



## **Audit and Budget Committee**

Council Chamber  
9909 Franklin Avenue, Fort McMurray

Tuesday, June 17, 2014  
3:30 p.m.

---

### **Agenda**

#### **Call to Order**

1. Adoption of the Agenda
2. Minutes of Audit and Budget Committee Meeting - June 10, 2014

#### **New Business**

3. Questions for the Municipal Auditor (5 minutes)
4. Reimbursement for Political Event Attendance - update from the Chief Financial Officer (5 minutes)
5. Royal Canadian Legion #165 Funding Request (10 minutes)

#### **Motion to Move In Camera**

6. Accountability, Integrity and Transparency Audit - Second Status Update (60 minutes)  
(In camera, pursuant to section 24 of the Freedom of Information and Protection of Privacy Act)
7. Legal Advice - Contractual Matters (10 minutes)  
(In camera, pursuant to section 27 of the Freedom of Information and Protection of Privacy Act)

**Motion to Reconvene in Public**

**Adjournment**

**Unapproved Minutes of a Meeting of the Audit and Budget Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, June 10, 2014, commencing at 4:00 p.m.**

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

**Absent:** G. Boutilier, Councillor  
L. Bussieres, Councillor  
J. Chadi, Councillor

**Administration:** M. Ulliac, Interim Chief Administrative Officer  
S. Kanzig, Chief Legislative Officer  
S. Harper, Legislative Officer

**Call to Order**

Chair S. Germain called the meeting to order at 4:02 p.m.

**1. Adoption of the Agenda**

Moved by Councillor A. Vinni that the agenda be amended by adding item number 6 – Scope of Work for the Accountability, Integrity and Transparency Audit, and that the agenda be adopted as amended.

CARRIED UNANIMOUSLY

**2. Minutes of Audit and Budget Committee Meeting - June 3, 2014**

Moved by Mayor M. Blake that the Minutes of Audit and Budget Committee meeting of June 3, 2014 be approved as presented.

CARRIED UNANIMOUSLY

**New and Unfinished Business**

**3. Questions to the Municipal Auditor**

The Audit and Budget Committee enquired on the status of the transit contract review as requested by Councillor McGrath at the June 3, 2014 Audit and Budget Committee meeting. The Interim Chief Administrative Officer informed the Committee that the review was underway and that he would ensure the municipal auditor was aware of the Committee's expectations in conducting the review.

#### **4. Community Investment Program**

Carole Bouchard, Director of Community Services, and Prince Agyapong, Community Investment Program Officer, made a presentation to the Committee on the Community Investment Program.

##### **Arrival**

Councillor J. Stroud entered the meeting at 4:17 p.m.

Moved by Mayor M. Blake that the Community Investment Program Policy No. FIN-220, dated June 10, 2014, be recommended to Council for approval.

CARRIED UNANIMOUSLY

Moved by Councillor J. Stroud that Bylaw No. 14/023, being a bylaw to repeal the Fort McMurray Games Legacy Reserve Fund Bylaw, be recommended to Council for all three readings.

CARRIED UNANIMOUSLY

Moved by Councillor J. Stroud that Grant Distribution Policy No. FIN-100, be recommended to Council for repeal.

CARRIED UNANIMOUSLY

#### **5. 2014 and Prior Capital Budget Amendment – Revised and New Projects**

Elsie Hutton, Chief Financial Officer, and Kola Oladimeji, Director of Finance, presented on the 2014 and Prior Capital Budget Amendment - Revised and New Projects.

The Chief Financial Officer clarified that administration would explore grant opportunities available to minimize the net financial impact to the Municipality.

Moved by Mayor M. Blake that the proposed 2014 and Prior Capital Budget Amendment - Revised and New Projects be recommended to Council for approval.

CARRIED UNANIMOUSLY

#### **6. Scope of Work – Accountability, Integrity and Transparency Audit**

Moved by Councillor A. Vinni that the scope of work for the Accountability, Integrity, and Transparency Audit be amended to include a review of Elected Officials' residency for the period ranging from six months prior to the 2013 general municipal election until present day.

##### **Arrival**

Councillor P. Meagher entered the meeting at 4:35 p.m.

Paul Groch, Senior Manager, Advisory with KPMG LLP, indicated that the proposed addition to the scope of the external audit could be accommodated without altering the timelines.

CARRIED UNANIMOUSLY

**Adjournment**

Moved by Councillor J. Cardinal that the meeting adjourn.  
CARRIED UNANIMOUSLY

The meeting adjourned at 4:47 p.m.

---

Chair

---

Chief Legislative Officer

**Subject: Royal Canadian Legion #165 Funding Request****APPROVALS:**

Carole Bouchard, Director  
Brian Makey, Chief Operating Officer  
Marcel Ulliac, Interim Chief Administrative Officer

**Administrative Recommendations:**

THAT the Royal Canadian Legion's request for \$495,000 capital grant for facility upgrades be recommended to Council for approval; and

THAT the capital grant be funded from:

- the 2014 Community Services Operating Budget;
- the Community and Corporate Services Division Operating surplus;
- the 2014 Corporate Operating Budget surplus; or
- the Emerging Issues Reserve,

in that order.

