



Council Meeting

Jubilee Centre Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, September 23, 2014
6:00 p.m.

Agenda

Call To Order

Opening Prayer

National Anthem

Adoption of Agenda

Minutes of Previous Meetings

1. Minutes of Council Meeting - September 9, 2014

Delegations

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

Presentations

2. KPMG re: Accountability, Integrity and Transparency Audit

Bylaws

3. Assessment Review Boards Bylaw – Bylaw No. 14/033
- 2nd and 3rd readings
4. Land Use Bylaw Amendment - A portion of NE 31 TWP 76 RGE 7 W4M
(Conklin) - Bylaw No. 14/034
- 1st reading (Proposed date for public hearing, 2nd and 3rd readings - October 14, 2014)
5. Municipal Public Utilities Bylaw No. 14/035
- 1st reading (Proposed Date for 2nd and 3rd readings - October 14, 2014)

Reports

6. Fort McMurray Flood Mitigation Program: Funding Application to the Province of Alberta
7. Rural Water and Sewer Servicing
8. Council Expense Summary – January 1 – June 30, 2014
9. 2014 and Prior Capital Budget Amendments – Revised Provincial Projects – Fort McMurray Community Development Program
10. 2014 and Prior Capital Budget Amendments - Revised, New and Cancelled Projects

New and Unfinished Business

11. Notice of Motion – Transportation Authority
12. Notice of Motion – Family Bus Pass

Reporting - Boards and Committees

Adjournment

Unapproved Minutes of a Meeting of the Council of the Regional Municipality of Wood Buffalo held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, September 09, 2014, commencing at 6:00 p.m.

Present: M. Blake, Mayor
T. Ault, Councillor
G. Boutilier, Councillor
L. Bussieres, Councillor
J. Cardinal, Councillor
K. McGrath, Councillor
P. Meagher, Councillor
J. Stroud, Councillor
A. Vinni, Councillor

Absent: J. Chadi, Councillor
S. Germain, Councillor

Administration: M. Ulliac, Chief Administrative Officer (Interim)
S. Kanzig, Chief Legislative Officer
A. Rogers, Senior Legislative Officer
A. Hawkins, Legislative Officer
E. Franks, Legislative Coordinator

Call To Order

The Mayor called the meeting to order at 6:02 p.m.

Opening Prayer

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

National Anthem

Adoption of Agenda

Moved by Councillor P. Meagher:

- That the Agenda be amended by deleting Item #5 – Notice of Motion – Transportation Authority and Item #6 – Notice of Motion – Family Bus Pass, re-scheduling the items to be considered on September 23, 2014; and
- That the Agenda be adopted as amended.

CARRIED UNANIMOUSLY

Minutes of Previous Meetings

1. Minutes of previous Council Meeting - August 26, 2014

Moved by Councillor J. Stroud that the Minutes from the Council Meeting held on August 26, 2014 be confirmed as presented.

CARRIED UNANIMOUSLY

Public Hearings and Related Reports**2. Land Use Bylaw Amendment - Lot 1, Block 9, Plan 132 2526 and a portion of Lot 1, Block 3, Plan 082 4071 (Longboat Landing) Bylaw No. 14/032**

Moved by Councillor T. Ault that the Public Hearing for Bylaw No. 14/032 be opened.

CARRIED UNANIMOUSLY

Bradley Evanson, Manager, Community Development Planning and Dan FitzGerald, Planner II, Planning and Development, introduced the application to redesignate the land.

Brian Talbot, Devonian Properties, gave an opening statement on behalf of the applicant.

Jon Tupper, President of Condo Corporation 0740836 Longboat Landing, The Currents, cautiously supported the bylaw amendment and urged the developer to closely consider which types of retail shops would promote an active, safe community.

Paul Bergmann, President and CEO, Winchester Builders, expressed his support in relation to the proposed bylaw amendment.

Councillor K. McGrath exited the Chamber at 6:25 p.m. and returned at 6:31 p.m.

Councillor G. Boutilier exited the Chamber at 6:34 p.m. and returned at 6:37 p.m.

A number of questions were raised from members of Council. Administration in attendance as well as the Applicant answered these questions and provided explanations.

Councillor L. Bussieres exited the Chamber at 6:50 p.m. and returned at 6:52 p.m.

Moved by Councillor P. Meagher that the Public Hearing for Bylaw No. 14/032 be closed.

CARRIED UNANIMOUSLY

The Public Hearing was held between 6:08 p.m. and 7:12 p.m.

Recess

A break occurred from 7:12 p.m. to 7:22 p.m.

Councillor A. Vinni put forward the following recommendation: "that Bylaw No. 14/032, being a Land Use Bylaw Amendment specific to Lot 1, Block 9, Plan 132 2526 and a portion of Lot 1, Block 3, Plan 082 4071, creating a district to be referred to as Longboat Landing Commercial District (LBL-C), be read a second time."

Moved by Councillor A. Vinni that Bylaw No. 14/032 be amended by changing Table 9.18-1 to add Parking Lot/Structure as a Permitted Use under LBL-C; and changing Live-Work from a Permitted to a Discretionary Use under LBL-C.

CARRIED UNANIMOUSLY

Moved by Councillor A. Vinni that Bylaw No. 14/032, being a Land Use Bylaw Amendment specific to Lot 1, Block 9, Plan 132 2526 and a portion of Lot 1, Block 3, Plan 082 4071, creating a district to be referred to as Longboat Landing Commercial District (LBL-C), be read a second time, as amended.

CARRIED UNANIMOUSLY

Moved by Councillor P. Meagher that Bylaw No. 14/032 be read a third and final time.

CARRIED UNANIMOUSLY

Declaration of Pecuniary Interest

Councillor T. Ault declared a potential pecuniary interest in the upcoming item and exited the Chamber at 7:31 p.m.

3. Assessment Review Boards Bylaw - Bylaw No. 14/033

Moved by Councillor A. Vinni that Bylaw No. 14/033, being a bylaw to establish Assessment Review Boards, be read a first time.

CARRIED UNANIMOUSLY

Councillor T. Ault returned to the Chamber at 7:32 p.m.

