approximately \$500.00 have been waived for events under the authority of the Parks and Outdoor Recreation Branch Manager. The Municipality is also providing Administrative support within our existing job scope.

Rationale for Recommendation(s):

The purpose of the Joint Initiatives Fund is to encourage the development of partnerships between the Regional Municipality of Wood Buffalo and community groups that will enhance the quality of life within the region.

This represents an opportunity for the Regional Municipality of Wood Buffalo to showcase the new fields at Timberlea Athletic Park and promote our “Big Spirit” initiative. The Fort McMurray Minor Softball Association has offered to produce banners with the Municipal and Big Spirit logos. These banners will be predominately displayed at their upcoming tournaments across the province as well as at the Provincial Championships.

Attachments:

1. Fort McMurray Minor Softball Letter of Request and Budget Proposal

FORT MCMURRAY MINOR



May 7, 2008

Mayor Blake
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9H 2K4

Dear Mayor Blake

The Fort McMurray Minor Softball Association has received the honour of hosting the 2008 "Squirts C" Provincial Softball Championships. The "Squirt" rep team consists of girls aged 10-11. The July 4 – 6th hosting will be the first Provincials for softball in the Regional Municipality of Wood Buffalo in many years. We are holding the tournament at the Timberlea Athletic Park, as the new fields are a jewel to and for this community.

In prior years all travel and expenses to tournaments as well as Provincials, have been sponsored in part by the Association and fundraising by the "Rep Teams". The girls have 3 tournaments planned for this year starting on the weekend of May 9th with a budget of \$20,000.00 for the season. With the acceptance of Provincials the team will be able to save some travel expenses, play in front of their family and friends, and showcase Fort McMurray's "Big Spirit".

The "Squirt" team is currently soliciting donations from the community and has secured hotels and volunteers for this event. The team is designing a banner to take on out of town tournaments. We would like the addition of the Regional Municipality of Wood Buffalo and the "Big Spirit" logos, as well as additional funding from the Regional Municipality of Wood Buffalo. Fort McMurray has a reputation of hosting extremely successful events and with the Municipality's assistance it will continue to do so. The opportunity to showcase the region and its "Big Spirit" will also help to dispel some of the negative images of Fort McMurray. The advertisement of Provincials throughout the province and community will draw spectators from all over; the association also hopes to rejuvenate softball in this community.

We would like to formally request \$10 000 from the Municipality for tournament associated costs. We are also requesting the use of the "Big Spirit" logo, the Regional Municipality of Wood Buffalo brand, support from the Community Services Department by waiving the associated field fees, special events permit, assistance with site set up and field preparation, a sound system, guidance and support where needed and Regional Municipality of Wood Buffalo promotional items for the souvenir bags.

We invite you or a member of your council to throw the ceremonial first pitch at the opening ceremonies on July 4 and to help present the medals at the closing ceremonies on July 6.

We look forward to discussions and acceptance of this funding request.

Sincerely yours,

Ms. Colleen MacDougall
Tournament Co-Chair
Home: 790-9272
Cell: 881-9234
E-Mail ceilidhmac@shaw.ca
22 Rae Cres.
Fort McMurray, AB

Ms. Tracy Horvath
Tournament Co-Chair
Home: 791-5690
Cell: 881-9538
E-Mail t.horvath@shaw.ca
165 Williams Garden Place
Fort McMurray, AB

Budget Proposal

Fort McMurray Squirt Thunder: Provincial Host July 4-6, 2008

Expenses:

Tent Rentals	\$1000.00
Tables and Chairs	\$200.00
Umpires	\$1430.00
Banners	\$1500.00
Standing Boards	\$250.00
Programs	\$500.00
Athlete Social	\$3000.00
Prizes for Skills Competition	\$1000.00
Big Spirit T-Shirts for Athletes & Coaches	\$1500.00
Ice and Water	\$200.00
Softballs	\$300.00
St. John Ambulance	\$1500.00
Incidentals	\$500.00
Permits	\$200.00
Advertising/Sponsor Recognition	\$600.00
Total:	\$13,680.00

Revenue:

Sponsorship	\$2000.00
Bottle Drive	\$413.80
Concession	\$1000.00
Total:	\$3413.00

Subject: MacDonald Island Park Corporation 2007 Operating Deficit**APPROVALS:**

Patty King, General Manager
Henk van Waas, General Manager/Regional Assessor
Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation:

That the Regional Municipality of Wood Buffalo provide grant funding in the amount of \$559,580 for the 2007 operating deficit of MacDonald Island Park Corporation (MIPC).

Summary:

Council authorized the engagement of an audit firm (KPMG) to provide an opinion on MIPC's financial statements as at December 31, 2007. The attached "draft" financial statements indicate an operating deficit of \$559,580 for the year ended December 31, 2007 (see the Statement of Operations).

Since Canadian accounting standards require the Municipality to expense the \$559,580 in the Municipality's financial statements, the funding source is the Municipality's 2007 corporate operating surplus.

