



Council

Syncrude Athletic Park (SAP) Clubhouse
101 Cartier Road, Fort McMurray, AB T9H 2L3

Tuesday, January 28, 2020
4:00 PM

Agenda

1. **Call to Order**
2. **In-Camera Session (at 2:00 p.m.)**
 - 2.1. Advice from Officials – Information Briefings and Updates
(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)
 - 2.2. Advice from Officials - Land Matter
(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)
 - 2.3. Advice from Officials – Information Briefings
(in camera pursuant to section 24(1) of the *Freedom of Information and Protection of Privacy Act*)
3. **Adoption of Agenda (at 4:00 p.m.)**
4. **Consent Agenda**
 - 4.1. Council Meeting - January 14, 2020
 - 4.2. Bylaw No. 20/002 - Land Use Bylaw Amendment - Redesignating Former Lot 1, Block 1, Plan 182 1793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District

THAT Bylaw No. 20/002, being a Land Use Bylaw No. 99/059 amendment specific to redesignating former Lot 1, Block 1, Plan 1821793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District, be read a first time; and

THAT the required public hearing be held on February 25, 2020.

5. New Business

5.1. Rotary Club of Fort McMurray Grant Request

Options for Council's consideration are outlined in the body of the report.

5.2. 2020 Capital Budget Amendments

THAT the 2020 Capital Budget Amendment as summarized on Attachment 1 (2020 Capital Budget Amendment – New Projects, dated January 28, 2020) be approved; and

THAT the revised Cash Flow of Capital Projects as summarized on Attachment 2 (2020 Capital Budget Amendment – New Projects - Cash Flow Summary, dated January 28, 2020) be approved.

5.3. Strathcona County's Request for Support - FCM Resolution - Utility Corridor and Bills C-48 and C-69

THAT Strathcona County's Federation of Canadian Municipalities (FCM) Resolution as outlined in Attachment 1 be supported and endorsed by Council; and

THAT the Mayor be authorized to send a letter to Strathcona County in support of their FCM Resolution.

Adjournment

Minutes of a Meeting of the Council of the Regional Municipality of Wood Buffalo held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, January 14, 2020, commencing at 4:00 PM.

Present:

Don Scott, Mayor
 Mike Allen, Councillor
 Krista Balsom, Councillor
 Bruce Inglis, Councillor
 Sheila Lalonde, Councillor
 Keith McGrath, Councillor
 Phil Meagher, Councillor
 Verna Murphy, Councillor
 Jeff Peddle, Councillor
 Jane Stroud, Councillor
 Claris Voyageur, Councillor (via teleconference)

Administration:

Annette Antoniak, Chief Administrative Officer
 Jade Brown, Chief Legislative Officer
 Jamie Doyle, Deputy Chief Administrative Officer
 Deanne Bergey, Director, Community Services
 Chris Davis, Acting Director, Legal Services
 Matthew Hough, Director, Engineering
 Lynda McLean, Director, Communications, Stakeholder, Indigenous and Rural Relations
 Brad McMurdo, Director, Planning and Development
 Linda Ollivier, Director, Financial Services
 Keith Smith, Acting Director, Public Works
 Darlene Soucy, Legislative Officer

1. Call to Order (at 2:30 p.m.)

Deputy Mayor S. Lalonde called the meeting to order at 2:34 p.m.

2. In-Camera Session

MOTION:

THAT Council close items 2.1, 2.2 and 2.3 to the public pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*.

RESULT: CARRIED [UNANIMOUS]
MOVER: Mike Allen, Councillor
SECONDER: Jeff Peddle, Councillor
FOR: Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud, Voyageur
ABSENT: Scott

2.1 Advice from Officials and Privileged Information – Legal Matters

Legal Matter 1

(in camera pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Annette Antoniak	Chief Administrative Officer
Jamie Doyle	Deputy Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Lynda McLean	Director, Communications, Stakeholder, Indigenous and Rural Relations
Kari Westhaver	Director, Human Resources
Don Lidstone	External Legal Counsel (via teleconference)

Entrance and Assuming of Chair

Mayor D. Scott entered the meeting at 2:45 p.m. at which time he assumed the Chair.

Legal Matter 2

(in camera pursuant to sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*)

Name	Reason for Attending
Annette Antoniak	Chief Administrative Officer
Jamie Doyle	Deputy Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk
Lynda McLean	Director, Communications, Stakeholder, Indigenous and Rural Relations
Deanne Bergey	Director, Community Services
Toni Elliott	Senior Manager, Community Services
Chris Davis	Acting Director, Legal Services
Kurt Stillwell	Municipal Solicitor, Legal Services
Matthew Hough	Director, Engineering
Linda Ollivier	Director, Financial Services

2.2 Advice from Officials

(in camera pursuant to section 24(1) of the Freedom of Information and Protection of Privacy Act).

Name	Reason for Attending
Annette Antoniak	Chief Administrative Officer
Jade Brown	Legislative Advice/Clerk

Recess and Exit

A recess occurred between 3:55 p.m. and 4:00 p.m., at which time Councillor C. Voyageur exited the meeting, and at which time the meeting was reconvened in public in the Syncrude Athletic Park Council Chamber.

MOTION:

THAT the meeting reconvene in public.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Sheila Lalonde, Councillor
SECONDER:	Verna Murphy, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

3. Adoption of Agenda (at 4:00 p.m.)**MOTION:**

THAT the Agenda be amended by adding the following:

- item #6.2 - Federal Cabinet Meeting
- item #6.3 - Governor Generals Medal for Volunteerism
- item #6.4 - Air Travel for Municipal Business;

that Council waive any requirement to serve notice relative to the proposed additions;
and

that the agenda be adopted as amended.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Phil Meagher, Councillor
SECONDER:	Jeff Peddle, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

4. Consent Agenda

THAT the recommendations contained in items 4.1 and 4.2 be approved.

4.1. Council Meeting - December 10, 2019

THAT the Minutes of the December 10, 2019 Council Meeting be approved as presented.

4.2. Bylaw No. 20/001 - Land Use Bylaw Text Amendment Small Holdings District - Draper and Highway 69/Clearwater River Valley Area Structure Plan Amendment

THAT Bylaw No. 20/001, being a Land Use Bylaw Text Amendment to insert Religious Assembly as a Discretionary Use - Planning Commission specific to Small Holdings District to Lot 6, Plan 992 0950 (128 Garden Lane), and an Area Structure Plan Amendment for the Highway 69/Clearwater River Valley Area Structure Plan to amend Policy 5.2.6 Small Holdings to include Religious Assembly be read a first time; and

THAT the required public hearing be held on February 11, 2020.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Jeff Peddle, Councillor
SECONDER:	Mike Allen, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

5. Unfinished Business

5.1. Public Hearing for Bylaw No. 19/028 - Land Use Bylaw Text Amendment - Add Cluster Housing as a Discretionary Use to the HR - Hamlet Residential District

Mayor D. Scott declared the public hearing open at 4:04 p.m.

Brad McMurdo, Director, Planning and Development, provided an overview of the proposed Land Use Bylaw text amendment to add Cluster Housing as a discretionary use to the Hamlet Residential District.

Mayor D. Scott declared the public hearing closed at 4:17 p.m.

5.2. Bylaw No. 19/028 - Land Use Bylaw Text Amendment - Add Cluster Housing as a Discretionary Use to the HR - Hamlet Residential District

MOTION:

THAT Bylaw No. 19/028, being a text amendment to add Cluster Housing as a Discretionary Use to the HR- Hamlet Residential District of the Land Use Bylaw No. 99/059, be read a second time.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Jeff Peddle, Councillor
SECONDER:	Verna Murphy, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

MOTION:

THAT Bylaw No. 19/028 be read a third and final time.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Sheila Lalonde, Councillor
SECONDER:	Phil Meagher, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

5.3. Bylaw No. 19/029 - Conversion Therapy Bylaw

Deanne Bergey, Director, Community Services, and Kurt Stilwell, Municipal Legal Counsel, provided a summary of the proposed Conversion Therapy Bylaw and recommended amendments to the Bylaw.

Pastor Brian Coldwell, Edmonton Clergy Member, suggested that the proposed Conversion Therapy Bylaw be amended to define abuse and to clearly allow for the fundamental right of religious counseling.

Jose Ramos, Calgary resident, spoke to amending the proposed bylaw to extend the right to provide written consent for conversion therapy to emancipated and mature minors.

Pastor Dennis Glenon, Fort McMurray Clergy Member, spoke to the fundamental right for people to receive religious counseling.

Point of Order

Councillor V. Murphy called a Point of Order, noting that the comments made by the delegate were not specific to the proposed bylaw. Mayor D. Scott upheld the Point of Order and reminded the delegate to confine comments to the proposed bylaw.

The following motion was moved by Councillor K. Balsom and seconded by Councillor V. Murphy

“THAT Bylaw No. 19/029, being a Conversion Therapy Bylaw, be read a second time.”

Exit and Return

Councillor S. Lalonde exited the meeting at 5:13 p.m. and returned at 5:15 p.m.

Recess

A recess occurred from 5:19 p.m. to 5:35 p.m.

MOTION:

THAT Bylaw No. 19/029 be amended by:

- deleting section 2.1;
- deleting section 2.3 and replacing it with:

“Conversion Therapy” means offering or providing counselling or behaviour modification techniques, administration or prescription of medication, or any other purported treatment, service, or other thing for the purpose of changing, repressing, or discouraging an individual’s sexual orientation, gender identity, or gender expression, or gender preference, or for the purpose of eliminating or reducing sexual attraction or sexual behaviour between individuals of the same sex, but does not include:

- (a) services that provide acceptance, support, or understanding of an individual or that facilitate an individual’s coping, social support, or identity exploration or development; or
 - (b) gender-affirming surgery or any support or other service related to gender-affirming surgery;
- In section 3.1, deleting “a Person who is a minor” and replacing it with “any Person”;

- Deleting section 3.2;
- Deleting section 3.3;
- Deleting Section 2.12; and
- In paragraph 5 of the Preamble, deleting “minors and” following the words “...when performed on”.

RESULT: CARRIED [8 TO 2]
MOVER: Mike Allen, Councillor
SECONDER: Krista Balsom, Councillor
FOR: Scott, Allen, Balsom, Inglis, McGrath, Murphy, Peddle, Stroud
AGAINST: Lalonde, Meagher
ABSENT: Voyageur

Voting then occurred on second reading of Bylaw No. 19/028, as amended.

MOTION:

THAT Bylaw No. 19/029, being a Conversion Therapy Bylaw, be read a second time, as amended.

RESULT: CARRIED [8 TO 2]
MOVER: Krista Balsom, Councillor
SECONDER: Verna Murphy, Councillor
FOR: Scott, Allen, Balsom, Inglis, McGrath, Murphy, Peddle, Stroud
AGAINST: Lalonde, Meagher
ABSENT: Voyageur

MOTION:

THAT Bylaw No. 19/029 be read a third and final time.

RESULT: CARRIED [8 TO 2]
MOVER: Verna Murphy, Councillor
SECONDER: Jane Stroud, Councillor
FOR: Scott, Allen, Balsom, Inglis, McGrath, Murphy, Peddle, Stroud
AGAINST: Lalonde, Meagher
ABSENT: Voyageur

6. New Business

6.1. Council Committee Appointments

MOTION:

THAT the following appointments be made effective immediately:

Subdivision and Development Appeal Board

- Rene Wells and Alethea Austin to December 31, 2021.

Combative Sports Commission

- Craig Hillier, Combative Sports knowledge, to December 31, 2021; and
- Andy Campbell, Law Enforcement knowledge, to December 31, 2020.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Verna Murphy, Councillor
SECONDER:	Phil Meagher, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

Vacating of Chair

Mayor D. Scott vacated the Chair at 5:51 p.m., at which time Deputy Mayor S. Lalonde assumed the Chair.

6.2. Federal Cabinet Meeting

MOTION:

THAT the Mayor, on behalf of Council, be authorized to send a letter and invitation to the Prime Minister of Canada to hold a federal cabinet meeting in the Regional Municipality of Wood Buffalo.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Don Scott, Mayor
SECONDER:	Verna Murphy, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

6.3. Governor General Award for Volunteerism

MOTION:

THAT the Mayor, on behalf of Council, be authorized to send a recommendation letter to support Bill Rockwell, community volunteer, in receiving the Governor General's Medal for Volunteerism.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Don Scott, Mayor
SECONDER:	Phil Meagher, Councillor
FOR:	Scott, Allen, Balsom, Inglis, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
ABSENT:	Voyageur

Resuming of Chair

Mayor D. Scott resumed the Chair at 5:59 p.m.

6.4. Air Travel for Municipal Business

MOTION:

THAT Administration be directed to bring forward an amendment to the Elected Officials Compensation, Travel, and Expenses Policy LEG-050, to include that for all municipal business, any air travel outside of the Region be conducted through the Fort McMurray International Airport; and

THAT Administration implement the foregoing throughout the organization's employee related travel directives and procedures.

RESULT:	CARRIED [9 TO 1]
MOVER:	Verna Murphy, Councillor
SECONDER:	Sheila Lalonde, Councillor
FOR:	Scott, Allen, Balsom, Lalonde, McGrath, Meagher, Murphy, Peddle, Stroud
AGAINST:	Inglis
ABSENT:	Voyageur

Adjournment

The meeting adjourned at 6:09 p.m.

Mayor

Chief Legislative Officer



COUNCIL REPORT

Meeting Date: January 28, 2020

Subject: Bylaw No. 20/002 - Land Use Bylaw Amendment - Redesignating Former Lot 1, Block 1, Plan 182 1793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District

APPROVALS:

Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

THAT Bylaw No. 20/002, being a Land Use Bylaw No. 99/059 amendment specific to redesignating former Lot 1, Block 1, Plan 1821793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District, be read a first time; and

THAT the required public hearing be held on February 25, 2020.

Summary:

The Planning and Development Department has received an application to amend the Land Use Bylaw 99/059 to re-designate former Lot 1, Block 1, Plan 182 1793 (the "Subject Property") addressed as 9102 McPhee Street from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District. Administration supports the application.

Background:

The Subject Property is located within the Waterways neighbourhood and is adjacent to single-family residential development and undeveloped parks space (Saline Creek). Prior to the 2016 wildfire, both the Subject Property (9102 McPhee Street; designated R1M - Mixed Form Single Detached Residential District) and an adjacent property (108 Cote Bay; designated R1S - Single Family Small Lot Residential District), had established single detached dwellings. Both houses were destroyed in the wildfire. A map showing existing land use districts and the location of these properties is attached (Schedule "A" to the proposed Bylaw).

Through the rebuild process, the owner of the Subject Property purchased the lot at 108 Cote Bay (Lot 16, Block 36, Plan 812 0033) and in 2019 consolidated both lots to form

COUNCIL REPORT – Bylaw No. 20/002 - Land Use Bylaw Amendment - Redesignating Former Lot 1, Block 1, Plan 182 1793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District

one parcel (consolidated parcel Lot 34, Block 36, Plan 192 0472). This consolidation resulted in a single lot with two land use designations.

In July 2018, the owner of both parcels commenced an application for a development permit for a single-family detached dwelling on the consolidated parcel, which was granted under the Wildfire Recovery Overlay (Bylaw No.17/006).

Following the development permit approval, the owner applied to subdivide the consolidated parcel into two lots. Due to the presence of a steep hill crossing through the middle of the site, access to the proposed lower lot would be via 108 Cote Bay, while the proposed upper lot would be accessed via McPhee Street. Due to the title consolidation, the proposed new lower lot would have had two land use designations, R1M and R1S.

Where a lot is "split zoned" (having two land use designations), regulations under each of the land use districts apply to the original designated areas, which could be impractical and confusing given the different regulations in each of the R1S and R1M districts.

It is therefore recommended that the consolidated parcel have one land use designation, hence the request to redistrict the property. Schedule "B" to the proposed Bylaw (Attachment 1) illustrates the proposed R1S District for the entirety of the consolidated parcel.

On August 13, 2019, the applicant hosted an open house for the proposed land use amendment at Holy Trinity School in Timberlea. No concerns with the proposed amendment were received.

Rationale for Recommendation:

The R1M District cannot be applied to the portion of the consolidated parcel along Cote Bay as this portion does not meet the minimum required lot width in that district. Applying the R1S designation to the Subject Parcel portion of the consolidated parcel is a more suitable approach, as the consolidated parcel would then meet the minimum lot requirements for the R1S district.

Administration supports the proposed Land Use Bylaw amendment and recommends that the proposed bylaw amendment, as appended in Attachment 1, be given first reading prior to a scheduled public hearing.

Strategic Priorities:

Responsible Government

Attachments:

COUNCIL REPORT – Bylaw No. 20/002 - Land Use Bylaw Amendment - Redesignating Former Lot 1, Block 1, Plan 182 1793 from R1M - Mixed Form Single Detached Residential District to R1S - Single Family Small Lot Residential District

1. Bylaw No. 20/002 - Land Use Bylaw Amendment Site Specific R1M to R1S

BYLAW NO. 20/002**BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059**

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

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

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

1. Land Use Bylaw No. 99/059 is hereby amended by re-designating former Lot 1, Block 1, Plan 182 1793 from R1M - Mixed Form Single Detached Residential District, as depicted on attached Schedule "A", to R1S - Single Family Small Lot Residential District as depicted on attached Schedule "B".
2. The Chief Administrative Officer is authorized to consolidate this bylaw with Land Use Bylaw No. 99/059.
3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, 2020.

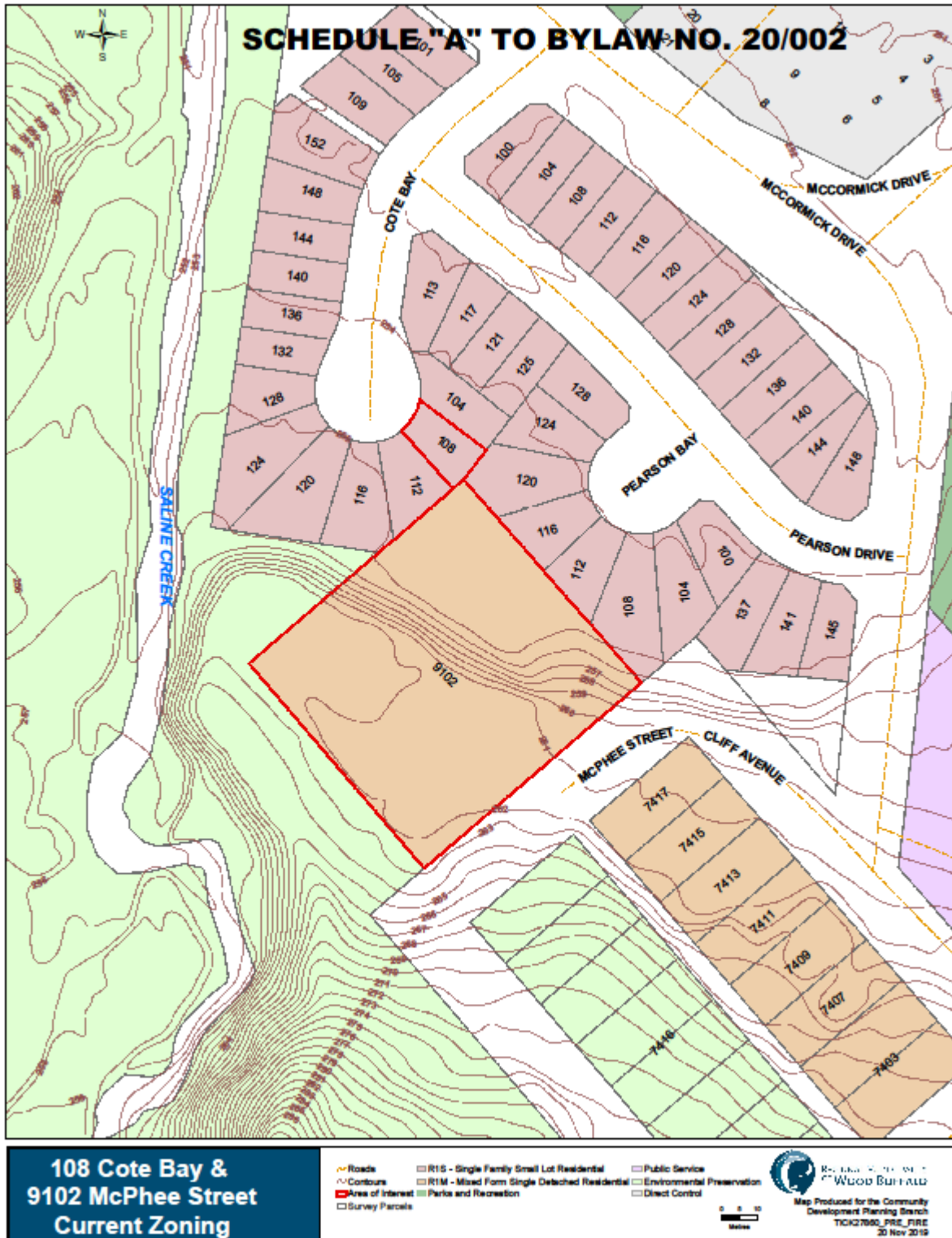
READ a second time this _____ day of _____, 2020.

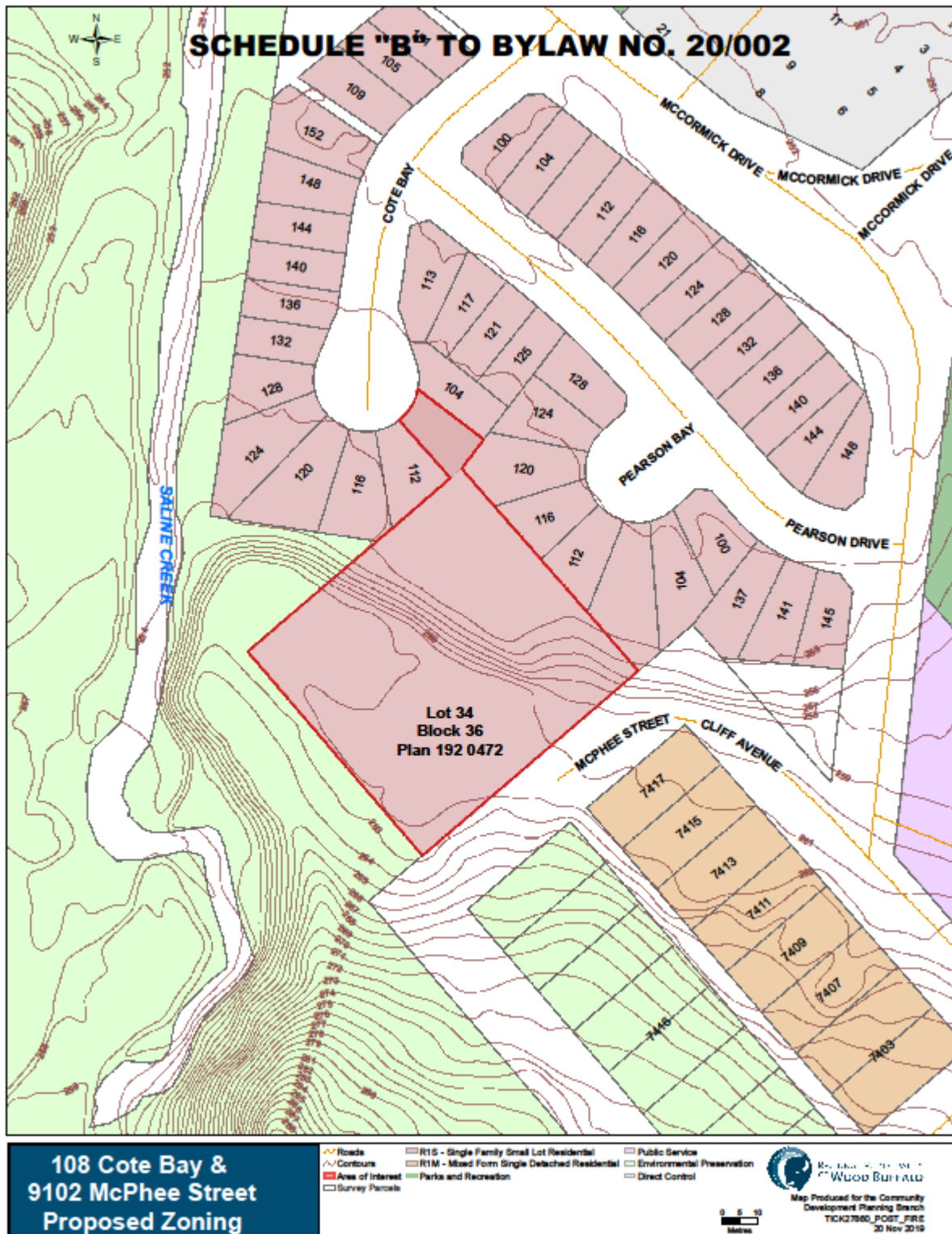
READ a third and final time this _____ day of _____, 2020.

SIGNED and PASSED this _____ day of _____, 2020.

Mayor

Chief Legislative Officer







COUNCIL REPORT

Meeting Date: January 28, 2020

Subject: Rotary Club of Fort McMurray Grant Request

APPROVALS:

Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

Options for Council's consideration are outlined in the body of the report.

Summary and Background:

Administration's role is to provide Council with the information required to make informed decisions in accordance with governing legislation, Council's Strategic Plan and approved Council Policies.

The following provides all relevant information on this matter and outlines options for Council's consideration.

On November 27, 2019, the Rotary Club of Fort McMurray presented a request for a 2020 Community Capital Grant in the amount of \$3,000,000 for the purpose of completion of the RotaryLinks 18-hole golf course.

Following the presentation, the resolution was passed by Council: "THAT the Rotary Club of Fort McMurray grant application be referred to Administration for further review and consideration of funding this request from reserves; and that Administration come back to Council by April 1, 2020."

Facts:

The current economic conditions have impacted the Rotary Club of Fort McMurray's fundraising ability for the RotaryLinks Golf Course project. In addition, the housing development project that was a fundamental component towards funding the golf course has been impacted and the number of homes/lots sold has not materialized. The Rotary Club of Fort McMurray is faced with the same economic situation that has affected many local businesses. This includes a reduction in the population which equates to fewer available dollars.

There are two competitive golf courses operating in Fort McMurray. The 18-hole Miskanaw Golf Course which is a municipal asset and operated by the Regional

Recreation Corporation, and the Fort McMurray Golf Club which does not receive municipal funding for operations. Vista Ridge is another municipal asset and was provided funding to develop a 12-hole family golf course. Operated by the Vista Ridge Recreational Association they will be opening in the summer of 2020. The RotaryLinks Golf Course would be in direct competition with the two competitive golf courses who have seen significant decreases to usage in the past couple of years. The Miskanaw Golf Course was down approximately 50 members in 2019 from 2018.

Funding was provided to the Rotary Club of Fort McMurray in 2015. Council approved a grant of \$3,927,000 for the completion of the RotaryLinks 18-hole Golf Course, as well they received \$2,200,000 as a repayable cost sharing arrangement for the land development at RotaryLinks Golf Course (Attachment 1). A total of \$6,127,000 of funding was dispersed to the Rotary Club of Fort McMurray.

In 2018 the RotaryLinks Golf Course opened as a 9-hole course. The Rotary Club of Fort McMurray submitted a 2020 Community Capital Grant application (Attachment 2) requesting an additional \$3,000,000 to complete the remaining 9 holes, as they indicated that a 9-hole golf course is not sustainable. In addition, within the 2020 Community Capital Grant application was a Sustaining Grant request of \$330,000 to cover the 2019 operating deficit and the projected 2020 operating deficit. The Administrative Recommendation was that no funding be approved as the \$6,127,000 that was approved in 2015 was intended to complete the project. Council referred the request was back to Administration, as noted above in the Summary.

On December 5, 2019, following the conclusion of the 2020 budget meetings, the Rotary Club of Fort McMurray requested a meeting with Administration and indicated that without the Sustaining Grant request of \$360,000 (the grant amount increased \$30,000 since the original ask) they would not be able to operate in 2020.

On December 31, 2019, the revised Sustaining Grant application (Attachment 3) was received. Administration requested this application as the details of the original funding request were embedded in the 2020 Community Capital Grant application. The new Sustaining Grant application request was \$500,000 (the grant amount increased \$170,000 since the original ask).

On January 19, 2020 Administration received a 5-year budget forecast, including estimates of 18-hole operations in year 5. This forecast projects an accumulated \$1,787,736 operating deficit, and a phased approach to capital completion of the final 9 holes (Attachment 4).

Options for Consideration:

Section 2.1.4 of the Community Investment Program Policy FIN-220 states that Council may review and approve grant requests, in excess of the maximums stated in the Guidelines, by any grant applicant.

The following alternatives are for Council's consideration:

1. No additional funding be approved for the capital or operational costs of the RotaryLinks Golf Course

The Rotary Club of Fort McMurray grant request is ineligible for the Community Investment Program Sustaining Grant; Sustaining Grants are intended for two specific categories of non-profit organizations:

Facility Operators - operate and maintain a municipally-owned asset; and

Strategic Partnerships - deliver programs and services that align with the Regional Municipality of Wood Buffalo's 2018-2021 Strategic Plan in specific program areas.

The 2019 and 2020 operating deficits of RotaryLinks Golf Course of \$488,115 do not fall within either of these categories.

The RotaryLinks grant request is ineligible for the Community Capital Grant Program as previous funding of \$6,217,000 was provided for completion of the golf course.

A key consideration of this alternative is that providing one-time financial support for the operations of the RotaryLinks Golf Course, or additional capital support, could be perceived as an unfair advantage to similar non-municipal owned facilities.

2. Approve the one-time grant of \$488,115

Council may approve a one-time grant to the Rotary Club of Fort McMurray to cover its 2019 operating deficit and 2020 projected operating shortfall. The application funding request was for \$500,000; however, the maximum amount of a one-time grant would be \$488,115, which is the amount of the projected deficit. The "Property Taxes and Levies" costs of \$30,730 within the funding request are ineligible for any municipal grant proceeds.

The key consideration for this alternative is that, by its own projections, RotaryLinks is not sustainable as a 9-hole golf course, with an accumulated deficit projected to be \$1,787,736 over the next 5 years; the risk is that there will be a recurring request for annual operating funding. Further, their forecast does not indicate the source of capital funding for completion of the 18-hole course.

3. Approve the Community Capital Grant of \$3,000,000 and one-time grant for operations of \$488,115

The RotaryLinks Golf Course could be fully constructed and open 18 holes.

The total Community Capital Grant provided for the project would become \$6,927,000, which is 35% of the total estimated project costs (along with the \$2,200,000 provided through the cost sharing agreement, the total is \$9,127,000, or 46%). The one-time grant for operating deficits (2019 and 2020) would also be funded under this alternative.

The key consideration for this alternative is that there is a projected shortfall of

\$1,319,683 for operating years 2021 - 2024, and RotaryLinks Golf Course may continue to seek operating subsidies. Finally, additional financial support may provide an unfair advantage over similar non-municipal owned facilities.

Budget/Financial Implications:

Option 1: No budget/financial implications.

Option 2: \$488,115 (operating) funded from the Emerging Issues Reserve.

Option 3: \$3,488,115 (operating & capital) funded from the Emerging Issues Reserve.

Strategic Priorities:

Responsible Government

Attachments:

- 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request**
- 2. 2020 Community Capital Grant Application Package - The Rotary Club of Fort McMurray**
- 3. 2020 Sustaining Grant Application**
- 4. RotaryLinks Long Range Budget Forecast**


Subject: Rotary Links Golf Course Funding Request
APPROVALS:

Elsie Hutton, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

THAT the Rotary Club of Fort McMurray be invited to submit an application for a Community Capital Grant under the Community Investment Program for consideration in the 2016 Budget; and

THAT funding to a maximum of \$1,480,000 be provided to Rotary Links Golf Course from the Capital Infrastructure Reserve upon finalization of the cost sharing agreement.

Summary:

The Rotary Club of Fort McMurray has requested a loan of \$3,127,000 in 2015 and a grant for \$3,000,000 in 2016. The request arises from a funding shortfall for the development of the Rotary Links Golf Course currently under construction in the Saline Creek Plateau.

Administration is recommending that the grant request be considered under the Community Investment Program, Community Capital Grant, during 2016 budget deliberations in the fall of 2015.

Administration is recommending 2015 funding equate to the proportionate share of costs for the storm pond system attributable to land referred to as Lot 8 in the Master Service Agreement and currently owned by the Province of Alberta. The Master Service Agreement envisions that this land will eventually be transferred to the Municipality, and subsequently to future developers. This amount will ultimately impact the sale proceeds of Lot 8 lands. A specific timeline cannot be anticipated due to current economic conditions. A cost sharing agreement will need to be finalized prior to providing the funding. The 2015 funding recommended is less than the requested amount. The requested amount included the storm pond system cost share for the land currently owned by the Province of Alberta, second phase of the Keyano College Land Trust Corporation development and the golf course.

Background:

Rotary Links@Wood Buffalo Inc. (Rotary Links), a wholly-owned subsidiary of the Rotary Club of Fort McMurray, is currently constructing an 18-hole golf course on 200 acres of provincially-owned land in the Saline Creek Plateau. The land is subject to a long term lease designated for golf course development. In addition, 200 adjoining acres are being developed by the Saline Creek Limited Partnership (LP) of which the Rotary Club of Fort McMurray is a member.

Saline Creek LP was formed to undertake the housing development. In turn, a portion of the funding for the golf course would be provided by Saline Creek LP. Other benefitting lands are currently owned by the Keyano College Land Trust Corporation (Keyano Land Trust) and by the Province of Alberta.

The Province of Alberta land is part of the Master Service Agreement which envisions that land will eventually transfer to the Municipality and subsequently to future developers. The proceeds from the sale of land will reimburse the Municipality for costs incurred for specific infrastructure projects to address growth. A number of these projects, under Phase 1 of the Master Service Agreement, are currently underway. The Municipality is currently providing interim financing as there have been no land sales to date. Land in Parsons Creek is currently being prepared for sale while marketing the Saline Creek Plateau land will be pursued in a subsequent phase based on demand.

The funding request from the Rotary Club, \$3,127,000, involves cost sharing of the storm pond system (system). An innovative approach has been utilized to capitalize on the storm water management strategy for the Saline Creek Plateau. Water required for golf course irrigation will be directed from the storm water of the neighboring subdivisions and will form part of the architectural features of the golf course. In addition, Rotary Links has constructed the storm pond system and will be eligible for proportionate funding from future development of the land currently owned by Keyano and the Province of Alberta. Due to the location and nature of the system, Rotary Links will also be responsible for the ongoing maintenance and operation of the system versus the Municipality. A cost/benefit analysis has not been conducted that compares total costs of ownership for a conventional system versus the system designed with architectural features.

Unfortunately, current economic conditions have impacted fundraising and housing development progress. In addition, the golf course development project has experienced cost over runs and delays. A 30% funding shortfall of \$6,127,000 is identified. The Rotary Club of Fort McMurray is requesting the funding shortfall be provided by a \$3,000,000 grant in 2016 and a repayable loan for the remaining \$3,127,000. Repayment of the loan would be based on the assignment of the storm pond cost recovery from future development on land currently owned by Keyano College and the Province of Alberta. Due to current economic conditions, the timing of the future development is difficult to predict. The Keyano development has also been phased in response to decreased demand further impacting the timing of cost recovery. Due to the uncertain timeline for recovery of the costs for the storm pond system, a loan would not be a practical alternative since the repayment terms could not be formally established. In addition, the Municipality may only enter into a loan agreement with a non-profit organization.

Prior to the funding shortfall request, Administration was working with representatives of Keyano Land Trust, Saline Creek LP and Rotary Links to support development. Developer charges are currently \$10,000/lot upon signing with the remaining \$19,000/lot upon sale of a lot for these developments. Typically, all developer charges are due upon signing. The per lot charge does not include the proportionate share of additional infrastructure investment required to serve the entire Saline Creek Plateau. In addition, the Rotary Links security for landscaping has been satisfied by the assignment of the security provided by Saline Creek LP, in the event it is required. These conditions assist the cash flow requirements for a development.

A cost sharing agreement identifying the proportionate costs of the storm pond system in relation to future housing developments has been drafted but has not yet been finalized. This agreement is typical for development purposes. Administration has reviewed the draft agreement in order to arrive at an appropriate amount for funding. The cost details to support the cost sharing agreement would also support transparency of the funding request.

The development of the Saline Creek Plateau requires a significant amount of infrastructure investment to allow for full build out for residential and commercial purposes. This investment is estimated in excess of \$200M. This estimate includes such large scale projects as the Saline Creek Parkway. An infrastructure investment of this magnitude would be recovered from future development charges. Unfortunately, the magnitude of future developer charges could make future development cost prohibitive. Future land sales under the Master Service Agreement would be negatively impacted thereby reducing funding required to fund specific growth-related infrastructure as identified in the Master Service Agreement.

Alternatives:

For purposes of determining alternatives, the 2016 grant request is not included since Council consideration of the grant request as part of the 2016 budget deliberations under the Community Investment Program – Community Capital Grant in the fall of 2015 is appropriate.

1. Provide funding to a maximum of \$2,200,000 based on the request from Rotary Club for 2015 (inclusive of future phase of Keyano lands and land currently owned by the Province of Alberta) subsequent to finalization of the cost sharing agreement.
2. Provide funding of \$3,127,000 as requested by the Rotary Club.
3. Provide funding to a maximum of \$1,480,000 for the proportionate share of storm pond costs based on land currently owned by the Province of Alberta subsequent to finalization of the cost sharing agreement.

As it is not typical municipal practice to “front” the cost of future development, alternative #3 is recommended acknowledging that the Municipality will be transferred ownership of the land currently owned by the Province of Alberta as part of the Master Service Agreement. The funding advanced will eventually be recovered from future development of the land. A caveat on the lands will be undertaken to secure the Municipality’s investment in the land.

Budget/Financial Implications:

The funding shortfall request is allocated over 2015 and 2016. The 2016 grant request can be deferred and addressed as part of the Community Investment Program (Program) presentations for 2016 budget deliberations to be held in the fall of 2015. The Program provides a consistent process for organizations to request funding for capital purposes.

Section 265 of the *Municipal Government Act* allows for a loan only to non-profit organizations or controlled corporations of the Municipality. Rotary Links does not qualify as it is not a non-profit organization.

Municipal discretionary spending and capital budget reviews were undertaken during the first quarter 2015. The results of the review acknowledged the changing economic climate and resulted in cancellation, deferral and/or scope amendments of municipal projects. The Municipality continues to be impacted by the current economic situation as growth, as originally forecasted, will not take place at the pace originally anticipated. This situation will impact the timing of future operating and capital investments. The 2015 Capital Budget included 2 projects that supported development of the Saline Creek Plateau: Road B at Saline Creek – Design (\$800K); and Road B at Saline Creek – Construction (\$12M). As part of the previously mentioned capital budget review and in consultation with the developers, the Road B at Saline Creek – Construction project was approved on May 26 for deferral to 2016. Road B would form part of an arterial road cost sharing agreement.

Rationale for Recommendations:

The Municipality currently owns the Miskanaw Golf Course, operated by the Regional Recreation Corporation. In addition, Vista Ridge is also developing a golf course that is approved for multi-year funding from the Municipality. These golf courses are fully open to the public. The Fort McMurray Golf Course does not receive municipal funding but is located on land owned by the Province of Alberta which is leased to the Municipality and ultimately subleased to the Fort McMurray Golf Club. The Fort McMurray Golf Course has limited public access. The Rotary Club has indicated that their lease with the Province of Alberta for Rotary Links specifies the permitted use of a public golf course as long as any surpluses are used for charitable purposes.

As the storm pond system costs will benefit other areas of the Saline Creek Plateau, including the land currently owned by the Province of Alberta (Lot 8), a high level review of the applicable and proportionate costs has been undertaken. A finalized cost sharing agreement is required prior to providing funding.



PRESENTATION TO MAYOR AND COUNCIL
OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO

ROTARY LINKS AT WOOD BUFFALO



Executive Summary:

The Rotary Club of Ft McMurray were the stewards of a 400 acre recreation lease on the Saline Creek Plateau, near the airport since the 1980's. With the growth of Ft McMurray, the RMWB selected the Saline Creek Plateau as one of two major residential growth areas for the community. The Rotary Club of Ft McMurray worked closely with both the RMWB and the Province of Alberta, and the 400 acre recreation lease has been transitioned into approximately 200 acres for a public golf course, and 200 acres for residential development.