Reports

4. Parsons Creek Town Centre Marketing Plan

Erin O'Neill, Manager, Acquisitions and Issues Management, Land Administration, provided an overview of the proposed marketing plan, budget and described the timeline of activities.

Moved by Councillor J. Stroud:

- That the activities and timelines for marketing the Parsons Creek Town Centre be endorsed as detailed in Attachment 1 – Parsons Creek Town Centre Marketing Activities and Timelines;
- That a budget of \$360,000 for marketing the Parsons Creek Town Centre be approved as detailed in Attachment 2 – Parsons Creek Town Centre Marketing Budget for submission to Alberta Infrastructure; and
- That the budget be funded from:
 - the 2014 Land Administration Operating Budget;
 - the Community and Corporate Services Division Operating surplus;
 - the 2014 Corporate Operating Budget surplus; or
 - the Emerging Issues Reserve,in that order.

CARRIED

For: M. Blake, T. Ault, J. Cardinal, K. McGrath, P. Meagher, J. Stroud, A. Vinni
Opposed: G. Boutilier, L. Bussieres

Reporting - Boards and Committees

Councillor G. Boutilier – fundraising efforts and awareness to help Pakistani community after major flooding in Pakistan

Councillor J. Stroud – AIDS Walk, Metis Fest Infinity Golf Tournament, United Way Kickoff

Councillor T. Ault – Communities in Bloom Committee

Mayor M. Blake – Municipal Government Conference in Grande Prairie, Alberta, thanks to all United Way volunteers

Adjournment

Moved by Councillor P. Meagher that the meeting be adjourned.
CARRIED UNANIMOUSLY

The meeting adjourned at 8:08 p.m.

Mayor

Chief Legislative Officer



cutting through complexity

Regional Municipality of Wood Buffalo

Accountability, Integrity and Transparency

Final Report to the Audit and Budget Committee

September 23, 2014



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Section

Summary of our findings

Our specific findings by area of scope

1.0 Governance

2.0 Council policies

3.0 Organization review – Communications and Public Affairs

4.0 Honorariums

5.0 Land acquisitions and expropriations

6.0 Travel and living expenses

7.0 Consultants and contractors

8.0 Tenders and proposals

Personnel contacted

Appendices

DISCLAIMER

Inherent limitations

This report has been prepared as outlined in the Summary of our findings section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the International Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by management and personnel of the Regional Municipality of Wood Buffalo (the "Municipality") consulted as part of the process. KPMG have indicated within this report the sources of the information provided. KPMG have not sought to independently verify those sources unless otherwise noted within the report. KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form. The findings in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Summary of our findings and for the Municipality's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of the Municipality in accordance with the terms of KPMG's contract with the Municipality. Other than our responsibility to the Municipality, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

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Summary of our findings



Summary of our findings

Background, objective and scope

Background

The Regional Municipality of Wood Buffalo (the “Municipality”) has experienced a rapid rate of growth. Council and Administration are dealing with complex issues while facing staff shortages and high turnover. As a result, the Municipality has been focused on day-to-day activities and has not been able to dedicate resources to focus on implementing leading practices, keeping policies and procedures current, strengthening its existing governance framework, and continually improving services provided within the Municipality.

In early 2014, Council concluded that there was a need to complete an “Accountability, Integrity and Transparency Audit” (the “Engagement”) to position the Municipality for current and future success. Through an open proposal process, Council, through its Audit and Budget Committee, engaged KPMG LLP (“KPMG”) to perform this Engagement.

Objective

The overall objective of the Engagement is to provide the Council, through the Audit and Budget Committee, a ‘health-check’ of the Municipality’s existing practices with the intent of providing recommendations for enhancing and improving upon the current policies and procedures in place, and where possible, benchmarking the Municipality’s current environment against leading practices.

Scope

The Audit and Budget Committee directed that KPMG focus the Engagement in the following specific areas:

- Governance;
- Council policies;
- Organization review – Communications and Public Affairs;
- Honorariums;
- Land acquisitions and expropriations;
- Travel and living expenses;
- Consultants and contractors; and,
- Tenders and proposals.

KPMG commenced work on the Engagement in early April 2014. Our assessment and testing performed related primarily to the period from January 1, 2011 to May 30, 2014, with a specific focus on transactions in the last 12 months.

This remainder of this report provides the results of the Engagement.

Note: the procedures performed comprise an advisory engagement, which is not subject to Canadian Auditing Standards or Canadian Standards on Review or Assurance engagements. Consequently, no opinion or conclusion intended to convey assurance are expressed. Had additional procedures been performed, other matters may have come to our attention that would have been reported.

Approach

The following summarizes the approach we used for each area of focus outlined in the scope section:

- Clarified scope requirements, priorities and timing with Council;
- Completed interviews with each member of Council and select employees;
- Completed interviews with former employees of the Municipality;
- Reviewed the Municipality's relevant current policies and procedures;
- Performed "walkthroughs" over a sample of related transactions; and,
- Reported findings and considered leading practices in the development of recommendations for Council and Administration to consider.

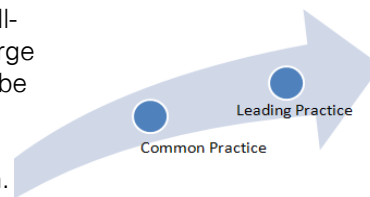
Leading practices

Leading practices can be defined as policies, strategies, and processes that, when compared to those of other organizations, are measurably demonstrated to be top-performing.

Common practices, in comparison, are well-known and have been implemented in a large number of organizations. Whilst they may be effective, proven and trusted, common practices cannot be considered as leading practices due to their widespread adoption.

A leading practice must set the standard towards which other organizations should strive.

Our assessment focused, where possible, on comparing the Municipality to leading practices and not in relation to common practices.