Background:

Although the MacDonald Island Redevelopment Project is being constructed in a phased manner, the construction does not readily support phased occupancy, primarily because key elements including service tie-ins, controls, commissioning, and required access and exit routes for the overall facility are incorporated in the construction of the Phase 3 work (aquatic centre). Poor communication between the parties involved in the project resulted in misunderstandings with respect to phased occupancy. As a result, MIPC experienced a non-budgeted 2007 operating deficit of \$559,580.

Alternatives:

1. Provide MIPC with a grant in the amount of \$559,580 to fund the deficit and assist with cash management issues arising from the deficit.
2. Do not provide a grant in the amount of \$559,580 to MIPC. Although the \$559,580 is funded by the Municipality's 2007 operating surplus, the Municipality is not required to provide MIPC with a grant. This would negatively impact MIPC's cash management.

Budget/Financial Implications:

The deficit will be funded from the 2007 Corporate Operating Surplus.

Rationale for Recommendation(s):

MacDonald Island Park Corporation will require funding of this deficit to remain solvent. Without this cash infusion, it will negatively impact their 2008 operations.

Attachments:

MacDonald Island Park Corporation, 2007 Financial Statements (Draft Form)

Financial Statements of

**MACDONALD ISLAND PARK
CORPORATION**

Year ended December 31, 2007

DRAFT

AUDITORS' REPORT

To the Members of MacDonald Island Park Corporation

We have audited the balance sheet of MacDonald Island Park Corporation as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Corporation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to amounts recorded in the records of the Corporation and we were not able to determine whether any adjustments might be necessary to donations and fundraising, excess of revenue over expenditures, current assets and unrestricted net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and fundraising as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Edmonton, Canada
March 28, 2008

MACDONALD ISLAND PARK CORPORATION

Financial Statements

Year ended December 31, 2007

Financial Statements

Balance Sheet	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

MACDONALD ISLAND PARK CORPORATION

Balance Sheet

December 31, 2007, with comparative figures for 2006

	2007	2006
Assets		
Current assets:		
Cash	\$ 138,090	\$ 905,470
Accounts receivable	565,161	706,983
Inventories	79,014	63,616
Prepaid expenses and deposits	1,188	-
Due from the Regional Municipality of Wood Buffalo (note 2)	707,569	283,839
	1,491,022	1,959,908
Capital assets (note 3)	2,676,118	1,087,011
	\$ 4,167,140	\$ 3,046,919

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 805,501	\$ 690,260
Current portion of deferred revenue (note 4)	143,235	68,081
Deferred capital contributions (note 5)	159,678	750,748
Deposits and funds held in trust (note 6)	42,660	49,424
Current portion obligations under capital leases (note 7)	87,287	80,186
	1,238,361	1,638,699
Obligations under capital leases (note 7)	51,271	96,884
Unamortized deferred capital contributions (note 8)	1,818,438	452,117
Deferred revenue (note 4)	171,547	-
Net assets:		
Invested in capital assets	719,122	457,824
Unrestricted	-	-
Internally restricted (note 9)	168,401	401,395
	887,523	859,219
Credit facilities (note 10)		
	\$ 4,167,140	\$ 3,046,919

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

MACDONALD ISLAND PARK CORPORATION

Statement of Operations

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Contribution from the Regional Municipality of Wood Buffalo (note 11)	\$ 1,650,000	\$ 1,250,000
Hospitality and camp	1,732,284	1,736,615
Facility and equipment rental	1,391,770	920,164
User fees	1,033,379	1,036,348
Memberships	497,080	465,543
Pro-shop merchandise	411,011	402,222
Amortization of deferred capital contributions (note 8)	330,414	45,730
Donations, fundraising and subsidies	44,421	89,979
Other revenue	16,486	34,955
	7,106,845	5,981,556
Cost of goods sold:		
Food and beverage	702,917	626,792
Pro shop	291,821	264,435
	994,738	891,227
	6,112,107	5,090,329
Expenditures:		
Wages and benefits	3,805,152	2,732,689
Subcontractors	689,516	328,402
Utilities	429,607	381,554
Amortization of capital assets	355,510	240,325
Supplies	312,245	287,375
Repairs and maintenance	245,291	203,855
Professional fees	126,818	115,458
Office and general	112,300	52,033
Advertising	96,529	64,149
Equipment and miscellaneous rentals	83,061	121,285
Promotion	82,558	19,887
Travel and training	61,756	35,307
Interest and bank charges	58,935	53,512
Telephone	51,869	32,880
Prizes and trophies	35,726	23,705
Insurance	35,065	18,056
Freight	34,806	17,929
Entertainment	23,355	39,567
Miscellaneous	23,081	16,406
Meals	17,632	30,688
Property taxes	6,431	13,728
Bad debts	5,503	7,347
Licenses, fees and permits	4,037	4,742
Loss (gain) on sale of capital assets	(53,400)	2,366
	6,643,383	4,843,245
Excess (deficiency) of revenue over expenditures before the undernoted	(531,276)	247,084
Deficit funding from the Regional Municipality of Wood Buffalo (note 11)	559,580	-
Excess of revenue over expenditures	\$ 28,304	\$ 247,084

See accompanying notes to financial statements.