The golf course lands are on crown land owned by the Province of Alberta, and leased to Rotary. Rotary incorporated RotaryLinks@Wood Buffalo Inc, a 100% owned subsidiary of the Rotary Club of Ft McMurray for the sole purpose of developing the golf course. The terms of the lease require the golf course to be a public course. The Rotary's goal with respect to the golf course is twofold – to provide the community with a public golf course and to utilize the profits generated from the course to assist the Rotary Club in its charitable donation practices.

The residential land is owned by Saline Creek Limited Partnership, a partnership formed by the Rotary Club of Ft McMurray. The partnership raised capital through investors who were experienced in housing and land development. The Rotary Club maintains a significant interest in the partnership, establishing one of the goals of the development as helping to stabilize housing prices in Ft McMurray.

The Saline Creek Plateau has no natural water source to support a golf course. An innovative design has been developed, that provides the water required for the golf course irrigation from the storm water runoff from the neighboring subdivisions. This approach not only provides water for the course, but, will also provide a 7.7M cost sharing contribution towards the golf course development.

The development of both the subdivision and the golf course are well underway. The golf course is approximately 50% complete, with the storm water ponds being built, and fairways roughed in. The club has raised 12.4M of funding and has expended 10.0 M of this to date. The original budget for the course was 16.0M. With delay experience, and the requirement for a more complicated storm water / irrigation system than initially anticipated, costs have escalated to 20.2 M.

The economic down turn has also provided some challenges on the fund raising side. The club is comfortable that it can raise another 1.7M through hole sponsorship and membership sales. The club will also be entitled to recover 3.1M of the storm water pond development from future development on the neighboring Keyano and Government of Alberta lands. This recovery is not anticipated in the near future.

Between the cost over runs, and fund raising challenges, the club is faced with a 30% funding shortfall to complete the project. The Rotary Club of Ft McMurray is looking for assistance from the RMWB under a two tiered approach.

- 1) In 2015 – a 3.1M loan, repayable through the assignment of the storm water pond cost recovery from the Keyano and Government of Alberta Lands.
- 2) In 2016 – a 3.0 capital grant to complete the construction of the course.

Members of Council, your endorsement of this proposal will enable the Rotary Club of Fort McMurray to continue supporting the region with the important initiatives outlined in our presentation.

OBJECTIVES

To provide Mayor and Council with an update on the:

- Background of events leading to today's presentation.
- Extensive services and programs that our Rotary Club delivers to the community.
- Historical status of Rotary Club's Recreational Lease and decision to proceed with a golf course development.
- Brief historical summary of the financial expectations involving the golf course development and changes which have affected those initial expectations.
- Summary of current budget for revenues and expenses for completion of 18 hole golf course

To present alternatives for future RMWB support with respect to the anticipated construction shortfall.

BACKGROUND

"Rotary Club of Fort McMurray, Alberta" (the "Rotary Club") is a Society incorporated pursuant to the *Alberta Societies Act* on April 11, 1984.

The Rotary Club is one of two Rotary Clubs in town (the second being the Fort McMurray Oil Sands Rotary Club). The Rotary of Fort McMurray, Alberta, currently has a membership of approximately 50 members.

The Rotary Club is a service club operating under the umbrella of Rotary International. For the benefit of those council members who may not have knowledge of Rotary International, the guiding principles are as follows:

OBJECT OF ROTARY – the Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

- **FIRST:** The development of acquaintance as an opportunity for service;
- **SECOND:** High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the dignifying of each Rotarian's occupation as an opportunity to serve society;
- **THIRD:** The application of the ideal of service in each Rotarian's personal, business, and community life;
- **FOURTH:** The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

AVENUES OF SERVICE: We channel our commitment at home and abroad through five Avenues of Service which are the foundation of club activity.

- Club Service focuses on making clubs strong.
- Vocational Service calls on every Rotarian to work with integrity and contribute their expertise to the problems and needs of society.
- Community Service encourages every Rotarian to find ways to improve the quality of life for people in their communities and to serve the public interest.
- International Service exemplifies our global reach in promoting peace and understanding. We support this service avenue by sponsoring or volunteering on international projects, seeking partners abroad, and more.
- Youth Service recognizes the importance of empowering and young professionals through leadership development programs such as Rotaract, Interact, Rotary Youth Leadership Awards, and Rotary Youth Exchange.

PROGRAMS AND PROJECTS SUPPORTED BY ROTARY CLUB

The Rotary Club has been an active “*service club*” organization within Fort McMurray since that date. In addition to supporting various international projects, the Rotary Club has sponsored numerous local projects or provided funding to local organizations, a partial list of which is as follows:

- The Rotary Club is the key coordinator and sponsor of the local “***Imagination Library***” program which provides free monthly reading materials to every resident family with a child under five (5) years of age, which chooses to sign up. This program provides free monthly reading materials in support of literacy, from birth to aged 5, and is coordinated by the Rotary Club through the Dolly Parton International Foundation called Imagination Library. We initially established the program in the rural area outside of Fort McMurray, commencing in the fall of 2010 and extended this program to the urban area in 2012. This program currently has more than 2,700 registrants. Rotary has assisted in raising funds and contributing monies to establish and keep this program operational.
- Sponsorship of an annual Keyano Bursary;
- Key fundraising coordinator for Rotary house;
- Sponsorship of local distribution of defibrillators throughout the community;
- We ran the Rotary Park local campground on the former Recreational Lease;

- Our Rotary Club has participated for a number of years in the Rotary International Youth Exchange Program. Through this program, the Rotary Club has welcomed international students who live in Fort McMurray for a one (1) year period. These students attend school in Fort McMurray and become immersed in the community. Through this program, we also send a local Fort McMurray student (from a Non-Rotary family) to one of a number of foreign countries for a one year term. This allows the selected local student to experience life in a foreign culture. That Fort McMurray student is expected to be an ambassador for Fort McMurray, Alberta and Canada, to the foreign country and the Rotary Club assists in providing financial sponsorship for both the incoming and outgoing students.
- Rotary has sent students to a Rotary International program called "*Rotary Youth Leadership Awards (RYLA)*". The **Rotary Youth Leadership Awards (RYLA)** camps are truly exciting opportunities for young adults between 15-17 years and 18-30 years in District 5370 to participate in four day leadership camps with like-minded individuals. Youth participate in several workshops and group sessions led by past Interact (15-17 years) and Rotaract (18-30 years) members, Rotarians, and other influential members of our communities. RYLA Institute camps focus on leadership fundamentals and ethics, communication skills, problem solving and conflict management, and community and global citizenship in order to prepare youth to become more effective leaders in their schools and communities.
- We have also sponsored local youth to attend a Rotary program called RYPEN. The **Rotary Youth Program of Enrichment (RYPEN)** is a Rotary District 5370 sponsored program. Students 13-18 years of age from schools across District 5370 who are recommended by school guidance counsellors, local Rotary Clubs or other organizations that work with youth attend a weekend long camp. District Rotaractors (18-30 years) facilitate small groups and adventure-based learning sessions **designed to build self-confidence, self-esteem, and develop a variety of personal skills**. Its aim is to present series of ideas, problems and social experiences which will assist them in forming their own values and moral standards
- Sponsorship of a student breakfast program at Dr. Clark school;
- Rotary is responsible for the construction of the gazebo at the bottom of Silin Forest Road and Thicket Drive in Thickwood, which was constructed to commemorate the centennial of the establishment of Rotary International.
- Our Rotary Club has been an annual sponsor of the local YMM Rotary 863 Air Cadet's squadron, with an annual sponsorship to the air cadets of approximately \$7,500.00 per year. We have been a key financial sponsor of the air cadet's program, in support of youth activities in Fort McMurray and our total donations in support of this youth squadron has exceeded \$170,000.00 over the last number of years.
- The Rotary Club was key sponsor of the "*Lifeline*" program providing emergency contact for seniors, until the program administration was moved from a local administrator to Ontario. Rotary provided almost \$100,000.00 in support for the lifeline program during the time that the program was administered locally, allowing this program to function to serve residents of the community.

- Financial sponsor to various local programs and organizations, including; Northern Lights Health Foundation, Oil Sands Curling Club, The Hub, Fort McMurray Firefighters Society, Fort McMurray Food Bank, Knights of Columbus, Fort McMurray Safe Community, Wood Buffalo Expo, Leadership Wood Buffalo, the Justin Slade Foundation, Fort McMurray Youth Soccer Association, Blake Crossley, Fort McMurray Public School Board, the Regional Recreation Corp., Wood Buffalo Expo, the Keyano College Foundation and the Canadian Ski Patrol,.
- In addition to support of local projects and organizations, our Rotary Club also has supported numerous international projects including; raising funds for Polio Plus (which is an international attempt to eradicate Polio throughout the world), donating funds to Shelter Box Canada (which is an organization that provides emergency materials to affected areas during emergencies, including tents, blankets, bedding, water purification equipment and cooking equipment). We have also donated to international projects to assist in financial support for orphanages, schools, water wells, corn grinders, computers to third world countries among many other projects.
- **Please see the attached "Contribution Summary" which contains only a partial list of the funds which the Rotary Club has assisted to raise over the years.**

HISTORICAL STATUS OF RECREATIONAL LEASE

The Rotary Club held a Recreational Lease near the airport with Alberta Sustainable Resource Development, commencing in the 1980's. In addition to the location of the Rotary campground, this Recreational Lease had been made available by our Rotary club as a biathlon facility, an archery range, and a club house location for a local motorcycle club.

Our Rotary Club was informed by Alberta Sustainable Resource Development that our Recreational Lease would be cancelled. The Recreational Lease had contained the Rotary park campground, which had generated revenue used to provide support to some of the organizations and projects detailed above.

In addition to the funds generated from the Rotary park campground, the members of the Rotary Club have assisted in raising funds by devoting countless hours through volunteering at casinos and bingos, conducting raffles, TV auctions and participating in other volunteer activities, for the purpose of raising funds to be used to fund these charitable purposes. Because of the loss of the Recreational Lease, the Provincial Government provided to the Rotary Club the first right to purchase the lands on which the Rotary Park Recreational Lease had been located. The Rotary Club, as not-for-profit society, was not in a position to purchase the lands. Through negotiations with a local housing developer, the Rotary Club negotiated an arrangement where Rotary would become part of a Limited Partnership which would have various other limited partners who would contribute funds to assist in the purchase and development of a portion of the lands, which would be used for a residential and commercial development. Those development lands would surround a leased parcel upon which the Rotary Club would develop a golf course. The waterholes on the golf course would function as the storm water management ponds for the surrounding residential and commercial developments.

The Rotary waterholes would function as the storm water management ponds for all of the Saline Creek Limited Partnership development lands, a portion of the surrounding Keyano lands and a portion of

surrounding lands still owned by the Government of Alberta (which are subject to future sale and development).

Under the negotiated agreement, the Limited Partnership would contribute its proportionate share of the cost of the storm water pond construction, which contribution would be released to the Rotary Club under a "*construction draw*" format. An initial pro-forma construction and operational budget was prepared by Rotary members who have extensive accounting experience. These operational numbers were compared with the Miskanaw and the Fort McMurray golf course revenue numbers. The construction costs were reviewed with a very experienced golf course architect, who has been retained by Rotary to design the golf course and further reviewed by a local engineer, who has extensive Fort McMurray experience in project development. The initial budget of revenue and expenses anticipated that Rotary would be able to raise all of the funds necessary to complete the 18 hole golf course construction. Some of the additional sources of funding included a \$1,000,000.00 grant from the Province of Alberta and approximately \$1,400,000.00 in donations expected from a "*lot draw*" process. **(See note #1).** The Rotary Club had also negotiated a donation from one of the housing developers, partially resulting from savings in Real Estate Commission resulting from Rotary finding the interested purchasers for the golf course lots. We had also budgeted for anticipated hole sponsorships and membership revenues to assist in the golf course construction. Finally, our Rotary Club had also negotiated a loan with Wood Buffalo Baseball Trust and Fort McMurray Baseball Trust.

To complete the construction, the Rotary Club incorporated a limited company (RotaryLinks at Wood Buffalo Inc.) in which the Rotary Club owns 100% of the shares. The intent is that, once the golf course was operational, all operating profits will then be paid to the Rotary Club as the sole shareholder. The Rotary Club will then use those profits to continue to fund local and international charitable projects.

FACILITIES TO BE CONSTRUCTED

The intent of the Rotary Club is to construct an 18-hole golf course designed by Les Furber of GDS Golf Design Services Ltd. Mr. Furber has been involved in the design of numerous top quality golf courses around Western Canada and in other countries. We believe that Mr. Furber has been involved in the design of upwards of 100 new golf course designs and re-design projects.

The golf course will be located on a parcel of approximately 174 acres leased by the Rotary Club from the Alberta Government, Department of Infrastructure. The lease is for a period of twenty-five (25) years with an annual rent of \$1.00 per year. The lease contains an option to renew for further period of twenty-five (25) years.

The lease defines the "*permitted use*" as the construction and operation of a public, not-for-profit golf course, which includes the development of a club house and the development, construction and maintenance of a storm water retention and management pond system. The lease further stipulates that the golf course will be considered as "*not-for-profit*", as long as any surplus profits (which are not needed for golf course operations or golf course reserves), are not distributed to golf course members or share members, but are used for charitable purposes.

It is the intent of the Rotary Club that all surplus profits be used for continuation of the historical charitable donation practices identified earlier in this presentation.

The golf course waterholes will function as the storm water management system for a portion of the surrounding subdivisions (Saline Creek LP, Keyano College and the Government of Alberta lands (once developed). The Rotary Club has been advised that the typical practice of the RMWB, in relation to residential development storm water pond management systems, involves the RMWB taking ownership and responsibility for maintaining and servicing these storm water pond management systems. Because the ongoing operation of the golf course will require the Rotary Club to continue to maintain and service the waterholes, the Rotary Club believes that there will result in a considerable savings generated to the RMWB, by virtue of the Rotary Club servicing the storm water system, which costs which would normally be borne by the RMWB.

The Rotary Club further believes that the additional golf course facility in the Fort McMurray area will provide an enhanced recreational opportunity which will serve as an inducement to attract new residents and businesses to the Fort McMurray area.

Based upon publicly available statistics, our Rotary Club believes that Fort McMurray was under-served by the number of golf courses in comparison to the population of this community. It is the understanding of our club that, based upon typical population ratios per 18-hole club, even with the Fort McMurray golf club expansion and the Vista Ridge golf facility, we believe that the community is under-served by virtue of the existing golf facilities, especially when considering the closure of the Quarry Ridge facility.

The golf course will also generate seasonal employment for the necessary staff required to run the golf course, including golf professionals, club house staff and maintenance staff.

INITIAL PRO-FORMA CONSTRUCTION BUDGET

The initial pro-forma construction and revenue budget, which had been reviewed with our experienced golf course architect, suggested that the cost for constructing our 18 hole golf course would be approximately 14 million dollars which was subsequently amended upwards. Our initial pro-forma operational budget, based upon comparison to the Miskanaw and Fort McMurray Golf Club performance, suggested that, after expenses, the golf course could generate between \$500,000.00 to \$1,000,000.00 in income per year; which would be available to apply towards debt re-payment with the surplus available to be paid to the Rotary Club to be used for charitable purposes.

Our revenue sources to cover the cost of construction included a provincial government grant, the "construction draw contribution" from the Saline Creek Limited Partnership, the lot draw monies from the housing partner, the realtor donation arising out of the golf course lots sales, anticipated hole sponsorships and anticipated sale of golf course playing memberships.

The initial estimate for the availability of the lot draw monies and realtor donations was based upon the significant demand that existed at that time for residential lots. Further, based upon the fact that no golf course lots exist in the Fort McMurray market, it was anticipated that these golf course lots would attract significant demand from public and private builders. At the time the project was formulated in 2011 and 2012, the demand for residential lots in this community was very high. Had these factors continued, it would have assisted our Rotary Club in finding interested golf course lot purchasers.

CHALLENGES ENCOUNTERED BY ROTARY CLUB

1. The construction of the golf course was contingent upon the Saline Creek Limited Partnership completing the residential subdivision partially surrounding the golf course facility. Our Rotary Club understands that a significant delay was encountered by the limited partnership. We understand that the RMWB was not prepared to issue development permits for the subdivision until a commitment was reached to upgrade highway 69. It is our club's understanding that the original Provincial commitment to upgrade this road was subsequently withdrawn. It is also our club's understanding that protracted negotiations then began between the RMWB and the Province regarding this road upgrade, which negotiations were only resolved at a much later point in time. Unfortunately, by the time the final agreement on the road upgrade was reached, external factors had begun to impact the market demand for the residential lots in this community.
2. Although our club had reviewed the anticipated construction budget with an experienced golf course architect, the concept of using the golf course waterholes for the storm water management ponds for the surrounding housing subdivisions was a new and innovative concept. Our club had underestimated the cost of complying with the specifications that would be necessary to allow the golf course waterholes to function in the capacity as storm water ponds, in order to satisfy municipal standards. This has resulted in a significant increased cost for our club to satisfy some of these specifications, resulting in anticipated cost overruns in our construction budget.
3. We also understand from our construction manager that the costs of de-watering, due to the significant amount of moisture on the golf course site, were also under-estimated. Again, this has resulted in higher construction costs than originally estimated.
4. By the time the housing development had received approval for development of residential lots in the surrounding subdivision, the economic climate in Fort McMurray had changed dramatically, because of the drop in world oil prices. This has resulted in the Saline Creek LP housing developer postponing

its Phase II acquisition of the remaining lands surrounding the golf course. The Rotary Club also understands that this will result in the Saline Creek LP housing developer proceeding with the Phase II residential lot developments in multiple phases. The subsequent phasing will make it more difficult for Rotary to generate its budgeted lot draw donations and realtor donations from the sale of future golf course lots.

Further, under the Development Agreement in the process of being finalized with Keyano College, involving the Keyano residential development (relating to the portion which will drain into the Rotary storm water ponds), the Keyano contribution will be delayed. We understand that Keyano is now phasing its development because of the lack of demand for residential lots in its development. The result of the phasing of these surrounding housing developments is that some of the funds that Rotary had budgeted to be available to cover its golf course construction costs will not be available until the surrounding residential subdivisions proceed. Further, the development of the Government of Alberta (GOA) lands, a portion of which will eventually also drain into the Rotary storm water ponds, is unlikely to proceed at this time. As a result, although Rotary understands that our club will be entitled to receive future oversizing contribution relating to the Keyano and GOA lands, once fully developed, under the provision of the Municipal Government Act (MGA), we anticipate that these revenues will not be available for the foreseeable future because of the lack of residential lot demand at this time.

5. Our original clubhouse and parking lot design location was to be accessed via a two lane road, initially to be constructed by the Saline Creek LP housing developer as part of its development of the commercial lands and north residential. The second two lanes are to be funded by the RMWB via offsite levies. . As a result of the economic downturn, the development of the commercial parcel has been deferred and we understand that this road construction is not proceeding at this time, resulting in our club needing to design and negotiate an alternate access arrangement. The alternative is to re-design our golf course to attempt to accommodate the changes to the planned access to the club house location.

CONSTRUCTION DEFICIT AND FINANCIAL POSITION ENCOUNTERED BY THE FORT MCMURRAY ROTARY CLUB

Considering the economic downturn, Rotary has been very successful in raising capital for this project and has already sourced \$12,500,000.00 of capital. Rotary is confident that it will receive another \$1,700,000.00 through memberships and hole sponsorship when the course gets closer to opening, covering over 70% of the budget costs. The project is well underway with in excess of \$10,000,000.00 already invested. The storm water ponds are largely built, the fairways are rough shaped and ready for irrigation.

However, we believe that the current cost of construction, including contingencies and interest on our current baseball trust debt, will be at least 20 million dollars. Due to the delay we have faced in proceeding with construction, our debt incurred to the baseball trusts continues to accrue, even though we have an arrangement where no re-payments are to be commenced until 5 years after the initial advance (the first payments will have to commence in 2018, unless re-negotiated).

As part of the loan to the baseball trusts, the Rotary Club has pledged all of its non-charitable assets as security, including a mortgage of leasehold interest of our lease with Infrastructure and a security agreement against all present and after acquired personal property of the Rotary Club (excluding charitable assets). Similarly, RotaryLinks has secured all of its assets.

Based upon the experience of a number of Rotary members with financial lending experience, we do not believe that we will qualify for additional commercial financing, especially based upon the fact that all of our assets have a first charge to the baseball trusts. We have approached the baseball trusts and they are not in a position to advance further loan funds.

Based upon our most recent budget estimates, we are facing a deficit of approximately \$6 million to complete the construction of the 18-hole golf course. **See our most recent budget attached as a schedule to this presentation.**

PROPOSAL TO RMWB COUNCIL BY ROTARY CLUB

As mentioned earlier, we believe that our club is entitled to storm water pond development contributions from Keyano Land Trust and from the eventual developer of the Government of Alberta Lands.

Our club has invoiced Keyano for \$386,000.00 and understands that Keyano is prepared to pay this invoice once the storm water pond contribution agreement is signed. Our budget shortfall is based upon the assumption that the \$386,000.00 will be received from Keyano. Rotary's calculation is that, once Keyano proceeds with its development, there will be a further contribution of \$483,000.00 payable to Rotary from Keyano to compensate for Keyano's proportion of the storm water pond construction costs.

We further have calculated the GOA land future contribution to be valued at \$2,644,000.00. These funds are not currently anticipated to be available to assist in golf course construction.

The proposal of the Rotary Club of Fort McMurray, Alberta to the Council of the RMWB is to obtain financial assistance as follows:

1. Rotary understands that \$3,127,000.00 will be contributed to Rotary from future phases of the Keyano Land Trust residential development and, secondly, from future development of the 140 acres of Government of Alberta lands. Rotary does not know when the development of the remaining Keyano land trust lands or the Government of Alberta lands will occur and is requesting that the RMWB will prepay these future recoverable funds to allow Rotary to proceed with golf course construction activities. Rotary would then assign to the RMWB the right to recover these future funds from the future phasing of the Keyano land trust lands and from the future development of the Government of Alberta lands. Rotary is asking that this prepayment and assignment of the \$3,127,000.00 occurs in 2015.
2. Rotary is also asking for a grant of \$3,000,000.00 in 2016, to allow Rotary to complete the golf course construction.

We have received approval from the baseball trusts to postpone its security to allow the Rotary Club to assign the future Keyano and GOA oversizing contributions.

RATIONALE FOR SUPPORT BY RMWB COUNCIL OF ROTARY CLUB

The Rotary Club initiated this project after detailed budgeting and analysis, based upon additional financial support using calculations under an economic climate that existed at the planning stage, which would have allowed our club to replace its campground with a revenue generating golf course facility. The golf course would have both enhanced the recreational activities in the community and would provide future financial support to our club to allow us to continue to support local and international charitable projects and programs.

Although we have incorporated a company to construct and run the golf course, the shares in that limited company are fully owned by the Rotary Club and no profits generated from operations will be returned to any individual. All surplus profits will be used for charitable purposes.

We attempted to plan and execute this project with no municipal contribution, but have encountered obstacles which leave us in a financial position that prevents us from completing construction until future additional funding is secured.

The completion of a golf course near the Saline Creek LP and Keyano subdivisions in the Saline Creek plateau will enhance those housing developments and will assist in strengthening the RMWB property tax base.

The Rotary Club of Fort McMurray Alberta would like to thank the Council of the RMWB for allowing us to make this presentation.

Notes to Presentation

Note 1.

There were anticipated to be approximately 140 lots fronting on the golf course in the surrounding Saline Creek Limited Partnership development. The developer had given the Rotary Club a first option to find Buyers for those golf course lots. Under the lot draw process, those Buyers would donate \$10,000.00 to the Rotary District Foundation and funds would then be transferred to the Rotary Club to be used for the golf course construction.

**Rotary Club of Fort McMurray
Contributions Summary**

5.1.a

YEAR	RECIPIENT	AMOUNT	COMMUNITY	INTERNATIONAL	DETAIL
	Rotary House	\$ 2,300,000.00	\$ 2,300,000.00		Seniors Housing
	Northern Lights Health Foundation	\$ 100,000.00	\$ 100,000.00		Life Line
	Rotary House	\$ 29,000.00	\$ 29,000.00		Call System
	Rotary House	\$ 4,000.00	\$ 4,000.00		Furniture
	Oil Sands Curling Club	\$ 23,000.00	\$ 23,000.00		Youth Curling Program
	The Hub	\$ 11,000.00	\$ 11,000.00		Alphabet Soup
	The Hub	\$ 9,600.00	\$ 9,600.00		Alphabet Soup (Train the Trainer)
	Fort McMurray Fire Fighters Society	\$ 62,000.00	\$ 62,000.00		PAD Program (Defibulators)
	Fort McMurray Food Bank	\$ 8,900.00	\$ 8,900.00		Singing For Supper (Tom Jackson)
	Knights of Columbus	\$ 2,000.00	\$ 2,000.00		Community Christmas Dinner
	Fort McMurray Safe Community	\$ 1,000.00	\$ 1,000.00		Community Support
	Polio Plus	\$ 245,040.00		\$ 245,040.00	Polio Eradication
	Wood Buffalo Expo	\$ 5,000.00	\$ 5,000.00		Community Support
	Shelter Box Canada	\$ 50,000.00		\$ 50,000.00	Disaster Aid
	Leadership Wood Buffalo	\$ 12,500.00	\$ 12,500.00		Leadership Development
	Justin Slade Foundation	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan)
	Fort McMurray Youth Soccer Association	\$ 750.00	\$ 750.00		Youth Soccer
	Blake Crossley	\$ 3,500.00	\$ 3,500.00		Africa Aids Relief Trip
	Fort McMurray Public School Board	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan)
	Regional Recreation Corp	\$ 3,360.00	\$ 3,360.00		Community Support
	InterAct, RotarAct	\$ 2,500.00	\$ 2,500.00		Youth Services
	Keyano College Foundation	\$ 20,000.00	\$ 20,000.00		Rotary Bursary
	Rotary District 5370	\$ 27,500.00		\$ 27,500.00	Belize Literacy Program
	Rotary House	\$ 22,950.00	\$ 22,950.00		Seniors Housing
	Canadian Ski Patrol	\$ 3,500.00	\$ 3,500.00		Defibulator
	Imagination Library Kick-Off	\$ 25,000.00	\$ 25,000.00		Launch of Urban Literacy Program
	Imagination Library	\$ 12,200.00	\$ 12,200.00		Literacy Program
	Fort McMurray Historical Society	\$ 5,000.00	\$ 5,000.00		Heritage Park Flood Relief
	Slave Lake Rotary Club	\$ 5,000.00	\$ 5,000.00		Slave Lake Fire
	YMM Rotary 863 Air Cadet Squadron	\$ 177,500.00	\$ 177,500.00		Youth Development
	Dr. Clark School Parent's Association	\$ 17,500.00	\$ 17,500.00		Students' Breakfast Program
	WYWAM	\$ 4,200.00	\$ 4,200.00		Youth Enrichment Camp

Attachment: 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request (Rotary Club of

**Rotary Club of Fort McMurray
Contributions Summary**

5.1.a

RECIPIENT	AMOUNT	COMMUNITY	INTERNATIONAL	DETAIL
MADD	\$ 5,000.00	\$ 5,000.00		MADD presentation to students
Rotary Club of Costelegate, Mexico	\$ 5,000.00		\$ 5,000.00	Pinal Villa School
Gazebo (Silin Forest Road & Thicket Drive)	\$ 138,000.00	\$ 138,000.00		Rotary Centennial Project
RotaryLinks@Woodbuffalo	\$ 10,000,000.00	\$ 10,000,000.00		Golf Course Development
	\$ 13,346,500.00	\$ 13,018,960.00	\$ 327,540.00	

RotaryLinks @ Wood Buffalo Inc

Forecasted Cash Flows

18 Holes

	31-Oct-14 (Project To Date)	31-Oct-15	31-Oct-16	31-Oct-17	Total Project
Cash Receipts:					
AB Lotteries Grant	200,000	600,000	200,000		1,000,000
Advance - Rotary Club	324,650	-	-		324,650
SWMP Recovery - Saline Creek LLP	3,171,134	1,032,866	-		4,204,000
SWMP Recovery - Keyano College	-	386,000	-		386,000
SWMP Recovery - GOA Lands	-	-	-		-
Lot Draw	-	450,000	-		450,000
Golf Memberships	3,000	-	-	875,000	878,000
Hole Sponsorships	60,500	-	-	839,500	900,000
Revenue from Other Sources		100,783	-		100,783
Baseball Trust Loans	3,025,563	1,392,800	319,057	342,121	5,079,541
RMWB - Grant			3,000,000		3,000,000
RMWB - SWMP Loan		3,127,000			3,127,000
Saline Creek Loan	439,059	360,941			800,000
Total Cash Receipts	7,223,906	7,450,390	3,519,057	2,056,621	20,249,974
Construction Costs:	31-Oct-14	31-Oct-15	31-Oct-16	31-Oct-17	Total
Golf Course Land Development Costs	5,914,078	3,042,840	-	-	8,956,918
Golf Course Design & Construction	120,778	2,912,925	3,769,625	1,344,600	8,147,928
Soft Costs Related to Development	215,257	142,650	186,600	320,150	864,657
Interest (Deferred until Opening)	130,367	287,996	319,057	342,121	1,079,541
Contingency	-	609,842	395,623	166,475	1,171,939
Total Cash Disbursed	6,380,480	6,996,253	4,670,904	2,173,346	20,220,983
Net Cash Flow For Year	843,426	454,138	(1,151,848)	(116,725)	28,991
Working Capital - Beginning Of Period	-	843,426	1,297,563	145,716	-
Working Capital - End Of Year	843,426	1,297,563	145,716	28,991	28,991

Rotary Links @ Wood Buffalo a Community Project

Attachment: 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request



Presentation to Mayor and Council

Fort McMurray

Packet Pg. 45

Club

Where it all started

- R.V. Henning head of the N.E. Commission encourages the establishment of a Rotary Club with its 'objects' to be the steward for the 600 acres of recreational lands identified for the City.
- Saline Creek is the site chosen for the master recreation development
- Twenty-Five Year Lease Signed with Government in 1981
- Rotary Campground built
- Archery, triathlon and motor cycle club call the recreation lease home
- Rapid growth in the 2000's see the Saline Creek Plateau as an expansion district for Fort McMurray



Rotary Links and Saline Creek LP

- The Lease is subdivided and the Crown agrees to sell 200 acres to Rotary for Housing development.
 - Saline Creek LP is formed with several partners to undertake to develop the 200 acres for housing.
 - Housing partners will provide funding for golf course development.
 - Rotary link Golf Course water hazards to provide the storm water retention capacity for the majority of the developable land in the area.
- 200 acres is transferred into a long term lease designated for Golf Course development.



Where we are today

- Initial Budget \$16M for Golf Course Construction
- Rotary has raised \$12.4 Million from many sources
- 50% of the Golf Course Construction has been completed
 - Storm water ponds are completed
 - Fairways Roughed In
- Total Rotary investment to date over \$10 Million



Changes in the economy

- Delays in construction and price escalations have increased the budget to \$20.2 Million
- Slowing housing sales have delayed lot draw revenues and additional funds projected from the land development.
- We are confident that we can raise an additional \$1.7 Million through hole sponsorships and membership sales
- We are entitled to a total of \$3.1 Million in additional funds from surrounding lands that will use the storm water retention on the golf course (Keyano and GOA)
 - Unfortunately the timing of these funds is not known.



Challenges we are facing

- 30% funding shortfall to complete the project. The Rotary Club of Ft McMurray is looking for assistance from the RMWB under a two tiered approach.
- In 2015 – a 3.1M loan, repayable through the assignment of the storm water pond cost recovery from the Keyano College and Government of Alberta Lands.
- In 2016 – a 3.0M capital grant to complete the construction of the course.



Rotary in the Community

- Total Funds 2007 to date raised by Rotary \$13,346,500
- Total spent in the RMWB \$13,018,960
- Total Spent Internationally \$327,540



Rotary Contributions Highlights



• Rotary House	\$2,355,950	• Keyano College Foundation	\$20,000
• Polio Plus	\$245,040	• Dr. Clark School Parent's Association	\$17,500
• YMM Rotary 863 Air Cadet Squadron	\$177,500	• Leadership Wood Buffalo	\$12,500
• Northern Lights Health Foundation	\$100,000	• Fort McMurray Food Bank	\$8,900
• Fort McMurray Fire Fighters Society	\$62,000	• Justin Slade Foundation	\$2,500
• Shelter Box Canada	\$50,000	• Canadian Ski Patrol	\$3,500
• Rotary District 5370	\$27,500	• Imagination Library	\$37,200
• Oil Sands Youth School Curling	\$23,000	• The Hub	\$20,600

Hole #16: Par 5 – 515 / 455 / 425

Sponsored by: HVAC Solutions



Attachment: 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request



HENNING
RIDGE



Fort McMurray

Packet Pg. 53

Club

Hole #17: Par 3 – 140 / 110 / 85

Sponsored by: YMM Fort McMurray



Attachment: 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request



HENNING
RIDGE



Fort McMurray

Packet Pg. 54

Club

Hole #18: Par 4 – 460 / 395 / 370

Sponsored by: Garry Shantz Real Estate Inc.



Attachment: 1. Council Report, July 15, 2015 RotaryLinks Golf Course Funding Request



HENNING
RIDGE



Fort McMurray

Packet Pg. 55

Club

ROTARY'S AREAS OF FOCUS



For more than 100 years, Rotarians have joined together from all continents, cultures and industries to take action in our communities and around the world. With a commitment to achieving lasting change, we work together to empower youth, enhance health, promote peace and most important, advance the community. While Rotarians can serve in countless ways, Rotary has focused its efforts in six areas, which reflect some of the most critical and widespread humanitarian needs:

- Peace and conflict prevention/resolution
- Disease prevention and treatment
- Water and sanitation
- Maternal and child health
- Basic education and literacy
- Economic and community development

Rotarians planning new service projects are encouraged to consider these areas and the many opportunities for innovative projects. This publication provides an introduction to each area, as well as suggestions on how Rotarians and their service partners can address these needs both locally and internationally.





August 2009

Economic impact of golf for Canada

Findings report (published **August 14, 2009**)

Prepared for: *National Allied Golf Associations*

Strategic Networks Group, Inc.

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☎ +1.613.277.2588 • www.sngroup.com

Economic impact study of golf for Canada

A ground-breaking study conducted by NAGA

HIGHLIGHTS

AUGUST 14, 2009 - Based on a nation-wide survey of more than 4,000 golfers¹ and 350 golf courses² in 10 provinces and three territories, the **Economic impact study (EIS) of golf for Canada** (“Measuring the game of golf in Canada”)³ provides the first comprehensive and independent assessment of the economic impact of the golf industry in Canada.

This study provides new quantitative evidence of the economic significance of the sport to the Canadian, provincial and territorial economies, through primary research augmented by secondary information sources. The results demonstrate the substantial role golf has in the economy of Canada in terms of:

- Golf’s “Gross Domestic Product” in Canada – including all goods and services that are directly and indirectly related to the game, with analysis of who benefits from golf, and to what extent; and
- Other spin-off economic impacts such as employment and household income at the national, provincial and territorial scales.

ECONOMIC IMPACT OF GOLF FOR CANADA

The game of golf accounts for an estimated **\$11.3 billion** of Canada’s Gross Domestic Product (GDP), which includes:

- 341,794 jobs;
- \$7.6 billion in household income;
- \$1.2 billion in property and other indirect taxes; and,
- \$1.9 billion in income taxes.

¹ The golfer survey results are accurate to +/- 1.55 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 5.9M golfers.

² The course survey results are accurate to +/- 4.76 percentage points, 19 times out of 20. Survey data is extrapolated to Canada based on an estimated population of 2,397 courses.

³ RFP issued May 2008

Golf in Canada generates an estimated \$29.4 billion in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the Canadian Golf Industry is estimated at **\$13.6 billion**. Of this total, the revenues generated directly by golf courses and their facilities and stand-alone driving and practice ranges (**\$4.7 billion**) rivals the revenues generated by **all other** participation sports and recreation facilities combined (**\$4.8 billion**) in Canada⁴.

Additional key benefits and impact of golf in Canada include:

- **Environmental Benefits** – Over 200,000 hectares of green space managed by golf course operators, including 41,000 hectares of unmanaged wildlife habitat under golf course stewardship.
- **Golf Participation** –SNG estimates that approximately 70 million rounds of golf were played in 2008, a level of play that was as much as 10% lower than the average number of rounds based on prior years.⁵
- According to IPSOS Reid, there are an estimated 6 million Canadian golfers.⁶ According to RCGA sources, Canadian golf participation rates are among the highest in the world.⁷
- **Employment Opportunities** – The Canadian Golf Industry provides an excellent employment opportunity, with as many as 43% of those employed at Canadian golf courses being students.
- **Estimated Impact on Property Values** – The location of houses adjacent to golf courses provides benefits to homeowners that stem from higher home values compared to similar homes that are not adjacent to courses. The total incremental impact on home values is estimated at \$1.4 billion.
- **Charitable Activity** – Each year there are at least 25,000 charitable events hosted at Canadian courses. Using conservative estimates, these events raise more than \$439 million for charitable causes across Canada.
- **Golf Tourism** – Canadian travellers make more than 1 million trips involving golf, spending an estimated \$1.9 billion annually on golf-related travel within Canada.

⁴ These recreational facilities include skiing, fitness and recreational sports centres, amusement parks and arcades, and all other amusement and recreation industries, except gambling. Source: Statistics Canada. Table 361-0015 - Amusement and recreation, summary statistics, by North American Industry Classification System (NAICS), annual, CANSIM..

⁵ Based on SNG's survey of courses, the number of rounds played in 2008 was down as much as 10%.

⁶ In a 2006 Ipsos Reid found determined there were 5,953,000 million golfers (playing one more rounds) in Canada.

⁷ Royal Canadian Golf Association

Economic impact study (EIS) of golf for Canada

Aside from households, which command more than 25% of the gross economic effects of golf, Canada's manufacturing sector is impacted the most by Canadian golf related expenditures, commanding **13%** of Golf's gross economic impacts in Canada. This is followed by the finance, insurance and real estate services and retail trade sectors.

From many perspectives the game of Golf is a significant contributor to the economies of each province and for Canada overall.

ABOUT THE STUDY

This ground-breaking study was conducted by Strategic Networks Group, Inc. (SNG), led by Thomas McGuire, VP North America, and was based almost entirely on primary research of the supply (golf courses) and demand (golfers) of golf in Canada. SNG also used a newly built customized inter-regional input-output impact model, developed by noted economists Dr. William Schaffer, Professor Emeritus, Georgia Institute of Technology, and John Jozsa, Jozsa Management & Economics - both are associates of SNG. This I-O model was customized to track golf-industry related economic activity across Canada.

ACKNOWLEDGEMENTS

There are many contributors to this study that must be acknowledged. This includes the NAGA Board of Directors and the NAGA association presidents, as well as the many golfers across Canada who offered their time and completed surveys on their experiences with golf. A special thanks is owed to the Canadian course operators who participated in this study by sharing information about their operations through the survey, in-depth interviews and the pre-testing of earlier versions of the operator survey.

CONTACT INFORMATION

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Core findings

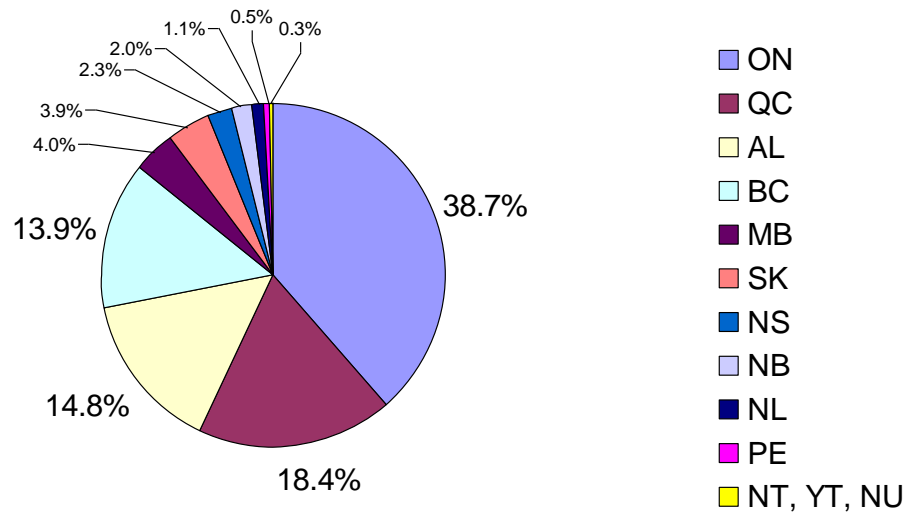
The following emerge as the core findings from SNG's primary and secondary research into the - economic impact of Golf in Canada.