Commitment of the Municipality

When considering our findings, it is important to keep in mind the growth, complexity of issues, and staff turnover facing the Municipality. It is not surprising that a number of gaps were identified, and changes will be necessary for the Municipality to consider and implement. As the majority of our report focuses on operational, administrative, and other opportunities for the Municipality, we wanted to highlight our understanding of the commitment of the Municipality to consider and implement these changes:

- **Engagement:** We experienced no challenges in securing commitment from employees and senior leaders for interviews, walkthroughs or follow-up discussions. Several employees sought out the KPMG team to share thoughts and other information relevant to our scope of work.
- **Commitment to change:** The majority of employees and senior leaders we met with were passionate about their employment at the Municipality and had positive comments – they reported being supportive of, and wanting to work with, Council to make required organizational changes.
- **Focus on serving:** We found that both Council and Administration are committed to serving the needs of the Municipality and its citizens.

This commitment can be leveraged going forward – the challenge will be for the Municipality to move forward in a culture defined by integrity, accountability, and transparency.

During our assessment, a number of key themes emerged:



“Tone from the top” is not consistently or clearly communicated throughout the Municipality. Council, Administration, and Employees informed us that there has been no visible or consistent “Tone from the top” or messaging to encourage desired behaviors.



The Council is concerned at not being able to carry out its role of providing the quality services that they feel their constituents deserve and expect. There is a strong belief that this is linked to the operating structure of Council, reporting relationships from Administration to Council and Committees, and consistency and adequacy of information received by Council from Administration.



Administration is concerned at not being able to support Council and provide Council with relevant and timely information. There is a strong belief that this is linked to a lack of clarity regarding the roles of Council and Administration and the desired reporting to be received by Council.



A number of instances were noted where no documentation could be provided to support the existence of or compliance with a existing policies and procedures.



In many cases, root cause analysis over deficiencies identified inadequate design and documentation of policies and procedures, or insufficient documentation of compliance with policies and procedures.



In some cases, policies contain too many details behind the day-to-day operational process. Conversely, some procedures contain a policy description with no documented approved Council policy. Additionally, some policies have not be renewed or updated for a long period of time (over ten years).



There are multiple areas where adequate monitoring and reporting mechanisms do not exist within the Municipality for Administration to monitor what is taking place against policy and procedure, and report compliance or non-compliance to Council.

Our overall observations and recommendations for each area of scope are as follows:

1.0 Governance

“Tone from the top” is not always clear or consistent in terms of what is messaged or how the messaging is provided. Councillors and Administration are frustrated by the current Council and Committee structure, reporting relationships from Administration to Council, and the adequacy and timeliness of information received from Administration. The Municipality should develop a clear and consistent “Tone from the top”, review the current Council and Committee structure, including reporting relationships, and clearly define what information is required by Council and at what frequency.

2.0 Council policies

Thirteen instances where no documented evidence of Council policies or administrative procedures could be provided were noted, including performance management, severance, and whistleblower activities. Additionally, thirteen instances were noted where existing policies and procedures lacked sufficient design and / or documentation and one instance where procedure included a policy and procedure statement. The findings noted comprised of a number of areas of scope, indicating a potential where this issue may be more widespread than our current findings. The Municipality should:

- Review the gap areas noted in our report;
- Develop and implement relevant policy and / or procedure;
- Communicate and train employees on new and updated procedures to ensure these areas are well understood; and,
- Create mechanisms for Administration to monitor where updates are not well understood or not being complied with.

3.0 Organization review – Communications and Public Affairs

Although synergies may exist in combining the Communications and Public Affairs departments, the Municipality does not appear to have a clear or consistently documented plan for organizational design. Not every department has a documented mandate, and functions within departments are consistently transferred to other departments within the Municipality. Focus on defining the Municipality’s culture may have a more lasting impact. The Municipality should complete a review of the organizational design prior to concluding on synergies in combining the departments.

4.0 Honorariums

No documented evidence of a policy or procedure within the Municipality outlining the definition of, what services are eligible for, recommended rates, or required approvals for a honorarium could be provided. Currently, honorariums include payments for services and repayment of out of pocket expenses. The Municipality should define the term honorarium, implement a policy and procedure, communicate throughout the Municipality and implement monitoring and reporting.

5.0 Land acquisitions and expropriations

A documented policy or procedure outlining the expected guidelines for land acquisition or expropriation could not be provided, resulting in inconsistencies in documentation retained and completed on file. The Municipality should develop policies and procedures to ensure consistent application throughout the Municipality.

6.0 Travel and living expenses

No documented evidence of a policy or procedure or regular monitoring over fly-in-fly out, temporary housing accommodation, or taxable benefits could be provided. Within expense reports, instances of un-evidenced approval, non-compliance with expense policies, and self-approval of expenses were noted. The Municipality should develop policy and procedure documents and mechanisms for monitoring and reporting on travel and living expenses.

7.0 Consultants and contractors

A number of instances were noted where no documentation could be provided to evidence that:

- Change orders were completed or appropriately approved;
- Vendor performance reviews were completed; or,
- Contract close out procedures were completed.

The Municipality should reinforce the requirements for documented completion of these areas and implement monitoring and follow-up of instance of non-compliance.

8.0 Tenders and proposals

The current policy for procurement is out-of-date and does not comply with the required review date. One instance was noted where no documentation could be provided to evidence the completion of a non-competitive business case, and other performance improvement opportunities around efficiency and consistency were noted. The Municipality should review and renew its procurement policy.