May 26, 2008, 3:32 PM

MACDONALD ISLAND PARK CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2007, with comparative figures for 2006

	Invested in capital assets	Unrestricted	Internally restricted	2007	2006
Balance, beginning of year	\$ 457,824	\$ -	\$ 401,395	\$ 859,219	\$ 612,135
Excess of revenue over expenditures	28,304	-	-	28,304	247,084
Investment in capital assets, net	232,994	-	(232,994)	-	-
Balance, end of year	\$ 719,122	\$ -	\$ 168,401	\$ 887,523	\$ 859,219

See accompanying notes to financial statements.

MACDONALD ISLAND PARK CORPORATION

Statement of Cash Flows

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 28,304	\$ 247,084
Items not involving cash:		
Amortization of deferred capital contributions	(330,414)	(45,730)
Amortization of capital assets	355,510	240,325
Loss (gain) on disposal of capital assets	(53,400)	2,366
Change in non-cash operating capital:		
Decrease (increase) in accounts receivable	141,822	(325,664)
Increase in inventories	(15,398)	(8,132)
Decrease (increase) in prepaid expenses and deposits	(1,188)	552
Increase in accounts payable and accrued liabilities	115,241	120,309
Decrease in deposits and funds held in trust	(6,764)	(56,002)
Increase (decrease) in current portion of deferred revenue	75,154	(50,994)
Increase in due from the Regional Municipality of Wood Buffalo	(423,730)	(526,314)
	(114,863)	(402,200)
Financing:		
Repayment of obligations under capital leases	(78,389)	(100,631)
Contributions received for the purchase of capital assets	1,105,665	901,507
Increase deferred revenue	171,547	-
	1,198,823	800,876
Investments:		
Proceeds from disposal of capital assets	53,400	-
Purchase of capital assets	(1,904,740)	(445,223)
	(1,851,340)	(445,223)
Decrease in cash	(767,380)	(46,547)
Cash, beginning of year	905,470	952,017
Cash, end of year	\$ 138,090	\$ 905,470
Supplemental cash flow information:		
Interest and bank charges paid	\$ 58,935	\$ 53,469

See accompanying notes to financial statements.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements

Year ended December 31, 2007

MacDonald Island Park Corporation (the "Corporation") is a Part IX corporation that was incorporated on February 5, 2004 under the Companies Act (Alberta) and is not subject to any federal or provincial income taxes. The Corporation was established to operate and maintain the MacDonald Island Park recreation facilities in Fort McMurray, Alberta. In late 2005, the Regional Municipality of Wood Buffalo (the "Municipality") approved an expansion to the MacDonald Island Park recreation facilities. Construction commenced in 2006. The capital expansion is being managed by the Municipality, and the Corporation will be responsible for operating and maintaining the facility.

The Corporation has two members:

The Regional Municipality of Wood Buffalo
The Regional Manager of the Municipality

The Corporation is also responsible for administering the activities of the Macdonald Island Park Society which formerly operated and maintained the MacDonald Island Park recreation facilities. The Society is currently inactive.

1. Significant accounting policies:

(a) Future operations:

These financial statements have been prepared on a going concern basis which assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations.

The Municipality provides significant financial assistance to the Corporation to allow it to maintain operations. The Corporation operates the recreation facilities under the direction of the Municipality. The application of the going concern basis is dependent on the continued support of the Municipality and its ability to generate future positive operating results and cash flows.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenditures and the balance sheet classifications used.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

1. Significant accounting policies (continued):

(b) Changes in accounting policies:

i) Financial instruments:

On January 1, 2007, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 "Financial Instruments - Recognition and Measurement" and Section 3861 "Financial Instruments - Disclosure and Presentation" recommendations. Section 3855 addresses when financial instruments should be recognized and how they should be measured. Section 3861 provides standards for how financial instruments should be classified on financial statements and the disclosure requirements. The adoption of these recommendations had no impact on the financial statements of the Corporation.

ii) Accounting changes:

On January 1, 2007 the Corporation adopted the CICA Handbook Section 1506 "Accounting Changes" recommendations. The new standard allows for voluntary changes in accounting policy only when they result in financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors in the financial statements. The adoption of these recommendations had no impact on the financial statements of the Corporation.

(c) Financial assets and liabilities:

Cash is classified as held-for-trading and are measured at fair value. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities classified as other financial liabilities are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method.