SNG estimates that the annual total direct sales associated with golf in Canada is about **\$13.6 billion** (golf related expenditures in Canada, golf related travel outside of Canada, annual capital spending by golf courses and driving ranges).

ECONOMIC IMPACT OF GOLF IN CANADA

- The Canadian golf industry directly employs **155,024** people, Canada-wide, in a variety of occupations including equipment manufacturing, course operations, golf professional services, and a variety of other aspects of course operations from food services to maintenance.
- Total employment through direct, indirect and induced economic effects swells to **341,794** people Canada-wide.
- Total household income for those employed at golf courses and country clubs and stand-alone driving ranges is estimated at **\$1.6 billion** and **\$7.6 billion** Canada-wide when indirect and induced effects are added.
- The Canadian Golf Industry provides an excellent employment opportunity for students, with as many as **43%** of those employed at Canadian golf courses being students. Students earn good incomes and are exposed to networking opportunities that will support their careers paths in the years to come.
- The total direct economic activity (total direct sales) resulting from the Canadian Golf Industry is estimated at **\$13.6 billion**.
- Gross Production (total sales) resulting from the Canadian Golf industry is estimated at **\$29.4 billion**, through direct, indirect and induced spending impacts.
- The Canadian Golf industry contributes an estimated **\$11.3 billion** to Canada's Gross Domestic Product (GDP)

Golf GDP by Province



CANADIAN GOLF PARTICIPATION

- The game of golf is played by an estimated 6 million Canadians each year, with 2.5 million Canadians participating as core golfers, playing an average of **28** rounds per year⁸.
- Based on participation, golf is the number one recreational activity in Canada, played by more Canadians than hockey⁹.
- SNG estimates that 70 million rounds of golf are played each year by Canadians. Golfing enables people of all ages to take part in one of the simplest, safest and most often recommended forms of exercise – walking.
- Based on SNG's primary research, Canadian golfers spend an estimated **\$13.1** billion annually on golf, which includes:
 - related equipment (\$2.1B);
 - memberships, tournament fees, tournament spectator fees, golf related services, food and beverages at golf courses, (\$4.1B);
 - golf apparel (\$.7B);
 - travel within Canada (\$1.8B);
 - spending in non-golf industries, including transportation, fuel, publications/media, food and entertainment (\$2.3B);
 - charitable spending (\$.4B); and,
 - \$1.7 billion on golf related travel outside of Canada.

⁸ *Golf Participation in Canada, 2006 Edition – Ipsos Reid*

⁹ Statistics Canada, Based on a study of Participation in Sports, The Daily, issued Thursday, February 7, 2008. Reported that "Golf replaced ice hockey as the most popular sport in Canada in 1998."

CANADIAN GOLF COURSES, COUNTRY CLUBS, & PRACTICE RANGES

- There are more than 2,500 golf courses and practice ranges in Canada, with the majority of practice ranges identified in this study having operational, or business linkages, to a golf course.¹⁰
- From SNG's primary research, Canadian golf courses occupy more than an estimated **200,000** hectares of land. This includes managed green spaces estimated at more than **160,000** hectares and nearly **41,000** hectares of unmanaged wildlife.
- Based on SNG's survey, Canadian golf courses spend an estimated **\$4.7** billion annually on:
 - wages and salaries, payroll taxes and benefits;
 - course operations;
 - pro shop and retail sales;
 - food and beverage services;
 - office and administration;
 - provincial, federal and municipal taxes; and,
 - charitable donations and other operational expenses.

Each year Canadian golf courses invest **\$478.8** million in facility related capital expenditures through course and facility related maintenance, expansions and improvements.

CANADIAN TOURISM AND THE ROLE OF GOLF¹¹

- From 2004 to 2005 13.6% (3,377,089) of adult Canadians played golf while on an out-of-town, overnight trip of one or more nights.¹²
- Canadian 'golfing experiences' is the main reason for more than 1 million trips (of one night or more) made by Canadian travellers.¹³
- Golf is reported as an activity for as many as 1.7% of all international over-night visitors to Canada (461,200 visitors) and is reported as an activity by 1.5% of all US visitors, 1.8% of visitors from Latin America, 2.7% of all European visitors (including Israel), and 4.2% of all visitors from Asia and the Pacific.¹⁴
- Over the last two years, 8.2% (18,189,169) of adult Americans played golf in Canada while on an out-of-town, overnight trip of one or more nights. About 33.4% (6,067,369) reported that golfing was the main reason for taking at least one trip to Canada.¹⁵

¹⁰ Based on a review of publically available data sources, we identified over 500 practices ranges across Canada. More than 400 of these were associated with a golf course.

¹¹ Canadian Travel Market, Golfing While on Trips Of One or More Nights: A Profile Report, October 3, 2007; www.tourism.gov.on.ca/english/research/travel_activities/CDN_TAMS_2006_Golf_Oct2007.pdf

¹² Ibid, page 3

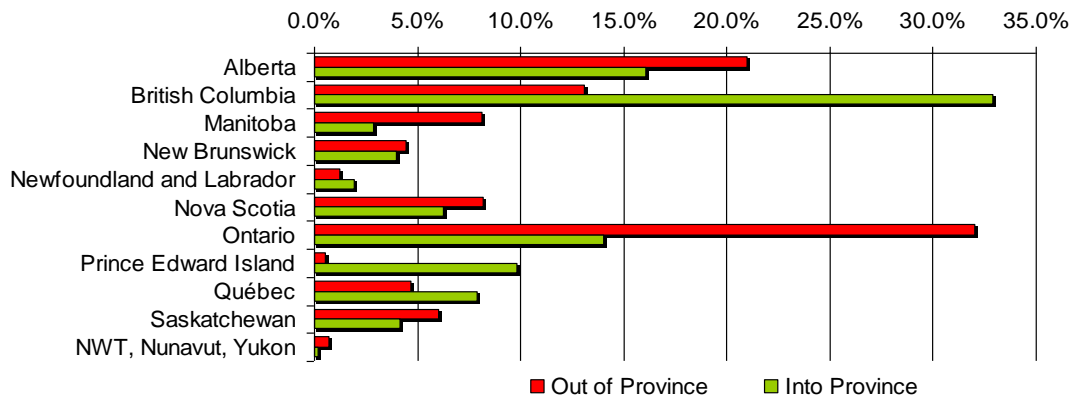
¹³ Ibid, page 3

¹⁴ Custom run provided by the Canadian Tourism Commission / Commission canadienne du tourisme using Statistics Canada International Travel Survey data for 2008 preliminary annual roll-up figures

¹⁵ U.S. activity profile: golfing while on trips, TAMS 2006 www.corporate.canada.travel/docs/research_and_statistics/product_knowledge/tams_2006/US_Golfing_en.pdf

- From SNG's primary research, Canadian golfers spend an estimated **\$1.8 billion** annually on golf related travel within Canada and **\$1.7 billion** on golf related travel outside of Canada.

Percent of Total in-Canada Travel Spending by Province
% of Total out and Total in



CANADIAN CHARITIES BENEFITING FROM GOLF

- Based on SNG's primary research, each year there are more than **25,000** charitable events hosted at Canadian courses.
- Through these events, the Canadian Golf industry facilitated about \$413.0 million in fund raising for charitable causes across Canada. Money is raised by golf-related and non-golf related events hosted at Canadian courses and by the donations to charitable events paid by tournament and event participants through entrance fees and donations from private and corporate donors, and non-golfers alike.
- In addition to charitable funds raised, Canadian golf courses themselves contributed \$8 million in cash donations and another \$18 million through in-kind support.

ESTIMATED IMPACT OF GOLF ON PROPERTY VALUES

- The location of houses adjacent to golf courses provides benefits to homeowners that stem from higher home values compared to similar homes that are not adjacent to courses.
- The total incremental impact on home values is estimated at \$1.39 billion.

COMPARING GOLF TO OTHER INDUSTRIES¹⁶

SNG found that golf courses and stand-alone driving ranges earned gross revenue of **\$4.7 billion** in 2008. Based on Statistics Canada information that provides operator revenues for other sectors, golf courses earn more gross revenue than “skiing facilities” in Canada (\$0.9B in 2006), more than “fitness and recreational sports centres” (\$1.7B in 2006), more than “amusement parks and arcades” (\$0.4B in 2006), and more than “all other amusement and recreation industries, (excluding gambling)” (\$1.8B in 2006).

Golf courses also earn more operating revenues than “promoters of performing arts and sports” (\$1.9B in 2007) and “spectator sports” (\$2.4B in 2007), which includes the gross revenues earned by the National Hockey League.¹⁷

¹⁶ Comparison years are from 2006 to 2007 based on publically available results from Statistics Canada's **Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries**. www.statcan.gc.ca/daily-quotidien/080605/dq080605c-eng.htm

¹⁷ The Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries covers four North American Industry Classification System industry groups: spectator sports (7112), promoters of performing arts, sports and similar events (7113), agents and managers for artists, athletes, entertainers and other public figures (7114), and independent artists, writers and performers (7115) www.statcan.gc.ca/daily-quotidien/090316/dq090316c-eng.htm

Provincial summaries

The following provincial summaries provide the cumulative impacts of golf for each of the 10 provinces and three territories. Impacts provided are the results of the combined effects of direct, indirect and induced economic impacts.

BRITISH COLUMBIA

The game of golf contributes an estimated **\$1,580.7 million** toward **British Columbia's** Gross Domestic Product (GDP) at market prices. This includes:

- 46,685 jobs;
- \$1,087.8 million in household income;
- \$160.7 million in property and other indirect taxes; and about
- \$256.5 million in income taxes.

Golf in **British Columbia** generates \$4,005.6 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **British Columbia's** Golf Industry is estimated at \$2,016.9 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$617.1 million.

The game of golf is played by an estimated 812,000 resident golfers in **British Columbia** at over 316 golf course facilities.

ALBERTA

The game of golf contributes an estimated **\$1,682.5 million** toward **Alberta's** Gross Domestic Product (GDP). This includes:

- 50,270 jobs;
- \$1,074.4 million in household income;
- \$136.9 million in property and other indirect taxes; and about
- \$265.3 million in income taxes.

Golf in **Alberta** generates \$4,443.2 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Alberta's** Golf Industry is estimated at \$1,899.5 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$646.4 million.

The game of golf is played by an estimated 754,000 resident golfers in **Alberta** at over 331 golf course facilities.

SASKATCHEWAN

The game of golf contributed an estimated \$446.0 **million** toward **Saskatchewan's** Gross Domestic Product (GDP). This includes:

- 22,102 jobs;
- \$306.9 million in household income;
- \$40.3 million in property and other indirect taxes; and about
- \$ \$71.1 million in income taxes.

Golf in **Saskatchewan** generates \$1,045.5 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Saskatchewan's** Golf Industry is estimated at \$552.9 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$382.7 million.

The game of golf is played by an estimated 255,000 resident golfers in **Saskatchewan** at over 196 golf course facilities.

MANITOBA

The game of golf contributed an estimated **\$452.7 million** toward **Manitoba's** Gross Domestic Product (GDP). This includes:

- 18,025 jobs;
- \$309.6 million in household income;
- \$44.4 million in property and other indirect taxes; and about
- \$76.0 million in income taxes.

Golf in **Manitoba** generates \$1,128.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Manitoba's** Golf Industry is estimated at \$556.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$251.9 million.

The game of golf is played by an estimated 282,000 resident golfers in **Manitoba** at over 129 golf course facilities.

ONTARIO

The game of golf contributed an estimated **\$4,384.3 million** toward **Ontario's** Gross Domestic Product (GDP). This includes:

- 123,566 jobs;
- \$2,970.4 million in household income;
- \$496.4 million in property and other indirect taxes; and about

- \$693.5 million in income taxes.

Golf in **Ontario** generates \$11,467.7 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Ontario's** Golf Industry is estimated at \$4,992.6 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$1,655.9 million.

The game of golf is played by an estimated 2.32 million resident golfers in **Ontario** at over 848 golf course facilities.

QUEBEC

The game of golf contributed an estimated **\$2,080.9 million** toward **Quebec's** Gross Domestic Product (GDP). This includes:

- 57,890 jobs;
- \$1,364.0 million in household income;
- \$228.7 million in property and other indirect taxes; and about
- \$423.3 million in income taxes.

Golf in **Quebec** generates \$5,513.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Quebec's** Golf Industry is estimated at \$2,578.8 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$732.3 million.

The game of golf is played by an estimated 1.14 million resident golfers in **Quebec** at over 375 golf course facilities.

NEW BRUNSWICK

The game of golf contributed an estimated **\$223.1 million** toward **New Brunswick's** Gross Domestic Product (GDP). This includes:

- 7,148 jobs;
- \$150.5 million in household income;
- \$22.7 million in property and other indirect taxes; and about
- \$39.1 million in income taxes.

Golf in **New Brunswick** generates \$603.4 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **New Brunswick's** Golf Industry is estimated at \$340.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$101.5 million.

The game of golf is played by an estimated 147,000 resident golfers in **New Brunswick** at over 52 golf course facilities.

NOVA SCOTIA

The game of golf contributed an estimated **\$262.5 million** toward **Nova Scotia's** Gross Domestic Product (GDP). This includes:

- 8,944 jobs;
- \$185.0 million in household income;
- \$25.3 million in property and other indirect taxes; and about
- \$47.0 million in income taxes.

Golf in **Nova Scotia** generates \$649.9 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nova Scotia's** Golf Industry is estimated at \$307.8 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$166.0 million.

The game of golf is played by an estimated 142,000 resident golfers in **Nova Scotia** at over 85 golf course facilities.

PRINCE EDWARD ISLAND

The game of golf contributed an estimated \$60.8 **million** toward **Prince Edward Island's** Gross Domestic Product (GDP). This includes:

- 2,605 jobs;
- \$46.4 million in household income;
- \$5.6 million in property and other indirect taxes; and about
- \$10.4 million in income taxes.

Golf in **Prince Edward Island** generates \$134.5 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Prince Edward Island's** Golf Industry is estimated at \$81.7 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$62.5 million.

The game of golf is played by an estimated 28,000 resident golfers in **Prince Edward Island** at over 32 golf course facilities.

NEWFOUNDLAND AND LABRADOR

The game of golf contributed an estimated \$124.3 **million** toward **Newfoundland and Labrador's** Gross Domestic Product (GDP). This includes:

- 3,642 jobs;
- \$75.4 million in household income;
- \$7.9 million in property and other indirect taxes; and about
- \$18.9 million in income taxes.

Golf in **Newfoundland and Labrador** generates \$308.8 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Newfoundland and Labrador's** Golf Industry is estimated at \$208.0 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$46.9 million.

The game of golf is played by an estimated 76,000 resident golfers in **Newfoundland and Labrador** at over 24 golf course facilities.

YUKON

The game of golf contributed an estimated \$13.7 **million** toward **Yukon's** Gross Domestic Product (GDP). This includes:

- 411 jobs;
- \$10.0 million in household income;
- \$1.0 million in property and other indirect taxes; and about
- \$2.0 million in income taxes.

Golf in **Yukon** generates \$33.3 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Yukon's** Golf Industry is estimated at \$22.7 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$7.8 million.

The game of golf is played by an estimated 10,000 resident golfers in **Yukon** with 4 golf course facilities identified.

NORTHWEST TERRITORIES

The game of golf contributed an estimated **\$20.9 million** toward the **Northwest Territories'** Gross Domestic Product (GDP). This includes:

- 473 jobs;
- \$12.6 million in household income;
- \$1.4 million in property and other indirect taxes; and about
- \$3.2 million in income taxes.

Golf in the **Northwest Territories** generates \$51.4 million in total gross production through direct, indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Northwest Territories'** Golf Industry is estimated at \$28.3 million. Of this total, the revenues generated directly by golf courses, and their associated facilities is estimated at \$9.8 million.

The game of golf is played by an estimated 12,000 resident golfers in **Northwest Territories** with 5 golf course facilities identified.

NUNAVUT

The game of golf contributed an estimated **\$1.9 million** toward **Nunavut's** Gross Domestic Product (GDP). This includes:

- 33 jobs;
- \$1.3 million in household income;
- \$0.1 million in property and other indirect taxes; and about
- \$0.3 million in income taxes.

Golf in **Nunavut** generates \$5.8 million in total gross production through indirect and induced spending impacts.

The total direct economic activity (total direct sales) resulting from the **Nunavut's** Golf Industry is estimated at **\$0.0 million..**

No data is available for the number of resident golfers or golf course facilities in **Nunavut**.

Study methodology

The methodology for this study, conducted by Strategic Networks Group (SNG Inc.), centred on primary survey research and use of inter-regional *input-output* impact modelling. The survey research included a **nation-wide survey of more than 4,000 golfers and a nation-wide survey of 350 golf courses**.

Surveys invitations were e-mailed to Canadian based **golf course operators**, using mailing lists provided by NAGA and their partners.

The web-based survey of golf course operators collected expenditure details from golf courses. These data were combined with results from a series of very detailed operator interviews. This survey and interview process profiled the financial operation of golf courses across Canada and their relationship with supporting industries. Data collected by this survey included:

- province in which the course is located;
- number of holes;
- layout of the course (18-hole regulation length, 9 hole regulation length, 18-hole executive length, 9 hole executive length, 18-hole "Par 3", nine hole "Par 3");
- type of membership access (private, semiprivate, public/municipal); and
- details of revenues and expenditures.

The golfer survey was made available online and distributed through the web to mailing lists provided by the study sponsor. It was also advertized through golf related print and electronic publications. The **golfer survey** collected information from Canadian golfers that described their:

- expenditures on golf equipment and supplies;
 - expenditures on golf play and related services;
 - participation at and spending on golf-related charity events;
 - expenditures on golf activities during personal and business travel; property ownership in golf-oriented developments; and,
 - golfer personal profile information.
- Secondary sources were also referenced, including Golf 20/20, Statistics Canada, the RCGA, NGCOA, and CSCM.

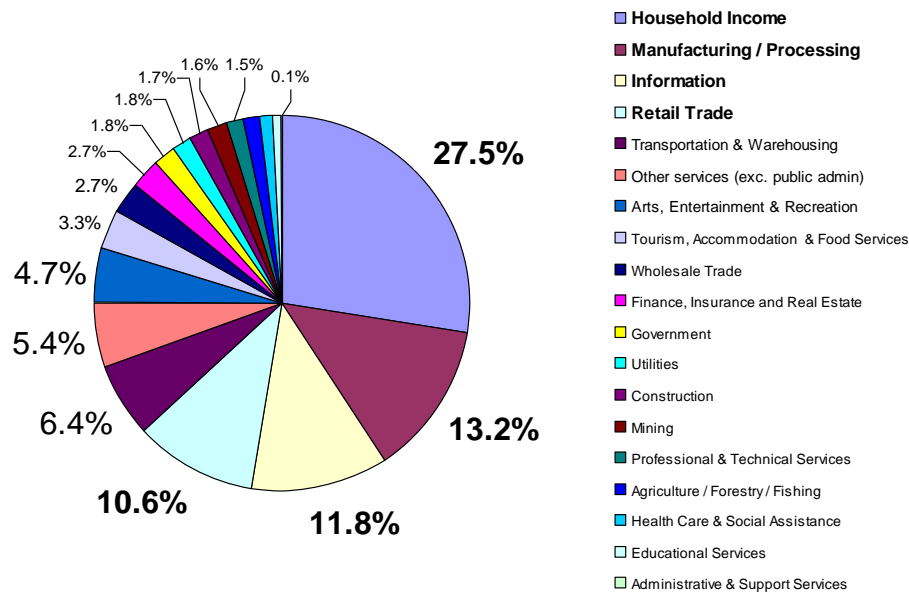
“GOLF CLUSTER”

The concept of a golf cluster was put forward in the Golf 20/20 studies. SNG assessed the Canadian golf market using the “Golf Cluster” definition. SNG’s applied a different methodology, “mapping” the various industrial components of the Canadian “golf cluster” using Input-Output (I-O) tables to track the inter-industry linkages in “golf’s” production function. This approach provides an advantage wherein the mapping can be compared to the accepted “Golf Cluster” definition. SNG’s methodology allows verification of the completeness of the “golf cluster” definition in a Canadian context.

The following table shows the distribution of direct and spin-off impacts on gross production, by industry, caused by golf in Canada.

Impacts on Gross Production – Canada (\$ millions)			
Industries	Direct (Initial)	Indirect + Induced	Total
Crop and Animal Production	\$37.0	\$246.1	\$283.1
Forestry and Logging	\$2.2	\$90.0	\$92.2
Fishing, Hunting and Trapping	\$3.2	\$10.1	\$13.3
Support Activities for Agriculture and Forestry	\$2.5	\$16.6	\$19.0
Mining and Oil and Gas Extraction	\$55.9	\$410.2	\$466.1
Utilities	\$166.4	\$358.6	\$525.0
Construction	\$300.2	\$206.9	\$507.1
Manufacturing	\$1,365.9	\$2,532.7	\$3,898.6
Wholesale Trade	\$136.3	\$665.4	\$801.7
Retail Trade	\$2,084.3	\$1,039.3	\$3,123.6
Transportation and Warehousing	\$31.3	\$897.8	\$929.1
Information and Cultural Industries	\$185.3	\$777.8	\$963.1
Finance, Insurance and Real Estate Services	\$103.4	\$3,374.0	\$3,477.4
Professional, Scientific and Professional Services	\$81.2	\$706.8	\$788.0
Administrative & Support, Waste Management	\$75.1	\$370.0	\$445.1
Education Services	\$4.0	\$30.5	\$34.5
Health Care and Social Assistance	\$0.0	\$212.5	\$212.5
Arts, Entertainment and Recreation	\$112.8	\$180.8	\$293.6
Accommodation and Food Services	\$775.8	\$624.9	\$1,400.7
Other Services (except public administration)	\$212.9	\$316.7	\$529.6
Operating, Office, Cafeteria Supplies	\$23.2	\$424.5	\$447.7
Travel, Entertainment, Advertising	\$874.3	\$559.9	\$1,434.2
Transportation Margins	\$18.6	\$154.3	\$172.9
Non-Profit Institutions Serving Households	\$285.2	\$246.4	\$531.6
Government Sector*	\$75.8	\$332.0	\$407.7
Households	\$1,551.2	\$6,043.1	\$7,594.3
Total	\$8,564.0	\$20,827.8	\$29,391.8

Golf Impact on Gross Production of Industries



MEASURING INDIRECT IMPACTS

Indirect impacts are the result of re-spending by industries that supply goods and services to the golf sector and by industries that supply the suppliers. For example, when a golf course purchases fertilizer, the fertilizer producer must purchase inputs (e.g. potash, labour, commodities imported into Canada) to produce the fertilizer. In turn, the potash industry must purchase inputs (e.g. diesel fuel, labour, commodities imported into Canada) to produce the potash). The rounds of spending continue until the effects 'leak out' of Canada due to imports. Our inter-regional input-output impact models provided estimates of the indirect economic impact of the direct expenditures in Canada.

MEASURING INDUCED IMPACTS

Statistics Canada does not publish the results of re-spending of household income as part of its inter-regional input-output modelling service. To overcome this shortcoming, we acquired industry production, industry input, final demand, inter-provincial trade flow, international trade-flow and industry employment data for each province and territory, for 26 industries and 56 commodities. We then constructed a proprietary inter-regional input-output model with a wider array of impact estimation options than the Statistics Canada model.

GLOSSARY OF TERMS

Terms discussed in this report are defined below:

- **Direct Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of golf courses and driving ranges;
- **Indirect Effects/Impacts** – These include the cash operating expenditures and gross profit before taxes and depreciation of all industries that supply goods and services to golf courses and driving ranges and to industries that produce goods and services for golf courses and driving ranges (For example, the production of fertilizer for sale to a golf course is an indirect effect, as is the production of goods and services that provide inputs to the fertilizer manufacturer.);
- **Induced Effects/Impacts** – Induced effects measure the purchases of households when they re-spend the income they earn working directly for golf courses and driving ranges and industries that produce the indirect impacts.
- **Spin-off Effects** – These are the sum total of the indirect and induced impacts.
- **Total Economic Impact** – The sum of the direct, indirect and induced impacts.
- **Gross Domestic Product (GDP) at Market Prices** – The golf industry's contribution to GDP (at market prices) is the
 - sum of its wages and salaries, supplementary labour income, mixed income, other operating surplus, indirect taxes on production and indirect taxes on products;
 - less subsidies on production and subsidies on products.
- **Gross Production** – This is the sum of all sales by an industry.
- **Gross Impacts/Effects** – The full economic effects as they pertain to direct, indirect and induced effects without removal of impacts that might otherwise have occurred. For example, if the game of golf did not exist one would expect that the money spent on golf would be spent on other activities, which would also result in direct, indirect and induced impacts. The incremental impact would be the difference between the total impacts of golf versus the total impacts of alternative spending.

Statistical summary tables

The combined impacts of the Canadian Golf Industry through all effects (direct, indirect and induced) are summarized in the following tables.

GROSS EMPLOYMENT IMPACT

Total golf related spending in Canada estimated at \$13.5 billion, generates 373,355 jobs Canada-wide through the equivalent of:

- 155,024 direct jobs; and
- 186,770 indirect + induced jobs.

Summary Gross Golf Related Employment Impacts (Jobs), Canada

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	19,328	27,357	46,685
AL	26,083	24,187	50,270
SK	15,445	6,657	22,102
MN	10,165	7,859	18,025
ON	53,830	69,736	123,566
QC	20,086	37,804	57,890
NB	2,596	4,551	7,148
NS	4,244	4,700	8,944
PE	1,598	1,007	2,605
NL	1,198	2,444	3,642
YK	200	211	411
NW	250	223	473
NU	-	33	33
TOTAL	155,024	186,770	341,794

GROSS HOUSEHOLD INCOME IMPACTS

Summary Gross Golf Related Household Income Impacts (in millions), Canada

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	\$204.9	\$883.3	\$1,087.8
AL	\$214.6	\$860.2	\$1,074.4
SK	\$126.8	\$180.0	\$306.9
MN	\$83.5	\$226.1	\$309.6
ON	\$548.8	\$2,421.6	\$2,970.4
QC	\$242.7	\$1,121.3	\$1,364.0
NB	\$33.7	\$116.9	\$150.5
NS	\$55.0	\$130.0	\$185.0
PE	\$20.7	\$25.7	\$46.4
NL	\$15.5	\$59.8	\$75.4
YK	\$2.6	\$7.4	\$10.0
NW	\$3.2	\$9.4	\$12.6
NU	\$-	\$1.3	\$1.3
TOTAL	\$1,551.2	\$6,043.1	\$7,594.3

SUMMARY OF GDP IMPACTS

Summary of Gross Golf Related GDP Impacts (in millions), Canada

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	\$494.5	\$1,086.2	\$1,580.7
AL	\$472.4	\$1,210.1	\$1,682.5
SK	\$113.7	\$332.3	\$446.0
MN	\$133.0	\$319.7	\$452.7
ON	\$1,286.3	\$3,098.0	\$4,384.3
QC	\$661.3	\$1,419.6	\$2,080.9
NB	\$76.6	\$146.6	\$223.1
NS	\$75.7	\$186.8	\$262.5
PE	\$16.8	\$44.0	\$60.8
NL	\$44.7	\$79.6	\$124.3
YK	\$4.6	\$9.1	\$13.7
NW	\$5.7	\$15.2	\$20.9
NU	\$0.6	\$1.3	\$1.9
TOTAL	\$3,385.9	\$7,948.5	\$11,334.4

SUMMARY OF GROSS PRODUCTION IMPACTS

Gross Production is the final statistic generated by the I-O model. This is the sum of all sales by industry resulting from the spending being modelled. The gross production figure is interpreted as the amount of sales generated in each industry through the original expenditures in relation to total Golf related and Golf generated spending.

Gross Production is the combination of the direct spending within the golf industry and the indirect and induced industry expenditures that result throughout supporting industries – also known as the Golf Cluster.

Summary of Golf Related Gross Production Impacts (in millions), Canada

Province	Direct	Spinoff (Indirect and Induced)	Total
BC	\$1,317.7	\$3,127.0	\$4,444.7
AL	\$1,416.1	\$3,583.2	\$4,999.2
SK	\$2.5	\$16.6	\$19.0
MN	\$394.9	\$867.0	\$1,261.8
ON	\$3,561.0	\$9,313.9	\$12,874.9
QC	\$1,840.6	\$4,334.1	\$6,174.7
NB	\$230.8	\$439.8	\$670.6
NS	\$229.5	\$491.5	\$721.0
PE	\$56.0	\$92.6	\$148.6
NL	\$122.8	\$225.2	\$348.0
YK	\$12.8	\$24.2	\$37.0
NW	\$16.0	\$41.2	\$57.1
NU	\$1.4	\$5.3	\$6.7
TOTAL	\$9,589.1	\$23,309.7	\$32,898.7

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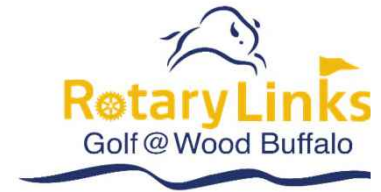
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The Rotary Club of Fort McMurray

Bryce Kumka – Rotary Club of Fort McMurray
Brent Mackay – General Manager

November 27, 2019

2020 Capital Grant Request



RotaryLinks Golf @ Wood Buffalo

- A community golf course located in the Saline Creek Plateau which opened its doors to the public on July 1st, 2018.
- Currently offering 9-holes of its 18-hole Master Plan for public play complete with Pro Shop, on/off-course food and beverage service as well as a full practice facility.
- Family friendly environment offering a level of play that caters to both the most avid golfer as well as those new to the game.
- Links style course offering a stark contrast and compliment to the existing great facilities in the region.

Organization Mandate

- Establish a self-sustaining recreational facility open to all residents and visitors of the Wood Buffalo region.
- Create a renewable source of revenue to be used for benevolent purposes in accordance with bylaws of Rotary Club of Fort McMurray.
- Capital Grant to be used to cover completion costs of 18-hole golf course resulting from funding shortfalls.
- Completion schedule is one year of construction in the 2020 season with a 2-year maturation period prior to full play.

Community Impact

Fiscal Responsibility, Asset Management & Partnerships with Social Profits

- The water holes on the golf course function as the storm water ponds for the surrounding future residential parcels. These outfall structures and ponds have been built to a higher standard to comply with municipal standards.
- RotaryLinks continued maintenance of these ponds will result in future savings to the city.

Wildfire Recovery

- Functioning golf course will act as an incentive to promote residential lot sales and commercial development in the Saline Creek Plateau.

Community Impact

Youth

- RotaryLinks provides free golf to youth up to age 18 years of age, while accompanied by a paying adult.
- All day youth camps offered during the summer months of 2019
- During its first year of operation the course has partnered with many local non-profits assisting them with their fundraising efforts.
- As part of its mandate RotaryLinks has made it a priority to engage with organizations which benefit the youth in the region.

Business Attraction and Incentives

- A functioning golf course at the south end of the city will provide recreation opportunities for staff of businesses located nearby increasing their ability to attract and retain employees.

Additional Information

- Site challenges, economic downturn, population decrease, slowed housing market and horse river wildfire have slowed original construction schedule.
- In 2015 Construction costs for the complete project were estimated at \$20.25M.
- Despite these significant factors' costs have been very well managed and total cost of completion is now at \$19.65M.
- We are very optimistic that through completion the financial viability of the project looks promising.

2020 Grant Request

	Total Cost	Sustaining Grant	Capital Grant Request
Fixed Price Construction Contract	\$2,700,000	\$0	\$2,700,000
Entrance Road Rerouting	\$50,000	\$0	\$50,000
Redesign & Supervision	\$250,000	\$0	\$250,000
Increased Costs During Maturation Period / year	\$329,910	\$329,910	\$0
Total	\$3,329,910	\$329,910	\$3,000,000

2020 Sustaining Grant Details

	2020
Payroll Expense	\$50,000
Equipment Repair / Rental	\$2,832
Fertilizer / Chemicals / Sand / Seed / Gravel / Sod	\$43,480
Fuels & Lubricants	\$16,739
Tools & Supplies	\$8,089
Repair & Maintenance	\$1,510
Temporary Facilities / Misc. & Safety Expense	\$1,721
Maintenance Utilities	\$19,230
Property Tax	\$29,834
Cash Shortfall (2019 Fiscal)	\$156,475
Total	\$329,910

Questions?

Rotary Club of Fort McMurray, Alberta
2020 Community Capital Grant Analysis

CIP Grant Summary:

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
-	-	-	3,000,000	-	(3,000,000)

Fiscal Year End	Total Expenses	Unrestricted Net Assets
June 30, 2018	29,887	(240,119)

Notes:

Project Name: Rotary Links 18 Hole Golf Course - Completion

The Rotary Club has received \$6.1 M in funding for this project from the RMWB:

- November 2015 \$2.2M provided from the Capital Infrastructure Reserve through a cost sharing agreement (no payments have been made to clear the outstanding debt)
- November 2015 \$3.9 provided through a Community Investment Program Grant that was approved by Council on December 8, 2015. The basis of this approval was that this funding would be used to see the golf course facility to its completion.

Administrative Recommendation is that no further funding be provided for this project; the 2015 approvals of \$6.1M was intended for project completion.

Budget Line Description	2020 Total Budget	2020 Recommended
Estimated Project Costs	19,622,990	-
Less: Funding from RMWB	(6,127,000)	-
Less: Other Funding Sources	(10,495,990)	-
Total Grant Request	\$ 3,000,000	\$ -



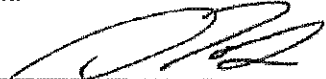

Community Capital Grant Part A - Organization Summary

Organization Name:	Rotary Club of Fort McMurray, Alberta
Street Address:	P. O Box 5126
City/Hamlet:	Fort McMurray
Province:	Alberta
Postal Code:	T9H 3G2
Phone Number:	
Website:	
Fiscal Year End:	June 30
Act Registered Under:	Societies Act (Alberta)
Registration Number:	

Note: Organization must be in good standing to receive funding.

Main Contact	
Title:	President
Name:	Greg Tolson
Daytime Phone:	s. 17 (1)
Email Address:	s. 17 (1)
Executive Director	
Name:	N/A Gordon Armitage
Daytime Phone:	s. 17 (1)
Email Address:	s. 17 (1)
Board Chair / President	
Name:	Greg Tolson
Daytime Phone:	s. 17 (1)
Email Address:	s. 17 (1)

Declaration of Board Members - In making this application, we, the undersigned, confirm that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

 Signature of Board Member (must have signing authority)	 Signature of Board Member or Executive Director (must have signing authority)
Greg Tolson Print Name	Gordon Armitage Print Name
2019 10 08 Date: (Year-Month-Day)	2019-11-06 Date: (Year-Month-Day)



Part B - Board Questionnaire

Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☒

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received

What are the restrictions (if any) on becoming a member of the organization or participating in programs or services?

Rotary allows any person in good standing to be nominated for membership.

How often does the Board review the financial position of the organization? What efforts have been made in the past fiscal year to increase the number and types of financial support for the organization?

The Rotary Club's finances are discussed at each monthly board meeting in some fashion. The Rotary Club retains a qualified accountant to prepare annual financial statements.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.



Part C - Business Case

The Community Capital Grant program is used to support the construction, expansion or renovation of recreational, social and cultural facilities in the region. Community Capital Grants are executed through agreements with community groups and non-profit organizations that operate the facilities.

Project Name: _____

EXECUTIVE SUMMARY

Summarize the purpose and importance of the project. Include the following (where applicable): explain the nature of the project (what it is) and indicate whether the project is to replace existing facilities or equipment. Indicate if the project is an existing project and explain why there is a funding shortfall at the current phase or if there are any changes to the project and why. Summarize the probable impact on the environment; reason why this project is necessary; benefits of the project, indicating the impact on service delivery standards; duration of the project (from predesign to completion). Indicate the consequences and impact of not doing the project, as well as any major constraints or risks involved with the project.

Text CANNOT exceed box. More detail/space available on following pages.

See attached detailed summary of the Golf Course project and its financial history. The Intent of the Rotary Club is to construct an 18 hole golf course designed by a very experienced golf course architect. The golf course is located on a parcel of 174 acres leased by the Rotary Club from the Alberta Government, Department of Infrastructure. The lease is for a period of twenty-five (25) years with an option to renew. It is the intent of the Rotary Club that all surplus profits be used for continuation of the historical charitable donation practices. Currently 9 holes have been fully constructed and opened for play together with a driving range and practice putting green. We have enjoyed very positive reviews on the condition and playability of the 9 holes. All 18 holes have been rough shaped and irrigation has been installed in 12 holes. The 2015 grant application occurred prior to the 2016 wildfire. As a result of the wildfire, the Rotary Club struggled with its own membership and our member's focus was on rebuilding homes and businesses impacted by the fire. At least a full year of construction was lost as a result of the 2016 wildfire. The residential subdivisions surrounding the course were dramatically impacted by the 2016 wildfire and the Keyano subdivision elected to "phase" its first stage, which resulted in Keyano not being obligated to contribute some of the funds Rotary had expected under its cost sharing agreement. The designed club house location was not viable due to lack of road access and services. The club incurred substantial additional cost to re-locate the club house to a temporary location. The operation of a 9 hole facility is simply not financially viable based upon the existing debt load incurred. The projected revenues for the course have been impacted by the population loss after the fire. Continuing to operate as a 9 hole facility simply does not generate sufficient revenue to pay for the operating costs and to service the debt payments that are necessary to pay off the principal and interest owing under the baseball trust loans. The only viable option is to complete the construction of the 18 hole golf course and this will allow sufficient revenue to make the facility viable. The golf club was granted only a temporary development permit for the current location of the temporary clubhouse. The golf course applied for a property tax exemption for the 2019 property taxes for the golf course, based on the charitable nature of the golf course operation, but was refused by the RMWB. Rotary has applied to commercial lenders for funding but has been unsuccessful with the exception of a small operating loan from Community Futures. All of the golf course assets have been pledged as security to the baseball trusts (first lender) and the trusts are not prepared to extend additional credit.



Part C - Business Case

STRATEGIC PLAN GOAL

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Community Capital Grant is available to support facilities that contribute to the key strategic priorities identified above and are either owned by the Municipality and operated by a community group or non-profit organization (asset implications for the Municipality); or are owned and operated by community groups and organizations directly (no asset implications for the Municipality).