Summary of our findings

Our results - specific findings

During our assessment, we identified a number of significant findings which are described in detail, along with our related recommendations, in the remainder of our report. They include:

1.0 Governance

- 1.1 Tone from the top is not clear or consistent
- 1.2 Structure of relationship between Council and Administration requires enhancement
- 1.3 Inconsistent and undefined expectations about information to be provided by Administration to Council
- 1.4 Lack of clarity of Council expectations for External Audit function
- 1.5 No documented process to support Administrations annual representation with respect to internal controls
- 1.6 Lack of clarity of relationship between Council and Municipal Auditor Function

2.0 Council policies

- 2.1 Lack of whistleblower policy
- 2.2 Non-compliance with Delegation Order
- 2.3 Out of date code of conduct
- 2.4 Lack of employee performance management policy or procedure
- 2.5 Lack of severance policy and procedure
- 2.6 Lack of learning for all policy or procedure
- 2.7 Insufficient policy and procedure on attendance at political fundraisers
- 2.8 Implementation of grant procedure
- 2.9 Other policies and procedures

3.0 Organization review – Communications and Public Affairs

- 3.1 Absence of documented departmental mandates

4.0 Honorariums

- 4.1 Lack of honorarium policy and procedure
- 4.2 Inconsistent form for approval of honorariums
- 4.3 Lack of regular monitoring and reporting for honorariums

5.0 Land acquisitions and expropriations

- 5.1 Lack of documented policies and procedures for land acquisitions and expropriations
- 5.2 Insufficient documentation and file retention
- 5.3 Inconsistent completion of required documentation
- 5.4 No documentation of conflict of interest / related party checks
- 5.5 Manual tracking of land acquisitions and expropriations

6.0 Travel and living expenses

- 6.1 Lack of fly-in-fly-out travel policy and procedure
- 6.2 Lack of temporary housing policy and procedure
- 6.3 Lack of taxable benefits policy and procedure
- 6.4 Taxable benefits relating to fly-in-fly-out arrangements
- 6.5 Undocumented approval requirements
- 6.6 Self-approval of expense reports
- 6.7 No evidence of approval of expense reports
- 6.8 Non-compliance with expense policy
- 6.9 Expense reports lacking supporting documentation
- 6.10 No monitoring of taxable benefits
- 6.11 Manual approval process
- 6.12 Lack of approval of expenses by a more senior employee

7.0 Consultants and contractors

- 7.1 No documentation of vendor performance reviews
- 7.2 Change orders approved from inappropriate authority
- 7.3 No documentation of contract close out reviews
- 7.4 Change orders lacking necessary documentation
- 7.5 Change orders missing approval signatures

8.0 Tenders and proposals

- 8.1 Non-compliance with policy review dates
- 8.2 Non-completion of required form for a sole source purchase decision
- 8.3 Unspecified number of bids required before contracts awarded
- 8.4 Inadequate proposal evaluation criteria requirement

Root cause

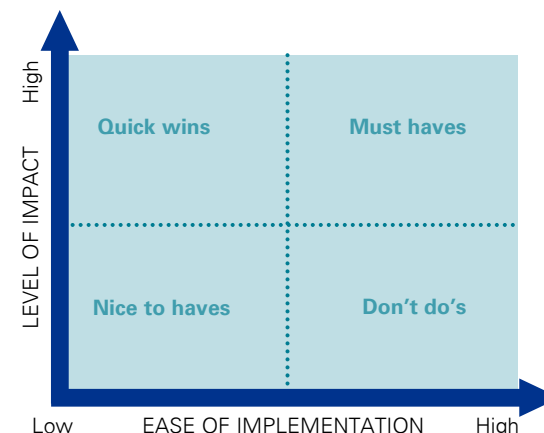
The findings noted in each specific area of scope were reviewed to determine whether there was an underlying root cause that had manifested itself as a result of an internal control deficiency. Based on our analysis of the findings, we have identified the following underlying root causes and our recommendations to the Municipality focus on addressing the key issues. The following summarizes the root causes identified:

Root cause of significant findings	Total
Governance matter	6
Lack of documented policies and procedures	13
Inadequate design and documentation of policies and procedures	5
Non-compliance with policies and procedures	13
Insufficient documentation of compliance with policies and procedures	5
Inadequate monitoring and reporting processes	3
Total	45

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding. The result was a prioritization matrix with the following quadrants:

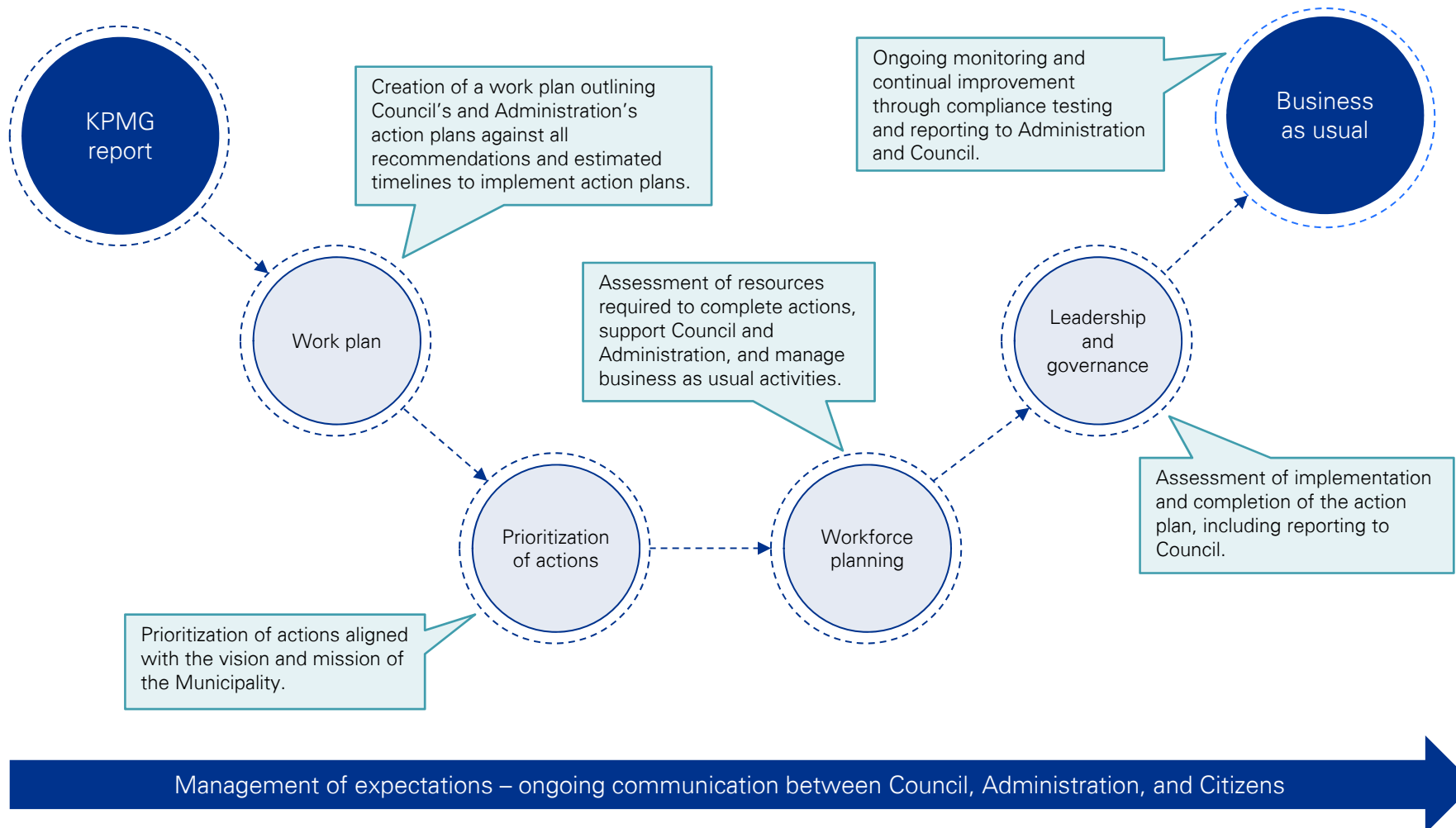
- **Quick wins** (High Impact, Low Effort) – These recommendations give good return for relatively low effort. These should be focus areas to build momentum.
- **Must haves** (High Impact, High Effort) – Providing strong returns, these take longer and use more resources to complete. The returns will only be realized when fully implemented.
- **Nice to have** (Low Impact, Low Effort) – While requiring little effort and can assist in building momentum, the return on investment is low.
- **Don't do's** (Low Impact, High Effort) – These recommendations should not be implemented. They provide low returns relative to the investment.