The Corporation does not have any derivatives that need to be recorded at fair value in its financial statements nor any embedded derivatives in its contractual arrangements that must be separated from the host contract and accounted for separately.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

1. Significant accounting policies (continued):

(d) Revenue recognition:

The Corporation follows the deferral method of accounting for memberships, user fees and contributions. Restricted fees and contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted fees and contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the year in which the related amortization expense of the funded capital asset is recorded.

Proceeds from the sale of lifetime golf memberships are deferred and amortized to revenue over a period of ten years. Other revenue is recognized when services are performed or the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value. The fair value of services provided by the Municipality have been reflected in the financial statements of the Corporation, unless otherwise noted. Volunteers assist the Corporation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

(e) Inventory:

Inventory is recorded at the lower of cost and net realizable value.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

1. Significant accounting policies (continued):

(f) Capital assets:

Capital assets are recorded at cost. Assets are amortized over their expected useful lives using the following method and annual rates:

Asset	Method	Useful life
Automotive	Straight-line	5-10 years
Computers and software	Straight-line	1-5 years
Equipment	Straight-line	2-15 years
Furniture and fixtures	Straight-line	3-10 years
Golf course improvements	Straight-line	20 years
Leasehold improvements	Straight-line	5-10 years

(g) Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(h) Future accounting changes:

The following summarizes future accounting policy changes that will be relevant to the Corporation's financial statements for fiscal periods beginning on or after January 1, 2008.

Inventory

The CICA has issued a new standard for inventories, which will be effective for the Corporation on January 1, 2008. The cost of inventories will be assigned by using the first-in, first-out (FIFO) or weighted average cost basis. The Corporation currently uses the FIFO basis. Not-for-profit organizations will be required to measure their costs at the lower of cost or replacement cost for this inventories distributed for nominal charge or used in the operations of the Corporation.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

2. Due from the Regional Municipality of Wood Buffalo:

	2007	2006
Amount due from Regional Municipality of Wood Buffalo relating to capital expenditures, unsecured and non-interest bearing, to be received upon completion of required reporting to the Municipality	\$ -	\$ 250,000
Other amounts due from Regional Municipality of Wood Buffalo, unsecured and non-interest bearing, without scheduled repayment terms	707,569	33,839
	<u>\$ 707,569</u>	<u>\$ 283,839</u>

The amounts due from the Municipality relate to normal trade accounts receivable and accounts payable and certain transactions that are processed by the Municipality on behalf of the Corporation.

3. Capital assets:

			2007	2006
	Cost	Accumulated amortization	Net book value	Net book value
Automotive	\$ 295,513	\$ 216,444	\$ 79,069	\$ 55,078
Computers	262,714	186,737	75,977	48,856
Software	66,622	50,379	16,243	2,072
Equipment	1,765,468	914,759	850,709	560,138
Furniture and fixtures	230,131	178,114	52,017	29,544
Golf course improvements	1,321,537	128,990	1,192,547	94,821
Leasehold improvements	177,690	34,991	142,699	68,470
	<u>4,119,675</u>	<u>1,710,414</u>	<u>2,409,261</u>	<u>858,979</u>
Assets under capital leases:				
Equipment	133,388	28,443	104,945	74,944
Automotive	229,856	121,344	108,512	153,088
	<u>363,244</u>	<u>149,787</u>	<u>213,457</u>	<u>228,032</u>
	<u>\$ 4,482,919</u>	<u>\$ 1,860,201</u>	<u>\$ 2,622,718</u>	<u>\$ 1,087,011</u>

During the year, capital assets in the amount of \$39,877 (2006 - \$40,232) were acquired by means of capital leases. Amortization includes \$54,452 (2006 - \$50,909) relating to equipment under capital leases.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

3. Capital assets (continued):

The Corporation is responsible for the operations and maintenance of the MacDonald Island Park recreation facilities. These facilities are owned by the Municipality and are not included in these financial statements. Significant expansion of the facility commenced in 2006. The Municipality is responsible for the management of the expansion. The Corporation is responsible for capital improvements to the golf course.

4. Deferred revenue:

The deferred revenue balances consist of the following:

	2007	2006
Gift certificates	\$ 62,674	\$ 64,188
Lifetime golf memberships	190,608	2,014
Fitness	-	1,879
Donations	61,500	-
	314,782	68,081
Less current portion of deferred revenue	143,235	-
	\$ 171,547	\$ 68,081

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

5. Deferred capital contributions:

The deferred capital contribution balance represents unspent funds contributed to the Corporation by the Municipality which are to be used for future golf course upgrades a facility improvements as follows:

	Balance, beginning of year	Contributions	Transfers to UDCC	Balance, end of year
Fitness	\$ 7,906	\$ -	\$ (7,906)	\$ -
Miskanaw Golf Course Rehabilitation - Phase I	414,634	600,000	(1,014,634)	-
Arena upgrade, golf equipment kitchen upgrades and communication upgrades	328,208	505,665	(674,195)	159,678
	\$ 750,748	\$ 1,105,665	\$ (1,696,735)	\$ 159,678