Please indicate which category is applicable to this application:

1. Responsible Government

- | | |
|--|--|
| <input checked="" type="checkbox"/> a. Fiscal Responsibility | <input type="checkbox"/> h. Intergovernmental Relations |
| <input type="checkbox"/> b. Shared Services | <input checked="" type="checkbox"/> i. Partnerships with Social Profits |
| <input type="checkbox"/> c. Fiscal Responsible Budgets and Financial Plans | <input type="checkbox"/> j. Implement Lessons Learned (2016 Wildfire Review) |
| <input checked="" type="checkbox"/> d. Asset Management | <input checked="" type="checkbox"/> k. Wildfire Recovery |
| <input type="checkbox"/> e. Developing Our People | <input type="checkbox"/> l. Public Engagement Strategy |
| <input type="checkbox"/> f. Foster equality, diversity and inclusion in the region | <input checked="" type="checkbox"/> m. Youth |
| <input type="checkbox"/> g. Accessibility | <input type="checkbox"/> n. Whistleblower Initiative |

2. Downtown Revitalization

- | | |
|---|--|
| <input type="checkbox"/> a. Encourage Development in the Downtown | <input type="checkbox"/> e. Riverfront Master Planning & Revitalization |
| <input type="checkbox"/> b. Establish Municipal Land Inventory | <input type="checkbox"/> f. Review of the Municipal Development Plan (MDP) |
| <input type="checkbox"/> c. Incentives to Update Store Fronts | <input type="checkbox"/> g. Aging in Place Facility |
| <input type="checkbox"/> d. Clear Land Use Plans and Regulations | |

3. Regional Economic Development

- | | |
|--|--|
| <input type="checkbox"/> a. Work with Industry and Suppliers - Fly in, Fly Out | <input type="checkbox"/> d. Economic Gardening and Pop Up Stores |
| <input checked="" type="checkbox"/> b. Business Attraction and Incentives | <input type="checkbox"/> e. Shop Local Program |
| <input checked="" type="checkbox"/> c. Small Business Incubator | <input type="checkbox"/> f. Support Arts and Culture |

4. Rural and Indigenous Communities and Partnerships

- | | |
|---|---|
| <input type="checkbox"/> a. Truth and Reconciliation Commission Calls to Action | <input type="checkbox"/> f. Inclusion and Partnerships (Rural Coalition) |
| <input type="checkbox"/> b. Indigenous Consultation | <input type="checkbox"/> g. Advocate for Rural and Indigenous Communities |
| <input type="checkbox"/> c. Delivery of Water and Sewer Servicing | <input type="checkbox"/> h. Transportation Strategy |
| <input type="checkbox"/> d. Amalgamation Review | <input type="checkbox"/> i. Rural Operational Efficiencies and Cost Savings |
| <input type="checkbox"/> e. Emergency Management | |



Part C - Business Case

Describe how the project aligns with the 2018 - 2021 Strategic Plan:

1 (a), (d) & (j)- Fiscal Responsibility, Asset Management & Partnership with Social Profits - The water holes on the golf course function as the storm water ponds for the surrounding residential parcels. The infrastructure for these water holes was built to a higher standard so that the outfall structures and ponds met municipal standards. Rotary understands that normally, the city would take responsibility for maintaining any storm water pond structures, once turned over by a developer. The Rotary golf course's continued maintenance of these ponds will result in future savings to the city.

1 (k) - Wildfire Recovery- A functioning golf course in the Saline Creek plateau will act as an incentive to promote residential lot sales and commercial development in the Saline Creek plateau;

1 (m) - Youth- The RotaryLinks golf course offers free golf to youth up to 18 years of age, while accompanied by a paying adult. As indicated in Schedule 2 to our summary attached, the course has already provided over 900 free 9-hole rounds to youth at this stage;

3 (b)- Business Attraction and Incentives- A golf course at the south end of the city will provide recreation opportunities for staff and employees of businesses located nearby to allow such businesses to attract and retain staff and employees.

3 (c) - Small Business Incubator - The golf course provides employment for seasonal staff, including individuals trained in the golf industry, hospitality industry and summer employment for university and high school aged local residents.

ANALYSIS

Justification:

What is the purpose for this project? Select from list - the list is not in the order of importance

What is the community need that this project will address?

Continuity of Operations
Growth



Part C - Business Case

How was the need determined?

Before the concept of a golf course was initiated in 2011, the Club reviewed national golf statistics and compared our community size to the perceived need for another golf course. The Club further reviewed the revenues generated by the existing Fort McMurray golf courses and reviewed its costs and pricing with an experienced golf architect. The Club also had negotiated partnerships with the developer of the Saline Creek Limited Partnership and the Baseball Trust organizations for funding. The Rotary Club acknowledges and appreciates the existing funding arrangements received from the RMWB in early 2015. Unfortunately, as set out in the attached executive summary, the 2016 wildfire has had a significant impact on timing of construction and resulted in Rotary Club members concentrating their focus on re-building their businesses. Once open for 9 holes in July of 2018, the course has experienced very poor weather but also it is recognized that, with the existing debt load, the course is simply not financially viable as a 9 hole operation. There is a need to attain an 18 hole course to allow the course to be financially viable.

What will be the positive impacts to the community?

The primary reason that the Rotary Club embarked on this golf course project arose from the loss of the Provincial lease where the Rotary camp ground was located. That camp ground had generated a significant source of revenue for the Rotary Club, which in turn was used for benevolent purposes, as set out in the "Giving Summary" attached as Schedule 1 to the attached summary. The Rotary Club has a long history of supporting local needs. The surplus profits from the golf course were intended to flow to the Rotary Club, to allow the Club to actually increase its local benevolent donations. This is the primary reason that the Rotary Club is seeking the requested assistance at this time.

As earlier indicated, this course provides a recreation facility at the south end of the community, offering free golf to youth (accompanied by a paying adult).

The water holes on the course were constructed to municipal standards with the infrastructure to allow them to function as the storm water ponds for the surrounding subdivisions.

IMPLEMENTATION

Estimated Schedules:

Please enter the quarter and year in each box (e.g., Q1-2019):

Project Planning	Predesign	Design	Construction	Completion
completed	completed	completed	Q2 & 3, 2020	Q 3 2021

Annual Project Cash Flow, Capital Budget and Plan:

Please identify the cashflow for each quarter:

	Q1	Q2	Q3	Q4	2020 Total
Consultant Fees					0.00
Contract Administration Fees					0.00
General Services - Contracted		1,000,000.00	1,000,000.00	1,000,000.00	3,000,000.00
Equipment & Furnishing					0.00
Miscellaneous					0.00
Contingency					0.00
	\$ 0.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 3,000,000.00



Part D - Total Cost of Ownership

Total Cost of Ownership (TCO) is an analysis meant to consider all the lifetime costs that follow from owning certain kinds of assets. Below are a series of questions intended to ensure the costs associated with operating and maintaining the asset(s) that are to be constructed/acquired are considered, per the business case. For assistance with this section, please work with a Community Investment Coordinator.

Estimated Life of Asset (in years):

43

What will be the operational implication to the Municipality if this Capital Grant is approved:

- ☐ No Sustaining Grant required *If no grant required, proceed to pg. 10*
- ☐ Current Sustaining Grant remains unchanged to operate facility *If no increase, proceed to pg. 10*
- ☐ Current Sustaining Grant increase required to operate facility
- ☐ Current Sustaining Grant decrease to operate facility
- ☒ Sustaining Grant (new) required to operate facility

Operational Requirements Upon Project Completion

Please describe the operational requirements that will exist upon completion of this project. Include the following: headcount requirement (e.g. number of full time employees, part time employees), licenses and permits, insurance premiums, IT requirement (e.g. hardware, software, support), maintenance assumptions (e.g. repairs and maintenance, janitorial services), utility requirements (e.g. natural gas, heating oil, electricity, water and sewage), training needs, and any operational requirements.

Head Count: Seasonal Full Time - 12, Seasonal Part Time - 15

Licenses / Permits: Alberta Liquor and Gaming License, Business License, Alberta Health Services - Food Handling Permit, Non-Residential Building for Commercial Permit

Insurance - Commercial Auto, Commercial General Liability, Commercial Property, D&O Liability

IT Requirements - Email, Server Access, Optic TV, Internet, Office Telephone, Cellular Phone, Phone, POS Software/Hardware, Company Website (E-Commerce Platform), Mass Email

Communications, 2-Way Radio Communication, Irrigation System Software/Hardware

Maintenance - Building/Equipment Repair & Maintenance, Turf Grass Maintenance, Major Course

Asset Maintenance (Storm Water Management, Cart Paths, Practice Facility)

Utility Requirements - Electricity, Water & Sewage, Propane

Training Needs - Seasonal Staff Onboarding, Professional Development for Full Time Staff



Part D - Total Cost of Ownership

Additionally Required Operational Costs

Include only the **additional** expected revenue that would be generated if this Capital Grant is approved (e.g., increase program revenue, ticket sales, event sales, grants, donations, etc.).

Existing revenues shall not be included here.

Source of Increased Revenue	Revenue
No additional revenue till after maturation period.	0.00
Total	\$ 0.00

Include only the **additional** expected expenses that would be generated if this Capital Grant is approved (e.g., increase staff costs, utilities, etc.). Include expenses listed on previous page.

Existing expenses shall not be included here.

Source of Increase Expenses	Expenses
Payroll Expense	50,000.00
Equipment Repair	1,642.00
Equipment Rental	1,190.00
Fertilizer & Chemicals	42,179.00
Sand, Seed, Gravel, Sod	1,301.00
Fuels & Lubricants	16,739.00
Tools & Supplies	8,089.00
Temporary Facilities	733.00
Misc. Expense	100.00
Repair & Maintenance	1,510.00
Safety Expense	888.00
Maintenance Utilities	19,230.00
Property Tax (Request forgiveness until post maturation period)	29,834.00
Cash Shortfall 2019 Fiscal	156,475.67
Total	\$ 329,910.66

New or Increased / (Decreased) Sustaining Grant: \$ 329,910.66



Capital Grant Request

Project Name \$ 3,000,000.00

Project Category Parks/Recreation **Project Location** Saline Creek

Type of Project Capital Grant **Ward** Select from list

Municipal Function 72 - Recreation Bldg. & Facility

Project Description and Scope

See attached detailed summary of the Golf Course project and its financial history. The intent of the Rotary Club is to construct an 18 hole golf course designed by a very experienced golf course architect. The golf course is located on a parcel of 174 acres leased by the Rotary Club from the Alberta Government, Department of Infrastructure. The lease is for a period of twenty-five (25) years with an option to renew. It is the intent of the Rotary Club that all surplus profits be used for continuation of the historical charitable donation practices. Currently 9 holes have been fully constructed and opened for play. We have enjoyed very positive reviews on the condition and playability of the 9 holes. All 18 holes have been rough shaped and irrigation has been installed in 12 holes. We also constructed a driving range and practice putting green. The 2015 grant application occurred prior to the 2016 wildfire. The Rotary Club struggled with its own membership and our member's focus was on rebuilding homes and businesses impacted by the fire. At least a full year of construction was lost as a result of the 2016 wildfire. The residential subdivisions surrounding the course were dramatically impacted by the 2016 wildfire and the Keyano subdivision elected to "phase" its first stage, which resulted in Keyano not being obligated to contribute some of the funds Rotary had expected under its cost sharing agreement. The designed club house location was not viable due to lack of road access and services. The club incurred substantial additional cost to re-locate the club house to a temporary location. The operation of a 9 hole facility is simply not financially viable based upon the debt load incurred. The projected revenues for the course have been impacted by the population loss after the fire. At this time, all 18 holes have been rough shaped and irrigation has been installed in 12 holes. Continuing to operate as a 9 hole facility simply does not generate sufficient revenue to pay for the operating costs and to service the debt payments that are necessary to pay off the principal and interest owing under the baseball trust loans. The only viable option is to complete the construction of the 18 hole golf course and this will allow sufficient revenue to make the facility viable. The golf club was granted only a temporary development permit for the current location of the temporary clubhouse. The golf course was refused on its application for a property tax exemption for the 2019 property taxes for the golf course, based on the charitable nature of the golf course operation. Rotary has applied to commercial lenders for funding but has been unsuccessful with the exception of a small operating loan from Community Futures. All of the golf course assets have been pledged as security to the baseball trusts (first lender) and the trusts are not prepared to extend additional credit.

Total Cost of Investment

One-Time Capital Grant (A)	Operational and Maintenance Cost (Additional Sustaining Grant) Over 1 Years (B)	Total Cost of Investment (A) + (B)
\$ 3,000,000.00	\$ 0.00 330,000.00	\$ 3,000,000.00

Business Case created by

Project Sponsor Branch Community Investment Program

Project Sponsor Department Community Services

Project Delivery

OCTOBER 8, 2019 VERSION

ROTARY CLUB OF FORT MCMURRAY, ALBERTA

PRESENTATION TO CITY COUNCIL

2019

OBJECTIVES

1. To provide City Council with an update on the:
 - Background of events leading to today's presentation.
 - Extensive services and programs that our Rotary Club delivers to the community.
 - Historical status of Rotary Club's Recreational Lease and decision to proceed with a golf course development.
 - Brief historical summary of the financial expectations involving the golf course development and changes which have affected those initial expectations.
 - Summary of current budget for revenues and expenses for completion of 18 hole golf course
2. To present alternatives for future City support with respect to the anticipated construction shortfall.

BACKGROUND

1. "Rotary Club of Fort McMurray, Alberta" (the "Rotary Club") is a Society incorporated pursuant to the *Alberta Societies Act* on April 11, 1984.
2. The Rotary Club is one of two Rotary Clubs in town (the second being the Fort McMurray Oil Sands Rotary Club). The Rotary of Fort McMurray, Alberta, currently has a membership of approximately 27 members.
3. The Rotary Club is a service club operating under the umbrella of Rotary International. For the benefit of those council members who may not have knowledge of Rotary International, the guiding principles are as follows:
 - OBJECT OF ROTARY – the Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:
 - FIRST: The development of acquaintance as an opportunity for service;
 - SECOND: High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the dignifying of each Rotarian's occupation as an opportunity to serve society;
 - THIRD: The application of the ideal of service in each Rotarian's personal, business, and community life;

- FOURTH: The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.
- AVENUES OF SERVICE: We channel our commitment at home and abroad through five Avenues of Service which are the foundation of club activity.
 - Club Service focuses on making clubs strong.
 - Vocational Service calls on every Rotarian to work with integrity and contribute their expertise to the problems and needs of society.
 - Community Service encourages every Rotarian to find ways to improve the quality of life for people in their communities and to serve the public interest.
 - International Service exemplifies our global reach in promoting peace and understanding. We support this service avenue by sponsoring or volunteering on international projects, seeking partners abroad, and more.
 - Youth Service recognizes the importance of empowering and young professionals through leadership development programs such as Rotaract, Interact, Rotary Youth Leadership Awards, and Rotary Youth Exchange.

PROGRAMS AND PROJECTS SUPPORTED BY ROTARY CLUB

1. The Rotary Club has been an active "*service club*" organization within Fort McMurray since that date. In addition to supporting various international projects, the Rotary Club has sponsored numerous local projects or provided funding to local organizations, a partial list of which is as follows:
 - Sponsorship of an annual Keyano Bursary;
 - Key fundraising coordinator for Rotary house;
 - Sponsorship of local distribution of defibrillators throughout the community;
 - We ran the Rotary Park local campground on the former Recreational Lease;
 - Our Rotary Club has participated for a number of years in the Rotary International Youth Exchange Program. Through this program, the Rotary Club has welcomed international students who live in Fort McMurray for a one (1) year period. These students attend school in Fort McMurray and become immersed in the community. Through this program, we also send a local Fort McMurray student (from a Non-Rotary family) to one of a number of foreign countries for a one year term. This allows the selected local student to experience life in a foreign culture. That Fort McMurray student is expected to be an ambassador for Fort McMurray, Alberta and Canada, to the foreign country and the Rotary Club assists in providing financial sponsorship for both the incoming and outgoing students.

- Rotary has sent students to a Rotary International program called "*Rotary Youth Leadership Awards (RYLA)*". The **Rotary Youth Leadership Awards (RYLA)** camps are truly exciting opportunities for young adults between 15-17 years and 18-30 years in District 5370 to participate in four day leadership camps with like-minded individuals. Youth participate in several workshops and group sessions led by past Interact (15-17 years) and Rotaract (18-30 years) members, Rotarians, and other influential members of our communities. RYLA Institute camps focus on leadership fundamentals and ethics, communication skills, problem solving and conflict management, and community and global citizenship in order to prepare youth to become more effective leaders in their schools and communities.
- We have also sponsored local youth to attend a Rotary program called RYPEN. The **Rotary Youth Program of Enrichment (RYPEN)** is a Rotary District 5370 sponsored program. Students 13-18 years of age from schools across District 5370 who are recommended by school guidance counsellors, local Rotary Clubs or other organizations that work with youth attend a weekend long camp. District Rotaractors (18-30 years) facilitate small groups and adventure-based learning sessions designed to build self-confidence, self-esteem, and develop a variety of personal skills. Its aim is to present series of ideas, problems and social experiences which will assist them in forming their own values and moral standards
 - Sponsorship of a student breakfast program at Dr. Clark, St. Paul's and Westview schools;
 - The Rotary Club is the key coordinator and sponsor of the local "*Imagination Library*" program which provides free monthly reading materials to every resident family with a child under five (5) years of age, which chooses to sign up. This program provides free monthly reading materials in support of literacy, from birth to aged 5, and is coordinated by the Rotary Club through the Dolly Parton International Foundation called Imagination Library. We initially established the program in the rural area outside of Fort McMurray, commencing in the fall of 2010 and extended this program to the urban area in 2012. This program currently has more than 2,700 registrants. Rotary has assisted in raising funds and contributing monies to establish and keep this program operational.
 - Rotary is responsible for the construction of the gazebo at the bottom of Silin Forest Road and Thicket Drive in Thicketwood, which was constructed to commemorate the centennial of the establishment of Rotary International.
 - Our Rotary Club has been an annual sponsor of the local YMM Rotary 863 Air Cadet's squadron, with an annual sponsorship to the air cadets of approximately \$7,500.00 per year. We have been a key financial sponsor of the air cadet's program, in support of youth activities in Fort McMurray and our total donations in support of this youth squadron of approximately \$200,000.00 over the last number of years.
 - The Rotary Club was key sponsor of the "*Lifeline*" program providing emergency contact for seniors, until the program administration was moved from a local administrator to Ontario. Rotary provided almost \$100,000.00 in support for the

lifeline program during the time that the program was administered locally, allowing this program to function to serve residents of the community.

- Financial sponsor to various local programs and organizations, including; Northern Lights Health Foundation, Oil Sands Curling Club, The Hub, Fort McMurray Firefighters Society, Fort McMurray Food Bank, Knights of Columbus, Fort McMurray Safe Community, Wood Buffalo Expo, Leadership Wood Buffalo, the Justin Slade Foundation, Fort McMurray Youth Soccer Association, Blake Crossley, Fort McMurray Public School Board, the Regional Recreation Corp., Wood Buffalo Expo, the Keyano College Foundation and the Canadian Ski Patrol,.
- In addition to support of local projects and organizations, our Rotary Club also has supported numerous international projects including; raising funds for Polio Plus (which is an international attempt to eradicate Polio throughout the world), donating funds to Shelter Box Canada (which is an organization that provides emergency materials to affected areas during emergencies, including tents, blankets, bedding, water purification equipment and cooking equipment). We have also donated to international projects to assist in financial support for orphanages, schools, water wells, corn grinders, computers to third world countries among many other projects.
- **Please see the attached "Contribution Summary" (Schedule # 1) which contains only a partial list of the funds which the Rotary Club has assisted to raise over the years.**
- Despite the golf course's limited financial position, see the attached **(Schedule 2)**, which identifies the benevolent contributions made directly by the RotaryLinks golf course to the local community.

HISTORICAL STATUS OF RECREATIONAL LEASE

- The Rotary Club held a Recreational Lease near the airport with Alberta Sustainable Resource Development, commencing in the 1980's. In addition to the location of the Rotary campground, this Recreational Lease had been made available by our Rotary club as a biathlon facility, an archery range, and a club house location for a local motorcycle club.

Our Rotary Club was informed by Alberta Sustainable Resource Development that our Recreational Lease would be cancelled. The Recreational Lease had contained the Rotary park campground, which had generated revenue used to provide support to some of the organizations and projects detailed above.

In addition to the funds generated from the Rotary park campground, the members of the Rotary Club have assisted in raising funds by devoting countless hours through volunteering at casinos and bingos, conducting raffles, TV auctions and participating in other volunteer activities, for the purpose of raising funds to be used to fund these charitable purposes. Because of the loss of the Recreational Lease,

the Provincial Government provided to the Rotary Club the first right to purchase the lands on which the Rotary Park Recreational Lease had been located. The Rotary Club, as not-for-profit society, was not in a position to purchase the lands. Through negotiations with a local housing developer, the Rotary Club negotiated an arrangement where Rotary would become part of a Limited Partnership which would have various other limited partners who would contribute funds to assist in the purchase and development of a portion of the lands, which would be used for a residential and commercial development. Those development lands would surround a leased parcel upon which the Rotary Club would develop a golf course. The water ponds on the golf course would function as the storm water management ponds for the surrounding residential and commercial developments, including a portion of the surrounding Keyano lands and a portion of surrounding lands still owned by the Government of Alberta (which are subject to future sale and development).

Under the negotiated agreement, the Limited Partnership would contribute its proportionate share of the cost of the storm water pond construction, which contribution would be released to the Rotary Club under a "*construction draw*" format. An initial pro-forma construction and operational budget was prepared by Rotary members who have extensive accounting experience. These operational numbers were compared with the Miskanaw and the Fort McMurray golf course revenue numbers. The construction costs were reviewed with a very experienced golf course architect, who has been retained by Rotary to design the golf course and further reviewed by a local engineer, who has extensive Fort McMurray experience in project development. The initial budget of revenue and expenses anticipated that Rotary would be able to raise all of the funds necessary to complete the 18 hole golf course construction. Some of the additional sources of funding included a \$1,000,000.00 grant from the Province of Alberta. Further, the sum of approximately \$1,400,000.00 in donations was originally expected from a "*lot draw*" process. The Rotary Club had also negotiated a donation from one of the housing developers, partially resulting from savings in Real Estate Commission resulting from Rotary finding the interested purchasers for the golf course lots. Due to the fire and economic impact on residential home sales and the local economy, we no longer anticipate that the balance of the \$1,400,000.00 will be received. The Rotary Club actually received \$450,000.00, which was applied to construction costs, but the current expectation is that the balance of this lot draw money will not be realized. There have been no constructed homes on any of the lots bordering the golf course and only 2 constructed homes in the first phase of the Saline Creek LP subdivision.

We had also budgeted for anticipated hole sponsorships and membership revenues to assist in the golf course construction. The budget submitted in support of the 2015 application showed a total of \$900,000.00 in projected hole sponsorship revenue. Final completion of the first 9 holes was significantly delayed by the 2016 wildfire. The Rotary Club lost membership and at least a full year of construction was lost. Local residents (including our club members) were naturally focused on re-building their homes and preserving their businesses. We have encountered a

significant shortfall in the ability to raise hole sponsorships, especially before holes are actually finished construction. This issue will be dealt with later in this Presentation.

Finally, our Rotary Club had obtained loans from Wood Buffalo Baseball Trust and Fort McMurray Baseball Trust. The budget submitted in support of the 2015 application showed interest deferred until opening. We were able to open the first 9 holes at the beginning of July of 2018. We encountered a significant challenge with the weather during August and September of 2018, with above normal rain having a significant negative impact on budgeted rounds of golf.

Further, the weather in 2019 appears to be setting historical records for rain and this has had a dramatic impact on revenues. Despite the rain, the course still needs to be maintained and maintenance costs continue even in wet weather.

- To complete the construction cost, the Rotary Club incorporated a limited company (RotaryLinks at Wood Buffalo Inc.) in which the Rotary Club owns 100% of the shares. The intent is that, once the golf course was operational, all operating profits will then be paid to the Rotary Club as the sole shareholder. The Rotary Club will then use those profits to continue to fund local and international charitable and benevolent projects.

FACILITY CONSTRUCTION STATUS

The intent of the Rotary Club is to construct an 18 hole golf course designed by Les Furber of GDS Golf Design Services Ltd. Mr. Furber has been involved in the design of numerous top quality golf courses around Western Canada and in other countries. We believe that Mr. Furber has been involved in the design of upwards of 100 new golf course designs and re-design projects.

The golf course is located on a parcel of approximately 174 acres leased by the Rotary Club from the Alberta Government, Department of Infrastructure. The lease is for a period of twenty-five (25) years with an annual rent of \$1.00 per year. The lease contains an option to renew for further period of twenty-five (25) years.

The lease defines the "*permitted use*" as the construction and operation of a public, not-for-profit golf course, which includes the development of a club house and the development, construction and maintenance of a storm water retention and management pond system. The lease further stipulates that the golf course will be considered as "*not-for-profit*", as long as any surplus profits (which are not needed for golf course operations or golf course reserves), are not distributed to golf course members or share members, but are used for charitable purposes.

It is the intent of the Rotary Club that all surplus profits be used for continuation of the historical charitable donation practices identified earlier in this presentation.

The golf course water holes will function as the storm water management system for a portion of the surrounding subdivisions (Saline Creek LP, Keyano and the Government of Alberta lands (once developed). The Rotary Club has been advised that the typical practice of the RMWB, in relation to residential development storm water pond management systems , involves the RMWB taking ownership and responsibility for maintaining and servicing these storm water pond management systems. Because the ongoing operation of the golf course will require the Rotary Club to continue to maintain and service the waterholes, the Rotary Club believes that there will result in a considerable savings generated to the RMWB, by virtue of the Rotary Club servicing the storm water system, which costs which would normally be borne by the RMWB.

The Rotary Club further believes that the additional golf course facility in the Fort McMurray area will provide an enhanced recreational opportunity which will serve as an inducement to attract new residents and businesses to the Fort McMurray area.

When the Rotary Club undertook this project, based upon publically available statistics, our Rotary Club believed that Fort McMurray was under-serviced by the number of golf courses in comparison to the population of this community. It was the understanding of our club that, based upon typical population ratios per 18 hole club, even with the Fort McMurray golf club expansion and the Vista Ridge golf facility, the Rotary Club believed that the community was under-serviced by virtue of the existing golf facilities, especially when considering the closure of the Quarry Ridge facility.

The golf course also generates seasonal employment for the necessary staff required to run the golf course, including golf professionals, club house staff and maintenance staff.

Currently 9 holes have been fully constructed and opened for play. We have enjoyed very positive reviews on the condition and playability of the 9 holes. All 18 holes have been rough shaped and irrigation has been installed in 12 holes. We also constructed a driving range and practice putting green at the opposite end of its design location (based upon the architect design blueprints).

INITIAL PRO-FORMA CONSTRUCTION BUDGET SUBMITTED IN SUPPORT OF 2015 APPLICATION

1. An initial pro-forma construction and revenue budget was submitted in support of the 2015 funding application. This pro-forma budget had been reviewed with our experienced golf course architect, and suggested that the cost for constructing our 18 hole golf course would be approximately 14 million dollars which was subsequently amended upwards.
2. Under that pro-forma 2015 construction budget, the revenue sources to cover the cost of construction included a provincial government grant, the "construction draw contribution" from the Saline Creek Limited Partnership, the lot draw monies from the housing partner, the realtor donation arising out of the golf course lots sales, anticipated hole sponsorships and anticipated sale of golf course playing memberships. Realistically, the revenue associated with memberships and hole sponsorships should

properly have been allocated to the operational budget and not to the construction budget. Revenue from hole sponsorship and golf course membership should be available to cover the operation costs of running the golf course, once opened. These membership and hole sponsorship numbers were included in the 2015 budget, but that budget should have been properly allocated to operational costs and not construction costs.

3. At the time the golf course project was formulated by the Rotary Club, the initial estimate for the availability of the lot draw monies and realtor donations was based upon the significant demand that existed at that time for residential lots. Further, based upon the fact that no golf course lots exist in the Fort McMurray market, it was anticipated that these golf course lots would attract significant demand from public and private builders. At the time the project was formulated in 2011 and 2012, the demand for residential lots in this community was very high. Had these factors continued, it would have assisted our Rotary Club in finding interested golf course lot purchasers.

CHALLENGES ENCOUNTERED BY ROTARY CLUB

1. First and foremost, the 2015 grant application occurred prior to the 2016 wildfire. As mentioned earlier, the Rotary Club of Fort McMurray struggled with its own membership and focus was on rebuilding homes and businesses lost after the fire. Although all Rotary members are not business owners, the historical approach of Rotary clubs has been to focus on business membership.
2. At the time of the previous grant application in March of 2015, the projected cash flow summary in support of the grant application showed projected cash flow from Keyano of \$386,000.00 anticipated to be received by October 2015, based upon a Storm Water Pond contribution agreement that was in the process of being finalized. The Storm Water Pond Contribution Agreement was finalized on August 31, 2015 and the schedule completed by the consulting engineer had estimated Keyano's contribution for their Stage 5 A lands at \$471,689., which was higher than the earlier estimate. However, the Contribution agreement also allowed Keyano to "phase" their Stage 5 A and only contribute for the portion of 5 A that Keyano developed. Keyano did phase Stage 5 A into step 1 & step 2. Keyano paid the contribution for the Keyano Stage 5 A – step 1 contribution in the amount of \$155,167 (excluding GST). However, the remainder of the \$471,689 will not be payable until Keyano proceeds with the Stage 5 A – step 2 development.
3. Many Rotary club members are business owners. Following the 2016 wildfire, many of those business owners were naturally focused on re-establishing the viability of their businesses, dealing with employee and customer loss and some were also personally dealing with the fire impacts of destruction or smoke damage on their homes or personal residences.
4. The Rotary Club is uncertain as to the percentage of population loss arising from the 2016 wildfire. Different estimates have been circulated on the drop of permanent

and shadow population. The Club believes that golfing is considered as a luxury or non-essential activity. The Club believes that the drop in population and the natural focus of many local residents in dealing with their fire insurance claims has decreased the anticipated demand for the golf services offered by the course.

5. A significant period was lost in the construction during the 2016 calendar year. Realistically, we lost a full year of construction due to the impact of the wildfire. Regardless of the fire impact, interest on the baseball trust loans continued to accrue. When we did recommence construction after the fire, many of the contractors that had been eager for work pre-fire, were then occupied with the significant re-build process and availability and prices for contractors was significantly affected.
6. RotaryLinks had hired a full time construction manager to assist in the oversight of construction of the golf course. That construction manager had re-located to reside in Fort McMurray during the construction season. He had been living with a relative in Beacon Hill at the time of the 2016 wildfire. The construction manager had all of the construction financial records in the Beacon Hill residence, which was destroyed in the wildfire. This has resulted in some of the financial records surrounding the constructions not being available.
7. The costs of de-watering, due to the significant amount of moisture on the golf course site, were also under-estimated. Again, this has resulted in higher construction costs than originally estimated.
8. Our original clubhouse and parking lot design location was to be accessed via a two lane road, initially to be constructed by the Saline Creek LP housing developer as part of its development of the commercial lands and north residential. The second two lanes are to be funded by the RMWB via offsite levies. . As a result of the economic downturn, the development of the commercial parcel has been deferred and we are uncertain as to the RMWB intent on construction of the Saline Creek parkway at this time. Our temporary club house was re-located onto the area which was intended to be a golf hole under the architect's design blueprints. We had originally expected that a used modular structure could be obtained that would be functional for a club house. After investigation, it was discovered that no suitable used modular structures were available and we obtained a new modular structure. This required various sub contracts to install the services within the structure necessary to allow it to function as both an office, lounge and restaurant. We encountered significant extra cost to meet code requirements and our costs for our temporary club house has significantly exceeded the budgeted amount. Pilings were required to be installed under the temporary club house to meet code requirements and a large area needed to be prepared for parking, to meet code requirements.
9. The RMWB granted the golf club only a temporary development permit for the current location of the temporary clubhouse. The design location of the clubhouse would have been accessed off the Saline Creek parkway, or from the north end of the commercial development of the Saline Creek LP commercial lands. As indicated

earlier, sales and developments of the Saline Creek LP commercial lands has not occurred at this time and it appears unlikely that commercial sales and development will occur in the near future. If Rotary is forced to re-locate its club house to the design location at the north-east of the Rotary lease, the club would have to pay to build the access road and incur the costs to provide, water, sewer, electrical and gas services to the site. Those costs would be prohibitive.

10. We have determined that the operation of a 9 hole facility is simply not financially viable based upon the debt load incurred. As indicated earlier, all 18 holes have been rough shaped and irrigation has been installed in 12 holes. Continuing to operate as a 9 hole facility simply does not generate sufficient revenue to pay for the operating costs and to service the debt payments that are necessary to pay off the principal and interest owing under the baseball trust loans. The only viable option is to complete the construction of the 18 hole golf course and this will allow sufficient revenue to make the facility viable. The down turn in the local economy and the significant weather challenges have resulted in green fees, membership and sponsorship revenue at a significantly lower level than the pro-forma budget. We believe that most golfers are familiar with the 18 hole golf experience. The lack of the additional 9 holes means that golfers playing 18 holes have to be booked in for a second round approximately 2 ½ hours after their initial tee time. This results in a loss of the club being able to handle the demand on a busy day, since there is a significant reduction in tee time availability, since most golfers want to play 18 holes.
11. Because of the lack of 9 hole revenue available to cover actual operational costs, the viability of the project depends on the ability to complete the construction of the 18 hole facility so that sufficient revenues will be available to cover costs and provide surplus funds for charitable purposes.
10. RotaryLinks applied for a property tax exemption for the 2019 property taxes for the golf course, based on the charitable nature of the golf course operation. The application was unfortunately rejected. The 2019 property taxes are \$28,834.34. We expect that the property taxes will be almost \$60,000.00 per annum by the time the course is completed.

CONSTRUCTION DEFICIT AND FINANCIAL POSITION ENCOUNTERED BY ROTARY CLUB

The storm water ponds are fully constructed and approved by the RMWB. All 18 fairways are rough shaped. Nine holes are fully open and functional. A total of 12 holes have irrigation installed.

As part of the loan to the baseball trusts, the Rotary Club has pledged all of its non-charitable assets as security, including a mortgage of leasehold interest of our lease with Infrastructure and a security agreement against all present and after acquired personal property of the Rotary Club (excluding charitable assets). Similarly,

RotaryLinks has secured all of its assets. There are simply no unencumbered assets to be offered as security for any other lenders to borrow funds to complete construction. Further, due to the circumstances outlined above, on the basis of a 9 hole revenue, there is simply no prospect for borrowing funds to re-pay the baseball trust loans at this time.

Based upon the experience of a number of Rotary members with financial lending experience, we do not believe that we will qualify for additional commercial financing, especially based upon the fact that all of our assets have a first charge to the baseball trusts. We have approached the baseball trusts and they are not in a position to advance further loan funds. We were able to obtain a small operating loan from Community Futures in 2019. However, the initial operating loan application was turned down by two different financial institutions before a smaller operating loan was finally approved, but the operation loan received was for one half of initial the requested amount.

PROPOSAL TO RMWB COUNCIL BY ROTARY CLUB

We have spoken to the golf course architect who has designed and assisted with part of the construction of the existing phases of the golf course. He has advised us that the final 9 holes can be completed for \$2.7 M. We will also need to pay a local construction supervisor to oversee construction.

The proposal of the Rotary Club of Fort McMurray, Alberta to the Council of the RMWB is to obtain financial assistance as follows:

1. Rotary is also asking for a grant of \$3,000,000.00 in 2019, to allow Rotary to complete the golf course construction.
2. Rotary is also requesting that the temporary nature of the development permit for our current temporary club house location is extended until a reasonable time after the Saline Creek Parkway is completed, to allow sufficient time for Rotary to plan for providing access and services to the design clubhouse location as per the original blue prints.
3. Rotary is requesting an exemption for property taxes pending completion and opening of the 18 holes. This will allow the golf club to focus on completion of construction and establishing a viable operation. As stated earlier, the Rotary Club of Fort McMurray is the sole shareholder in the limited company used to construct the golf course. The intent was always that any surplus revenue (which is not needed for operations, reserves or construction purposes) will be paid to the Rotary Club and used for local and international charitable and benevolent purposes. The attached summary shows the significant history of the Rotary Club in donation to local activities and the Rotary Club intends to continue with this historical donation practice.

4. See the Project Shortfall Analysis attached to this presentation (**Schedule 3**) that provides the explanation for discrepancies from the previous pro-forma budgets submitted in 2015 and projects the funds needed to complete the 18 hole facility.

RATIONALE FOR SUPPORT BY RMWB COUNCIL OF ROTARY CLUB

As stated in 2015, the Rotary Club attempted to plan and execute this project with no municipal contribution, but have encountered obstacles which leave us in a financial position that prevents us from completing construction until future additional funding is secured. The impact of the 2016 wildfire was a tremendous on the local economy and also impacted not only our Rotary Club, our golf course construction but also impacted the entire golfing public within the community, which had been our target customers.

The completion of a golf course near the Saline Creek LP and Keyano subdivisions in the Saline Creek plateau will enhance those housing developments and will assist in strengthening the RMWB property tax base.

The Rotary Club of Fort McMurray Alberta would like to thank the Council of the RMWB for allowing us to make this presentation.

Rotary Club of Fort McMurray - Giving Summary Schedule 1

YEAR	RECIPIENT	AMOUNT	COMMUNITY	INTERNATIONAL	DETAIL
	Rotary House	\$ 2,300,000.00	\$ 2,300,000.00		Seniors Housing
	Northern Lights Health Foundation	\$ 100,000.00	\$ 100,000.00		Life Line for Rotary House
	Rotary House	\$ 29,000.00	\$ 29,000.00		Call System
	Rotary House	\$ 4,000.00	\$ 4,000.00		Furniture
	Oil Sands Curling Club	\$ 23,000.00	\$ 23,000.00		Youth Curling Program
	The Hub	\$ 11,000.00	\$ 11,000.00		Alphabet Soup
	The Hub	\$ 9,600.00	\$ 9,600.00		Alphabet Soup (Train the Trainer)
	Fort McMurray Fire Fighters Society	\$ 72,880.00	\$ 72,880.00		PAD Program (Defibulators)
	Fort McMurray Food Bank	\$ 8,900.00	\$ 8,900.00		Singing For Supper (Tom Jackson)
	Knights of Columbus	\$ 2,000.00	\$ 2,000.00		Community Christmas Dinner
	Fort McMurray Safe Community	\$ 1,000.00	\$ 1,000.00		Community Support
	Polio Plus	\$ 245,040.00		\$ 245,040.00	Polio Eradication
	Wood Buffalo Expo	\$ 5,000.00	\$ 5,000.00		Community Support
	Shelter Box Canada	\$ 50,000.00		\$ 50,000.00	Disaster Aid
	Leadership Wood Buffalo	\$ 12,500.00	\$ 12,500.00		Leadership Development
	Justin Slade Foundation	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan)
	Fort McMurray Youth Soccer Association	\$ 750.00	\$ 750.00		Youth Soccer
	Blake Crossley	\$ 3,500.00	\$ 3,500.00		Africa Aids Relief Trip
	Fort McMurray Public School Board	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan), Youth
	Regional Recreation Corp	\$ 3,360.00	\$ 3,360.00		Community Support
	InterAct, RotarAct	\$ 2,500.00	\$ 2,500.00		Youth Services
	Keyano College Foundation	\$ 20,000.00	\$ 20,000.00		Rotary Bursary
	Rotary District 5370	\$ 27,500.00		\$ 27,500.00	Belize Literacy
2003	Rotary House	\$ 22,950.00	\$ 22,950.00		Seniors Housing
	Canadian Ski Patrol	\$ 3,500.00			Defibulator
	Dolly Parton Imagination Library	\$ 52,160.00	\$ 52,160.00		Pre-School Literacy Program
	YMM Rotary Air Cadets	\$ 200,000.00	\$ 200,000.00		Youth Development
	RotaryLinks@Woodbuffalo	\$ 6,000,000.00	\$ 6,000,000.00		Golf Course Development
	H.E.R.O. One	\$ 13,000.00	\$ 13,000.00		Helicopter Emergency Response
	Dr. Clark School	\$ 28,000.00	\$ 28,000.00		School Breakfast Program
	St. Paul's School	\$ 8,000.00	\$ 8,000.00		School Breakfast Program
	Westview School	\$ 8,000.00	\$ 8,000.00		School Breakfast Program

Rotary Club of Fort McMurray - Giving Summary Schedule 1

[illegible]

SCHEDULE 2

RotaryLinks Community Engagement 2018-Present

The following list outlines the various local organizations that we have partnered with in our first 15 months since opening our doors to the public on July 1st, 2018. Through donations for raffles to event sponsorship and discounts on services we have both assisted in raising funds and provided direct financial support for a diverse cross section of non-profit organization in the Wood Buffalo Area.

2016 Mountaineers Spring Hockey Team

2011 Mountaineers Spring Hockey Team

Aircon AA Pee wee Jr. Oil Barons

Local Hero Foundation

RMWB Communities in Bloom

Fort McMurray Boys and Girls Club

Fort McMurray Tourism

Generation Dance

Local Food Bank

Girls Inc.

Fort McMurray Minor Baseball

Northern Lights Health Foundation

Fort McMurray Chamber of Commerce

Peter Pond Mall

Waypoints Wood Buffalo

Centre of Hope

YMM Dance

Fort McMurray First Responders

Wood Buffalo Rec Society

Club 63 North

Wood Buffalo Imagination Library

In addition, we have also provided free golf to junior golfers in the region now totaling over 600 rounds.