Our findings focus on matters with a higher level of impact. The following summarizes the priority of our recommendations, noting that further information can be found in the remainder of the report.

Prioritization of recommendations	Total
Quick wins	23
Must haves	22
Nice to have	-
Don't do's	-
Total	45

The following is a roadmap of next steps for consideration by Council and Administration in implementing the recommendations outlined in the report:



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**Our specific
findings by area of
scope**

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1.0 Governance

The following areas were considered to be in scope:

- Structure of Council;
- Reporting relationships from Administration; and,
- Information received by Council from Administration.

Overall observations

“Tone from the top” is not always clear or consistent in terms of what is messaged or how the messaging is provided. Councillors and Administration are frustrated by the current Council and Committee structure, reporting relationships from Administration to Council, and the adequacy and timeliness of information received from Administration. The Municipality should develop a clear and consistent “Tone from the top”, review the current Council and Committee structure, including reporting relationships, and clearly define what information is required by Council and at what frequency.

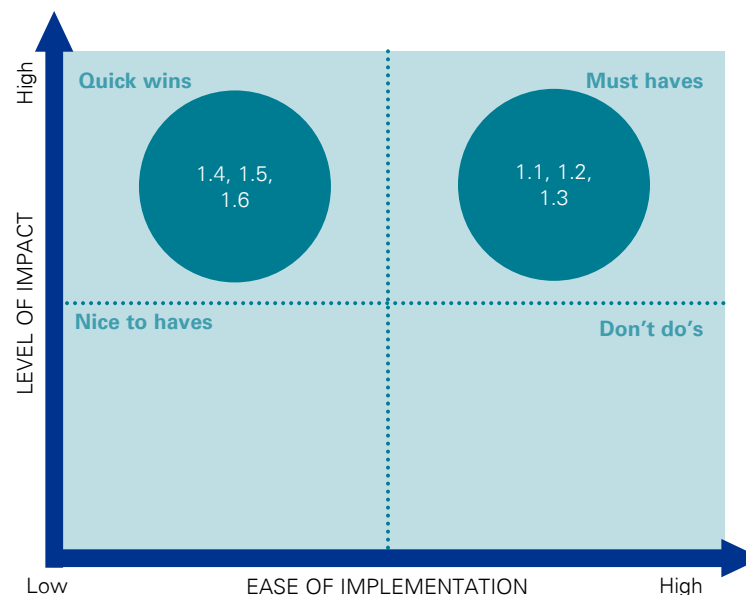
Summary of findings

The following table summarizes the findings identified:

Finding title	
1.1	Tone from the top is not clear and consistent
1.2	Structure of relationships between Council and Administration requires enhancement
1.3	Inconsistent and undefined expectations about information to be provided by Administration to Council
1.4	Lack of clarity of Council expectations for the External Audit Function
1.5	No documented process to support Administration’s annual representations with respect to internal controls
1.6	Lack of clarity of Council expectations for the Municipal Auditor Function

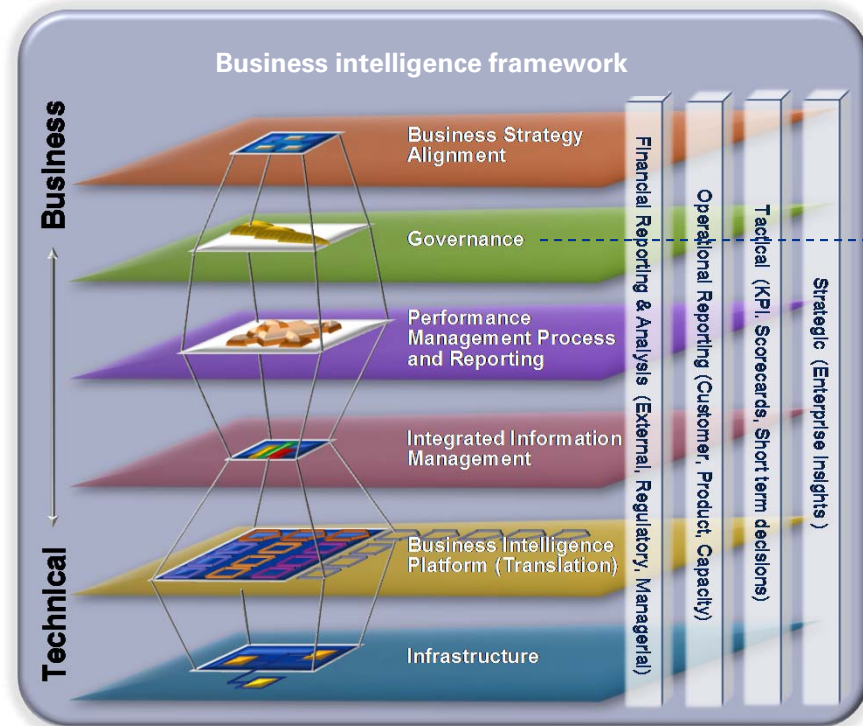
Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



Business intelligence framework

The following diagram depicts an organization's Business Intelligence framework, noting that governance is one of the six elements of the framework. The framework provides for a foundation in understanding how technology and business elements work together to provide insightful and actionable information and help an organization to make better, more timely decisions.