6. Deposits and funds held in trust:

	2007	2006
Noralta Figure Skating Club and Curling Club	\$ 9,574	\$ -
Facility rental deposits	32,699	24,795
Security and other deposits	387	24,629
	\$ 42,660	\$ 49,424

The Corporation holds funds in the amount of \$9,574 (2006 - \$nil) on behalf of the Noralta Figure Skating Club and Curling Club.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

7. Obligations under capital leases:

	2007	2006
2007	\$ -	\$ 87,291
2008	94,552	85,484
2009	28,986	18,669
2010	10,298	-
2011	10,298	-
Thereafter	7,724	-
Total minimum lease payments	151,858	191,444
Less amount representing interest (at rates ranging from 0% to 15.45%)	13,300	14,374
Present value of net minimum capital lease payments	138,558	177,070
Current portion of obligations under capital lease	87,287	80,186
	\$ 51,271	\$ 96,884

8. Unamortized deferred capital contributions:

Unamortized deferred capital contributions are capital contributions received and invested in capital asset additions. The amounts will be recognized as revenue over the useful lives of the assets purchased.

	2007	2006
Unamortized deferred capital contributions, beginning of year	\$ 452,117	\$ 187,320
Transfers from deferred capital contributions (note 6)	1,696,735	310,527
Amounts amortized to revenue	(330,414)	(45,730)
Unamortized deferred capital contributions, end of year	\$ 1,818,438	\$ 452,117

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

9. Internally restricted net assets:

Internally restricted net assets have been restricted by the Board of Directors of the Corporation to be used for addressing future life cycle maintenance items and future capital needs.

10. Credit facilities:

The Corporation has a credit facility available in the amount of \$275,000 which bears interest at prime and is repayable on demand. At December 31, 2007, this facility had not been drawn upon. Accounts receivable and guarantees signed by the Municipality in the amount of \$275,000 have been pledged as security on the demand credit facility.

The Corporation has an outstanding letter of credit in the amount of \$5,000 in favour of Groupex at December 31, 2007.

11. Related party transactions:

The following transactions with the Regional Municipality of Wood Buffalo, a member of the Corporation, are included within the financial statements of the Corporation:

	2007	2006
Contribution from the Regional Municipality of Wood Buffalo:		
Operating grant	\$ 1,650,000	\$ 1,250,000
	1,650,000	1,250,000
Deficit funding from the Regional Municipality of Wood Buffalo	559,580	-
	\$ 2,209,580	\$ 1,250,000

In 2007, capital contributions in the amount of \$950,000 (2006 - \$1,000,000) were received from the Regional Municipality of Wood Buffalo for capital upgrades. Of this amount, \$948,823 (2006 - \$257,158) was spent during the year and the remainder is reflected as deferred capital contributions at year end. A total of \$330,414 (2006 - \$45,730) was amortized to revenue in the current year. These transactions, are in the normal of course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Municipality also provides certain services as agent for the Corporation, including processing of payroll transactions and tendering of purchases. No value has been ascribed to these services in the financial statements due to the difficulty of determining their fair value.

MACDONALD ISLAND PARK CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2007

12. Financial instruments:

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from its financial instruments.

13. Comparative figures:

Certain 2006 comparative figures have been reclassified to conform with the financial presentation adopted in the current year.

DRAFT

Subject: Operating Protocol Principles: Not for Profit Corporations**APPROVALS:**

Kevin Greig, Deputy Chief Administrative Officer
Rodney Burkard, Chief Administrative Officer

Administrative Recommendation(s):

THAT the Operating Protocol Principles for the not for profit corporations, dated May 23, 2008, as attached, be adopted; and

THAT administration be authorized to amend the Articles of Association, prepare bylaws, or amendments to bylaws, and prepare agreements where appropriate, to reflect the Operating Protocol Principles.

Summary:

The Municipality has received recommendations from the municipal Solicitor regarding his establishment of Operating Protocol Principles for the not for profit corporations.

Background:

As the Municipality continues to experience unprecedented growth, municipal activities are becoming increasingly complex. In an ongoing effort to move the Municipality toward an expected population of 250,000, legal and financial obligations require the Municipality monitor, control and protect municipal interests of all municipal functions. Council has established three (3) not for profit corporations, under Part 9 of the Companies Act, to carry out certain municipal functions:

- Fort McMurray Regional Airport Commission
- Wood Buffalo Housing and Development Corporation, and
- MacDonald Island Park Corporation.

In late 2007, due to the significant activities being proposed or being undertaken by the not for profit corporations, the municipal Solicitor began an initial review of the corporations. On February 12, 2008, the Solicitor reported that the original intended mandates, in some cases, do not appear to have been clearly understood by the corporations. Minimal municipal controls and oversights were in place to protect the Municipality, its assets and funds. Council then approved the Solicitor's initial recommendation to remove the Chief Administrative Officer as a Director of the not for profit corporations and directed administration to develop Operating Protocol Principles.