Rotary Links at Wood Buffalo		SCHEDULE 3							
Project Shortfall Analysis									
	Issue	Rationale	\$ Impact		Notes				
1	Cost overrun on temporary clubhouse	Saline Creek Parkway has been delayed, causing RotaryLinks to have to temporarily locate on the planned second hole of the golf course	-\$ 264,077.00		Our plan for clubhouse was tied in to Saline Creek LLP. Hole 2 can be redesigned as a par 3 and still fits with 18 holes. Budget for temporary clubhouse was \$301,164. Ignores overrun on parking lot for clubhouse \$112,354.				
2	Horse River Wildfire	Contractor pricing changed dramatically because of opportunity created to clean up the damage from the Wildfire. We also lost a full year of work on the golf course.	-\$ 116,090.00		This overrun estimated to be fairly low because job costs were for the most part very well controlled.				
4	Fund raising target - Memberships	Uncertainty in community has made marketing very challenging	-\$ 875,000.00		Tough sell without 18 holes and normally this is operational money Shortfall from presentation made to RMWB in 2014				
5	Fund raising target - Hole Sponsorships	Uncertainty in community has made marketing very challenging	-\$ 799,500.00		Tough sell without 18 holes and normally this is operational money Shortfall from presentation made to RMWB in 2014				
6	Keyano College accounts receivable - SWM	Keyano College housing project cancelled	-\$ 230,333.00		Doubtful account allowance (Stage 5 A)				
7	Site challenges	Storm water management overruns (estimate of 386,000 for Keyano Stage 5A came in at \$471689) 23% higher	-\$ 715,000.00		Cost overrun on SWM was 23%. Saline Creek LLP paid their overrun... Keyano and GOA lands did not. Not adequately covered by Assignment Agreement				
Funding shortfall			-\$ 3,000,000.00						
Connecting the dots									
1	Fixed price contract for completion including sand bunkers		\$ 2,700,000.00		This is with GDS, the project architect's construction co. Letter included with application.				
2	Costs reroute entrance to parking lot		\$ 50,000.00		Costs were \$112,000 to do the current parking lot.				
3	Redesign and supervision.		\$ 250,000.00						
Funding shortfall			\$ 3,000,000.00		supported by general ledger				



Scale: 1:2000

Date: Sep-2013

Drawing: 1 of 22

ROTARY LINKS AT WOOD BUFFALO

Fort McMurray, AB

MASTER CONCEPT PLAN

Attachment: 2. 2020 Community Capital Grant Application Package - The Rotary Club of Fort McMurray (Rotary Club of Fort McMurray Grant Request)



October 4th, 2019

Rotary Links @ Wood Buffalo
Fort McMurray, AB

Via: E-mail

Attn: Mr. Colin Solbak

RE: Letter of intent with regard to completion of the remaining holes of the Rotary Links @ Wood Buffalo golf course

Dear Mr. Solbak:

Please accept this letter as confirmation of our firm's (Golf Design Services, Ltd.) willingness to enter into a contract to complete the remaining holes of the Rotary Links @ Wood Buffalo golf course for an upset price not to exceed \$2,700,000.00, a figure which we believe includes a 15% project contingency of approximately \$400,000.00.

As the original golf course architect for the project, our firm is intimately familiar with all design details of the project since conceptual inception more than a decade ago. GDS has vetted the proposed cost-to-completion budgets, as well as preparing our own internal cost-to-completion budgets for the project. We are confident that the golf course can be completed within this budget figure, including the following scope of work to complete the 18-hole golf course:

- Completion of any and all remaining earthworks on the site
- Construction of all remaining golf features such as greens, tees, bunkers, fairways
- Completion of the installation of the irrigation system using materials already purchase and on-site
- Installation of remaining cart paths in a manner consistent with existing paths already constructed
- Construction of on course washroom
- Project Management and Architectural Site Supervision
- A budget for grow-in of the remaining holes after finishing and planting has been completed.



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Email: info@lesfurberdesign.com
Website: www.lesfurberdesign.com



www.golfsupers.com



Additionally, Golf Design Services has to date been the contractor responsible for the 'golf features' including the greens, tees, bunkers and fairways on the golf course. Since construction began more than five years ago, GDS has never exceeded any of the billing amounts detailed in our contracts signed with Rotary Links, a track record we are confident we can continue through the completion of the golf course. Furthermore, we are willing to honour the unit pricing (net of re-mobilization fees) detailed in our last/ current construction contract (signed 2017) for completing the construction of all remaining golf features.

As with all golf construction in Canada which is heavily dependent on weather, it is not possible to absolutely guarantee a completion schedule. However, as long as we have several months available through the forthcoming winter for planning details, we are quite confident that the construction portion of the project can be completed in the 2020 construction season (approximately May-Oct), and that all golf holes will be completed and fully matured for the start of the 2023 golf season.

Golf Design Services has been in business for more than 35 years and has completed the construction of more than 70 golf courses in Canada and abroad. We believe our ongoing involvement and commitment to the Rotary Links Projects and our extensive experience in the golf construction industry make us uniquely qualified to complete the Rotary Links @ Wood Buffalo project. As a recent example, from 2013-2018, Golf Design Services acted on behalf of the Government of Alberta – Kananaskis Region Parks Division in the role of Project Oversight for the reconstruction of the 36-hole Kananaskis Golf Courses after the catastrophic floods of 2013. The reconstruction consisted of a multi-year, multi-phase, multi-million dollar project which was completed in 2018 to the highest standards, has received excellent customer reviews, and most importantly, was completed on budget.

We are very proud of portions of the facility at the Rotary Links @ Wood Buffalo which have been completed to date. GDS is firmly dedicated to seeing the project through to completion. We sincerely hope to have the opportunity to finish golf course in its entirety in the near future.

Sincerely,

Les Furber, A.S.G.C.A.
President
Golf Design Services, Ltd.

Tim Birnie
Design Associate
Golf Design Services, Ltd.

ROTARYLINKS @ WOOD BUFFALO INC.
FINANCIAL STATEMENTS

October 31, 2018
Unaudited - See Notice to Reader

**ROTARYLINKS @ WOOD BUFFALO INC.
FINANCIAL STATEMENTS
October 31, 2018**

NOTICE TO READER

To the shareholder of ROTARYLINKS @ WOOD BUFFALO INC.

On the basis of information provided by management, I have compiled the statement of financial position of ROTARYLINKS @ WOOD BUFFALO INC. as at October 31, 2018 and the statement of operations and changes in net deficit for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Martin Pallard Professional Corporation

CHARTERED ACCOUNTANT

August 27, 2019
Fort McMurray, Alberta

Statement 1

ROTARYLINKS @ WOOD BUFFALO INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the Year Ended October 31, 2018
(Unaudited - See Notice to Reader)

	2018	2017
Revenue (note 2)	<u>\$ 292,437</u>	<u>\$ -</u>
Operating Expenses		
Salaries and wages	223,609	10,876
Repairs and maintenance	43,106	3,977
Pro shop, food and beverage (note 3)	34,250	-
Supplies	25,744	-
Advertising and promotion	19,677	405
Utilities	19,414	-
Professional fees	14,144	38,232
Interest and bank charges	14,111	85
IT & network	8,444	-
Insurance	7,377	1,396
Administrative expenses	7,159	5,555
Equipment rental	6,032	-
Training	3,645	911
Office expenses	3,455	2,839
Employee benefits	2,924	-
	<u>433,091</u>	<u>64,276</u>
Excess (deficiency) before other items	(140,654)	(64,276)
Other items		
Capital contributions recognized (note 9)	50,936	-
Amortization of capital assets	(190,580)	-
Interest on Baseball Trusts' loans	(66,422)	-
	<u>(106,066)</u>	<u>-</u>
Excess (deficiency) of revenue over expenses	(346,720)	(64,276)
Net assets (deficit), beginning of the year	(100,873)	(36,597)
Net assets (deficit), end of the year	<u><u>\$ (447,593)</u></u>	<u><u>\$ (100,873)</u></u>

Statement 2

ROTARYLINKS @ WOOD BUFFALO INC.
STATEMENT OF FINANCIAL POSITION
As at October 31, 2018

	2018	2017
ASSETS		
Current		
Cash	\$ 9,990	\$ 191,121
Accounts receivable (note 4)	61,464	329,866
GST receivable	35,980	99,436
Inventory (note 5)	23,655	-
	<u>131,089</u>	<u>620,423</u>
Capital assets (note 6)	<u>10,614,404</u>	<u>8,752,117</u>
	<u><u>\$ 10,745,493</u></u>	<u><u>\$ 9,372,540</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 80,253	\$ 217,136
	<u>80,253</u>	<u>217,136</u>
Long-term liabilities (note 7)	755,113	279,784
Due to Baseball Trusts (note 8)	5,314,752	5,060,546
Unamortized capital contributions (note 9)	<u>5,042,668</u>	<u>3,915,647</u>
	11,192,786	9,473,113
NET ASSETS		
Share capital (note 10)	300	300
Net assets (deficit) (Statement 1)	<u>(447,593)</u>	<u>(100,873)</u>
	<u>(447,293)</u>	<u>(100,573)</u>
	<u><u>\$ 10,745,493</u></u>	<u><u>\$ 9,372,540</u></u>

ON BEHALF OF THE BOARD

Director: _____

**ROTARYLINKS @ WOOD BUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2018**

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Rotary Links @ Wood Buffalo Inc. (the "Organization") is a not-for-profit organization that was incorporated under the authority of the Business Corporations Act of Alberta. The Organization is exempt from income taxes under Section 149 of the Income Tax Act.

Rotary Links @ Wood Buffalo Inc. golf course occupies 174 acres of land in the Henning Ridge area of Fort McMurray. The Organization entered an agreement on March 26, 2013 to lease land from the Province of Alberta at a rate of \$1 per year. The term of the lease is 25 years with an option to extend the original lease term for an additional 25 years at the option of the organization.

2. REVENUE

	2018	2017
Green Fees	\$ 160,868	\$ -
Cart Rentals	50,681	-
Annual Membership Sales	18,735	-
Pro Shop Hard Goods Sales	16,803	-
Pro Shop Soft Goods Sales	13,274	-
Hospitality Sales	11,769	-
Sponsorship Revenue	7,830	-
5-year Pass Options Revenue	6,908	-
Club Rentals	5,569	-
	\$ 292,437	\$ -

3. PRO SHOP, FOOD AND BEVERAGE

	2018	2017
Pro Shop Hard Goods	\$ 13,177	\$ -
Pro Shop Soft Goods	8,202	-
Beverage & confection	7,622	-
Liquor	223	-
Freight Expenses	35	-
Clubs & Rental	4,991	-
	\$ 34,250	\$ -

4. ACCOUNTS RECEIVABLE

	2018	2017
Due from Saline Creek Developments Inc.	\$ 60,764	\$ 329,866
Other receivables	700	-
	\$ 61,464	\$ 329,866

ROTARYLINKS @ WOOD BUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2018

5. INVENTORY

	2018	2017
Pro shop hard goods	\$ 7,210	\$ -
Pro shop soft goods	15,173	-
Beverage and confection	1,273	-
	<u>\$ 23,656</u>	<u>\$ -</u>

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Golf course land and development costs	\$ 11,774,575	\$ 117,746	\$ 11,656,829	\$ 11,053,730
Golf course design and construction	4,021,815	40,218	3,981,597	3,734,155
	<u>15,796,390</u>	<u>157,964</u>	<u>15,638,426</u>	<u>14,787,885</u>
Storm water management recovery	(4,224,515)	(42,245)	(4,182,270)	(4,242,707)
Storm water ponds assignment of funds	(2,200,000)	(22,000)	(2,178,000)	(2,200,000)
	<u>(6,424,515)</u>	<u>(64,245)</u>	<u>(6,360,270)</u>	<u>(6,442,707)</u>
	<u>9,371,875</u>	<u>93,719</u>	<u>9,278,156</u>	<u>8,345,178</u>
Assets under capital lease	451,705	45,170	406,535	-
Buildings	826,600	21,786	804,814	262,700
Equipment	154,804	29,904	124,900	144,239
	<u>\$ 10,804,984</u>	<u>\$ 190,579</u>	<u>\$ 10,614,405</u>	<u>\$ 8,752,117</u>

During the October 31, 2016 fiscal year the Organization received \$2,200,000 from the Regional Municipality of Wood Buffalo. In exchange, the Organization assigned to the RMWB the rights to collect the storm water refunds from the Government of Alberta. In addition, there was a partial assignment of the future phase of Keyano contributions.

Amortization is using the following methods and rates:

Golf course construction costs and storm water recovery	50 years	straight-line
Assets under capital lease	20%	declining balance
Buildings	4%	declining balance
Equipment	20%	declining balance

ROTARYLINKS @ WOOD BUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2018

7. LONG-TERM LIABILITIES

	2018	2017
Unearned Revenue	\$ 138,457	\$ 60,500
Obligations under capital lease	397,372	-
Advances from Rotary Club of Fort McMurray	219,284	219,284
	<u>\$ 755,113</u>	<u>\$ 279,784</u>

8. LONG-TERM DEBT - DUE TO BASEBALL TRUSTS

	2018	2017
Due to Baseball Wood Buffalo Trust	\$ 2,000,000	\$ 2,000,000
Accrued Interest on Loan	657,376	530,273
Due to Baseball Fort McMurray Trust	2,000,000	2,000,000
Accrued Interest on Loan	657,376	530,273
	<u>\$ 5,314,752</u>	<u>\$ 5,060,546</u>

9. UNAMORTIZED CAPITAL CONTRIBUTIONS

During the October 31, 2016 fiscal year the Rotary Club of Fort McMurray received funding of \$3,927,000 from the Regional Municipality of Wood Buffalo Capital Funding Agreement. The agreement states that funds were to be used to assist with capital expenditures related to the golf course development.

During the fiscal years ended October 31, 2015 and October 31, 2016 the Organization received \$800,000 and \$215,647 respectively from the Alberta Lottery Fund through the Rotary Club of Fort McMurray for the development of golf club lands.

These capital contributions are being recognized into revenue as the golf course construction costs and storm water recovery are amortized (50 years, straight line).

	2018			2017	
	Spent capital contributions	Contributions recognized	Balance end of year	Spent capital contributions	
RMWB capital grant	\$ 4,077,957	\$ 40,780	\$ 4,037,177	\$ 2,900,000	
Alberta Lottery Grant	1,015,647	10,156	1,005,491	1,015,647	
	<u>\$ 5,093,604</u>	<u>\$ 50,936</u>	<u>\$ 5,042,668</u>	<u>\$ 3,915,647</u>	

**ROTARYLINKS @ WOOD BUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2018**

10. SHARE CAPITAL

Issued:

300 Class A common shares

<u>2018</u>	<u>2017</u>
\$ 300	\$ 300
<u>\$ 300</u>	<u>\$ 300</u>

**ROTARY CLUB OF FORT MCMURRAY
FINANCIAL STATEMENTS**

June 30, 2018

Unaudited - See Notice to Reader

**ROTARY CLUB OF FORT MCMURRAY
FINANCIAL STATEMENTS
June 30, 2018**

NOTICE TO READER

To the members of the ROTARY CLUB OF FORT MCMURRAY

On the basis of information provided by management, I have compiled the statement of financial position of ROTARY CLUB OF FORT MCMURRAY as at June 30, 2018 and the statement of revenues and expenses and changes in net assets for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Martin Pallard Professional Corporation

CHARTERED ACCOUNTANT

September 20, 2018
Fort McMurray, Alberta

Statement 1

ROTARY CLUB OF FORT MCMURRAY
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

	2018	2017
Revenue		
Meals	\$ 10,388	\$ 13,586
50/50 and Sergeant	2,618	2,957
Rotary District and International dues	5,791	6,510
Club administration and initiation fee	13,125	13,301
Other revenue	159	1,350
	<u>32,081</u>	<u>37,704</u>
Expenses		
Meal costs	17,579	28,101
Rotary District and International dues	3,068	7,111
Badges and engraving	2,241	1,627
Advertising and promotion	2,075	823
Office	1,568	1,755
Bank charges	1,539	1,445
Storage	990	2,286
Accounting and legal	827	6,559
Director's training	-	2,514
Other expenses	-	157
	<u>29,887</u>	<u>52,378</u>
Excess (deficiency) before other items	<u>2,194</u>	<u>(14,674)</u>
Other items:		
Rotary Foundation events	(1,356)	(3,339)
Integrity awards	(8)	806
Income (loss) from Saline Creek Limited Partnership (note 5)	(19,921)	(598,634)
Miscellaneous adjustments	-	(2,126)
	<u>(21,285)</u>	<u>(603,293)</u>
Deficiency of revenue over expenses	(19,091)	(617,967)
Surplus, beginning of the year	<u>1,831,005</u>	<u>2,448,972</u>
Surplus, end of the year	<u>\$ 1,811,914</u>	<u>\$ 1,831,005</u>

Statement 2

**ROTARY CLUB OF FORT MCMURRAY
STATEMENT OF FINANCIAL POSITION**

As at June 30, 2018

(Unaudited - See Notice to Reader)

ASSETS

	2018	2017
Current		
Operating account	\$ 128,721	\$ 71,744
Accounts receivable	21,957	15,679
Due from District Conference	-	32,575
	<hr/> 150,678	<hr/> 119,998
Due from Rotary Links (note 3)	219,284	219,284
Restricted cash (note 2)	675,741	2,671,143
Saline Creek Limited Partnership (note 5)	1,376,292	1,396,213
Investment in Rotary Links @ Wood Buffalo (note 4)	300	300
	<hr/> \$ 2,422,295	<hr/> \$ 4,406,938

LIABILITIES

Current liabilities

50/50 liability	\$ 52	\$ 172
Fire donations received	7,000	7,000
Government of Alberta - Culture and Tourism	29,491	-
BC Wildfire donations received	-	1,600
EREY contributions payable	1,066	1,085
	<hr/> 39,706	<hr/> 9,857
Deferred contributions - Imagination Library (note 7)	56,665	47,024
Deferred contributions - Casino (note 8)	58,757	59,981
Deferred contributions - Rotary Links (note 6)	455,253	2,459,071
	<hr/> 610,381	<hr/> 2,575,933

NET ASSETS

Net assets (Statement 1)	1,811,914	1,831,005
	<hr/> \$ 2,422,295	<hr/> \$ 4,406,938

ON BEHALF OF THE BOARD

Director: _____

Attachment: 2. 2020 Community Capital Grant Application Package - The Rotary Club of Fort McMurray (Rotary Club of Fort McMurray Grant

ROTARY CLUB OF FORT MCMURRAY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Rotary Club of Fort McMurray (the "Organization") was incorporated under the Business Corporations Act of Alberta and is Exempt from income taxes under section 149(1)(l) of the Income Tax Act.

2. RESTRICTED CASH

	2018	2017
ATB Casino account	\$ 58,757	\$ 59,982
ATB Imagination Library account	56,664	47,024
ATB Rotary Links account (5277-A)	-	116,130
ATB Rotary Links account (6271-A)	560,320	2,448,007
	<u>\$ 675,741</u>	<u>\$ 2,671,143</u>

3. DUE FROM ROTARY LINKS @ WOOD BUFFALO INC.

Advances to Rotary Links @ Wood Buffalo are unsecured, non-interest bearing and due on demand.

4. INVESTMENT IN ROTARY LINKS @ WOOD BUFFALO INC.

Rotary Links @ Wood Buffalo Inc., is a wholly owned subsidiary of the Organization. Rotary Links @ Wood Buffalo Inc.'s mandate is to construct a public golf course that is available for the enjoyment of the community in the Regional Municipality of Wood Buffalo ("RMWB"). The Organization's financial statements do not include the accounts of Rotary Links @ Wood Buffalo Inc., which is 100% controlled by the Organization.

Rotary Links golf course occupies 174 acres of land in the Henning Ridge area of Fort McMurray. The land is under lease from Alberta Infrastructure for \$1 per year for 25 years with an option to extend the original lease term for an additional 25 years.

Rotary Links @ Wood Buffalo Inc.'s long-term debt includes \$4,724,074 (as of October 31, 2016) due to Baseball Wood Buffalo Trust and Baseball Fort McMurray. Debt is payable in interest only payments of 7% per annum and is secured by a mortgage of leasehold interest in the Golf Course Lands, a general security agreement over all present and after acquired assets of the organization, a general assignment of rents with principal payments to commence upon the earlier of the 5th anniversary of the first advancement or commencement of golf course operations. Security for the loan comprises non-charitable assets only, charitable assets are excluded.

The Rotary Club of Fort McMurray and the Rotary Links @ Wood Buffalo Inc. are stated as co-borrowers of the Baseball Wood Buffalo Trust loan and therefore the debt is repayable by both organizations.

	2018	2017
Rotary Links @ Wood Buffalo - 100% common shares	\$ 300	\$ 300
	<u>\$ 300</u>	<u>\$ 300</u>

ROTARY CLUB OF FORT MCMURRAY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

5. SALINE CREEK LIMITED PARTNERSHIP (SCLP)

Saline Creek Limited Partnership (the "Partnership") was incorporated under the Alberta Partnership Act on April 13, 2011.

The Partnership is formed to carry on the business of the acquisition, subdivision, servicing, marketing, leasing and management of land. The Limited Partnership is managed by Saline Creek Developments Inc., the General Partner. Under the terms of the Partnership agreement, the profits of the Limited Partnership shall be allocated to the Class A Limited Partners proportionate to the number of Class A units held by each Limited Partner until such time as the Class A Limited Partners have had profit allocated to them equal to their subscription price. Thereafter, the net income from the Limited Partnership shall be allocated 70% to the Class A unit holders and 30% to the Class B unit holders (only the Organization holds Class B units). All losses of the Partnership shall be allocated to the Class A Limited Partnership units proportionate to each Class A Limited Partners' Class A Limited Partnership Holdings.

As part of the limited partnership agreements, the Organization was given \$450,000 credit for studies done to date, and \$1,450,000 credit in recognition of the lease termination value. The \$450,000 was supported by historical costs incurred by the club and the \$1,450,000 was based on the cash flows from the camp ground.

Per the Partnership agreements the Class A contributions are to be repaid first. In addition, the Organization is exempt from any additional future contributions.

	2018	2017	2016	2015
Income (loss) allocated	\$ (19,921)	\$ (598,634)	\$ 96,910	\$ (1,431)
Net income (loss) allocation prior years	(503,788)	94,846	(2,064)	(633)
	(523,709)	(503,788)	94,846	(2,064)
SCLP - 7% of the A units	1,900,000	1,900,000	1,900,000	1,900,000
SCLP - 100% of the B units	1	1	1	1
Partner capital account, end of year	<u>\$ 1,376,292</u>	<u>\$ 1,396,213</u>	<u>\$ 1,994,847</u>	<u>\$ 1,897,937</u>

ROTARY CLUB OF FORT MCMURRAY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

6. DEFERRED CONTRIBUTIONS - ROTARY LINKS @ WOOD BUFFALO

Grant revenue has been received from both the Alberta Ministry of Culture's Major Community Facilities Program Grant and the RMWB.

The Organization was entitled to receive from Keyano and the Government of Alberta "Oversizing" revenues for future developments which would tie into the Rotary Links storm water ponds. Those future receivables from Keyano and the undeveloped Government of Alberta lands were assigned to the Regional Municipality of Wood Buffalo in exchange for a \$2.2 million dollar payment which was received in fiscal 2016.

The Organization received a \$3,927,000 capital grant from the RMWB in 2017.

2018				
	Alberta Gaming	Land assignment	RMWB Capital Grant	Total
Investment income	-	-	12,688	12,688
Disbursements	-	-	(2,016,506)	(2,016,506)
Excess (deficiency) revenue over disbursements	-	-	(2,003,818)	(2,003,818)
Deferred contributions, beginning of year	-	-	2,459,071	2,459,071
Deferred contributions, end of year	\$ -	\$ -	\$ 455,253	\$ 455,253

2017				
	Alberta Gaming	Land assignment	RMWB Capital Grant	Total
Grant revenue	\$ -	\$ -	\$ 3,927,000	\$ 3,927,000
Investment income	858	-	22,869	23,727
Adjustment		(9,202)	9,202	-
Disbursements	(215,647)	(1,400,000)	(1,500,000)	(3,115,647)
Completion of storm water pond		(105,066)	-	(105,066)
Excess (deficiency) revenue over disbursements	(214,789)	(1,514,268)	2,459,071	730,014
Deferred contributions, beginning of year	214,789	1,514,268	-	1,729,057
Deferred contributions, end of year	\$ -	\$ -	\$ 2,459,071	\$ 2,459,071

2016				
	Alberta Gaming	Land assignment	RMWB Capital Grant	Total
Grant revenue	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Disbursements	-	(694,934)	-	(694,934)
Investment income	1,204	9,202	-	10,406
Excess (deficiency) revenue over disbursements	1,204	1,514,268	-	1,515,472
Deferred contributions, beginning of year	213,585	-	-	213,585
Deferred contributions, end of year	\$ 214,789	\$ 1,514,268	\$ -	\$ 1,729,057

ROTARY CLUB OF FORT MCMURRAY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

6. DEFERRED CONTRIBUTIONS - ROTARY LINKS @ WOOD BUFFALO (CONTINUED)

	2015			
	Alberta Gaming	Land assignment	RMWB Capital Grant	Total
Grant revenue	\$ 600,000	\$ -	\$ -	\$ 600,000
Disbursements	(600,000)			(600,000)
Investment income	13,585			13,585
Excess (deficiency) revenue over disbursements	13,585	-	-	13,585
Deferred contributions, beginning of year	200,000	-	-	200,000
Deferred contributions, end of year	<u>\$ 213,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,585</u>

7. DEFERRED CONTRIBUTIONS - IMAGINATION LIBRARY

The Imagination Library program provides one free book per month to registered children in the RMWB under the age of 5. Contributions are received from a variety of sources with the expectation that these contributions help fund the Imagination Library program.

	2018	2017
Funding received	<u>\$ 9,538</u>	<u>\$ 123,274</u>
Disbursements		
Transfers to District 5370	-	107,905
Bank charges (interest income)	(103)	(106)
	<u>(103)</u>	<u>107,799</u>
Surplus (deficiency), current year	9,641	15,475
Deferred contributions, beginning of year	47,024	31,549
Deferred contributions, end of year	<u>\$ 56,665</u>	<u>\$ 47,024</u>

ROTARY CLUB OF FORT MCMURRAY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2018
(Unaudited - See Notice to Reader)

8. DEFERRED CONTRIBUTIONS - CASINO

Proceeds received by the Alberta Gaming and Liquor Commission are restricted to approved uses.

	<u>2018</u>	<u>2017</u>
Funding received	\$ 39,963	\$ -
Disbursements		
Board training	10,254	5,116
Cadets	7,500	7,500
Local HERO Foundation	5,000	8,000
Advertising and promotion	-	158
Awards, trophies, plaques	-	1,160
Breakfast program	4,500	8,500
Rotary World Peace Partner Training	1,549	50
Alberta Winter Games	2,500	-
District conference	7,600	-
Advisor and food charges	2,314	-
Bank charges (interest income)	(30)	(36)
	<u>41,187</u>	<u>30,448</u>
Surplus (deficiency), current year	(1,224)	(30,448)
Deferred contributions, beginning of year	59,981	90,429
Deferred contributions, end of year	<u>\$ 58,757</u>	<u>\$ 59,981</u>

2020 Sustaining Grant Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Sustaining Grant Guidelines

If you have reviewed the 2020 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: Rotary Club of Fort McMurray

Declaration: In making this application, we, the undersigned, confirm:

- that we have read the Sustaining Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Sustaining Grant is January 1 to December 31, 2020 and that all expenditures must happen during this term; and
- that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

Board Member(s) and/or
Executive Director Initials:

WB1 GT

WB1 GT

WB1 GT

WB1 GT

WB1 GT

Brent MacKay
Signature of Board Member
(must have signing authority)

Brent MacKay
Print Name

2019-12-27
Date: (YYYY-MM-DD)

Greg Tolson
Signature of Board Member or Executive Director
(must have signing authority)

Greg Tolson
Print Name

2019-12-31
Date: (YYYY-MM-DD)



Sustaining Grant Part A - Organization Summary

1. Organization Details

Organization Name:	Rotary Club of Fort McMurray
Street Address:	P.O. Box 5126
City/Hamlet:	Fort McMurray
Province:	AB
Postal Code:	T9H 3G2
Phone Number:	780-598-4200
Email Address:	greg.tolson@tridon.com
Act Registered Under:	Societies Act (Alberta)
Registration Number:	

Note: Organization must be in good standing to receive funding.

2. Main Contact

Title:	President
Name:	Greg Tolson
Daytime Phone:	780-598-4200
Email Address:	greg.tolson@tridon.com

3. Executive Director

Name:	
Daytime Phone:	
Email Address:	

4. Board Chair / President

Name:	
Daytime Phone:	
Email Address:	

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at CIP@rmwb.ca

Part B - Board Questionnaire

- | | | | | | |
|------------------------------------|---|--------------|---|--------------|---|
| 7. Number of board members: | | | | | |
| Currently: | 8 | 2018: | 8 | 2017: | 8 |

--

- [illegible]

Part B - Board Questionnaire

9. Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☐

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received

10. What are the restrictions (if any) on becoming a member of your organization or participating in programs or services?

Rotary allows any person in good standing to be nominated for membership.

11. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

The Rotary Club's finances are discussed at each monthly board meeting in some fashion. The Rotary Club retains a qualified accountant to prepare annual financial statements.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.



Part C - Strategic Plan

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☐ Operator of a Municipally-owned asset (Please continue to Part E on page 8)
- ☐ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☐ a) the development of the arts community (Strategy & Initiative #1f);
b) progression of interests of the social profit sector (Strategy & Initiative #1i);
c) advancement of cultural diversity (Strategy & Initiative #3f); or
d) promotion of the economic diversification of the Municipality (Strategy & Initiative #3b)
- ☒ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

12. What year did the organization complete its last business plan or strategic plan?

2019

13. Provide a brief overview of the organization's strategic priorities:

Mission Statement:

Service Above Self Mission Statement: The mission of Rotary International is to provide service to others, promote integrity, and advance world understanding, goodwill, and peace through its fellowship of business, professional, and community leaders.

Vision Statement:

"Together, we see a world where people unite and take action to create lasting change — across the globe, in our communities, and in ourselves."

The strategic goals for the 2019-2020 term is focused on two specific areas that will allow the club to grow and be more effective in our community and in the global impact of Rotary.

1. The Fort McMurray Rotary Club needs to increase its active membership from the leaders of our community, for this particular term a 10 to 20% increase in active membership. Goals for following terms can be adjusted as we saturate our membership from the available community leaders

- a. To accomplish this goal we need to raise our profile in the community
- b. The board needs to assign members to use social media and other means to raise our profile and recognize what Rotary does in our community and globally
- c. The membership chair and committee need to plan, prepare and execute membership drives in our community
- d. The membership chair and committee need to develop membership categories to be brought to the executive for approval i.e. corporate memberships

2) The Fort McMurray Rotary Club needs to fund raise locally through community-based events, currently the only fund-raising activity is our casino's. The total funds necessary to sponsor all the charitable organizations and sponsorships exceeds the amount any one casino can raise.

- a) We need two major fund-raising events per year.
- b) Strike a committee to develop fund raising concepts
- c) Board to approve concepts
- d) Club membership to plan and execute the fund-raising events

With these two primary strategic goals we will be able to raise our profile, raise funds and grow our membership.

This will also develop leadership and consistency within our membership and allow the club to become more involved in global projects as well as have a greater impact in our community.



Part D - Organization Questionnaire

14. Describe the elements, activities, or events that the organization is seeking this funding for:

The Rotary Club holds a lease on a 174-acre parcel of land located within the Saline Creek Plateau Commercial Development. The term of the lease is for a period of twenty-five (25) years with an option to renew. The Alberta Government Department of Infrastructure has granted the Rotary Club this parcel for the development of a public not-for-profit 18-hole Golf Course currently operating under the legal name RotaryLinks @ Wood Buffalo Inc. The Les Furber designed course opened 9-holes to the public on July 1st, 2018 with limited facilities and services. Access to the property was provided by a temporary entrance road and development permit off Snow Eagle Drive. Since opening, the operation has added a temporary clubhouse with retail and hospitality area, on/off course food and beverage service as well as a full practice facility. It is the intent that the requested sustaining grant be used to assist with operational requirements of the business while it looks to secure additional capital for the completion of the project resulting from funding shortfalls.

With its existing debt load completion of the 18-hole master plan (MP) is necessary to make the project financially viable. Through completion the operation will be able to generate additional revenue through an increase in membership demand, available inventory, average spending per customer and mitigation of the effects of inclement weather through the hosting of larger private events/tournaments. As a self-sustaining operation the golf course will serve to replace the cancelled lease and subsequent operation of the Rotary Campground as a renewable source of revenue for benevolent purposes in accordance with bylaws of the Rotary Club of Fort McMurray. In the interim RotaryLinks has taken many efforts to minimize expenses while operating as a 9-hole facility including strategic maintenance practices, GPS course monitoring, volunteer staffing and professional support, trade of services to local businesses and employee groups, outsourcing of departments, grant applications, seasonal employment agreements for key personnel and the purchasing of used furnishing and equipment.

To date, over \$16.5M has been invested in the project of which \$3.927M was provided through the Community Investment Program (CIP) that was approved by Council on December 8, 2015. The RMWB also provided an additional \$2.2M that same year. In exchange for the \$2.2M the Rotary Club assigned to the RMWB the rights to collect approx. \$2.7M in future receivables. In 2015, it was believed that the funds provided by the RMWB would be enough to see the project through to completion which was estimated to be \$20.2M, as presented to council.

Through consultation with their course architect a fixed price construction contract was provided to the Rotary Club for completion of the 18-hole MP during the construction season in 2020. A funding analysis was also conducted in 2019 and identified a \$3M shortfall in capital required to complete a now reduced project cost of \$19.65M, as presented in at the CIP presentation to council on November 27th, 2019.

Since this time the Rotary Club has continues to work to secure additional funding to minimize any future capital grant request including discussions with key stake holders, assignment of further receivables and a phased construction schedule.



15. Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 5:

Responsible Government – Asset Management, Partnership with Social Profits & Wildfire Recovery

The water holes on the golf course function as the storm water ponds for the surrounding residential parcels. The infrastructure for these water holes were built to a higher standard so that the outfall structures and ponds met municipal standards. The Rotary Club understands that normally, the municipality would take responsibility for maintaining any storm water pond structures, once turned over by a developer. RotaryLinks continued maintenance of these ponds will result in future savings to the city.

A functioning golf course in the Saline Creek Plateau will act as an incentive to promote residential lot sales and commercial development in the Saline Creek Plateau and Saline Creek Parkway.

Regional Economic Development – Business Attraction and Incentives, Small Business Incubator

A golf course at the south end of the city will provide recreation opportunities for staff and employees of businesses located nearby to allow such business to attract and retain staff and employees.

The golf course provides employment for seasonal staff, including individuals trained in the golf industry, retail, facility maintenance and hospitality industries. The majority of its staff are seasonally employed high school and university aged local residents.



Part D - Organization Questionnaire

16. Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:

The Rotary Club has approached multiple conventional lenders to attain an operating line of credit to no avail. The Fort McMurray Base Ball Trusts hold first rights on all unrestricted assets of the business and at this point are not able to provide additional funding. The Rotary Club was able to secure a small operating loan from Community Futures in 2019 to assist with the payment of outstanding contractor debts incurred during the construction of the temporary clubhouse and parking lot in 2018 and subsequent 2019 operating expenses.

RotaryLinks has actively engaged local businesses to gain sponsorship and has currently sold 5 of its 9 holes in operation. The golf course offers pre-paid membership and pass options to the public and continually looks to minimize operational costs using volunteers from both the Rotary Club and the many organizations that it supports.

At this date the Rotary Club has advanced RotaryLinks all available unrestricted funds at its disposal.

In an effort to minimize any future funding request from the municipality the Rotary Club has undertaken an examination of its current receivables resulting from the construction of the storm water management ponds and outfall structures. Assignment of future receivables to the RMWB could serve as an exchange in any future funding request in excess of \$500,000.

The Rotary Club has presented a proposal to the Saline Creek LP whereby the Rotary Club would put forward a notice to Alberta Infrastructure that the Rotary Club is prepared to enter into a contract to cancel the residual land purchase in exchange for a full refund of all deposits held by Infrastructure against the Residual Lands. This would presumably free up the full deposit paid by Saline Creek LP.

Cancellation of the offer to purchase would facilitate the sale of approximately 13 acres with comprise a part of the Residual Lands the RMWB wishes to purchase to be used for widening of the Saline Creek Parkway. While it is not positive that Infrastructure is prepared to cancel the residual land purchase and refund the deposit, Rotary believes that expansion of the Saline Creek Parkway would greatly benefit the golf course operation. It has been proposed that a \$600,000 portion of the refunded deposit would be kept by the Rotary Club to use towards completion of the 18-hole master plan. Resulting in additional reduction of any such future funding requests to the RMWB.

17. Current Volunteer Information:

	Per Organizational Needs:	Currently Filled:
Program & Services Volunteers	3	3
Fundraising Volunteers	2	2
Committee Volunteers	4	4
Administrative Volunteers	2	2
Total Organization Volunteers (Count each only once)	11	11

**Part E - Financial Information, Budget Request & Cash Flow****18. Current Staff Information:**

	Per Organization Chart:	Currently Filled:
Full Time Positions	5	2
Part Time Positions	13	0

19. Please explain any cost savings initiatives the organization has, or is planning, to implement:

Maintenance practices are restricted to primary playing areas of the golf course while allowing natural vegetation to develop around hole locations. This practice minimizes the need for additional fertilizers, chemicals, staff and equipment required to maintain these areas not primarily in play.

An annual application is submitted to the Alberta Summer temporary Employment Program (STEP) to provided funding for labor costs incurred through operations.

Implementation of a GPS monitoring system for all golf carts minimizing the need for additional staff required for daily operation and reducing the risk of damage to course assets, while providing an avenue for sponsorship revenue.

Use of volunteers to assist with tasks requiring minimal training or skill level minimize the labour requirements of the operation.

Outsourcing of Hospitality Operations to local business operator within a profit-sharing arrangement. Removing the need to hire a department manager and subsequent labor to operate.

Purchasing used furnishings for club house lounge.

Employing department managers and supervisors on a seasonal basis.

Providing trade of services to local businesses and contractors in exchange for products and services.

Obtaining services and expertise on a volunteer basis from friends of the Rotary Club in a variety of fields from legal, construction, communications, heating and ventilation, OH&S etc.

2020 application for a TEFU exemption certificate.

20. 2020 Grant Request:

Total 2020 Budgeted Revenue (excluding RMWB Sustaining Grant)	\$	884,884.00
Total 2020 Budgeted Expenses	\$	1,372,996.00
Surplus* / (Deficit)	\$	(488,112.00)

2020 Sustaining Grant Request Amount:**\$ 500,000.00**

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved:**

January/February \$ 300,000.00 April

(no more than 75% of request)

August \$ 200,000.00 October

** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as six-month reports are due by July 31 and require Administrative review prior to August/October disbursements.



21. Provide any additional information that may assist in developing a better understanding of your organization or its services/programs during the grant review.

Designed as a Links Style golf course, RotaryLinks offers a stark contrast to the existing golf facilities within the region. Designed by renown golf course architect Les Furber the course has successfully created a layout that is both easily played by those new to the game and challenging to avid players. This testament was confirmed through a recent course and slope rating conducted by Golf Canada in 2019. Based on these findings, within the region the Links layout plays both the longest and shortest dependent on the players tee selection. Less skilled or "bogey" golfers find the layout more forgiving while higher skilled or "scratch" players find the course most challenging.

The golf course derives most of its revenue currently from three main streams. Daily green fee revenue, power cart rental and food and beverage sales. In 2019 these three revenue streams accounted for nearly 75% of total revenue generated.

The golf course has positioned itself within the market as a true value offering, with products and services offered at approx. 60-75% of the current market while still maintaining the highest standards and conditions in the area when evaluating key areas as putting greens, tee box complexes and overall hole designs.

In 2020, RotaryLinks looks to roll out additional offerings aimed at player development to compliment the weekly junior camps and free daily play for players under 18 offered in 2019. Further solidifying its brand as a family friendly environment and affordable recreation option for youth in the area.

RotaryLinks Golf @ Wood Buffalo offers the following products & services under their current market while still maintaining the highest standards and conditions in the area when evaluating key areas as putting greens, tee box complexes and overall hole designs.