Governance

Governance can be defined as principle processes and the organizational structure required to ensure integrity and the continuous alignment of information to the business needs. In the public sector, the aim is to be cost-effective with use of public resources. Effective governance in an organization will create clear accountabilities, defined roles and responsibilities, process and procedures, development, and deployment of key performance metrics, and the ongoing interaction between the departments. Governance includes having oversight and accountability for results.

Oversight includes:

- Providing watchful care;
- Checking that processes, systems, including the accountability for results, are working effectively; and,
- Encouraging desired behavior.

Accountability for results, which is the obligation of continually improving results in the context of fair and agreed on expectations. This includes:

- Setting measureable targets / results and responsibilities;
- Planning what needs to be done to achieve desired results;
- Doing the work and monitoring progress;
- Reporting on results; and,
- Evaluating results and providing feedback.

Sources: KPMG's Business Intelligence Framework and Alberta Auditor General 'Results Framework'.

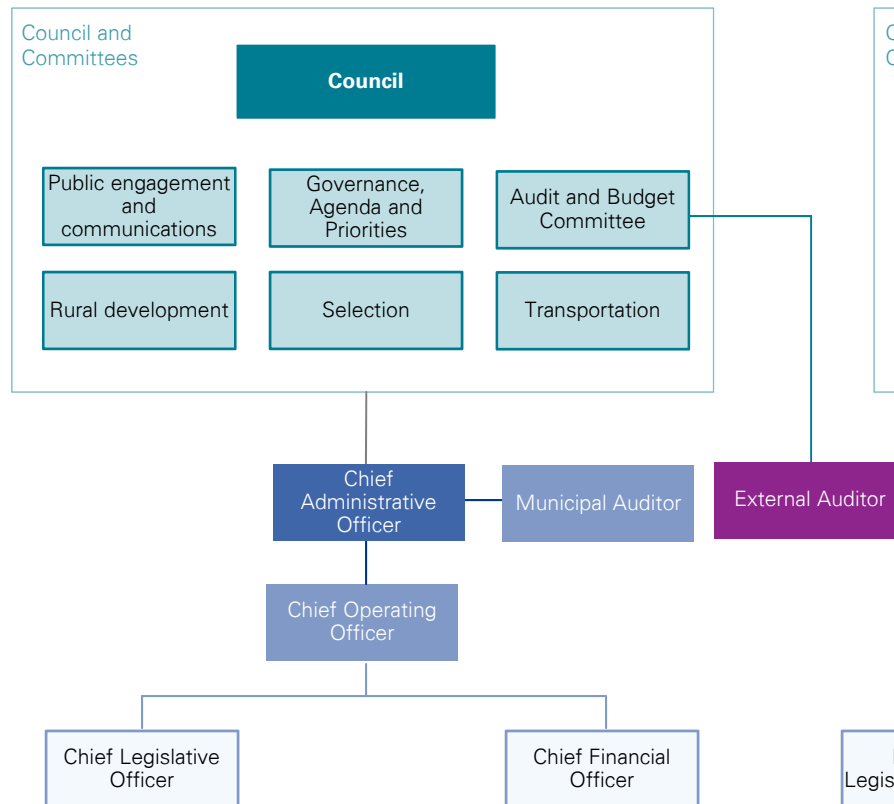
1.1 Tone from the top is not clear and consistent

Finding	Recommendation
<p>A strong ethical culture, including clear and consistent expectations for acceptable conduct within the Municipality, is essential for good governance. Encouraging these types of behaviors involves more than a code of conduct or ethics. Both Council and Administration play critical roles in ensuring that the Municipality's culture aligns with the code of conduct, that behaviors are consistent throughout the Municipality and that desired values resonate throughout the Municipality. Council and senior members of Administration must work together to create a "Tone from the top" where the risk of undesired behavior is minimized and the desired culture flourishes.</p> <p>We were informed by Council, Administration, and employees that there has been no consistent tone from the top and there is a desire to have a clear and consistent "Tone from the top" to encourage desired behaviors. Council and Administration must consistently demonstrate their leadership throughout the organization, commitment to change, and support for employees.</p> <p>By working to reinforce the right culture (i.e. transparency in what the Municipality does, how it does it, and the culture of compliance), Council can help contribute to strengthen the tone from the top in the Municipality.</p> <p>Root cause: Governance matter</p>	<p>We recommend that the Municipality set a clear and consistent "Tone from the top".</p> <p>In order to implement this recommendation, the Municipality should:</p> <ol style="list-style-type: none"> 1. Establish a governance structure: A good governance structure comprised of a clear Council and Committee structure, reporting lines from Administration to Council and Committees, a clear code of conduct/ethics encompassing fraud reporting, whistleblower hotline, anti-bribery and corruption, privacy, and gambling, will assist in creating clear expectations around transparency, communication, accountability, and integrity. Review the current structure in place for Council, Committee, and reporting from Administration. Finalize review of the current code of conduct (under review since 2011). Review of all policy and procedure documents to check whether appropriate approval has been obtained and the policy / procedures are up to date and meet internal review requirements. 2. Assess Tone throughout the Municipality: Factors such as high turnover in the Municipality are indicative of areas warranting further attention. Regular communication with employees will give insight on where to look for signs that behavior is not operating as desired. Interview employees or complete an anonymous survey, framed around the desired culture, by a third party provider to obtain additional insights on behavior in the Municipality. The initial survey can be used to establish a benchmark and monitored over time to check for improvement. 3. Make ethics a priority: Consistently promoting the desired culture and behaviors - "talk the talk" and "walk the walk". Council can influence the ethical tone set by senior management by modeling the behaviors themselves and monitoring Administration's behaviors. 4. Enforce and incentivize desired behaviors: Desired behaviors should be enforced at all levels with no exception. No special treatment should be given. Incentivize ethics and make the promotion and emulation of values a key performance indicator. For example, starting all meetings with an example of ethics or integrity. 5. Look to other sources: Council should look to other sources, such as whistleblower hotline, third party advisors, and the Municipal Auditor to provide additional eyes and ears to evaluate the Municipality's ethical culture. Review the current structure in place for Council, Committee, and reporting from Administration. Implement a whistleblower policy to promote employee anonymity.