**Summary:**

The Royal Canadian Legion Branch #165 (the Legion) is requesting a capital grant to upgrade the facility at 9317 Huggard Street in Fort McMurray. Administration reviewed their funding request in accordance with the draft Community Investment Program (CIP) Guidelines for Community Capital Grants.

The application meets the program objectives and eligibility criteria identified in the CIP guidelines. Moreover, Administration verified that the Legion is committed to creating a financially sustainable business plan.

If the request is approved, the capital grant would be used for renovations to the fire detection system, electrical, plumbing, emergency generator, HVAC system and other general areas in order to meet government codes and regulations. The capital contribution is vital to the Legion realizing its long-term commitment to become financially sustainable.

**Background:**

Operating in the region since the 1950's, the Legion has a federal charter under the Government of Canada as a non-profit organization. It also has a long and proud history of servicing the community in its present location since 1977. Sadly, the Legion has faced some recent difficulties. Declining membership, coupled with an aging facility has put the branch in a position where funding is required to keep the organization viable.

Subsequently, the Legion retained MNP Chartered Accountants to provide business and financial oversight. The Regional Municipality of Wood Buffalo received a copy of their 2013 statement of financial position indicating that the Legion does not have enough resources to cover its financial obligations.

In April 2014, the Legion established a new Executive Board of Directors to lead the organization in its revitalization efforts. This revitalization is not only for the building itself, but also to improve program and service delivery to potentially service the region in a stronger and more vital way.

**Alternatives:**

That a capital contribution is not given, but Administration offers support to the organization by researching other funding possibilities.

**Budget/Financial Implications:**

The one-time grant of \$495,000 will assist with upgrades to the building to meet government regulations.

**Rationale for Recommendation:**

The Legion provides a host of programs and services to the community, including support for local veterans, RCMP and non-profit organizations, such as Meals on Wheels for seniors. The Legion also provides rental space, which fulfills the need for community public meeting space.

An analysis of the financial reporting indicates that to become financially sustainable, the Legion will be required to restructure its organization and streamline operations. The Legion has confirmed that they are committed to having a long-term business plan that is financially sustainable. Administration is working with the organization to explore Federal and Provincial funding opportunities for capital and operating grants.

Without the capital grant, the Legion will not be able to complete the required upgrades to meet government regulations. This will result in the closure of the facility, a loss of community programming and the organization not being able to meet its long-term goal of becoming financially sustainable.

In the past, the Municipality has made capital contributions to non-profit service groups to improve or expand facilities. The Legion meets the Community Investment Program Capital Grant program objectives to benefit the community by meeting specifically identified needs; improving program and services delivery within the region; and helping the community group or non-profit organization achieve its goals.

**Attachment:**

1. Royal Canadian Legion Branch #165 Application for Community Grant



Royal Canadian Legion Branch #165 – 9317 Huggard Street, Fort McMurray, AB T9H 1C4  
Ph.# 780-743-2329 Fax# 780-743-2328  
[royalcanadianlegion@shaw.ca](mailto:royalcanadianlegion@shaw.ca)

### **Application for Community Grant**

We are writing to request assistance in the revitalising of the municipality's local Legion. This Branch has serviced the community since 1977 in its present location and now our building needs serious attention so it may not only continue with its support of local Veterans, RCMP, and non-profit organisations but to expand on its potential in serving the municipality in a stronger and more vital role.

Sadly the Legion has faced some recent difficulties. Declining membership, coupled with an aging facility had put the local branch in a position where shutting down was a possibility. But through a renewed push by its membership it has again found its direction and the energy to succeed. We have begun improving our membership levels through more active recruitment and have refocused our efforts in supporting our community.

### **Our Commitment to Responsible Sustainability**

Since April of this year a new executive was voted in; President- Patrick Duggan, First Vice-President- Ken Mcpherson, Second President- Martin Darveau, Secretary- Don Seely, Treasurer- Jo-Ann Buchholz, and Sergeant-at-Arms Larry Farough. As well a new Branch Manager was hired; Randy Edison.

The task of these members is to restructure and focus our community service efforts and to ensure the long-term viability of the Branch in a sustainable and responsible manner. We are revamping our policy and procedures, and modernising our inventory controls and sales systems as the initial steps towards these goals. This grant would support our work and make long-term sustainability possible for our Branch.

We have retained MNP to provide business and financial oversight as we streamline our business model and systems to ensure all changes are modern and beneficial to our day-to-day operations. This also will strengthen the community's confidence of our dedication to providing an efficiently run source of support.



### Community Benefits

The improved Legion grounds and building would meet our municipality's needs in many ways; for community hall space to the general public, for other non-profit organisations access to a reduced cost rental facility, for a venue that provides local social programs, and for a place of remembrance and preservation of our regions contribution to its country's protection and national pride. An improved facility would generate the sustainable revenue to allow for the continued supplying of ample room and services to support a myriad of community activities and needs.