In 2020, RotaryLinks looks to roll out additional offerings aimed at player development to compliment the weekly junior camps and free daily play for players under 18 offered in 2019. Further solidifying its brand as a family friendly environment and affordable recreation option for youth in the area.

RotaryLinks Golf @ Wood Buffalo offers the following products & services under their current operations plan:

- Daily public play
- Pre-paid memberships & pass options
- Retail golf merchandise
- Driving range and practice facility
- Lounge and patio
- Beverage cart
- Private CPGA instruction & junior golf programs

Part F - Required Attachments for Application

22. The following attachment MUST accompany your application. Failure to submit the following will result in your application being deemed incomplete.

- ☒ A detailed budget showing projected 2020 revenue and expenses
- ☒ 2020 Business Plan or Strategic Plan
- ☐ Logic Model (if available)
- ☒ Financial Statements of the most recent fiscal year

In Person or By Mail:

Community Investment Program
Community Services
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9K 2K4

OR

By Email: CIP@rmwb.ca

**LATE or INCOMPLETE applications will not be processed
(Community Investment Program Policy FIN-220, Section 3.1.5)**

Attachment: 3. 2020 Sustaining Grant Application (Rotary Club of Fort McMurray Grant Request)



2020 Business Plan

Prepared by Brent Mackay
General Manager
December 2019



3000 Snow Eagle Drive
Fort McMurray, Alberta T9H 0B6
(780) 742-6077

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Executive Summary

The Rotary Club holds a lease on a 174-acre parcel of land located within the Saline Creek Plateau Commercial Development. The term of the lease is for a period of twenty-five (25) years with an option to renew. The Alberta Government Department of Infrastructure has granted the Rotary Club this parcel for the development of a public not-for-profit 18-hole Golf Course currently operating under the legal name RotaryLinks @ Wood Buffalo Inc. The Les Furber designed course opened 9-holes to the public on July 1st, 2018 with limited facilities and services. Access to the property was provided by a temporary entrance road and development permit off Snow Eagle Drive. Since opening, the operation has added a temporary clubhouse with retail and hospitality area, on/off course food and beverage service as well as a full practice facility. It is the intent that the requested sustaining grant be used to assist with operational requirements of the business while it looks to secure additional capital for the completion of the project resulting from funding shortfalls.

With its existing debt load completion of the 18-hole master plan (MP) is necessary to make the project financially viable. Through completion the operation will be able to generate additional revenue through an increase in membership demand, available inventory, average spending per customer and mitigation of the effects of inclement weather through the hosting of larger private events/tournaments. As a self-sustaining operation the golf course will serve to replace the cancelled lease and subsequent operation of the Rotary Campground as a renewable source of revenue for benevolent purposes in accordance with bylaws of the Rotary Club of Fort McMurray. For a detailed list or historical giving see (Appendix E).

In the interim RotaryLinks has taken many efforts to minimize expenses while operating as a 9-hole facility. These include strategic maintenance practices, GPS course monitoring, volunteer staffing and professional support, trade of services to local businesses and employee groups, outsourcing of departments, grant applications, seasonal employment agreements for key personnel and the purchasing of used furnishing and equipment.

To date, over \$16.5M has been invested in the project of which \$3.927M was provided through the Community Investment Program (CIP) that was approved by Council on December 8, 2015. The RMWB also provided an additional \$2.2M that same year. In exchange for the \$2.2M the Rotary Club assigned to the RMWB the rights to collect an estimated \$2.7M in future receivables. In 2015, it was believed that the funds provided by the RMWB would be enough to see the project through to completion which was estimated to be \$20.2M, as presented to council.

Through consultation with their course architect a fixed price construction contract was provided to the Rotary Club for completion of the 18-hole MP during the construction season in 2020. A funding analysis was also conducted in 2019 and identified a \$3M shortfall in capital required to complete a now reduced project cost of \$19.65M, as presented in at the CIP presentation to council on November 27th, 2019.

Since this time the Rotary Club has continued to work to secure additional funding to minimize any future capital grant request including discussions with key stake holders, assignment of further receivables and a phased construction schedule.

1.1 Objectives

The objectives of the Rotary Links Golf @ Wood Buffalo for 2020 include:

- Demonstrate financial feasibility to aid in completion of 18-hole Master Plan.
- Aid in capital funding securement through consultation with key stake holders.
- Explore all areas of utilization and expense reduction as 9-hole facility.
- Further development and implementation of junior golf programs and offerings.
- Continue to establish brand in region as a point of difference amongst competition.
- Assembling an experienced and effective staff with a focus on customer service.
- Assist local non-profits by providing a venue for hosting of annual charity golf tournaments and fundraisers.
- Develop and foster additional business relationships in the municipality.

1.2 Mission

RotaryLinks Golf @ Wood Buffalo is a not for profit community project, established by the Rotary Club of Fort McMurray, a leadership organization of local business, professional and civic leaders. Our focus is on providing a venue for recreational and social interaction in the Wood Buffalo Area that exceeds the expectations of all guests with a quality product and customer service that is second to none. We believe in facilitating a rewarding work environment for residents of the community who will offer all patrons an excellent customer service experience at great value. Our continued growth and success will be measured not only in our financial successes but in our ability to build goodwill and better friendships, benefiting all of Wood Buffalo. It is our vision that RotaryLinks shall serve as a renewable source of revenue to be used for benevolent purposes in accordance with bylaws of the Rotary Club of Fort McMurray.

Company Formation

The Rotary Club held a Recreational Lease near the airport with Alberta Sustainable Resource Development, commencing in the 1980's. In addition to the location of the Rotary campground, this Recreational Lease had been made available by the Rotary club as a biathlon facility, an archery range, and a club house location for a local motorcycle club.

The Rotary Club was informed by Alberta Sustainable Resource Development that the Recreational Lease would be cancelled. The Recreational Lease had contained the Rotary park campground, which had generated revenue used to provide financial support to various local programs and organizations.

In addition to the funds generated from the Rotary park campground, the members of the Rotary Club have assisted in raising funds by devoting countless hours through volunteering at casinos and bingos, conducting raffles, TV auctions and participating in other volunteer activities, for the purpose of raising funds to be used to fund these charitable purposes, see (Appendix D). Because of the loss of the Recreational Lease, the Provincial Government provided to the Rotary Club the first right to purchase the lands on which the Rotary Park Recreational Lease had been located. The Rotary Club, as not-for-

profit society, was not able to purchase the lands. Through negotiations with a local housing developer, the Rotary Club negotiated an arrangement where Rotary would become part of a Limited Partnership which would have various other limited partners who would contribute funds to assist in the purchase and development of a portion of the lands, which would be used for a residential and commercial development. Those development lands would surround a leased parcel upon which the Rotary Club would develop a golf course. The waterholes on the golf course would function as the storm water management ponds and outfall structures for the surrounding residential and commercial developments.

The RotaryLinks golf course water ponds now function as the storm water management ponds and outfall structures for all of the Saline Creek Limited Partnership development lands, a portion of the surrounding Keyano lands and a portion of surrounding lands still owned by the Government of Alberta (which are subject to future sale and development).

Under the negotiated agreement, the Limited Partnership would contribute its proportionate share of the cost of the storm water pond construction, which contribution would be released to the Rotary Club under a “construction draw” format. An initial pro-forma construction and operational budget was prepared by Rotary members who have extensive accounting experience. These operational numbers were compared with the Miskanaw and Fort McMurray Golf Course revenue numbers. The construction costs were reviewed with a very experienced golf course architect (Les Furber of GDS Designs), who was retained by Rotary to design the golf course and further reviewed by a local engineer, who has extensive Fort McMurray experience in project development. The initial budget of revenue and expenses anticipated that Rotary would be able to raise all the funds necessary to complete the 18-hole golf course construction.

2.1 Company Ownership

“Rotary Club of Fort McMurray, Alberta” (the “Rotary Club”) is a Society incorporated pursuant to the Alberta Societies Act on April 11, 1984. The Rotary Club owns 100% of the shares of the incorporated limited company (RotaryLinks at Wood Buffalo Inc.). It is the intent of the Rotary Club that the golf course be used to replace the cancelled lease and subsequent operation of the Rotary Campground as a new renewable source of revenue for benevolent purposes in accordance with bylaws of the Rotary Club of Fort McMurray.

Products and Services

Designed as a Links Style golf course, RotaryLinks offers a stark contrast to the existing golf facilities within the region. Designed by renown golf course architect Les Furber the course has successfully created a layout that is both easily played by those new to the game and challenging to avid players. This testament was confirmed through a recent course and slope rating conducted by Golf Canada in 2019. Based on these findings, within the region the Links layout plays both the longest and shortest dependent on the players tee selection. Less skilled or “bogey” golfers find the layout more forgiving while higher skilled or “scratch” players find the course most challenging.

The golf course derives most of its revenue currently from three main streams. Daily green fee revenue, power cart rental and food and beverage sales. In 2019 these three revenue streams accounted for nearly 75% of total revenue generated. For detailed figures refer to section 7.1 Financial Plan.

The golf course has positioned itself within the market as a true value offering, with products and services offered at approx. 60-75% of the current market while still maintaining the highest standards and conditions in the area when evaluating key areas as putting greens, tee box complexes and overall hole designs.

In 2020, RotaryLinks looks to roll out additional offerings aimed at player development to compliment the weekly junior camps and free daily play for players under 18 offered in 2019. Further solidifying its brand as a family friendly environment and affordable recreation option for youth in the area.

RotaryLinks Golf @ Wood Buffalo offers the following products & services under their current operations plan:

- Daily public play
- Pre-paid memberships & pass options
- Retail golf merchandise
- Driving range and practice facility
- Lounge and patio
- Beverage cart
- Private CPGA instruction & junior golf programs
- Private tournaments
- Club events

Market Analysis Summary

Golf Course operation in the RMWB has successfully produced positive figures across multiple key performance indicators including, occupancy rates and secondary spending, despite the economic slowdown of the past few years. The existing 18-hole facilities share similar pricing points across most of their offerings and provide similar conditions and layouts with minor exceptions from year to year based on winter weathering. Secondary spending is high among patrons creating profitable hospitality and pro shop operations at both courses. The municipality has experiencing a population decline for the first time in two decades largely attributed to the downturn in the economy and Horse River Wildfire. The municipality continues to have a young population with more individuals choosing to raise families here illustrated by the increase in proportion of children and youth (0-24 years old) between 2015-2018. Existing junior golf in the city is relatively small for the surrounding population base among all existing golf courses and remains an avenue for increasing market share. In addition to expansion to 18-holes. long term viability of RotaryLinks is dependent on further positioning itself as the regions “Community Golf Course” or family friendly facility. Offering among the highest standards in playing conditions while remaining accessible and affordable to a large demographic.

4.1 Competition and Market Research

During the initial stages of the project’s development the Rotary Club conducted a feasibility study to determine the viability of the proposed project. Based on generally accepted demographics within the

industry, a population base of 15,000 was required to adequately service an 18-hole facility. The more densely populated that area surrounding the facility the higher the chance of its long-term viability.

Based on the most currently available information from a 2018 municipal census. The RMWB has a permanent population base of 75,000 with the majority of those living in the urban service area. In addition, a shadow population of 33,000 consisting primarily of temporary workers also call the region home.

With the recent expansion of the Fort McMurray golf course from 18 to 27-holes in 2017 and the 18-hole Miskanaw facility at MacDonald Island the region boasts a ratio of 30,000/18-hole facility (75,000/2.5) with the inclusion of only the permanent population base. Assuming no real population growth, the addition of RotaryLinks as an 18-hole facility in the area would reduce this ratio down to 21,428/18-hole facility (75,000/3.5). A lower but still sustainable population ratio. The RMWB will also see the addition of a golf facility consisting of a 12-hole layout in Sapræ Creek area possibly as early as summer 2020 based on a successful maturation period. Evaluation of the Sapræ Creek course design and location, RotaryLinks feels the courses main market will sit outside the existing 3 courses market and will instead appeal to a different market base in the long term.

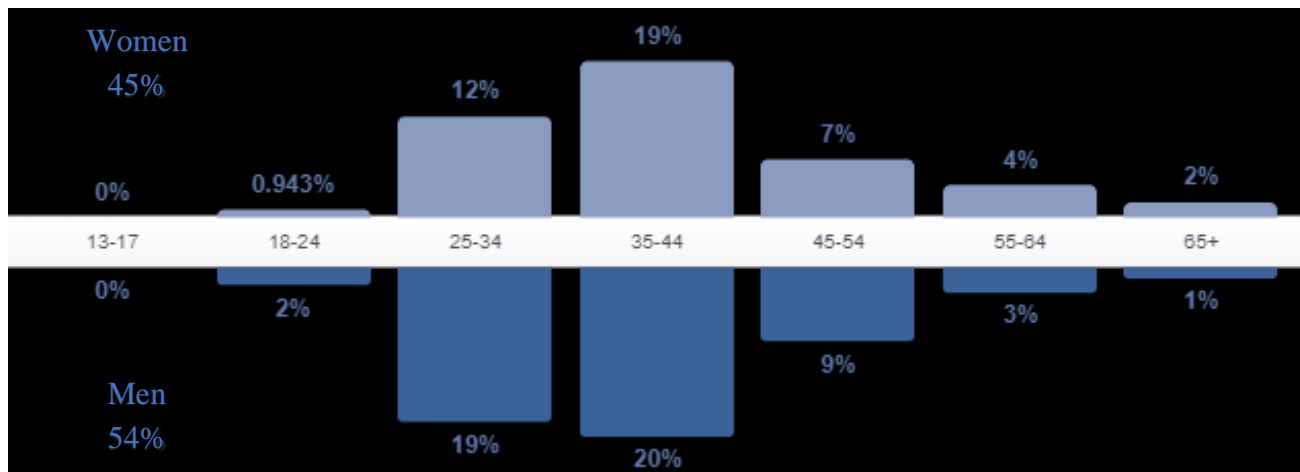
4.2 SWOT Analysis

Company SWOT Analysis Grid		
	Opportunities	Threats
Strengths	<ul style="list-style-type: none"> *Playing conditions have been commented on as the highest in the city *Priced as the affordable option in the area with free golf available to juniors *Proximity to airport and access to visiting and temporary workforce <p>CAPITALIZE ON THESES</p>	<ul style="list-style-type: none"> *We depend on a high quality of service as a destination, but it's harder to attract and keep good people *Course is unique in design and education of players remains constant to ensure enjoyment of masses <p>MONITOR THESE</p>
Weaknesses	<ul style="list-style-type: none"> *Limited access to newer maintenance equipment requires creative use of existing resources *Limitation in revenue sources requires cost cutting of primary expense of payroll <p>IMPROVE THESE</p>	<ul style="list-style-type: none"> *Brand has not yet established it self in community and there is confusing as to the driving force behind the project <p>ELIMINATE THESE</p>

4.3 Target Market Research

Using data gathered from over 1,300 active followers of RotaryLinks on social media the cross section of customers is representative of the region's overall demographics. This primary age range of 25-45 years old has shown to respond well to targeted social media engagement when company has extensive content designed to encourage interaction or engagement. This was most notably recognized through various campaigns carried out in 2019 designed with the primary focus of facilitating engagement and not generating sales. In only 1 year of operation RotaryLinks social media has grown to second spot in the market with approx. half of the Fort McMurray golf club and double that of Miskanaw, gaining strides in positioning itself among brands with over 30 years of history in the community.

Figure 1: Demographic data of active social media followers



Strategy and Implementation

5.1 Marketing Strategy

1. RotaryLinks will target Fort McMurray family's through partnership with the Public and Catholic school districts to aid in effective reach.
2. Targeting of local business for participation on multiple levels.
3. Participation in local trade shows and community events to minimize cost of exposure to general public.
4. Leveraging the relationships of Rotarians in the area to build brand awareness and community involvement.
5. Aggressively marketing food & beverage service as an attractive option to staff of businesses located within a 3km radius of the golf course.
6. Engagement of staff to facilitate sell through of offerings and awareness of Rotary in the Community.
7. Establishment of a clear and effective online presence and brand.
8. Inclusion of outdoor display advertising to increase awareness to those visiting airport and surrounding area for business or pleasure.

5.2 Competitive Edge

Our advantage will present itself through our value proposition. Recreation and social interaction at an affordable price, benefiting the region of Wood Buffalo. With our proximity to the airport, strategic marketing towards visitors and businesses hosting guests, and non-localized staff will be a key focus. Utilizing the networking capabilities of Rotary will provide avenues for reduction in development costs and provide additional avenues for partnership opportunities. Our unique brand image of a family friendly environment and prime avenue for local business networking will position us as an asset to the community, not only through our product offerings but also our reputation as a significant source of funding for future community projects. Our ability to provide an avenue for 9-hole green fees with no day or time restrictions will permit us to market to individuals or groups with limited time for recreational activities.

5.3 Sales Strategy

RotaryLinks sales strategy is to aggressively educate the public as well as front line works of the various products offered. A portion of marketing resources will be allocated to better understand the existing and potential primary market it serves using interactive questionnaires and promotions that will entice customers to participate. Further development of the existing membership referral program into other areas of revenue generation that will accommodate incentives for active word of mouth advertisement. Foster existing relationships with membership base and frequent customers while always looking for creative ways to build new leads.

RotaryLinks will continue to price its offerings competitively in the market and further position itself as the value option. A snapshot of main revenue generating sources can be read below:

- **Annual Membership Fees:** A 2020 adult seasonal membership fee is \$1,850.00. Annual members will receive unlimited playing privileges and one seat on a power cart. Advanced booking privilege, discounts on merchandise and access to a club charge account.
- **Pre-paid green fee pass option:** Available to the general public, individuals may purchase pre-paid pass options of green fees for either 9 or 18-holes with or without a power cart seat at a discount of 20% off the daily rate. Passes will consist of either ten (10) rounds of 18 or 9-holes and will expire at the end of the season. Up to three individuals may be assigned to the pass option at time of purchase.

RotaryLinks will offer the following 2020 green fee rates:

- 9-holes: \$40
- 18-holes: \$67

The use of a power cart seat may be obtained at an additional cost.

5.3.1 Sales Forecast

Figure 2 shows budgeted cash inflow for the 2020 season. Additional financing of \$20,000 is expected to be received in January in addition to a \$30,000 loan already received. Funds have been advanced with no interest attached. A motion put forth by the RotaryLinks advisory board was to have the entire \$50,000 amount repaid with receipt of sustaining grant funds. February and March will realize no real

cash inflow from operating activities with uptick in receipts from sales in April as business processes annual membership sales. An early purchase discount was offered to general public for purchase of seasonal passes prior to January 1st, 2020. Sponsorship funds from the sales of branding rights of on-course beverage cart and golf cart GPS monitoring system to be received by the opening of the season. With limitations on available data total course utilization percentages by month have been mirrored from 2019 to the 2020 season. A detailed accounting of budgeted revenue sources is available in the Financial Plan section of the business plan.

Figure 2: Monthly cash inflow from operation

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Cash inflow													
Receipts from sales	\$0	\$0	\$0	\$64,465	\$170,115	\$180,679	\$159,567	\$139,167	\$112,282	\$45,966	\$0	\$0	\$872,242
Sponsorship	\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
Financing / Loans	\$20,000												\$20,000
Total Cash inflow:	\$20,000	\$0	\$0	\$64,465	\$179,115	\$180,679	\$159,567	\$139,167	\$112,282	\$45,966	\$0	\$0	\$901,242

Management Summary

RotaryLinks employs a full-time general manager, his primary responsibilities include course ambassador, long term sustainment and financial viability, strategic planning, marketing and sales, administration including standard HR practices and safety awareness, developing and monitoring the maintenance department and golf course operations. Recruitment and training for the maintenance department will be the responsibility of the Superintendent. Golf course operations recruitment and training will be conducted by the general manager prior to establishment of mid-level management.

6.1 Personnel Plan

Because the golf course is open on a seasonal basis recruiting and training a small crew of full-time employees as key personnel with additional part time staff with skills transferable between departments. Unlike traditional golf courses with staff performing duties limited to within their respective departments, support staff share the roles designated within the pro shop, hospitality, and outside services departments. Due to the work schedule and safety issues surrounding the maintenance department, maintenance staff primarily perform duties designated by the superintendent and the use of volunteer labour is closely monitored and evaluated. Total labour as a percentage of total expenses will see a small rise in 2020 from 28.86% in 2019 to 30.98% in 2020 for an overall increase of \$53,210. Notable increases resulting from extended employment duration of the general manager, hiring of assistant superintendent and pro shop supervisor. A subsequent reduction in hourly staff total payroll to coincide with scope of work.

The minimum personnel needed for the operation in 2020 will be:

- General Manager
- Superintendent
- Assistant Superintendent
- 3-5 maintenance labourers working 30-40 hours weekly
- Golf Professional
- Pro Shop Supervisor

- Approx. 8 support staff working 20-40 hours weekly

Operation of the Hospitality department will be outsourced again in 2020 to minimize the strain on available cash flow during the shoulder months of operation.

Figure 3: Total budgeted payroll expenses

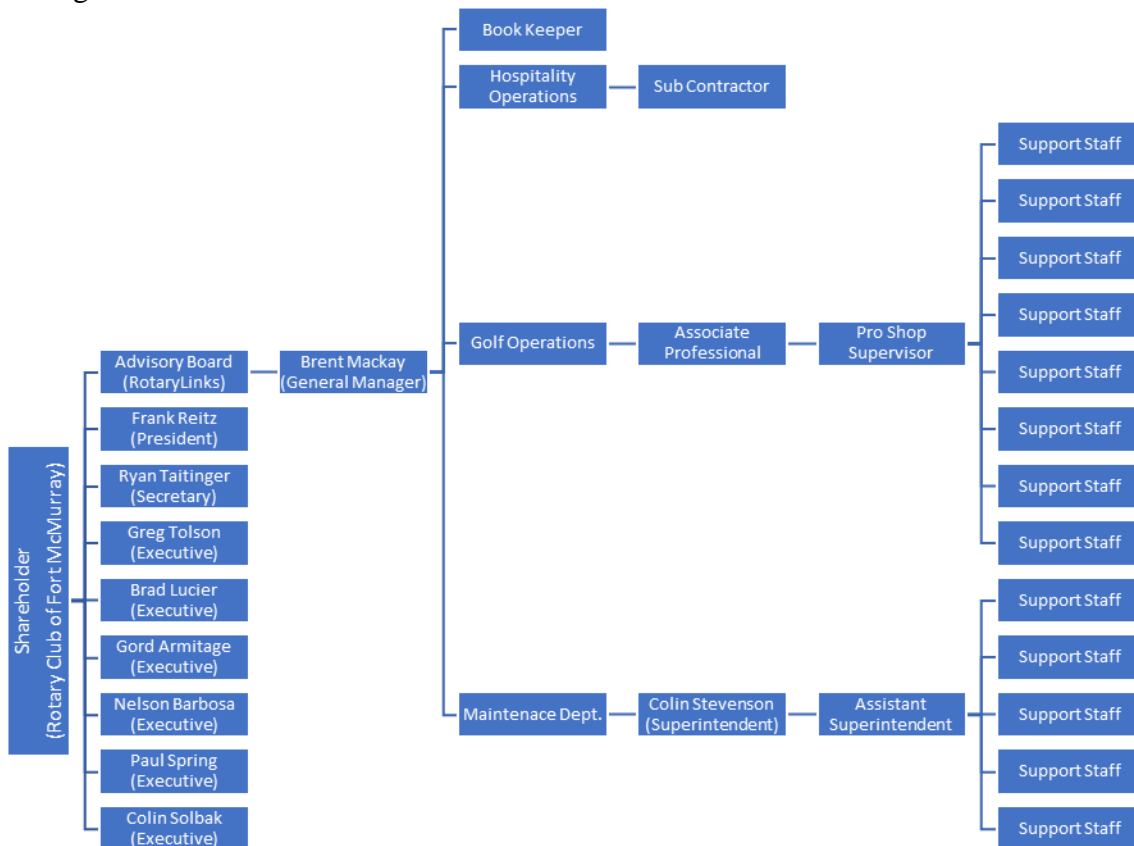
(figures below represent a total of all related payroll expenses and remittances)

	2020	2019	Change
Management			
General Manager	17(1)		▲ \$16,702.93
Golf Professional			▲ \$45,683.40
Superintendent			▼ \$2,645.15
Assistant Superintendent			▲ \$40,353.67
	\$314,184	\$214,089	▲ \$100,094.85
Maintenance			
Hourly Staff	\$40,009	\$69,816	▼ \$29,806.60
	\$40,009	\$69,816	▼ \$29,806.60
Pro Shop & Outside Services			
Pro Shop Supervisor	17(1)		▲ \$27,954.03
Hourly Staff	\$35,568	\$80,600	▼ \$45,032.57
	17(1)		▼ \$17,078.54
Total Payroll Expense	\$423,697	\$370,487	▲ \$53,209.71

6.2 Organizational Hierarchy

Consisting of seven (7) members made up of Rotary Club members in good standing, the RotaryLinks advisory board acts on behalf of the sole shareholder “Rotary Club of Fort McMurray” within the operations of RotaryLinks. Reporting directly to the advisory board, RotaryLinks employs a full-time general manager who oversees all departments. The maintenance department is headed by a full-time superintendent employed for nine (9) months of the year and his assistant who oversee the departmental support staff. The golf operations department is headed by the associate professional employed for seven (7) months during the operational season and pro shop supervisor who oversee the departmental support staff. A part time bookkeeper reports directly the general manager and assist with daily book keeping practices. Hospitality operations are outsourced to a sub contractor who is engaged in a contractual agreement with RotaryLinks. The sub-contractor interacts with the general manager directly regarding operational direction and evaluation through out the year. The hospitality support staff interact with both the maintenance dept. and golf operations dept. heads and their support staff daily with matters concerning daily operation.

Figure 4: Organizational Chart



Financial Plan

7.1 Budgeted Income Statement Summary

Total utilization has been used as the primary source of revenue forecasting. Total utilization in 2020 will see 14,070 total 9-hole equivalent rounds played, an increase from 2019 totals of 13,211 or 6.5% respectively. Estimates are conservative in nature based on record setting rain fall recorded in 2019 which adversely affected course usage and an increasing brand awareness generated in 2019 carrying forward to 2020. For comparison purposes forecasted budgets have also been generated using a best-case scenario of 8.5% utilization growth. The following section rationalize the budgeted figures with a sectional basis of the income statement. For detailed figures of worst and base case scenarios budgeted income statement see (Appendix A&B).

7.1.1 Revenue

Primary revenue sources in 2020 remain as daily green fee revenue, power cart rental and food and beverage sales. Representing 73.1% of the total revenue generated in 2020 and as a percentage of total revenue remain relatively unchanged. An increase of \$134,171 as compared to 2019 will result from

combined course usage and price increases in 2020. Food and beverage sales will recognize a 10% growth as a total \$/9-hole equivalent round. Increasing from \$10.63 in 2019 to \$11.69 in 2020 with a negotiated profit-sharing agreement of 11% with outsourced operator.

Figure 5: 2020 price increase in services

RotaryLinks Services	2019	2020	Change
Adult 9-holes	\$35.00	\$40.60	▲ \$5.60
Adult 18-holes	\$58.00	\$67.28	▲ \$9.28
Adult 9-hole w/cart seat	\$49.00	\$54.60	▲ \$5.60
Adult 18-hole w/cart seat	\$78.00	\$87.28	▲ \$9.28
Practice Range Small Basket	\$5.00	\$5.50	▲ \$0.50
Practice Range Large Basket	\$10.00	\$11.00	▲ \$1.00
Club Rental 9-holes	\$14.00	\$14.00	▲ \$0.00
Club Rental 18-holes	\$27.00	\$27.00	▲ \$0.00

Figure 6: 2020 market position of primary services

	2020	RLG@WB	MISK	FMGC
Adult 9-holes	\$40.60	▲ \$12.40	▲ \$14.40	
Adult 18-holes	\$67.28	▲ \$21.72	▲ \$31.72	
Adult 9-hole w/cart seat	\$54.60	▲ \$10.40	▲ \$16.40	
Adult 18-hole w/cart seat	\$87.28	▲ \$22.72	▲ \$33.72	
Practice Range Small Basket	\$5.50	▲ \$2.50	▲ \$2.50	
Practice Range Large Basket	\$11.00	▲ \$3.00	▲ \$4.00	
Club Rental 9-holes	\$14.00	N/A	▲ \$21.00	
Club Rental 18-holes	\$27.00	▼ \$2.00	▲ \$23.00	

7.1.2 Variable COGS

Total departmental expenses in golf operations and maintenance will see a combined total reduction of \$38,604 as more labour dollars are moved from variable to fixed costs. Hospitality operations will see an increase of \$23,710 resulting from an increase in sales volume.

7.1.3 Variable Marketing & Administrative Expenses

An overall reduction of \$6,146 as the business shifts marketing efforts from traditional print and radio to social media and physical signage.

7.1.4 Contribution Margin

A positive increase in total contribution margin in 2020 of \$155,211 as a result of the proposed operational direction and marketing focus.

7.1.5 Fixed Operating Expenses

An increase of nearly \$100,000 is expected in 2020 as the business looks to expand its key staffing positions. The onboarding of a seasonal golf professional and assistant superintendent minimizing the requirement of part time staff and providing an avenue for long term growth of the business.

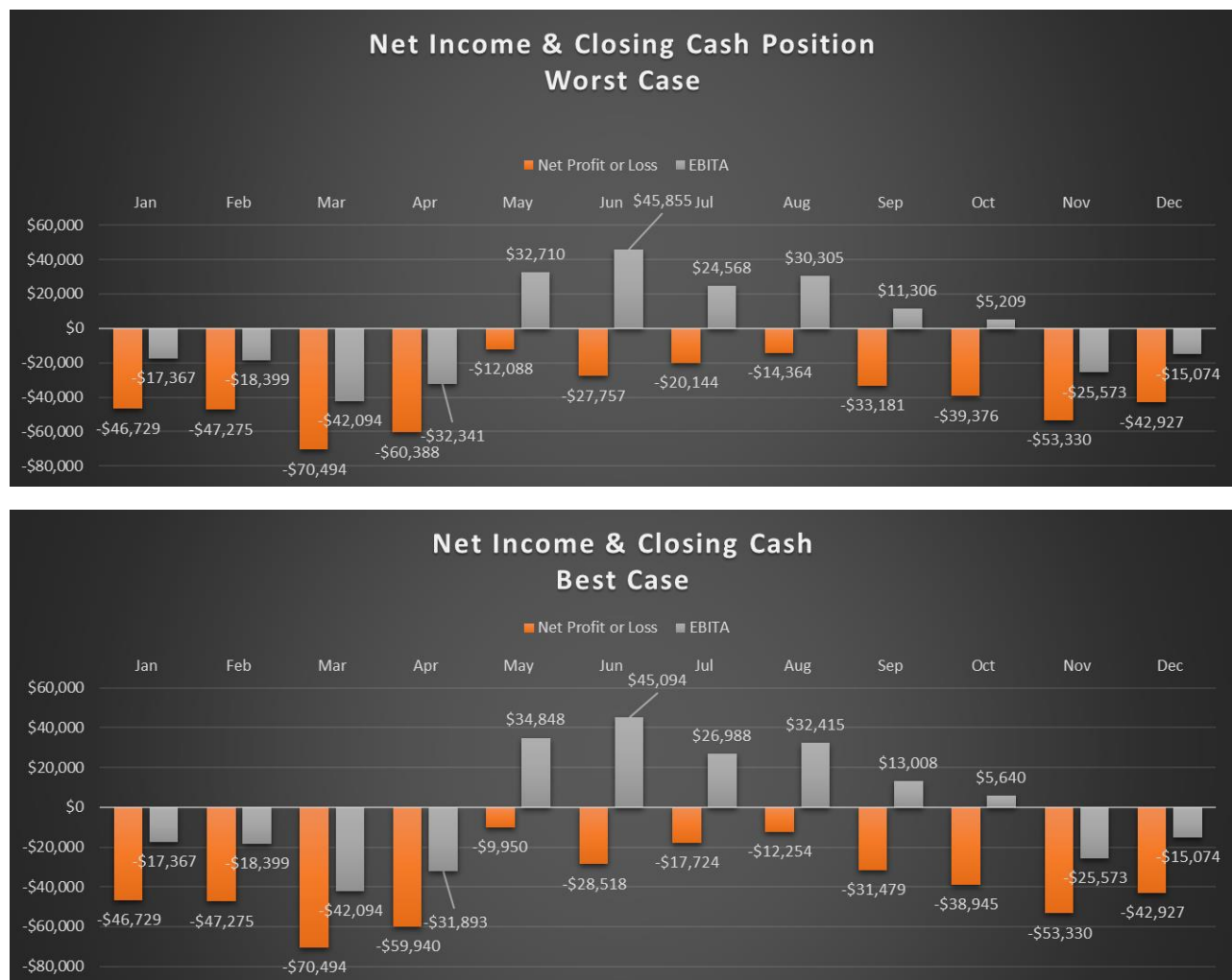
7.1.6 Fixed Selling and Administrative Expenses

Related expenses will remain relatively flat for 2020 with a budgeted increase of \$4,991 with nearly that same amount in an increase in interest expense. Interest and depreciation remain as the bulk of the expenses with \$311,186 and \$125,243 respectively or 85% of total fixed and selling administrative expenses.

7.1.7 Net Profit/Loss & EBITA

A net loss in 2020 is budgeted at \$468,053 a decrease from 2019 of \$50,558. EBITA has been budgeted at a loss in 2020 of \$894 a decrease from 2019 of \$53,556. While the overall operation will see a positive gain in 2020 the operation remains unable to realize a net profit with current debt load and product offerings.

Figure 7: 2020 monthly net profit/loss & EBITA budget



7.2 Budgeted Cash Flow Summary

A negative cash flow of \$497,845 is budgeted for 2020 with period ending December 31st. Total disbursements and accounts payable of \$1,412,779 represent an increase of \$385,322 from 2019 fiscal period. Notable increase includes \$305,172 in interest and principal loan payments with \$281,328 in interest payments to Fort McMurray Baseball Trusts, repayment of operational loan to community futures totaling \$26,278, payment of the 2019 & 2020 property tax assessment of \$59,564 and non-interest bearing loan of \$50,000 that carries with it a conditional motion to repay upon receipt of any sustaining grant funding initial instalment. For detailed figures of budgeted cash flow see (Appendix C).