1.2 Structure of relationships between Council and Administration requires enhancement

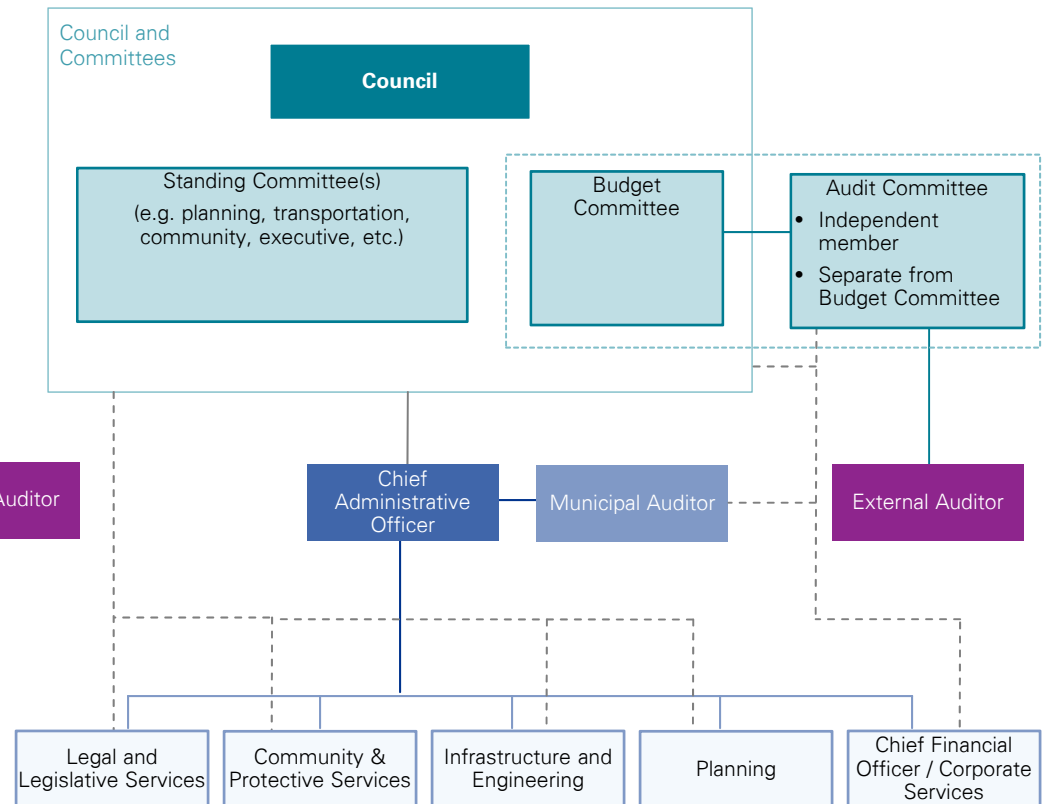
Finding	Recommendation
<p>We found the Councillors are frustrated at not being able to carry out their role of providing the quality services they feel their constituents deserve and expect. On the other hand, Administration is frustrated by not being able to support Council. There is a strong belief that this is linked to the operating structure of the relationship between Council and Administration.</p> <p>Root cause: Governance matter</p>	<p>We recommend that the Municipality review the current structure of the relationships between Council and Administration.</p> <p>In order to implement this recommendation, this review should include the following, noting that the current structure and a proposed structure are outlined on the following page.</p> <ol style="list-style-type: none"> 1. Assess whether the current structure meets the Municipality's needs or whether a different structure with fewer committees and a separate Audit Committee would better fit; 2. Assess whether independent member(s) from the Council could assist by sitting on the Audit Committee. For example, an individual with an accredited financial designation; 3. As Council's job continues to grow more difficult, given the growth of the Municipality as well as time and expertise required, Council should assess whether Councillors should be full-time or continue to be part-time; 4. Consider implementing additional reporting relationships (either direct or indirect) from Administration (i.e. Municipal Auditor, Chief Financial Officer, Chief Operating Officer, Chief Legislative Officer and Legal Counsel) to improve flow of information and visibility of Administration with Council; 5. Consider requiring that individuals with reporting relationships attend all Council and relevant Committee meetings and have a scheduled in-camera on each meeting agenda for each individual; 6. Council and Administration should review and confirm the roles and responsibilities for Mayor and Council and Administration as defined by the MGA. As part of the process, Council and Administration should conduct an accountabilities exercise to develop a common and strong understanding of their respective accountabilities; 7. Council should consider engaging an external facilitator to meet with Council/Administration on a quarterly basis to facilitate or address any issues and maintain momentum; and, 8. Council should conduct regular self-assessments on its performance. <p><i>Note: Several of these recommendations are consistent with those previously outlined in the 2008 Governance Review performed by KPMG.</i></p>

Current



Under the Municipal Governing Act, the CAO is appointed by Council and has a direct reporting relationship. We are not recommending any change to this relationship.

For consideration



----- Represents reporting relationship to Council and Committees.