Rationale for Recommendation(s):

On May 23, 2008, Allan Farmer, Q.C., of Reynolds Mirth Richards & Farmer, LLP, completed the Operating Protocol Principles for the not for profit corporations (Attachment1). The reasons for establishing the Operating Protocol Principles are as follows:

- Not for profit corporations are established by Council and are ultimately accountable to the Municipality. Municipal assets and funds are involved and the Municipality cannot avoid responsibility if the corporations encounter difficulties.
- Directors of the not for profit corporations are community volunteers. Directors are responsible for ensuring that the best interests of the members (the Municipality) of the not for profit corporations are protected. It is in the best interest of the volunteer Directors that specific guidelines, protocols and rules be established so that both the municipal administration and the Board of Directors know and understand the limits of their authority and their responsibilities.
- Not for profit corporations are best suited for operation and management responsibilities. More specifically, they may not have the administrative support necessary to undertake large capital projects on their own. If a large capital project is undertaken, the administration and the Board of Directors of the corporation become reliant upon consultants, architects and contractors without having the administrative capability to provide proper oversight and direction.
- The incorporating documents for the not for profit corporations are the Memorandum of Association and the Articles of Association. The Memorandum of Association usually sets out the authority of the corporation. The authority of the corporation is always made very broad in the Memorandum of Association so that it will be unnecessary to amend the authority, if the mandate or role of the corporation is expanded in the future. The authority cannot be changed without a Court Order. It is likely not prudent for the Municipality and for Council to grant each not for profit corporation the broad and sweeping powers presently set out in the Memorandum of Association. It is important that the broad authority as described in the Memorandum of Association be limited by a specific operating mandate approved by Council.
- The not for profit corporations should be bound by a set of rules, policies and administrative directives that are equivalent to those that apply to the Municipality. Municipal funds and assets are being used or managed by each of the not for profit corporations. Legally, each not for profit corporation would be free to set up its own rules, policies and administrative directives. It is difficult to explain why a not for profit corporation, which is a wholly owned subsidiary of the Municipality, can operate under a different set of rules, policies and directives than would be binding upon the Municipality. Subsidiaries, under normal circumstances report to the administration of the parent company, and are governed by the same rules and policies that the parent company is governed.

- The establishment of Operating Protocol Principles for the not for profit corporations is not intended in any way to adversely affect the operation and management of the not for profit corporations. The Protocols are required to protect the following interests:
 - Volunteer directors of the corporations and the corporations' administration.
 - Municipal assets and funds
 - Council and municipal administration

Subject to Council support of the Operating Protocol Principles, administration will meet with the various not for profit corporations regarding the same and develop operating Protocols for each corporation based on the principles. Additionally, administration supports a continued engagement of the Solicitor to review and develop a clear mandate statement for each of the not for profit corporations, which will be brought to a future Council Meeting.

Attachments:

Operating Protocol Principles: Not for Profit Corporations



OPERATING PROTOCOL PRINCIPLES

NOT FOR PROFIT CORPORATIONS

May 23, 2008

I. Reporting

1. The CAO or designate shall be the designated contact person for the Municipality (the "Designated Contact"). All communication from the Corporation to the Municipality must be directed to the Designated Contact.
2. All requests for Council approval of any matter must be made to the Designated Contact along with all supporting materials required by the Designated Contact at least thirty (30) days before such approval is requested from Council.

II. Mandate

1. The specific Mandate of the Corporation shall initially be approved by Council. The Corporation shall at all times operate within the terms of the approved Mandate. Any proposed variation of the approved Mandate shall be approved by Council. Any dispute or question regarding the interpretation of the approved Mandate shall be settled or determined by the Designated Contact.

III. Financial Matters

1. Annual Operating and Capital Budgets for the Corporation are to be presented to the Designated Contact for review and analysis on or before the date specified by the Designated Contact and before being presented to Council. Capital and Operating Budgets must be approved by Council prior to the beginning of each calendar year. The Corporation, with the permission of the Designated Contact, may operate under the previous year's Operating Budget until a new Capital and Operating Budget are approved by Council.
2. Each Corporation may borrow for operating purposes up to an amount set by Council for each Corporation.
3. All borrowing for capital purposes and the terms and conditions of such borrowing shall be approved by Council.
4. The terms of any security granted on the assets of the Corporation must receive prior written approval from the Designated Contact.
5. Any transfer, lease, sub-lease or other disposition of Corporation assets shall be subject to the approval of the Designated Contact or Council, depending upon the value or term

of the lease or sub-lease. The authority of each Corporation will vary depending upon the approved Mandate.

6. The Designated Contact shall appoint auditors for the Corporation and determine the fiscal period for the Corporation.
7. An annual report must be submitted to the Municipality by the Corporation including all audited financial statements for each fiscal period on or before April 30th of the following year.
8. A "Life Cycle Reserve" shall be established by the Corporation at a level acceptable to the Designated Contact, if not identified and provided for in an approved budget.
9. All financial and business plans shall be forwarded to the Designated Contact for approval prior to implementation.