Appendix A – Budgeted Income Statement Worst Case Scenario

Revenue	2020	2019	Change
Seasonal memberships	\$49,022	\$48,427	▲ \$595
Green fees	\$364,771	\$295,290	▲ \$69,481
Power carts	\$135,491	\$123,686	▲ \$11,806
Club rentals	\$11,396	\$10,671	▲ \$725
Sponsorship revenue	\$27,200	\$18,147	▲ \$9,054
Pre Paid Passes	\$32,500	\$30,573	▲ \$1,927
Driving range	\$22,958	\$19,372	▲ \$3,586
Food & Beverage	\$164,517	\$140,444	▲ \$24,074
Pro shop merchandise	\$85,586	\$73,025	▲ \$12,561
Golf Lessons	\$6,000	\$5,637	▲ \$363
Total Revenue	\$899,443	\$765,271	▲ \$134,171
Variable CoGS			
Golf Operations	\$176,542	\$187,688	▼ \$11,146
Maintenance	\$116,209	\$143,667	▼ \$27,458
Hospitality Operations	\$148,920	\$125,211	▲ \$23,710
Total Variable CoGS	\$441,671	\$456,565	▼ \$14,894
Variable marketing and administrative expenses			
Advertising & Promotions	\$15,000	\$21,222	▼ \$6,222
Travel & Entertainment	\$750	\$673	▲ \$77
Total Variable marketing and administrative expenses	\$15,750	\$21,896	▼ \$6,146
Total Variable expenses	\$457,421	\$478,461	▼ \$21,040
Contribution Margin	\$442,021	\$286,811	▲ \$155,210
Fixed operating expenses (including administrative salaries)			
Payroll Expense	\$314,184	\$214,089	▲ \$100,095
IT - Tel - Com	\$2,558	\$3,946	▼ \$1,388
Internal Technology	\$18,301	\$18,401	▼ \$99
Temporary Facilities	\$16,150	\$15,582	▲ \$568
Telephone	\$2,807	\$2,526	▲ \$281
Courier & Postage	\$350	\$320	▲ \$30
Motor Vehicle Expense	\$1,099	\$1,099	▲ \$0
Misc. Expense	\$350	\$135	▲ \$215
Repair & Maintenance	\$942	\$628	▲ \$314
Safety Expenses	\$2,500	\$1,782	▲ \$718
Maintenance Utilities	\$17,827	\$20,841	▼ \$3,014
Clubhouse Utilities	\$13,567	\$12,714	▲ \$853
Grounds Keeping Expense	\$1,500	\$614	▲ \$886
Fuels & Lubricants	\$3,000	\$2,797	▲ \$203
Total Fixed operating expenses	\$395,135	\$295,473	▲ \$99,662
Fixed selling and administrative expenses			
Professional and Business Fees	\$18,285	\$18,406	▼ \$121
Charitable Donation	\$0	\$3,591	▼ \$3,591
Professional Development	\$2,500	\$701	▲ \$1,799
Legal Fees	\$3,500	\$3,208	▲ \$292
Insurance	\$16,946	\$14,302	▲ \$2,644
Bank Charges	\$3,972	\$2,867	▲ \$1,105
Property Taxes & Levies	\$30,730	\$31,718	▼ \$988
Office Supplies	\$1,557	\$1,693	▼ \$136
Office Expense	\$1,020	\$1,020	▲ \$0
Interest	\$311,186	\$306,450	▲ \$4,737
Depreciation	\$125,243	\$125,994	▼ \$751
Total Fixed selling and administrative expenses	\$514,940	\$509,949	▲ \$4,991
Total Fixed expenses	\$910,074	\$805,422	▲ \$104,653
Total Variable and Fixed expenses	\$1,367,496	\$1,283,882	▲ \$83,613
Net Profit or Loss	-\$468,053	-\$518,611	▲ \$50,558
EBITA	-\$894	-\$54,450	▲ \$53,556

Appendix B – Budgeted Income Statement Best Case Scenario

Revenue	2020	2019	Change
Seasonal memberships	\$49,022	\$48,427	▲ \$595
Green fees	\$371,622	\$295,290	▲ \$76,332
Power carts	\$138,036	\$123,686	▲ \$14,351
Club rentals	\$11,610	\$10,671	▲ \$939
Sponsorship revenue	\$27,200	\$18,147	▲ \$9,053
Pre Paid Passes	\$32,500	\$30,573	▲ \$1,927
Driving range	\$23,389	\$19,372	▲ \$4,017
Food & Beverage	\$167,607	\$140,444	▲ \$27,163
Pro shop merchandise	\$87,193	\$73,025	▲ \$14,168
Golf Lessons	\$6,000	\$5,637	▲ \$363
Total Revenue	\$914,179	\$765,271	▲ \$148,908
Variable CoGS			
Golf Operations	\$176,542	\$187,688	▼ \$11,146
Maintenance	\$116,209	\$143,667	▼ \$27,458
Hospitality Operations	\$151,670	\$125,211	▲ \$26,459
Total Variable CoGS	\$444,421	\$456,565	▼ \$12,144
Variable marketing and administrative expenses			
Total Variable marketing and administrative expenses	\$15,750	\$21,896	▼ \$6,146
Total Variable expenses	\$460,171	\$478,461	▼ \$18,290
Contribution Margin	\$454,008	\$286,811	▲ \$167,197
Fixed operating expenses (including administrative salaries)			
Payroll Expense	\$314,184	\$214,089	▲ \$100,095
IT - Tel - Com	\$2,558	\$3,946	▼ \$1,388
Internal Technology	\$18,301	\$18,401	▼ \$99
Temporary Facilities	\$16,150	\$15,582	▲ \$568
Telephone	\$2,807	\$2,526	▲ \$281
Courier & Postage	\$350	\$320	▲ \$30
Motor Vehicle Expense	\$1,099	\$1,099	▲ \$0
Misc. Expense	\$350	\$135	▲ \$215
Repair & Maintenance	\$942	\$628	▲ \$314
Safety Expenses	\$2,500	\$1,782	▲ \$718
Maintenance Utilities	\$17,827	\$20,841	▼ \$3,014
Clubhouse Utilities	\$13,567	\$12,714	▲ \$853
Grounds Keeping Expense	\$1,500	\$614	▲ \$886
Fuels & Lubricants	\$3,000	\$2,797	▲ \$203
Total Fixed operating expenses	\$395,135	\$295,473	▲ \$99,662
Fixed selling and administrative expenses			
Professional and Business Fees	\$18,285	\$18,406	▼ \$121
Charitable Donation	\$0	\$3,591	▼ \$3,591
Professional Development	\$2,500	\$701	▲ \$1,799
Legal Fees	\$3,500	\$3,208	▲ \$292
Insurance	\$16,946	\$14,302	▲ \$2,644
Bank Charges	\$3,972	\$2,867	▲ \$1,105
Property Taxes & Levies	\$30,730	\$31,718	▼ \$988
Office Supplies	\$1,557	\$1,693	▼ \$136
Office Expense	\$1,020	\$1,020	▲ \$0
Interest	\$311,186	\$306,450	▲ \$4,737
Depreciation	\$125,243	\$125,994	▼ \$751
Total Fixed selling and administrative expenses	\$514,940	\$509,949	▲ \$4,991
Total Fixed expenses	\$910,074	\$805,422	▲ \$104,653
Total Variable and Fixed expenses	\$1,370,245	\$1,283,882	▲ \$86,363
Net Profit or Loss	-\$456,066	-\$518,611	▲ \$62,545
EBITA	\$11,093	-\$54,450	▲ \$65,543

Appendix C – Budgeted Cash Flow

	2020	2019	Change
Cash inflow			
Receipts from sales	\$872,242	\$765,672	▲ \$106,570
Sponsorship	\$9,000	\$36,250	▼ \$27,250
Interest accrued	\$0	\$7	▼ \$7
GST Rebate	\$0	\$35,545	▼ \$35,545
Financing / Loans	\$20,000	\$178,370	▼ \$158,370
Total Cash inflow:	\$901,242	\$1,015,844	▼ \$114,602
Disbursements			
Loan Payments	\$357,606	\$52,434	▲ \$305,172
Lease Payments	\$99,894	\$108,491	▼ \$8,597
Credit Payments	\$12,000	\$0	▲ \$12,000
Payroll Expenses	\$423,697	\$359,890	▲ \$63,807
Construction & Capital Expenditures	\$0	\$96,681	▼ \$96,681
Club House Furniture & Fixtures	\$0	\$11,515	▼ \$11,515
Insurance	\$16,946	\$9,847	▲ \$7,099
Charitable Donation	\$0	\$3,591	▼ \$3,591
Power Carts CoGS	\$26,000	\$23,907	▲ \$2,093
Banking Service Fees & Charges	\$8,788	\$14,219	▼ \$5,430
Professional and Business Fees	\$18,285	\$13,656	▲ \$4,629
Legal Fees	\$3,500	\$0	▲ \$3,500
Property Taxes	\$59,564	\$0	▲ \$59,564
Food & Beverage CoGS	\$146,420	\$90,023	▲ \$56,398
Pro Shop Merchandise CoGS	\$62,250	\$44,712	▲ \$17,538
Driving Range CoGS	\$2,500	\$10,583	▼ \$8,083
Total Disbursements:	\$1,237,450	\$828,966	▲ \$408,485
Accounts Payable			
IT - Tel - Com	\$2,532	\$4,890	▼ \$2,358
Internal Technology	\$18,666	\$20,064	▼ \$1,398
Temporary Facilities	\$16,150	\$16,664	▼ \$514
Telephone	\$2,807	\$2,703	▲ \$104
Motor Vehicle Expense	\$1,099	\$1,243	▼ \$144
Repair & Maintenance	\$942	\$1,164	▼ \$222
Safety Expenses	\$2,500	\$1,776	▲ \$724
Maintenance Utilities	\$17,950	\$21,470	▼ \$3,520
Clubhouse Utilities	\$13,624	\$12,241	▲ \$1,384
Administration Fuels & Lubricants	\$3,090	\$20,196	▼ \$17,106
Office Supplies & Expense	\$2,577	\$2,531	▲ \$46
Advertising & Promotions	\$15,750	\$22,209	▼ \$6,459
Golf Operations Supplies	\$3,500	\$7,356	▼ \$3,856
Equipment Repair	\$12,942	\$13,304	▼ \$362
Maintenance Tools & Supplies	\$9,500	\$11,532	▼ \$2,032
Fertilizer & Chemicals	\$30,000	\$29,371	▲ \$629
Equipment Rentals	\$2,500	\$2,310	▲ \$190
Professional Development	\$2,500	\$738	▲ \$1,762
Sand, Seed, Sod & Gravel	\$5,000	\$5,204	▼ \$204
Other	\$11,700	\$1,528	▲ \$10,172
Decrease in Mastercard Payable	\$8,321	-\$12,353	▲ \$20,674
Total Accounts Payable:	\$175,329	\$198,491	▼ \$23,163
Total Disbursements & Accounts Payable	\$1,412,779	\$1,027,457	▲ \$385,322
Net Cash Flow	-\$511,537	-\$11,613	▼ \$499,924
Opening Cash	\$13,691	\$63,726	▼ \$50,034
Closing Cash	-\$497,845	\$52,112	▼ \$549,958

Appendix D – Rotary Club Historical Giving

RECIPIENT	AMOUNT	COMMUNITY	INTERNATIONAL	DETAIL
Rotary House	\$ 2,300,000.00	\$ 2,300,000.00		Seniors Housing
Northern Lights Health Foundation	\$ 100,000.00	\$ 100,000.00		Life Line for Rotary House
Rotary House	\$ 29,000.00	\$ 29,000.00		Call System
Rotary House	\$ 4,000.00	\$ 4,000.00		Furniture
Oil Sands Curling Club	\$ 23,000.00	\$ 23,000.00		Youth Curling Program
The Hub	\$ 11,000.00	\$ 11,000.00		Alphabet Soup
The Hub	\$ 9,600.00	\$ 9,600.00		Alphabet Soup (Train the Trainer)
Fort McMurray Fire Fighters Society	\$ 72,880.00	\$ 72,880.00		PAD Program (Defibrulators)
Fort McMurray Food Bank	\$ 8,900.00	\$ 8,900.00		Singing For Supper (Tom Jackson)
Knights of Columbus	\$ 2,000.00	\$ 2,000.00		Community Christmas Dinner
Fort McMurray Safe Community	\$ 1,000.00	\$ 1,000.00		Community Support
Polio Plus	\$ 245,040.00		\$ 245,040.00	Polio Eradication
Wood Buffalo Expo	\$ 5,000.00	\$ 5,000.00		Community Support
Shelter Box Canada	\$ 50,000.00		\$ 50,000.00	Disaster Aid
Leadership Wood Buffalo	\$ 12,500.00	\$ 12,500.00		Leadership Development
Justin Slade Foundation	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan)
Fort McMurray Youth Soccer Association	\$ 750.00	\$ 750.00		Youth Soccer
Blake Crossley	\$ 3,500.00	\$ 3,500.00		Africa Aids Relief Trip
Fort McMurray Public School Board	\$ 2,500.00	\$ 2,500.00		Clean Scene (Mike Ryan), Youth
Regional Recreation Corp	\$ 3,360.00	\$ 3,360.00		Community Support
InterAct, RotarAct	\$ 2,500.00	\$ 2,500.00		Youth Services
Keyano College Foundation	\$ 20,000.00	\$ 20,000.00		Rotary Bursary
Rotary District 5370	\$ 27,500.00		\$ 27,500.00	Belize Literacy
Rotary House	\$ 22,950.00	\$ 22,950.00		Seniors Housing
Canadian Ski Patrol	\$ 3,500.00			Defibulator
Dolly Parton Imagination Library	\$ 52,160.00	\$ 52,160.00		Pre-School Literacy Program
YMM Rotary Air Cadets	\$ 200,000.00	\$ 200,000.00		Youth Development
RotaryLinks@Woodbuffalo	\$ 6,000,000.00	\$ 6,000,000.00		Golf Course Development
H.E.R.O. One	\$ 13,000.00	\$ 13,000.00		Helicopter Emergency Response
Dr. Clark School	\$ 28,000.00	\$ 28,000.00		School Breakfast Program
St. Paul's School	\$ 8,000.00	\$ 8,000.00		School Breakfast Program
Westview School	\$ 8,000.00	\$ 8,000.00		School Breakfast Program
	\$ 9,272,140.00	\$ 8,946,100.00	\$ 322,540.00	
2016 Fire Relief Fund				
Northern Lights Health Foundation	\$ 142,000.00	\$ 142,000.00		Fire Relief Fund - Baby Warmer Beds
Regional Municipality of Wood Buffalo	\$ 75,000.00	\$ 75,000.00		Port Of Entry Rebuild
Stepping Stones	\$ 68,860.00	\$ 68,860.00		Youth Shelter
Ecole St. Paul	\$ 10,000.00	\$ 10,000.00		Library Books Replacement
Girls' Inc. Northern Alberta	\$ 10,000.00	\$ 10,000.00		Mental Health & Mentoring Support
Wood Buffalo Child & Youth Advocey Ctr	\$ 40,000.00	\$ 40,000.00		Advocay Mental Health
MultiCultural Assoc of Wood Buffalo	\$ 86,160.00	\$ 86,160.00		Interpretation & Translation Support
Fort McMurray Public School District	\$ 75,000.00	\$ 75,000.00		Mental Health & Mentoring Support
Wood Buffalo Educare Society	\$ 37,126.00	\$ 37,126.00		Literacy & Learning Aids
Habitat For Humanity	\$ 60,000.00	\$ 60,000.00		Housing Support
STEM Wood Buffalo Charitable Associatio	\$ 72,000.00	\$ 72,000.00		Child & Youth Education
Some Other Solutions	\$ 75,000.00	\$ 75,000.00		Mental Health & Mentoring Support
Centre of Hope	\$ 60,000.00	\$ 60,000.00		Increased Work Demand
Fort McMurray Catholic School District	\$ 9,000.00	\$ 9,000.00		Out of school Care Programs
Anzac Family Community Support	\$ 5,500.00	\$ 5,500.00		Community Support Services
Oil Sands Rotary Music Festival	\$ 5,625.00	\$ 5,625.00		Equipment Replacement
Fort McMurray Minor Baseball	\$ 34,377.00	\$ 34,377.00		Equipment Replacement
The Hub	\$ 31,500.00	\$ 31,500.00		Safe Visitations
North Life Baptist Church	\$ 10,000.00	\$ 10,000.00		Kitchen upgrade
	\$ 907,148.00	\$ 907,148.00	\$ -	
Total Historical Giving	\$ 10,179,288.00	\$ 9,853,248.00	\$ 322,540.00	

ROTARYLINKS @ WOOD BUFFALO INC.
BUDGETED INCOME STATEMENT
 January 1, 2020 – December 31, 2020

RotaryLinks Golf @ Wood Buffalo - 14,070 9-hole Equivalent Rounds

Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	2019	Change
Seasonal memberships	\$0	\$0	\$0	\$34,892	\$14,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,022	\$48,427	▲ \$695
Green fees	\$0	\$0	\$0	\$13,642	\$65,039	\$83,350	\$73,611	\$64,200	\$51,797	\$13,132	\$0	\$0	\$364,771	\$295,280	▲ \$69,491
Power carts	\$0	\$0	\$0	\$5,067	\$24,158	\$30,980	\$27,342	\$23,846	\$19,240	\$4,878	\$0	\$0	\$135,491	\$123,686	▲ \$11,806
Club rentals	\$0	\$0	\$0	\$426	\$2,032	\$2,604	\$2,300	\$2,006	\$1,618	\$410	\$0	\$0	\$11,396	\$10,671	▲ \$725
Sponsorship revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,200	\$0	\$0	\$27,200	\$18,147	▲ \$9,054
Pre Paid Passes	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$17,500	\$0	\$0	\$32,500	\$30,573	▲ \$1,927
Driving range	\$0	\$0	\$0	\$889	\$4,093	\$5,246	\$4,633	\$4,041	\$3,260	\$826	\$0	\$0	\$22,958	\$19,372	▲ \$3,586
Food & Beverage	\$0	\$0	\$0	\$6,153	\$29,333	\$37,502	\$33,200	\$29,955	\$23,361	\$5,923	\$0	\$0	\$160,517	\$140,444	▲ \$20,074
Pro shop merchandise	\$0	\$0	\$0	\$3,201	\$15,260	\$19,586	\$17,271	\$15,063	\$12,153	\$3,081	\$0	\$0	\$85,586	\$73,025	▲ \$12,561
Golf Lessons	\$0	\$0	\$0	\$224	\$1,070	\$1,371	\$1,211	\$1,056	\$852	\$216	\$0	\$0	\$6,000	\$5,637	▲ \$363
Total Revenue	\$0	\$0	\$0	\$64,465	\$170,115	\$180,679	\$159,567	\$139,167	\$112,282	\$73,166	\$0	\$0	\$899,443	\$765,271	▲ \$134,171
Variable CoGS															
Golf Operations	\$191	\$0	\$950	\$16,743	\$31,119	\$34,965	\$32,458	\$25,204	\$24,888	\$9,598	\$329	\$96	\$176,542	\$187,688	▼ \$11,145
Maintenance	\$0	\$0	\$801	\$20,694	\$27,978	\$17,773	\$17,466	\$12,803	\$12,864	\$8,430	\$0	\$0	\$116,200	\$143,687	▼ \$27,487
Hospitality Operations	\$0	\$0	\$0	\$7,976	\$26,107	\$33,457	\$29,548	\$25,770	\$20,792	\$5,271	\$0	\$0	\$148,920	\$125,211	▲ \$23,710
Total Variable CoGS	\$191	\$0	\$1,751	\$45,413	\$85,204	\$84,195	\$79,472	\$63,777	\$57,944	\$23,299	\$329	\$96	\$441,671	\$456,565	▼ \$14,894
Variable marketing and administrative expenses															
Advertising & Promotions	\$0	\$0	\$2,500	\$2,500	\$2,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$0	\$0	\$15,000	\$21,222	▼ \$6,222
Travel & Entertainment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$0	\$0	\$750	\$673	▲ \$77
Total Variable marketing and administrative expenses	\$0	\$0	\$2,500	\$2,500	\$2,500	\$1,500	\$1,500	\$1,500	\$1,500	\$2,250	\$0	\$0	\$15,750	\$21,896	▼ \$6,146
Total Variable expenses	\$191	\$0	\$4,251	\$47,913	\$87,704	\$85,695	\$80,972	\$65,277	\$59,444	\$25,549	\$329	\$96	\$457,421	\$478,461	▼ \$21,040
Contribution Margin	-\$191	\$0	-\$4,251	\$16,552	\$82,411	\$94,985	\$78,595	\$73,890	\$52,838	\$47,617	-\$329	-\$96	\$442,021	\$286,811	▲ \$155,210
Fixed operating expenses (including administrative salaries)															
Payroll Expense	\$10,729	\$10,729	\$22,448	\$34,722	\$34,758	\$34,758	\$34,264	\$33,630	\$33,286	\$33,286	\$20,995	\$10,575	\$314,184	\$214,089	▲ \$100,095
IT - Tel - Com	\$189	\$189	\$189	\$189	\$297	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$2,588	\$3,946	▼ \$1,358
Internal Technology	\$837	\$837	\$881	\$4,858	\$2,851	\$1,308	\$1,302	\$1,274	\$1,263	\$1,217	\$837	\$837	\$18,301	\$18,401	▼ \$100
Temporary Facilities	\$945	\$945	\$945	\$1,105	\$1,720	\$1,720	\$1,720	\$1,720	\$1,720	\$1,720	\$945	\$945	\$16,150	\$15,582	▲ \$568
Telephone	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$2,807	\$2,536	▲ \$271
Courier & Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350	\$0	\$0	\$350	\$300	▲ \$50
Motor Vehicle Expense	\$0	\$0	\$0	\$40	\$55	\$0	\$924	\$0	\$80	\$0	\$0	\$0	\$1,099	\$1,099	▲ \$0
Misc. Expense	\$0	\$0	\$0	\$350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350	\$135	▲ \$215
Repair & Maintenance	\$0	\$0	\$0	\$160	\$0	\$0	\$200	\$200	\$361	\$21	\$0	\$0	\$942	\$928	▲ \$14
Safety Expenses	\$0	\$0	\$0	\$750	\$750	\$500	\$500	\$0	\$0	\$0	\$0	\$0	\$2,500	\$1,782	▲ \$718
Maintenance Utilities	\$578	\$605	\$1,008	\$1,008	\$2,646	\$2,871	\$1,869	\$2,024	\$1,985	\$2,968	\$613	\$454	\$17,827	\$20,841	▼ \$3,014
Clubhouse Utilities	\$1,308	\$1,308	\$1,015	\$1,015	\$515	\$299	\$815	\$1,578	\$1,613	\$2,084	\$765	\$1,251	\$13,567	\$12,714	▲ \$853
Grounds Keeping Expense	\$0	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$614	▲ \$886
Fuels & Lubricants	\$150	\$150	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$225	\$3,000	\$2,737	▲ \$263
Total Fixed operating expenses	\$14,969	\$14,997	\$26,996	\$44,706	\$44,101	\$43,680	\$42,318	\$41,149	\$40,633	\$41,970	\$24,879	\$14,736	\$395,135	\$295,473	▲ \$99,662
Fixed selling and administrative expenses															
Professional and Business Fees	\$2,021	\$3,217	\$7,131	\$2,527	\$3,388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,285	\$18,406	▼ \$121
Charitable Donation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,591	▼ \$3,591
Professional Development	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$2,500	\$701	▲ \$1,799
Legal Fees	\$0	\$0	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	\$3,208	▲ \$292
Insurance	\$0	\$0	\$0	\$0	\$1,446	\$4,500	\$11,000	\$0	\$0	\$0	\$0	\$0	\$16,946	\$14,302	▲ \$2,644
Bank Charges	\$165	\$165	\$165	\$364	\$397	\$391	\$464	\$422	\$371	\$400	\$365	\$242	\$3,972	\$2,087	▲ \$1,885
Property Taxes & Levies	\$865	\$865	\$0	\$0	\$0	\$28,000	\$0	\$0	\$0	\$0	\$0	\$0	\$30,730	\$31,718	▼ \$988
Office Supplies	\$0	\$0	\$31	\$295	\$192	\$249	\$92	\$322	\$376	\$0	\$0	\$0	\$1,557	\$1,693	▼ \$136
Office Expense	\$0	\$0	\$0	\$0	\$176	\$310	\$153	\$191	\$153	\$38	\$0	\$0	\$1,020	\$1,020	▲ \$0
Interest	\$26,276	\$26,252	\$26,276	\$26,107	\$26,122	\$26,015	\$25,926	\$25,827	\$25,717	\$25,627	\$25,516	\$25,526	\$311,186	\$306,450	▲ \$4,737
Depreciation	\$2,221	\$1,760	\$2,124	\$1,940	\$18,576	\$18,597	\$18,786	\$18,842	\$18,770	\$18,958	\$2,241	\$2,327	\$125,243	\$125,994	▼ \$751
Total Fixed selling and administrative expenses	\$31,568	\$32,278	\$39,248	\$32,234	\$50,397	\$79,062	\$56,421	\$47,104	\$45,387	\$45,023	\$28,122	\$28,095	\$514,940	\$509,949	▲ \$4,991
Total Fixed expenses	\$46,538	\$47,275	\$66,244	\$76,941	\$94,499	\$122,742	\$98,739	\$88,253	\$86,019	\$86,993	\$53,001	\$42,831	\$910,074	\$805,422	▲ \$104,653
Total Variable and Fixed expenses	\$46,729	\$47,275	\$70,494	\$124,854	\$182,203	\$208,437	\$179,711	\$153,530	\$145,463	\$112,542	\$53,330	\$42,927	\$1,367,496	\$1,283,882	▲ \$83,613
Net Profit or Loss	-\$46,729	-\$47,275	-\$70,494	-\$60,388	-\$12,088	-\$27,757	-\$20,144	-\$14,364	-\$33,181	-\$39,376	-\$53,330	-\$42,927	-\$468,053	-\$518,611	▲ \$50,558
EBITA	-\$17,367	-\$18,399	-\$42,094	-\$32,341	\$32,710	\$45,855	\$24,568	\$30,305	\$11,306	\$5,209	-\$25,573	-\$15,074	-\$894	-\$54,450	▲ \$53,558

Attachment: 3. 2020 Sustaining Grant Application (Rotary Club of Fort McMurray Grant Request)

ROTARYLINKS @ WOOD BUFFALO INC.
BUDGETED CASH FLOW STATEMENT
 January 1, 2020 – December 31, 2020

RotaryLinks Golf @ Wood Buffalo - 14,070 9-hole Equivalent Rounds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	2019	Change
Cash Inflow															
Receipts from sales	\$0	\$0	\$0	\$64,465	\$170,115	\$180,679	\$159,567	\$139,167	\$112,282	\$45,966	\$0	\$0	\$872,242	\$765,672	▲ \$106,570
Sponsorship	\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000	\$36,250	▼ \$27,250
Interest accrued	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	▼ \$7
GST Rebate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,545	▼ \$35,545
Financing / Loans	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$178,370	▼ \$158,370
Total Cash Inflow:	\$20,000	\$0	\$0	\$64,465	\$179,115	\$180,679	\$159,567	\$139,167	\$112,282	\$45,966	\$0	\$0	\$901,242	\$1,015,844	▼ \$114,602
Disbursements															
Loan Payments	\$24,944	\$24,944	\$96,722	\$23,444	\$23,444	\$23,444	\$23,444	\$23,444	\$23,444	\$23,444	\$23,444	\$23,444	\$357,606	\$52,434	▲ \$305,172
Lease Payments	\$0	\$0	\$0	\$0	\$16,649	\$16,649	\$16,649	\$16,649	\$16,649	\$16,649	\$0	\$0	\$99,894	\$108,491	▼ \$8,597
Credit Payments	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	\$0	▲ \$12,000
Payroll Expenses	\$10,729	\$10,729	\$22,449	\$44,390	\$53,251	\$55,900	\$55,966	\$54,262	\$47,500	\$37,461	\$20,995	\$10,575	\$423,697	\$359,890	▲ \$63,807
Construction & Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,681	▼ \$96,681
Club House Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,515	▼ \$11,515
Insurance	\$0	\$0	\$0	\$0	\$1,446	\$4,500	\$11,000	\$0	\$0	\$0	\$0	\$0	\$16,946	\$9,847	▲ \$7,099
Charitable Donation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,551	▼ \$3,551
Power Carts CoGS	\$0	\$0	\$0	\$150	\$4,380	\$4,581	\$4,474	\$4,371	\$4,235	\$3,811	\$0	\$0	\$26,000	\$23,907	▲ \$2,093
Banking Service Fees & Charges	\$191	\$0	\$300	\$450	\$1,500	\$1,600	\$1,425	\$1,150	\$1,134	\$613	\$329	\$96	\$8,788	\$14,219	▼ \$5,430
Professional and Business Fees	\$2,021	\$3,217	\$7,131	\$2,527	\$3,388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,285	\$13,656	▲ \$4,629
Legal Fees	\$0	\$0	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	\$0	▲ \$3,500
Property Taxes	\$865	\$865	\$28,834	\$0	\$0	\$29,000	\$0	\$0	\$0	\$0	\$0	\$0	\$59,564	\$0	▲ \$59,564
Food & Beverage CoGS	\$0	\$0	\$0	\$5,476	\$28,107	\$33,457	\$29,548	\$25,770	\$20,792	\$5,271	\$0	\$0	\$146,420	\$90,023	▲ \$56,398
Pro Shop Merchandise CoGS	\$0	\$0	\$0	\$7,000	\$12,000	\$11,500	\$13,750	\$7,000	\$9,000	\$2,000	\$0	\$0	\$62,250	\$44,712	▲ \$17,538
Driving Range CoGS	\$0	\$0	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	\$10,553	▼ \$8,053
Total Disbursements:	\$39,750	\$40,755	\$159,936	\$84,437	\$143,165	\$183,621	\$197,255	\$133,645	\$123,754	\$90,249	\$45,769	\$35,115	\$1,237,450	\$928,966	▲ \$308,484
Accounts Payable															
IT - Tel - Com	\$189	\$189	\$189	\$189	\$189	\$297	\$215	\$215	\$215	\$215	\$215	\$215	\$2,532	\$4,890	▼ \$2,358
Internal Technology	\$1,201	\$837	\$881	\$881	\$4,858	\$2,851	\$1,308	\$1,302	\$1,274	\$1,263	\$1,217	\$837	\$18,686	\$20,084	▼ \$1,398
Temporary Facilities	\$945	\$945	\$945	\$945	\$1,105	\$1,720	\$1,720	\$1,720	\$1,720	\$1,720	\$945	\$16,150	\$16,654	\$0	▲ \$504
Telephone	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$234	\$2,807	\$2,703	▲ \$104
Motor Vehicle Expense	\$0	\$0	\$0	\$0	\$40	\$55	\$0	\$924	\$0	\$80	\$0	\$0	\$1,099	\$1,243	▼ \$144
Repair & Maintenance	\$0	\$0	\$0	\$0	\$160	\$0	\$0	\$200	\$200	\$361	\$21	\$0	\$942	\$1,164	▼ \$222
Safety Expenses	\$0	\$0	\$0	\$0	\$750	\$750	\$500	\$500	\$0	\$0	\$0	\$0	\$2,500	\$1,776	▲ \$724
Maintenance Utilities	\$578	\$578	\$605	\$1,008	\$1,008	\$2,646	\$2,871	\$1,869	\$2,024	\$1,585	\$2,568	\$613	\$17,960	\$21,470	▼ \$3,510
Clubhouse Utilities	\$1,308	\$1,308	\$1,308	\$1,015	\$1,015	\$515	\$299	\$815	\$1,578	\$1,613	\$2,084	\$765	\$13,624	\$12,241	▲ \$1,384
Administration Fuels & Lubricants	\$315	\$150	\$150	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$3,090	\$20,196	▼ \$17,106
Office Supplies & Expense	\$0	\$0	\$0	\$31	\$26	\$368	\$58	\$245	\$513	\$528	\$38	\$0	\$2,577	\$2,531	▲ \$46
Advertising & Promotions	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500	\$1,500	\$1,500	\$1,500	\$1,500	\$2,250	\$0	\$15,750	\$22,209	▼ \$6,459
Golf Operations Supplies	\$0	\$0	\$0	\$650	\$650	\$1,700	\$175	\$200	\$75	\$50	\$0	\$0	\$3,500	\$7,356	▼ \$3,856
Equipment Repair	\$0	\$0	\$0	\$0	\$2,360	\$2,200	\$1,350	\$2,950	\$3,030	\$1,031	\$21	\$0	\$12,942	\$13,304	▼ \$362
Maintenance Tools & Supplies	\$0	\$0	\$0	\$51	\$1,500	\$2,250	\$2,000	\$2,449	\$250	\$250	\$750	\$0	\$9,500	\$11,532	▼ \$2,032
Fertilizer & Chemicals	\$0	\$0	\$0	\$0	\$9,820	\$11,500	\$0	\$0	\$0	\$5,500	\$3,180	\$0	\$30,000	\$29,371	▲ \$629
Equipment Rentals	\$0	\$0	\$0	\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$1,750	\$0	\$2,500	\$2,310	▲ \$190
Professional Development	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$2,500	\$738	▲ \$1,762
Sand, Seed, Sod & Gravel	\$0	\$0	\$0	\$0	\$0	\$2,500	\$2,500	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,204	▼ \$204
Other	\$0	\$0	\$0	\$0	\$6,350	\$1,000	\$2,000	\$1,500	\$0	\$850	\$0	\$0	\$11,700	\$1,528	▲ \$10,172
Decrease in Mastercard Payable	\$0	\$710	\$719	\$728	\$737	\$747	\$756	\$765	\$775	\$785	\$794	\$804	\$8,321	\$12,353	▲ \$4,032
Total Accounts Payable:	\$4,770	\$4,240	\$4,268	\$8,528	\$34,109	\$33,362	\$17,506	\$16,897	\$14,387	\$16,206	\$17,172	\$3,884	\$175,329	\$198,491	▼ \$23,162
Total Disbursements & Accounts Payable	\$44,520	\$44,995	\$164,204	\$92,965	\$177,274	\$216,982	\$174,761	\$150,543	\$138,141	\$106,455	\$62,940	\$38,999	\$1,412,779	\$1,027,457	▲ \$385,322
Net Cash Flow	-\$24,520	-\$44,995	-\$164,204	-\$28,500	\$1,842	-\$36,303	-\$15,194	-\$11,376	-\$25,859	-\$60,489	-\$62,940	-\$38,999	-\$511,537	-\$11,613	▼ \$499,924
Opening Cash	\$13,691	-\$10,829	-\$55,824	-\$220,028	-\$248,527	-\$246,686	-\$282,989	-\$298,182	-\$309,558	-\$335,417	-\$395,906	-\$458,847	\$13,691	\$63,726	▼ \$50,034
Closing Cash	-\$10,829	-\$55,824	-\$220,028	-\$248,527	-\$246,686	-\$282,989	-\$298,182	-\$309,558	-\$335,417	-\$395,906	-\$458,847	-\$497,845	-\$497,845	\$52,112	▼ \$549,958

Attachment: 3. 2020 Sustaining Grant Application (Rotary Club of Fort McMurray Grant Request)

ROTARYLINKS @ WOOD BUFFALO INC.
FINANCIAL STATEMENTS

October 31, 2019

Unaudited – See Notice to Reader

ROTARYLINKS @ WOOD BUFFALO INC.
FINANCIAL STATEMENTS
October 31, 2019

NOTICE TO READER

To the shareholder of ROTARYLINKS @ WOODBUFFALO INC.

On the basis of information available to the business, I have compiled the income and cash flow statement of ROTARYLINKS @ WOOD BUFFALO INC. as at October 31, 2019.

I have not had an audit performed or a review engagement in respect to these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these documents may not be appropriate for their purposes.



Brent Mackay  
 General Manager, RotaryLinks Golf @ WoodBuffalo
 17(1) cell
 780 742 6077 office

"Another community project by the Rotary Club of Fort McMurray"

December 9th, 2019
 Fort McMurray, Alberta

ROTARYLINKS @WOODBUFFALO INC.
INCOME STATEMENT
For the Year Ended October 31, 2019
(Unaudited – See Notice to Reader)

	2019
Revenue (note 2)	<u>\$ 765,271</u>
Variable CoGS (note 3)	
Golf Operations	187,688
Maintenance	143,667
Hospitality Operations	125,211
Variable Marketing and Administrative Expenses	
Advertising & Promotions	21,222
Travel & Entertainment	673
	<u>478,461</u>
Fixed Operating Expenses (note 4)	295,473
Fixed Selling and Administrative Expenses (note 5)	509,949
	<u>805,422</u>
Net Profit or Loss	<u>\$ (518,611)</u>
EBITA	<u>\$ (54,450)</u>

Statement 2

ROTARYLINKS @WOODBUFFALO INC.
CASHFLOW STATEMENT
For the Year Ended October 31, 2019
(Unaudited – See Notice to Reader)

	2019
Cash inflow (note 6)	<u>\$ 1,015,844</u>
Disbursements	
Loan Payments (note 7)	52,434
Lease Payments	108,491
Credit Payments	0
Payroll Expenses (note 8)	359,890
Construction & Capital Expenditures	96,681
Club House Furniture & Fixtures	11,515
Insurance	9,847
Charitable Donation	3,591
Power Carts CoGS	23,907
Banking Service Fees & Charges	14,219
Professional and Business Fees	13,656
Legal Fees	0
Property Taxes (note 9)	0
Food & Beverage CoGS	90,023
Pro Shop Merchandise CoGS	44,712
Driving Range CoGS	10,583
Accounts Payable	198,491
Total Accounts Payable and Disbursements	<u>1,027,457</u>
Net Cash Flow	<u>(11,613)</u>
Opening Cash	<u>63,726</u>
Closing Cash	<u>\$ 52,112</u>

Attachment: 3. 2020 Sustaining Grant Application (Rotary Club of Fort McMurray Grant Request)

ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2019

1. INCORPORATION AND NATURE OF THE ORGANIZATION

RotaryLinks @ Wood Buffalo Inc. (the "Organization") is a not-for-profit organization that was incorporated under the authority of the Business Corporations Act of Alberta. The Organization is exempt from income taxes under Section 149 of the Income Tax Act.

RotaryLinks @ Wood Buffalo Inc. golf course operating under the business name of RotaryLinks Golf @ Wood Buffalo is located within the Saline Creek Plateau Commercial Development. A parcel of 174 acres was leased by the Rotary Club from the Alberta Government Department of Infrastructure for development of a public 18-hole Golf Course. The term of the lease is for a period of twenty-five (25) years with an option to renew. It is the intent of the Rotary Club that the golf course be used to replace the cancelled lease and subsequent operation of the Rotary Campground as a new renewable source of revenue for benevolent purposes in accordance with bylaws of the Rotary Club of Fort McMurray.

2. REVENUE

	<u>2019</u>
Seasonal memberships	48,427
Green fees	295,290
Power carts	123,686
Club rentals	10,671
Sponsorship revenue	18,147
Pre Paid Passes	30,573
Driving range	19,372
Food & Beverage	140,444
Pro shop merchandise	73,025
Golf Lessons	5,637
	<u>\$ 765,271</u>

ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2019

3. VARIABLE COGS

	2019
Golf Operations	
Payroll Expense	86,582
Hard Goods	37,000
Soft Goods	16,667
Driving Range	7,997
Power Carts	26,041
Supplies	3,653
Rental Equipment	0
Freight	127
Staff Uniforms	1,303
Processing Fees	8,317
	<u>187,688</u>
Maintenance	
Payroll Expense	69,816
Equipment Repair	10,343
Fertilizer & Chemicals	32,263
Sand, Seed, Gravel & Sod	4,956
Tools & Supplies	9,389
Equipment Non-Capital	0
Fuels & Lubricants	12,591
Equipment Rentals	2,200
Sub Contractors	1,400
Staff Uniforms	709
	<u>143,667</u>
Hospitality Operations	
Payroll Expense	0
Food & Beverage CoGS	125,108
Supplies	1,140
Staff Uniforms	700
Freight	0
Processing Fees	(1,737)
	<u>125,211</u>
	<u>\$ 456,565</u>

Attachment: 3. 2020 Sustaining Grant Application (Rotary Club of Fort McMurray Grant Request)

ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2019

4. FIXED OPERATING EXPENSES

	2019
Payroll Expense	214,089
IT - Tel - Com	3,946
Internal Technology	18,401
Temporary Facilities	15,582
Telephone	2,526
Courier & Postage	320
Motor Vehicle Expense	1,099
Misc. Expense	135
Repair & Maintenance	628
Safety Expenses	1,782
Maintenance Utilities	20,841
Clubhouse Utilities	12,714
Grounds Keeping Expense	614
Fuels & Lubricants	2,797
	<hr/>
	\$ 295,473

5. FIXED SELLING AND ADMINISTRATIVE EXPENSE

	2019
Professional and Business Fees	18,406
Charitable Donation	3,591
Professional Development	701
Legal Fees	3,208
Insurance	14,302
Bank Charges	2,867
Property Taxes & Levies	31,718
Office Supplies	1,693
Office Expense	1,020
Interest	306,450
Depreciation	125,994
	<hr/>
	\$ 805,422

ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2019

6. CASH INFLOW

	2019
	<hr/>
Receipts from sales	765,672
Sponsorship	36,250
Interest accrued	7
GST Rebate	35,545
Financing / Loans	178,370
	<hr/>
	\$ 1,015,844

7. LOAN PAYMENTS

Disbursement Related Ralculations

	2019
	<hr/>
Community Futures Loan (8.5%)	
Opening Balance	-75,500
Principal pay down	50,103
Payments	52,434
Interest	-2,331
Closing Balance	<hr/>
	\$ -25,397

8. PAYROLL EXPENSE

	2019
	<hr/>
Management	
General Manager	113,717
Superintendent	100,372
 Maintenance	
Support Staff	69,816
 Golf Operations	
Pro Shop Supervisor	5,982
Suppor Staff	80,600
	<hr/>
	\$ 370,487

**ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended October 31, 2019**

9. PROPERTY TAX

In 2018 RotaryLinks began talks with the RMWB to obtain additional knowledge on an application for exemption based on the not-for profit nature of the recreational facility. In 2019 RotaryLinks received notice that the request for exemption was refused. Outstanding property taxes and subsequent levy penalties total \$32,582.80 as of December 1, 2019.

**ROTARYLINKS @ WOOD BUFFALO INC.
FORCASTED EXPENSES**

January 1, 2020 – December 31, 2024

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ROTARYLINKS @ WOOD BUFFALO INC.
FORCASTED EXPENSES & CAPITAL CONSTRUCTION
January 1, 2020 – December 31, 2024

NOTICE TO READER

To Community Services of the REGIONAL MUNICIPALITY OF WOOD BUFFALO

On the basis of information available to the business, I have compiled the following forecasted income and cash flow statements of ROTARYLINKS @ WOOD BUFFALO INC. from January 1, 2020 to December 31, 2024.

For the purposes of these forecasted statements a two (2) year phased construction schedule for project completion has been incorporated during the 2021 and 2022 construction season. For detailed construction costs on two (2) phase construction see (Appendix C). Alternatively, a three (3) year or phased construction schedule has also been attached for consideration see (Appendix D).

Please note: For a complete overview of the project and its primary stakeholder “Rotary Club of Fort McMurray”, these forecasted statements should be viewed in conjunction with the 2020 RotaryLinks business plan and 2020 Rotary Club sustaining grant application.

I have not had an audit performed or a review engagement in respect to these forecasted statements and, accordingly, I express no assurance thereon.

Regards,

Brent Mackay
General Manager
RotaryLinks Golf @ Wood Buffalo
(780) 743-9377 (o)

Basic Terms

For the purpose of clarity on commonly accepted industry terms please see the following:

In this forecast:

- (a) “Utilization” means the total amount of rounds played and is inclusive of both 9 and 18-hole rounds.
For the purposes of this forecast total rounds are expressed in 9-hole equivalent rounds;
- (b) “9-hole equivalent” means the total amount of times an individual plays the 9-hole layout. For an 18-hole round this would constitute two (2) 9-hole rounds;
- (c) “Green grass facilities” means retail golf locations located on an operating golf course;
- (d) “Hard goods” means retail merchandise of equipment, training aids, luggage, shoes and golf balls;
- (e) “Soft goods” means retail merchandise of clothing and accessories including head wear.
- (f) “COGS” means cost of goods sold and may encompass both direct and indirect expenses;
- (g) “EBITA” means Earning Before Interest Taxes and Amortization; and
- (h) “Maturation” means the growing cycle or period required for vegetation on playing surfaces to mature to a point where they can support golf traffic without excessive damage or adverse effects.