The upstairs Banquet area provides approximately 4000 square feet of space for over 450 guests for business (meetings/presentations, etc.), social gatherings (dances, weddings, etc.), art functions (concerts, static viewings, etc.) and all forms of ceremonies. Our staffing is flexible enough to meet any needs of a patron, whether it is the provision of bar staff, event staff, or even coat check. This also provides opportunities for the local Cadet units to volunteer and gather donations as well as other non-profit groups. Currently with some of the aged electrical as well fire detection systems we are operating under restrictions from the Fire Marshal's office. They have been quite supportive in providing detailed outlines of how we may lift the restrictions which are included in the proposed upgrades.

The parking is more than adequate compared to other venues of similar sizes and could support events itself, such as urban/farmers markets, car shows, or other outdoor community events.

The main floor tavern would continue to serve the community in a comfortable and respectful atmosphere as well as more easily host billiards, dart leagues and other such groups who have a difficult time securing appropriate venues. With the renovated kitchen space we would be able to complete a partnership with a local culinary fixture as well. The Chefs Table wishes to lease the kitchen not only to provide their excellent quality fare at our location but to expand their catering capabilities. As well the Wood Buffalo Brewing Company is donating draft beer equipment and wishes us to serve their products. Both of these partnerships can only reach their full potential with serious renovations to our existing location.

### Improvement and Expansion of Present Program Service Delivery

Programs that support local veterans are being expanded on. The branch has begun a program where veterans, especially those of our recent conflicts, may gather to share time with each other and help identify personal issues and gain access to support programs.

Helmets-to-Hardhats is a program that helps integrate former veterans and servicemen into the civilian workforce through providing access to training, resume building, and job placement. This program would not only help local vets (of which there are an estimated 350) but provide local companies with access to a workforce that understands discipline and hard work. Also, expansion of the Leave-the-Streets-Behind program in the region would also aim at assisting local homeless persons.

Further, we are looking to increase our role in the RMWB's disaster planning. Upgrades, such as the emergency generator and modifications to support HAM radio systems, will allow the facility and its

volunteers to be used to strengthen and broaden the Municipalities ability to deal with mass emergencies.

Currently, we support other non-profit groups either directly through donations or discounted rates for use of the facilities such as; both Army and Air cadets, Meals on Wheels, and Saint John Ambulance to name a few. We provide 6 scholarships through Keyano College that are available to all students within the municipality. As part of our expansion of services, we are looking to expand into more defined support of the region with additional programs through sports support for our youth and social programs for our seniors. We are investigating provincial and federal grants that would help us develop and sustain such programs.

An exciting recent result of our mandate to reach out and support other non-profit groups is our dedication to our local St Johns Ambulance branch to build an addition to the building and provide them with a spacious and secure long-term teaching facility. This will be a joint project with funding coming from other grant applications (the provincial Community Facility Enhancement Program to name one) and fundraising events but would benefit greatly from the planned renovations and other local business partnerships we have already developed.

A rejuvenated legion in its current location would also add value to the housing initiatives in the area by being a strong community fixture.

#### Renovation Plan

Of course we have plans to continue providing our programs and community support during any renovations. We have a plan to do improvements in stages where the facility is never entirely closed.

1. Kitchen renovation, while there may be a period that will require the complete suspension of kitchen use we plan to still provide food and catering services through our partnership with the Chefs Table.
2. Banquet Area (second floor). Main floor will still be able to host limited events but plans for the upstairs are projected to take a shorter amount of time as there are no major changes to the overall layout as is the case with the other areas.
3. Electrical and plumbing upgrades will occur as needed and will be co-ordinated for minimal effect on the other projects.
4. Redesign and upgrading of the facility grounds. This will include reworking of the cenotaph area as well as the parking space.
5. Upgrade of the fire detection systems to current ULC standard.

### Breakdown of Funding Request

1. \$175,000 -Kitchen renovation. Includes replacement of all equipment, installations, and renovations to existing space.
2. \$10,000 –Upgrade of fire detection system to current ULC codes.
3. \$172,000 -Flooring upgrade of both main level and banquet level.
4. \$26,000 -Electrical upgrades. This will bring the building to code as well as work to make the building more energy efficient.
5. \$15,000 -Plumbing repairs and upgrades. Includes updating the washroom facilities on both floors.
6. \$20,000 -General renovations. Includes redesign of main floor bar as well as upgrading the banquet room bar and modifications to the stage area and dance floor.
7. \$25,000 –Revitalising of cenotaph grounds. This would include the building of a memorial/reflection garden as well as incorporating the tank presently located in the parking lot.
8. \$42,000 -Integration of disaster aid system. Includes an emergency generator and adaptation of office space to provide emergency communications.
9. \$10,000 -Improvement of HVAC system.

Total of funds requested is \$495,000.

In closing I wish to thank you for your consideration on behalf of not only the Legion and its membership, but also for the other non-profit groups and the citizenry at large who stand to benefit from this project.



Randy Edison, Branch 165 Manager

As requested please find attached a financial statement prepared by MNP outlining our 2013 business year.