IV. Board and Administration

1. There shall be no Municipal elected officials or Administration on the Board of Directors of the Corporation.
2. The Board of Directors of the Corporation must conduct its meetings in public unless a matter to be discussed is within one of the exceptions to disclosure Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act (Alberta).
3. The Designated Contact shall be given reasonable notice in advance of all meetings of the Board of Directors of the Corporation and notice of all meetings of the Board of Directors shall be given to the public in the manner specified by the Designated Contact.
4. A copy of all adopted minutes of each meeting of the Board of Directors of the Corporation shall be forwarded to the Designated Contact.
5. No employment by the Corporation of former employees or Elected Officials of the Municipality or another municipality controlled corporation without the written approval of the Designated Contact.
6. The appointment of Officers shall be made by the Board of Directors of the Corporation.
7. Payment of honoraria shall be made to the members of the Board of Directors only if approved by the Municipality.
8. Remuneration and benefits of senior management as well as all Collective Bargaining Mandates of the Corporation shall be subject to the approval of the Designated Contact.
9. The Designated Contact shall have the right to conduct an inspection, review or audit from time to time of the Corporation's records, systems, processes, and administration.

V. General

1. Each Corporation shall adopt all relevant policies and administrative directives which are in effect from time to time for the Municipality, unless the Designated Contact approves a variance or exception.
2. Insurance coverage for the Corporation shall be subject to the approval of Designated Contact in an amount and with coverage to be determined by the Municipality's insurance advisors.
3. The adoption of a name or logo shall be subject to the approval of Council.
4. The Corporation shall at all times comply with all relevant laws including bylaws and resolutions of the Municipality, including all bylaws and resolutions with respect to planning, safety and the environment.
5. The hiring of all Consultants which may have an effect on any of the Operating Protocols shall be subject to the approval of the Designated Contact.
6. Appeals of the decision of the Designated Contact shall be delivered, in writing, to Council.

Subject: RCMP/Bylaw and Search & Rescue Warehouse**APPROVALS:**

Tonia Enger, General Manager
Susan Motkaluk, Deputy Chief Administrative Officer
Susan Motkaluk, Acting Chief Administrative Officer

Administrative Recommendation(s):

THAT additional funding in the amount of \$80,000 be committed from the Capital Infrastructure Reserve for the RCMP/Bylaw and Search & Rescue Society Warehouse, per Capital Budget Amendment Request; June 10, 2008 - Attachment 1.

THAT the contract for the RCMP/Bylaw and Search & Rescue Society Warehouse be awarded to Marshall Lee in the amount of \$486,905.

THAT the contract for the RCMP/Bylaw and Search & Rescue Society Warehouse consulting fees be awarded to ACI Architecture Inc. in the amount of \$21,000.

Summary:

The RCMP/Bylaw and Search & Rescue Society Warehouse, to be located on the Timberlea Policing Facility site, requires additional funding in the amount of \$80,000.

Background:

At present, RCMP/Bylaw and Search & Rescue have limited storage in small Quonset sheds at the municipal building on highway 69. This space is used to store RCMP large seized property items and equipment such as snowmobiles, quads and seasonal tires. Search & Rescue use it to store their equipment such as quads and snowmobiles. RCMP/Bylaw and Search and Rescue storage must relocate from this building due to more urgent municipal use requirements.

On January 8, 2008 a Council report was presented to obtain funding for RCMP/Bylaw Search & Rescue Warehouse with the following recommendation "THAT \$480,000.00 be committed from the Capital Infrastructure Reserve for the RCMP/Bylaw and Search & Rescue Society Warehouse, on the condition that any Provincial grant received by the Search & Rescue Society for the project shall be used to reimburse the Municipality for construction costs".

Currently, the Search & Rescue Society grant application for a portion of this warehouse has been submitted and is being reviewed. It is unknown at this time the actual amount of the grant the Society will receive.

Upon finalization of the drawings, a request for quotation was sent to the current RCMP Timberlea Policing Facility contractor. On May 8, 2008 a quotation was received in the amount of \$486,905. Delay in obtaining the quotation was due to competing priorities for consultants and contractors time. Additional costs to the quotation from the original amount include: testing allowance, permits and a contingency (to account for potentially unknown items such as cutting of pilings and subgrade variations) for a total project budget of \$560,000.

The approved budget for this project (as of Council Resolution January 8, 2008) is \$480,000.00; therefore, resulting in a shortfall of \$80,000.

Alternatives:

1. Provide additional funding in the amount of \$80,000 to be committed from the Capital Infrastructure Reserve for the RCMP/Bylaw and Search & Rescue Society Warehouse.
2. Do not provide additional funding in the amount of \$80,000 for the RCMP/Bylaw and Search & Rescue Society Warehouse, resulting in the inability to complete the buildings. An alternative arrangement would need to be found for Search & Rescue as well as RCMP storage. This would have a negative impact on Search & Rescue obtaining a grant for their portion of the warehouse.