ROTARYLINKS @WOODBUFFALO INC.
FORCASTED INCOME STATEMENTS
January 1, 2020 – December 31, 2024
(Unaudited – See Notice to Reader)

Revenue (note 2)	2024	2023	2022	2021	2020
Seasonal memberships	\$256,260	\$77,827	\$67,709	\$58,115	\$49,022
Green fees	\$630,755	\$442,625	\$403,450	\$378,453	\$365,655
Power carts	\$233,123	\$157,502	\$147,743	\$138,590	\$133,903
Club rentals	\$22,066	\$13,553	\$13,094	\$12,652	\$11,424
Sponsorship revenue	\$56,873	\$42,968	\$41,944	\$33,432	\$26,456
Pre Paid Passes	\$20,000	\$20,000	\$28,500	\$28,500	\$32,500
Driving range	\$52,832	\$31,039	\$28,905	\$26,853	\$24,710
Food & Beverage	\$309,832	\$202,249	\$188,802	\$176,248	\$164,530
Pro shop merchandise	\$161,100	\$105,162	\$98,169	\$91,642	\$85,549
Golf Lessons	\$6,000	\$6,000	\$6,000	\$6,000	\$5,694
Total Revenue	\$1,748,840	\$1,098,923	\$1,024,317	\$950,485	\$899,443
Variable CoGS (note 3)					
Golf Operations	\$273,662	\$200,467	\$192,388	\$184,722	\$176,542
Maintenance	\$215,649	\$183,219	\$166,445	\$143,209	\$116,209
Hospitality Operations	\$278,849	\$182,024	\$169,921	\$158,623	\$148,920
Total Variable CoGS	\$768,160	\$565,710	\$528,754	\$486,554	\$441,671
Variable marketing and administrative expenses (note 4)					
Advertising & Promotions	\$20,000	\$20,000	\$15,000	\$15,000	\$15,000
Travel & Entertainment	\$750	\$750	\$750	\$750	\$750
Total Variable marketing and administrative expenses	\$20,750	\$20,750	\$15,750	\$15,750	\$15,750
Total Variable expenses	\$788,910	\$586,460	\$544,504	\$502,304	\$457,421
Contribution Margin	\$959,930	\$512,464	\$479,813	\$448,181	\$442,021
Fixed operating expenses (note 5)					
Payroll Expense	\$353,617	\$343,317	\$333,318	\$323,609	\$314,184
IT - Tel - Com	\$2,558	\$2,558	\$2,558	\$2,558	\$2,558
Internal Technology	\$18,301	\$18,301	\$18,301	\$18,301	\$18,301
Temporary Facilities	\$11,340	\$11,340	\$11,340	\$11,340	\$16,150
Telephone	\$2,807	\$2,807	\$2,807	\$2,807	\$2,807
Courier & Postage	\$350	\$350	\$350	\$350	\$350
Motor Vehicle Expense	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099
Misc. Expense	\$350	\$350	\$350	\$350	\$350
Repair & Maintenance	\$2,000	\$942	\$942	\$942	\$942
Safety Expenses	\$5,000	\$2,500	\$2,500	\$2,500	\$2,500
Maintenance Utilities	\$25,000	\$22,000	\$20,000	\$17,827	\$17,827
Clubhouse Utilities	\$13,567	\$13,567	\$13,567	\$13,567	\$13,567
Grounds Keeping Expense	\$3,000	\$1,500	\$1,500	\$1,500	\$1,500
Fuels & Lubricants	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Fixed operating expenses	\$441,989	\$423,631	\$411,632	\$399,750	\$395,135
Fixed selling and administrative expenses (note 6)					
Professional and Business Fees	\$18,285	\$18,285	\$18,285	\$18,285	\$18,285
Charitable Donation	\$0	\$0	\$0	\$0	\$0
Professional Development	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Fees	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Insurance	\$28,455	\$20,090	\$19,130	\$18,179	\$16,946
Bank Charges	\$3,972	\$3,972	\$3,972	\$3,972	\$3,972
Property Taxes & Levies	\$60,000	\$30,730	\$30,730	\$30,730	\$30,730
Office Supplies	\$1,557	\$1,557	\$1,557	\$1,557	\$1,557
Office Expense	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020
Interest	\$310,571	\$299,683	\$295,424	\$303,355	\$311,186
Depreciation	\$121,039	\$95,409	\$129,562	\$126,643	\$125,243
Total Fixed selling and administrative expenses	\$550,899	\$476,747	\$505,680	\$509,741	\$514,940
Total Fixed expenses	\$992,888	\$900,378	\$917,312	\$909,491	\$910,074
Total Variable and Fixed expenses	\$1,781,798	\$1,486,838	\$1,461,816	\$1,411,796	\$1,367,496
Net Profit or Loss (note 7)	-\$32,957	-\$387,914	-\$437,499	-\$461,310	-\$468,053
EBITA	\$458,653	\$37,908	\$18,217	-\$583	-\$894

Attachment: 4. RotaryLinks Long Range Budget Forecast (Rotary Club of Fort McMurray Grant Request)

**ROTARYLINKS @WOODBUFFALO INC.
FORCASTED CASH FLOW STATEMENTS**

January 1, 2020 – December 31, 2024

(Unaudited – See Notice to Reader)

	2024	2023	2022	2021	2020
Cash inflow (note 8)					
Receipts from sales	\$1,691,968	\$1,055,955	\$982,373	\$917,053	\$872,986
Sponsorship	\$165,949	\$8,958	\$71,958	\$50,958	\$8,446
Interest accrued	\$0	\$0	\$0	\$0	\$0
GST Rebate	\$0	\$0	\$0	\$0	\$0
Financing / Loans	\$0	\$0	\$0	\$0	\$20,000
Total Cash inflow:	\$1,857,916	\$1,064,913	\$1,054,331	\$968,011	\$901,433
Disbursements (note 9)					
Loan Payments	\$281,328	\$281,328	\$281,328	\$281,328	\$357,606
Lease Payments	\$110,700	\$73,268	\$99,894	\$99,894	\$99,894
Credit Payments	\$0	\$0	\$3,657	\$12,000	\$12,000
Payroll Expenses	\$503,201	\$462,985	\$449,500	\$436,408	\$423,697
Construction & Capital Expenditures	\$0	\$0	\$1,448,345	\$1,612,605	\$0
Club House Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0
Insurance	\$28,455	\$20,090	\$19,130	\$18,179	\$16,946
Charitable Donation	\$0	\$0	\$0	\$0	\$0
Power Carts CoGS	\$30,000	\$26,000	\$26,000	\$26,000	\$26,000
Banking Service Fees & Charges	\$17,082	\$10,734	\$10,005	\$9,284	\$8,788
Professional and Business Fees	\$18,285	\$18,285	\$18,285	\$18,285	\$18,285
Legal Fees	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Property Taxes	\$60,000	\$30,730	\$30,730	\$30,730	\$59,564
Food & Beverage CoGS	\$278,849	\$182,024	\$169,921	\$158,623	\$146,420
Pro Shop Merchandise CoGS	\$118,395	\$77,285	\$72,146	\$67,349	\$62,250
Driving Range CoGS	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Disbursements:	\$1,452,294	\$1,188,728	\$2,634,941	\$2,776,685	\$1,237,450
Accounts Payable					
IT - Tel - Com	\$2,558	\$2,558	\$2,558	\$2,558	\$2,532
Internal Technology	\$18,301	\$18,301	\$18,301	\$18,301	\$18,666
Temporary Facilities	\$11,340	\$11,340	\$11,340	\$11,340	\$16,150
Telephone	\$2,807	\$2,807	\$2,807	\$2,807	\$2,807
Motor Vehicle Expense	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099
Repair & Maintenance	\$2,000	\$942	\$942	\$942	\$942
Safety Expenses	\$5,000	\$2,500	\$2,500	\$2,500	\$2,500
Maintenance Utilities	\$25,000	\$22,000	\$20,000	\$17,827	\$17,950
Clubhouse Utilities	\$13,567	\$13,567	\$13,567	\$13,567	\$13,624
Administration Fuels & Lubricants	\$3,000	\$3,000	\$3,000	\$3,000	\$3,090
Office Supplies & Expense	\$2,577	\$2,577	\$2,577	\$2,577	\$2,577
Advertising & Promotions	\$20,750	\$20,750	\$15,750	\$15,750	\$15,750
Golf Operations Supplies	\$5,000	\$3,500	\$3,500	\$3,500	\$3,500
Equipment Repair	\$26,000	\$12,942	\$12,942	\$12,942	\$12,942
Maintenance Tools & Supplies	\$12,000	\$9,500	\$9,500	\$9,500	\$9,500
Fertilizer & Chemicals	\$80,000	\$80,000	\$70,000	\$50,000	\$30,000
Equipment Rentals	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Professional Development	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Sand, Seed, Sod & Gravel	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other	\$13,950	\$10,700	\$10,200	\$10,200	\$11,700
Total Accounts Payable:	\$254,950	\$228,083	\$210,583	\$188,410	\$175,329
Total Disbursements & Accounts Payable	\$1,707,243	\$1,416,811	\$2,845,524	\$2,965,095	\$1,412,779
Net Cash Flow	\$150,673	-\$351,897	-\$1,791,193	-\$1,997,083	-\$511,346
Opening Cash	-\$4,637,828	-\$4,285,931	-\$2,494,738	-\$497,655	\$13,691
Closing Cash	-\$4,487,155	-\$4,637,828	-\$4,285,931	-\$2,494,738	-\$497,655

Attachment: 4. RotaryLinks Long Range Budget Forecast (Rotary Club of Fort McMurray Grant Request)

ROTARYLINKS @WOODBUFFALO INC.
NOTES TO THE FORCASTED STATEMENTS
January 1, 2020 – December 31, 2024

1. Utilization

It is expected 2020 will see a 6.5% increase in utilization over the previous year which saw record setting rain fall during the 2019 inaugural year of full 9-hole operation. This will result in an additional 861 rounds bringing the 9-hole equivalent total course utilization to 14,104. Subsequent years will see a 3.5% increase year over year from 2021-2023.

Green fee disbursement will remain consistent at 74% 9-hole and 26% 18-hole purchases during 9-hole operation.

18-hole operation is expected to see a 10% increase in total green fee purchases over the previous year driven by course completion and realignment of 9 and 18-hole green fees disbursement. 18-hole green fee purchases will now make up 70% of all purchases with 9-hole green fees making up the remaining 30%.

2. Revenue

Seasonal Membership

Marginal growth year over year moving from 36 total members in 2020 (*0% increase from 2019*) to 48 total members in 2023, annual growth of 4 members/year.

Member rate inflation equal to 2.55% annually, positioning RotaryLinks as the value option in the market with their 2023 membership rates 75% of nearest competitor's 2020 advertised rates. For detailed market comparison of annual and daily rates see (Appendix A).

Green Fees

Rates will rise on average 16.25% in 2020 over previous season positioning RotaryLinks at approx. 75% of nearest competitor in the market. Annual rate inflation of 3% year over year thereafter.

Power Carts

Power cart usage will remain consistent year over year at 93.25% of all 9-hole equivalent rounds. Rates will see a 3% increase in 2022 and again in 2023.

Club Rentals

Average spend per 9-hole equivalent round will remain constant at \$0.87 during 9-hole operation then a 10% increase to \$0.95 in 2024 with expansion to 18-holes and increased tournament use.

Sponsorship Revenue

Remaining five (5) holes in operation are expected to obtain sponsorship by 2022. Additional nine (9) holes from construction to obtain sponsorship and be recognized in 2024 less commission sales expense (15%).

Pre-Paid Passes

Minor increase in 2020 over 2019 resulting from sales of pre-paid 10 round options followed by slight decrease in 2023 from expiration of pre-sold 5-year pass options during course launch in 2018.

Driving Range

Average spend per round will see an increase from \$1.75 in 2020 to \$2.28 in 2024 based on rate inflation schedule along with the addition of a larger membership base and increased traffic to the facility.

2. Revenue Cont.

Food and Beverage

Gross profit margin will remain consistent at 10% subject to established contract with vendor. Average spend per round is expected to increase from \$11.67 in 2020 to \$13.39 in 2024 with increased daily traffic and tournament use.

Pro Shop Merchandise

To avoid competition with area's green grass facilities, retail operations will focus on soft good sales such as clothing and accessories. Hard good sales will be primarily limited to shoes and golf balls. Average spend per round will see minimal gains from \$6.07 in 2020 to \$6.69 in 2024, approx. a 3.75% increase year over year. Gross profit margin will remain consistent at 26.51%.

Golf Lessons

Revenue stream expected to remain flat over the course of the forecasted period.

Note: Golf lesson figures are not reflective of total lessons conducted including private, group and junior camps but only that of which the operation receives a portion of.

3. Variable COGS

Total payroll expense will see a 3% increase year over year during 9-hole operation with a 25% increase in 2024 as course begins 18-hole operation, inclusive for both golf operations and maintenance departments. Notable increases in golf operations include direct costs of merchandise from \$53K in 2020 to \$117K in 2024 and power cart expense of \$5K as fleet increases to accommodate 18-hole operation. Maintenance department will see significant increase in both fuel, fertilizer and chemical usage as course moves from 9 to 18-hole operation, \$44K in 2020 to \$110K in 2024. Continuation of outsourcing food and beverage service will result in a zero growth of hospitality department related expenses over the forecasted time frame outside of direct cost of food and beverage.

4. Variable Marketing and Administrative Expenses

Nominal increase over forecasted period, operation will look to expand marketing spending as it becomes cash flow positive.

5. Fixed Operating Expenses

Majority of expenses will see minimal increase during forecasted period. Payroll expense will see a 3% increase annually, maintenance utilities will see 25% increase or approx. \$5K over the forecasted period and temporary facilities will see a decrease as on-course structures are installed during construction phases.

6. Fixed Selling and Administrative Expenses

Nominal change during forecasted period. Notable changes include the fluctuation in depreciation expense as capital leases are paid off in 2022 and 2023 and acquisition of larger power cart fleet in 2024. Property taxes are expected to double to \$60K as course moves to 18-hole operation. Insurance premiums forecasted to increase in line with revenue growth. Interest on long term debt remains the bulk of the expenses accounting for nearly \$300K annually or approx. 57% of total fixed selling and administrative expenses.

7. Net Profit or Loss

Operation is forecasted to see steady decrease in operating loss during 9-hole operation with an approx. break-even scenario in 2024 as 18-hole operation begins. From \$468K loss in 2020 to \$33k loss in 2024. EBITA will increase from a approx. breakeven in 2020 to a profit of \$458K in 2024.

8. Cash Inflow

Representative of all cash inflow to business from operating, sponsorship and financing activities.

9. Disbursements & Accounts Payable

Loan payments on outstanding debt consist of interests only payments until and including first year of 18-hole operation. Interest and principal payments to commence in 2025 based on forecasted construction schedule.

Construction and Capital expenditures include all cost to completion based on a two (2) phase build schedule starting in 2021 with 2023 set for maturation period. For detailed figures related to these capital construction and expenditures see (Appendix B)

Appendix A – Market Rate Comparison

The table below illustrates the rates for services and seasonal membership of RotaryLinks during the forecasted time period. For comparison purposes the 2020 published rates of the existing golf courses in the area are presented as company A & B.

Services	RotaryLinks Golf @ Wood Buffalo					A	B
	2020	2021	2022	2023	2024	2020	2020
Adult 9-holes	\$43	\$43	\$44	\$46	\$46	\$53	\$55
Adult 18-holes	\$65	\$65	\$67	\$69	\$69	\$89	\$99
Adult 9-hole w/cart seat	\$58	\$58	\$60	\$62	\$62	\$65	\$71
Adult 18-hole w/cart seat	\$85	\$85	\$88	\$90	\$90	\$110	\$121
Practice Range Small Basket	\$6	\$7	\$7	\$7	\$7	\$8	\$8
Practice Range Large Basket	\$12	\$13	\$13	\$13	\$13	\$14	\$15
Club Rental 9-holes	\$14	\$15	\$15	\$15	\$15	N/A	\$35
Club Rental 18-holes	\$27	\$25	\$25	\$25	\$25	\$25	\$50
Seasonal Memberships							
Adult w/Power Cart Seat	\$1,850	\$1,906	\$1,963	\$2,022	\$2,082	\$2,698	\$4,158
Couple w/2 Power Cart Seats	\$3,275	\$3,373	\$3,474	\$3,579	\$3,686	\$4,346	\$7,091
Spousal w/Power Cart Seat	\$1,425	\$1,468	\$1,512	\$1,557	\$1,604	\$2,068	\$2,933
Senior w/Power Cart Seat	\$1,085	\$1,118	\$1,151	\$1,186	\$1,221	\$1,648	\$2,933
Student w/Power Cart Seat	\$1,085	\$1,118	\$1,151	\$1,186	\$1,221	\$1,648	\$3,008
Junior	\$200	\$200	\$200	\$200	\$200	\$269	\$400
Family w/2 Power Cart Seats	\$3,340	\$3,440	\$3,543	\$3,650	\$3,759	\$4,827	\$8,291
Weekday	\$1,580	\$1,627	\$1,676	\$1,727	\$1,778	\$2,288	\$3,233

Appendix B – Two Phase Construction and Capital Expenditures

DESCRIPTION	TOTAL BUDGET	PHASE I	PHASE II
EARTHWORKS	\$75,000	\$50,000	\$25,000
FUTURE DEVELOPMENT	\$171,492	\$77,730	\$93,762
GOLF COURSE DRAINAGE	\$108,600	\$46,080	\$62,520
MATERIALS INSTALATION	\$105,180	\$54,480	\$50,700
IRRIGATION	\$400,000	\$200,000	\$200,000
SEED BED PREPARATION/GRASSING	\$284,778	\$167,865	\$116,913
CONSTRUCTION MATERIALS	\$783,500	\$445,000	\$338,500
CART PATHS/ CURBING	\$150,000	\$90,000	\$60,000
SITE FURNISHINGS/MISCELLANEOUS	\$140,000	\$18,000	\$122,000
PROFESSIONAL CONSULTING	\$45,500	\$27,500	\$18,000
CONTINGENCY	\$400,000	\$225,000	\$175,000
PROJECT MANAGEMENT	\$321,900	\$160,950	\$160,950
ENTRANCE ROAD REROUTING	\$50,000	\$50,000	\$0
MOBILIZATION	\$25,000		\$25,000
TOTALS	\$3,060,950	\$1,612,605	\$1,448,345

Phase I – Scope of Work

- Complete materials installation, irrigation, fine grading and planting on holes #2, #15, #16, #17 of the 18-hole Master Plan.
- Construction of tees and fairway area on hole #2 such that it can be used with existing competed holes in a 12 or 15-hole loop after grow-in.

Result:

- If holes #2, #15, and #16 can be planted early in 2021, it is possible that they will be available for play in late 2022 for a 12-hole loop;
- If construction can be progressed sufficiently on holes #1 and #9 such that they can be planted in late 2021 or early 2022, it is probable that they will be available for play as a 15-hole loop in early 2023.

Note: Additional potential revenue generation from incorporating additional holes have not been considered in forecasted statements.

Phase II – Scope of Work

- Complete any remaining works on holes #1 & #9 and plant early in 2022.
- Complete all construction on upper holes #10, #11, & #12 and plant prior to Aug 31st, 2022.

Result:

- Depending on the grow in progress of #1 and #9, a 15-hole loop should be available in late 2022 for play.
- Depending on grow-in progress of upper holes #10, #11, #12, the 18-hole course should be available for play in late 2023 or early 2024.

Appendix C – Three Phase Construction and Capital Expenditures

DESCRIPTION	TOTAL BUDGET
EARTHWORKS	\$75,000
FUTURE DEVELOPMENT	\$171,492
GOLF COURSE DRAINAGE	\$108,600
MATERIALS INSTALATION	\$105,180
IRRIGATION	\$400,000
SEED BED PREPARATION/GRASSING	\$284,778
CONSTRUCTION MATERIALS	\$783,500
CART PATHS/ CURBING	\$150,000
SITE FURNISHINGS/MISCELLANEOUS	\$140,000
PROFESSIONAL CONSULTING	\$45,500
CONTINGENCY	\$400,000
PROJECT MANAGEMENT	\$377,850
ENTRANCE ROAD REROUTING	\$50,000
MOBILIZATION	\$50,000
TOTALS	\$3,141,900

PHASE I	PHASE II	PHASE III
\$40,000	\$15,000	\$20,000
\$20,480	\$60,950	\$90,062
\$16,780	\$31,780	\$60,040
\$34,500	\$43,980	\$26,700
\$164,000	\$164,000	\$72,000
\$87,870	\$85,140	\$111,768
\$195,750	\$295,750	\$292,000
\$50,000	\$50,000	\$50,000
\$120,000	\$10,000	\$10,000
\$13,750	\$13,750	\$18,000
\$175,000	\$150,000	\$75,000
\$125,950	\$125,950	\$125,950
\$50,000	\$0	\$0
\$0	\$25,000	\$25,000
\$1,094,080	\$1,071,300	\$976,520

Phase I – Scope of Work

- Complete materials installation, irrigation, fine grading and planting on holes #2, #15, #16 of the 18-hole Master Plan.
- Construction of tees and fairway area on hole #2 such that it can be used with existing completed holes in a 12 or 15-hole loop after grow-in.

Result:

- If holes #2, #15, and #16 can be planted early in 2021, it is probable that they will be available for play in late 2022 for a 12-hole loop.

Phase II – Scope of Work

- Complete rough shaping, materials installation, irrigation, fine grading and planting on holes #1, #9, #17 of the 18-hole Master Plan.

Result:

- Depending on the grow-in progress of #1 and #9, a 15-hole loop should be available in late 2023 for play.

Phase III – Scope of Work

- Complete all construction on upper holes #10, #11, #12 and plant prior ro Aug 31st, 2023.

Result:

- Depending on grow-in progress on upper holes #10, #11, #12, the 18-hole course should be available in late 2024 for play.

Appendix D – Business Ratios

Business ratios for the forecasted period are shown below. Industry figures when available were gathered from secondary research conducted by Club Benchmarking and Statistics Canada.

BUSINESS RATIOS								
	2024	2023	2022	2021	2020	Bottom quartile 25%	Middle 50%	Upper quartile 25%
Proportion of Operating Expenses (NOT inclusive of Hospitality Department)								
Course maintenance	29.28%	29.95%	29.17%	27.46%	25.45%		44.00%	
General and administrative	28.59%	27.83%	27.67%	27.70%	27.63%		16.00%	
Fixed charges (property tax, insurance, legal fees, interest exp.)	29.13%	29.27%	30.01%	31.58%	33.14%		9.00%	
Buildings & maintenance	2.41%	2.54%	2.64%	2.73%	3.25%		15.00%	
Golf operations labour	10.59%	10.41%	10.51%	10.53%	10.54%		15.00%	
Golf Operations								
Green fees to total revenue ratio	36.07%	40.28%	39.39%	39.82%	40.65%			
Memberships to total revenue ratio	14.65%	7.08%	6.61%	6.11%	5.45%			
Power carts to total revenue ratio	13.33%	14.33%	14.42%	14.58%	14.89%			
Pro shop merchandise to total revenue ratio	9.21%	9.57%	9.58%	9.64%	9.51%			
Sponsorships to total revenue ratio	3.25%	3.91%	4.09%	3.52%	2.94%			
Driving range to total revenue ratio	3.02%	2.82%	2.82%	2.83%	2.75%			
Club rentals to total revenue ratio	1.26%	1.23%	1.28%	1.33%	1.27%			
Pre-paid passes to total revenue ratio	1.14%	1.82%	2.78%	3.00%	3.61%			
Golf lessons to total revenue ratio	0.34%	0.55%	0.59%	0.63%	0.63%			
Golf operations labour to pro shop merchandise ratio	181.96%	255.21%	265.42%	276.05%	287.10%			
Golf operations labour to total labour ratio	58.26%	57.97%	57.97%	57.97%	57.97%			
Golf operations labour to total revenue ratio	16.76%	24.42%	25.44%	26.62%	27.31%			
Course Maintenance								
Course maintenance to total revenue ratio	23.14%	32.96%	33.10%	32.55%	30.93%	25.00%	29.00%	32.00%
Fertilizers & Chemicals to course maintenance budget ratio	19.77%	22.09%	20.65%	16.16%	10.78%	7.00%	8.00%	9.00%
Sand, soil, & seed to course maintenance budget ratio	1.24%	1.38%	1.47%	1.62%	1.80%	1.00%	2.00%	2.00%
Fuel & lube to course maintenance budget ratio	7.41%	6.90%	5.90%	5.82%	4.56%	3.00%	4.00%	4.00%
Electricity to course maintenance budget ratio	5.74%	5.59%	5.38%	5.19%	5.77%	1.00%	2.00%	2.00%
Water to course maintenance budget ratio	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	3.00%
Equipment R&M to course maintenance budget ratio	5.93%	3.31%	3.54%	3.88%	4.31%	4.00%	5.00%	6.00%
Other to course maintenance budget ratio	8.00%	7.00%	7.33%	8.04%	8.76%	8.00%	12.00%	13.00%
Labour to course maintenance budget ratio	51.91%	53.73%	55.73%	59.29%	64.01%	75.00%	65.00%	61.00%
Maintenance labour to total labour ratio	41.74%	42.03%	42.03%	42.03%	42.03%			
Maintenance labour to total revenue ratio	12.01%	17.71%	18.45%	19.30%	19.80%			
Hospitality								
Food & beverage to total revenue ratio	17.72%	18.40%	18.43%	18.54%	18.29%	25.00%	31.00%	38.00%
Gross profit margin	10.00%	10.00%	10.00%	10.00%	11.01%			
Operating Revenue								
Payroll ratio (Total payroll as a % of operating revenue)	28.77%	42.13%	43.88%	45.91%	47.11%	52.00%	57.00%	59.00%
Memberships & green fees to total revenue ratio	50.72%	47.36%	46.00%	45.93%	46.10%	56.00%	50.00%	44.00%
EBITA	\$458,653	\$37,908	\$18,217	-\$583	-\$894			
Interet Coverage Ratio	1.48	0.13	0.06	0.00	0.00	-4.10		14.10

Appendix E – Expense Ratios as a Percentage of Total Revenue

Expenses (percentage of total revenue)									
	2024	2023	2022	2021	2020	Bottom quartile 25%	Lower middle 25%	Upper middle 25%	Top quartile 25%
Total payroll of total expenses	28.24%	31.14%	30.75%	30.91%	30.98%	44.90%	37.90%	34.10%	23.90%
Cost of sales (direct expenses)	43.74%	52.27%	51.99%	51.58%	49.52%	28.90%	25.30%	26.20%	18.20%
Wages and benefits	8.55%	10.89%	11.34%	11.87%	12.18%	7.90%	7.50%	7.20%	4.50%
Purchases, materials and sub-contracts	35.18%	41.39%	40.64%	39.72%	37.35%	21.00%	17.60%	18.90%	14.20%
Operating expenses (indirect expenses)	58.15%	83.02%	90.73%	96.95%	102.52%	94.40%	77.40%	70.50%	56.70%
Labour and commissions	34.77%	37.63%	35.87%	35.12%	34.07%	37.30%	31.70%	29.80%	23.00%
Amortization and depletion	6.92%	8.68%	12.65%	13.32%	13.92%	12.60%	7.10%	7.00%	5.40%
Repairs and maintenance	1.49%	1.18%	1.26%	1.36%	1.44%	7.90%	7.90%	6.90%	6.10%
Utilities and telephone/tel comm	2.51%	3.72%	3.80%	3.87%	4.09%	4.40%	3.40%	3.10%	2.90%
Rent (Property tax)	3.43%	2.80%	3.00%	3.23%	3.42%	3.70%	3.70%	2.70%	2.10%
Interest and bank charges	30.93%	33.28%	32.22%	33.35%	34.18%	4.60%	2.00%	2.00%	1.90%
Professional and business fees	1.80%	2.00%	1.97%	1.98%	1.98%	3.70%	1.90%	1.60%	1.70%
Advertising and promotion	2.04%	2.27%	1.69%	1.71%	1.71%	1.40%	1.50%	1.30%	1.00%
Delivery, shipping and warehouse expenses	0.03%	0.04%	0.04%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%
Insurance	2.80%	2.20%	2.06%	1.97%	1.84%	1.80%	1.40%	1.30%	1.30%
Net profit/loss	-1.88%	-35.30%	-42.71%	-48.53%	-52.04%	-23.40%	-2.60%	3.20%	25.10%
Contribution Margin	54.89%	46.63%	46.84%	47.15%	49.14%	N/A	N/A	N/A	N/A

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<http://www.clubbenchmarking.com/food-and-beverage>

Canadian Industry Statistics, (2017). “Golf Courses and Country Clubs – 71391” Retrieved from

<https://strategis.ic.gc.ca/app/scr/app/cis/performance/71391>


Subject: 2020 Capital Budget Amendments
APPROVALS:
Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

THAT the 2020 Capital Budget Amendment as summarized on Attachment 1 (2020 Capital Budget Amendment – New Projects, dated January 28, 2020) be approved; and

THAT the revised Cash Flow of Capital Projects as summarized on Attachment 2 (2020 Capital Budget Amendment – New Projects - Cash Flow Summary, dated January 28, 2020) be approved.

Summary:

Administration has identified two (2) capital projects to be submitted for Capital Budget amendment consideration. Council is the approving authority for the Capital Budget, subject to the provisions of the Fiscal Responsibility Policy (FIN-160).

These Capital Budget amendments will result in a net increase in funding of \$240,000 to the 2020 & thereafter Capital Budget, as outlined in the Budget Net Change Summary.

Background:

Capital Budget amendments are an ongoing process. The amendments in this report are for the purchase of a Light Duty Fuel Tank and a Mini Excavator for Fort Chipewyan.

Budget/Financial Implications:

The net increase in capital funding is \$240,000 and will be allocated from the Capital Infrastructure Reserve.

The full budget impact of this amendment will be incorporated in the 2020 Budget upon Council approval; Attachments 1 - 3 illustrate this impact.

Attachment 1 shows the net budget impact of this amendment. The original approved budget and the revised budget is presented with the net budget impact by project and funding source.

COUNCIL REPORT – 2020 Capital Budget Amendments

Attachment 2 shows the cash flow changes by funding sources. Since multi-year projects are pre-approved over the life of project development, amendments in cash flows of these projects also require pre-budget approval.

Attachment 3 summarizes the impact of cash flows and the source of funding from these proposed amendments for 2020 and thereafter. This is reflected below in the Budget Net Change Summary.

Budget Net Change Summary

	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture
2019 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 & Thereafter	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -
Reconciled net change	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -

Rationale for Recommendation:

The rationale for these amended projects is included in the attached individual Capital Budget Amendment Forms (Attachments 4 and 5).

Strategic Priorities:

Responsible Government

Attachments:

1 - 3 - Capital Budget Amendment Worksheets

4 - 5 - Capital Budget Amendment Forms

Regional Municipality of Wood Buffalo
2020 Capital Budget Amendment - New Projects
January 28, 2020

Attachment 1

Legend:

First year of a multi year project

Other than first year of a multi year project

Single year project

S/N	Project Description	Type	Sponsor Department	Year of original approval	Total Project Cost	Federal Grants	Provincial Grants	Reserves	Other Sources*	Debenture	Att.
ORIGINAL PROJECT BUDGET											
1	Light Duty Fuel Tank	New	Public Works	2020	-	-	-	-	-	-	4
2	Mini Excavator - Fort Chipewyan	New	Public Works	2020	-	-	-	-	-	-	5
Total Original Capital Project Budget					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
REVISED PROJECT BUDGET											
1	Light Duty Fuel Tank	New	Public Works	2020	110,000	-	-	110,000	-	-	4
2	Mini Excavator - Fort Chipewyan	New	Public Works	2020	130,000	-	-	130,000	-	-	5
Total Revised Capital Project Budget					\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -	
NET BUDGET IMPACT											
1	Light Duty Fuel Tank	New	Public Works	2020	110,000	-	-	110,000	-	-	4
2	Mini Excavator - Fort Chipewyan	New	Public Works	2020	130,000	-	-	130,000	-	-	5
Net Increase/(Decrease) Required on Existing Projects					\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -	

Attachment: 1 - 3 - Capital Budget Amendment Worksheets (2020 Capital Budget Amendments)

Regional Municipality of Wood Buffalo
 2020 Capital Budget Amendment - New Projects - Project Cash Flow Summary
 January 28, 2020

Attachment 2

Legend:	First year of a multi year project
	Other than first year of a multi year project
	Single year project

					Cash flow				
S/N	Project Description	Original Approval Year	Funding Source	Total Budget (Accumulative)	2019 & Prior	2020	2021	Thereafter	Att
ORIGINAL PROJECT BUDGET									
1	Light Duty Fuel Tank	2020	n/a	-	-	-	-	-	45
2	Mini Excavator - Fort Chipewyan	2020	n/a	-		-	-	-	
Total Original Capital Project Budget (a)				\$ -	\$ -	\$ -	\$ -	\$ -	
REVISED PROJECT BUDGET									
1	Light Duty Fuel Tank	2020	Reserve	110,000	-	110,000	-	-	45
2	Mini Excavator - Fort Chipewyan	2020	Reserve	130,000		130,000	-	-	
Total Revised Project Budget (b)				\$ 240,000	\$ -	\$ 240,000	\$ -	\$ -	
NET BUDGET IMPACT									
1	Light Duty Fuel Tank	2020	Reserve	110,000	-	110,000	-	-	45
2	Mini Excavator - Fort Chipewyan	2020	Reserve	130,000	-	130,000	-	-	
Net Increase/(Decrease) Required on Existing Projects				\$ 240,000	\$ -	\$ 240,000	\$ -	\$ -	

Regional Municipality of Wood Buffalo
Cash Flow by Funding Sources, by Year
January 28, 2020

Attachment 3

	Funding Sources					
	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves (CIR)	Other Sources*	Debentures
Original Funding Sources						
2019 and prior	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Original Funding Sources Total (a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revised Funding Sources						
2019 and prior	-	-	-	-	-	-
2020	240,000	-	-	240,000	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Revised Funding Sources Total (b)	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -
Revision / Difference (b) - (a)	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -
Net Change by year						
2019 and prior	-	-	-	-	-	-
2020	240,000	-	-	240,000	-	-
2021	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Reconciled net change	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ -	\$ -



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

CAPITAL BUDGET AMENDMENT

Council

CURRENT PROJECT NAME: Light Duty Fuel Tank - Fort Chipewyan

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2019 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	\$ -	\$ -	\$ -	\$ -

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This new tank/pump system will be compatible with all other fuel tanks and control systems used within the RMWB and will be administered and maintained by Fleet Services. It will provide cost savings of approximately \$20,000 per year and will allow all fuel transactions to be tracked and costed to the appropriate vehicle.

AMENDED PROJECT BUDGET

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2019 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	110,000	-	-	110,000	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
TOTAL	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ -	\$ -

Budget Change

TOTAL	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ -	\$ -
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FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?	Yes
Will the change result in an addition or cancellation of a capital project?	Yes
Will the underlying scope change alter the nature and type of capital project?	n/a
uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	Yes
Will the change result in Council set debt and debt service limits being exceeded?	No
In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.	



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

CAPITAL BUDGET AMENDMENT

Council

CURRENT PROJECT NAME: Mini Excavator - Fort Chipewyan

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2019 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	\$ -	\$ -	\$ -	\$ -

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Fort Chipewyan requires a mini excavator to maintain service delivery in a cost effective manner. Currently we are utilizing a contractor for most excavations such as cemetery grave digs and minor underground repairs spending up to \$35,000 annually.

AMENDED PROJECT BUDGET

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debenture Financed
2019 & Prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	130,000	-	-	130,000	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
TOTAL	\$ 130,000	\$ -	\$ -	\$ 130,000	\$ -	\$ -

Budget Change

TOTAL	\$ 130,000	\$ -	\$ -	\$ 130,000	\$ -	\$ -
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FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?	Yes
Will the change result in an addition or cancellation of a capital project?	Yes
Will the underlying scope change alter the nature and type of capital project?	n/a
uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	Yes
Will the change result in Council set debt and debt service limits being exceeded?	No

In order for this to be a Fiscal Management Policy Amendment the questions above must answer, Yes, No, No, Yes, No, respectively.



COUNCIL REPORT

Meeting Date: January 28, 2020

Subject: Strathcona County's Request for Support - FCM Resolution - Utility Corridor and Bills C-48 and C-69

APPROVALS:

Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

THAT Strathcona County's Federation of Canadian Municipalities (FCM) Resolution as outlined in Attachment 1 be supported and endorsed by Council; and

THAT the Mayor be authorized to send a letter to Strathcona County in support of their FCM Resolution.

Summary and Background:

On December 10, 2019, Strathcona County approved the submission of a resolution to the Federation of Canadian Municipalities (FCM) that would urge FCM to advocate to the Federal Government to work with provinces, municipalities, and indigenous groups to establish a utility corridor that would span from coast to coast to coast; and that the Federal Government repeal/amend Bills C-48 and C-69 accordingly.

In Strathcona County's correspondence to the Regional Municipality of Wood Buffalo (RMWB), they state that the Federal Government has an opportunity to provide leadership that will benefit all of Canada, including development and new access to international markets and reducing internal trade barriers. Strathcona County believes that the Federal Government should work with provinces, municipalities, and indigenous groups to get this work done. While the Federal Government will be responsible for the development of this corridor, which would comprise of telecommunications, pipelines, energy, utilities, etc., all directly impacted parties should have a voice at the table.

It is also believed that Canada has an obligation to develop our resources in a safe and environmentally responsible way, without unnecessary and divisive policies. Therefore, Bill C-48, the *Oil Tanker Moratorium Act*, and Bill C-69, an Act to enact the *Impact Assessment Act and the Canadian Energy Regulator Act*, will not help Canada in becoming more competitive.

Strathcona County has requested that the RMWB support their FCM resolution (Attachment 1) and provide a letter of support to accompany their submission to FCM in

February 2020.

Strategic Priorities:

Responsible Government

Attachments:

1. Strathcona County FCM Resolution 2020

Whereas Utility Corridors will provide with an efficient, safe, and environmentally friendly way for a variety of industries including energy, utilities, and telecommunications to move products and services across borders to tidewater and other provinces: and

Whereas Canada produces energy products in an environmentally responsible way with high safety standards; and

Whereas the unfettered movement of resources within the nation is a principle of confederation, and benefits the economic prosperity and stability of all of Canada; and

Whereas a strongly unified Canada will ensure prosperity for Canadians in all regions; and

Whereas the Government of Canada has already signaled the importance of the development of pipelines in our nation through the purchase of the Trans Mountain Pipeline and its stated support for Keystone XL, Line 3, LNG Canada and the Manitoba-Minnesota Transmission Line; and

Whereas the economic uncertainty caused by Bill C-48, the *Oil Tanker Moratorium Act*, and Bill C-69, *An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts*, have negatively affected investor confidence in Canada; and

Whereas Bills C-48 and C-69 have been met with opposition from industry, other levels of government, Indigenous groups, and the public; and

Whereas Bill C-48 unfairly targets Canadian oil production and damages the Canadian national interest by prohibiting the loading of Canadian oil at Canadian ports, but does not prohibit the transportation of foreign oil through Canadian waters; therefore be it:

Resolved THAT the Federation of Canadian Municipalities advocated to the Federal Government to work with provinces, municipalities, and Indigenous groups to establish national utility corridors, which includes pipelines such as the Trans-Mountain Pipeline, and other resource and utility structures, from coast to coast to coast as a national priority; and be it further

Resolved that the Federation for Canadian Municipalities advocate to the Federal Government for the repeal or amendment of Bills C-48 and C-69 to help restore investor confidence and ensure the construction of future infrastructure that is in the national interest.

Background

The energy industry employees over half a million people in Canada. This includes people in every province or territory. These workers are typically middle-class Canadians who are highly skilled in their field.

The Canadian Government has signaled its support for pipelines in Canada through its purchase of the Trans mountain pipeline. It has also voiced its support for other initiatives such as Keystone XL, Line 3, LNG Canada and the Manitoba-Minnesota Transmission Line. These are all important projects that

deserve the support of all Canadians. They will continue the ethical and environmentally responsible development and safe transportation for our country's energy products to current and new markets.

On December 2, 2019 the Premiers of Canada released a statement through the Council of the Federation on a number of items, including growing the economy. The Premiers of Canada are united in their position that Canada, including the Federal Government, must take immediate action to enhance Canada's economic competitiveness. This includes continuing the responsible development of our natural resources, expanding international trade, and removing protectionist restrictions on our goods.

The establishment of utility corridors that include energy projects, utilities, communication products, and an opportunity for a variety of other industries will aid in the vision laid out by the Premiers in their December 2 statement. By providing a responsible, preapproved regulatory system, these corridors may facilitate the development of important infrastructure in Canada.

Bills C-48 and C-69 will have a significant impact on the Canadian economy and are negatively affecting investor confidence. The impacts of this legislation are already being realized with numerous projects being put on hold or being stopped. Items that were previously approved and any subsequent investments are being reviewed and scrutinized.

Bill C-48 will work against getting Canadian energy products to new markets, handcuffing Canadian energy to be sold at a lower price and only to one customer. This is not sustainable. Bill C-69 will add another layer of unnecessary approvals to projects, making the development of new projects extremely difficult and in many instances, impossible. In addition, the legislation has served to sow division in Canada.

While the global energy mix will certainly shift of the next 20 years, the global requirement for traditional energy products is not projected to drop, but rather to rise over the next 20 years. The total energy required globally will increase at approximately 1% a year, every year. Renewable energy, while an important industry that should be developed, cannot fulfill the global energy demand for the foreseeable future. These bills have served to only restrict Canadian goods from getting to market while allowing energy products from countries, that do not develop their resources to the same environmental standards, into Canada, further increases the environmental impact of unethically produced energy products.