Budget/Financial Implications:

The shortfall will be funded from Capital Infrastructure Reserve.

Rationale for Recommendation(s):

RCMP/Bylaw and Search & Rescue will be moved out of their current storage location. If this recommendation is rejected, there is no readily available space for relocation. A grant has also been submitted for a portion of funds from Search & Rescue. We expect the grant to be approved.

Attachments:

1. Capital Budget Amendment Request 2008
2. June 5, 2008 Budget Summary

**Regional Municipality of Wood Buffalo
Capital Budget Amendment Request
2008**

CURRENT PROJECT NAME: RCMP/ByLaw and Search & Rescue Warehouse
AMENDED PROJECT NAME: RCMP/ByLaw and Search & Rescue Warehouse
SPONSOR DIVISION & DEPT: RCMP
SPONSOR BRANCH: Engineering - Administration

Project Amendment

CURRENT PROJECT BUDGET

Funded capital project

Current Priority Score

50

<i>Year</i>	<i>Annual Cost</i>	<i>Fed Grants</i>	<i>Prov Grants</i>	<i>Reserves</i>	<i>Operating Budget</i>	<i>Other Sources</i>	<i>Debtenture Financed</i>
<i>Prior</i>	-						
<i>2008</i>	480,000			480,000			
<i>2009</i>	-						
<i>Thereafter</i>	-						
<i>TOTAL</i>	480,000	-	-	480,000	-	-	-

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Search & Rescue use to store their equipment such as quads and snowmobiles. This space has a higher municipal use and the RCMP/Bylaw storage must relocate. On January 8, 2008 a Council report was presented by RCMP to obtain funding for RCMP/Bylaw Search & Rescue Warehouse with the following recommendation "That \$ 480,000 be committed from the Capital Infrastructure Reserve for the RCMP/Bylaw and Search & Rescue Society Warehouse, on the condition that any Provincial grant received by the Search & Rescue Society for the project shall be used to reimburse the Municipality for construction costs. Upon finalization of the drawings, a request for quotation was sent to the current RCMP Timberlea Detachment contractor on May 2008 in the amount of \$486,905.00. In addition, there are costs associated with consultant services and contingency allowance in the amount of \$ 73,095.00. This brings the total costs for the project to \$560,000.00.

AMENDED PROJECT BUDGET (Only required if project is new, deferred, or amended)

Funded capital project

Amended Priority Score

60

<i>Year</i>	<i>Annual Cost</i>	<i>Fed Grants</i>	<i>Prov Grants</i>	<i>Reserves</i>	<i>Operating Budget</i>	<i>Other Sources</i>	<i>Debtenture Financed</i>
<i>Prior</i>	-						
<i>2008</i>	560,000			560,000			
<i>2009</i>	-						
<i>Thereafter</i>	-						
<i>TOTAL</i>	560,000	-	-	560,000	-	-	-

ADDITIONAL INFORMATION

Engineering Department
Sponsor Division

Salem Abushawashi, General Manager, Engineering
Project Lead

PLEASE NOTE: Deferred projects must follow the budget process. Deferring a project to a future year does not grant pre-budget approval for that project.

June 10, 2008

CAPITAL PRIORITY SCORE

RCMP/ByLaw and Search & Rescue Warehouse

HIGH PRIORITY - Project has incurred costs or will need to start in the first year of the 5-year capital plan

MEDIUM PRIORITY - Project does not need to start until the second or third year of 5-year capital plan

LOW PRIORITY - Project does not need to start until the fourth or fifth year of 5-year capital plan

NOT APPLICABLE - Criterion does not apply to this capital project

		High Yr 1	Medium Yr 2 or 3	Low Yr 4 or 5	N/A	Score
		6	3	1	0	
Criteria						
Health or Safety Issue	7	x				42
Legislation Changes	6					0
Maintain Existing Assets	5					0
Maintain Current Service Levels	4					0
Increase Efficiencies	3	x				18
Increase Level of Existing Service	2					0
New Service	1					0
Total Priority Score						60

ATTACHMENT 2

SEARCH AND RESCUE AND TIRE SHED BUDGET SUMMARY
JUNE 5, 2008

MARSHALL LEE PRICING FOR SEARCH AND RESCUE AND TIRE SHED	\$486,905
Construction Contingency	<u>\$43,095</u>
TOTAL CONSTRUCTION COST	\$530, 000
CONSULTANT FEES	\$21,000.00
DISBURSEMENTS	\$4,000.00
TESTING ALLOWANCE	<u>\$5,000.00</u>
TOTAL PROJECT COST	\$560, 000
APPROVED BUDGET	\$480,000.00
SHORTFALL	<u>\$80, 000</u>