1.3 Inconsistent and undefined expectations about information to be provided by Administration to Council

Finding	Recommendation
<p>Clearly defining what information is required by Council or a Committee from Administration and with what frequency is very important, as this information is used by Council for oversight and to ensure accountability for results.</p> <p>Currently, the reporting received by Council is based on set agendas, but both the agendas and information appear to be ad hoc based on requests from Council. There does not appear to be a shared understanding between Council and Administration over what information is important.</p> <p>In an environment where resources may already be spread thin, it may be worth while for Council and Administration to work together to discuss and determine what information to report to Council, at what frequency, and in what format.</p> <p>Root cause: Governance matter</p>	<p>We recommend the Municipality develop consistent information to be provided by Administration to Council.</p> <p>In order to implement this recommendation, two areas for consideration are agendas and dashboard reporting.</p> <p><i>Agendas:</i></p> <p>Leading practice suggests that agendas should be fixed for each meeting providing a regular framework for each meeting. For example, at an Audit and Budget Committee meeting, the following should be on the agenda for each meeting (at a minimum):</p> <ol style="list-style-type: none"> 1. Routine financial information 2. Routine control compliance – the Chief Financial Officer, Municipal Auditor, or External Auditor should be on hand to speak to the control environment and instances of non-compliance noted. 3. Regulatory compliance – the rules, legislation, laws and regulation impacting the Municipality. 4. Non-routine transactions – for example: <ul style="list-style-type: none"> ▪ Major contracts (define by dollar value and importance to the Municipality); ▪ Major transactions ▪ Sole source justifications; ▪ Highly visible items (i.e. expense reports for senior employees, severance, land expropriation or acquisition); and, ▪ Major projects, such as the Downtown Arena Project. 5. Risk and compliance – reporting on whistleblower hotline. 6. In camera – with external auditor, municipal auditor, legal counsel, CFO, COO, CLO, etc. <p>Additionally, a consent agenda can be utilized on routine items where items are voted on without discussion. For example, minutes of previous meetings, Administration reports, Committee reports, informational materials, or updated organizational documents.</p> <p><i>Dashboard reporting:</i></p> <p>Leading practice would also support the development of a dashboard for Council. The dashboard can be designed to give information on how the organization is performing in key financial, non-financial, and non-routine transaction areas. By using a regular format, it will remind Councillors of the key issues, facilitate accountability for results, and assist in anticipation or identification of emerging issues. The reporting should be an addition to, rather than a replacement of, existing information received.</p> <p>In developing a dashboard, the Municipality can start by having one individual who is knowledgeable about the organization draft the dashboard and provide for feedback from Council. Due to the limited consultation of this approach, Council could consider engaging a third party consultant to complete interviews with Councillors and Administration to determine what information is sought, whether the current Business Intelligence framework is capable of providing the information, and whether the information already exists somewhere else in the Municipality.</p> <p>It may take several attempts to define the desired format, information content and to integrate dashboard reporting into the process.</p>

1.4 Lack of clarity of Council expectations for the External Audit Function

Finding	Recommendation
<p>Council's expectations of the External Audit function are not clearly defined. The External Auditor is appointed by Council and is primarily engaged to:</p> <ul style="list-style-type: none"> Conduct an independent audit of the Municipality's financial reporting in accordance with Canadian auditing standards; and, To express an opinion based on the results of the audit. <p>As a secondary role, the External Auditor will gain an understanding of the Municipality's internal controls, however, is not primarily responsible to report on the design or effectiveness of those internal controls.</p> <p>Although we did note evidence that the external auditor regularly reported their financial and internal control results to Council and the Audit and Budget Committee, it is not clear whether or not these matters were acted upon. For example, no evidence could be provided to demonstrate that the management letter recommendations, including Administration's action plan outlining progress on tasks, were being reviewed within the Municipality for discussion, follow-up and implementation.</p> <p>Root cause: Governance matter</p>	<p>We recommend that Council clearly define its expectations for the External Audit function.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Define and document the roles and responsibilities of Council, the External Auditor, and Administration with respect to financial reporting and the Municipality's control environment; Provide the management letter point summary to the Audit and Budget Committee (the Committee) for discussion and follow up, including quarterly updates on progress; and, Implement a verification process to check implementation through sample testing. This could be completed by the Municipal Auditor. <p>Leading practices indicate that recommendations from the management letter should be implemented prior to the next financial statement audit.</p>

1.5 No documented process to support Administration's annual representations with respect to internal controls

Finding	Recommendation
<p>The Municipality's external financial statements include a summary of management's responsibility for the consolidated financial statements along with a representation by the Chief Financial Officer (CFO) and Chief Administrative Officer (CAO) that <i>"management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis... and that these systems are monitored and evaluated by management"</i>.</p> <p>Currently, the Municipality does not have a documented process to support these representations made by management.</p> <p>Root cause: Governance matter</p>	<p>We recommend the Municipality develop and document a process to support Administration's annual representations with respect to internal controls.</p> <p>In order to implement this recommendation, the Municipality should implement a process where the CFO and CAO obtain representations from key process control owners over the effectiveness of controls in place. In addition, leading practice suggests that the Municipality should consider:</p> <ul style="list-style-type: none"> ▪ Evaluating the control environment, entity level controls, and general information technology controls; ▪ Documenting processes over significant transactions; ▪ Identifying significant risk points and key mitigating controls; ▪ Providing preliminary assessments of the effectiveness of design and operation of controls; ▪ Remediating missing and ineffective controls; ▪ Conducting tests that support an assertion of effectiveness of internal controls over financial reporting; ▪ The Municipality should identify an owner (employee or third party) to be accountable for implementation and ongoing monitoring; and, ▪ Reporting to Council on the above.

1.6 Lack of clarity of Council expectations for the Municipal Auditor Function

Finding	Recommendation
<p>The role of internal audit is in the midst of transformation. Dramatic changes in market conditions have spurred the need to identify process improvement opportunities and minimize any possible surprises. The regulatory and legal environment has enhanced the fiduciary responsibility of audit committee members and management for both for-profit and not-for-profit entities requiring a quality internal audit function.</p> <p>We noted the following with respect to the role of the Municipal Auditor within the Municipality:</p> <ul style="list-style-type: none"> ▪ The Municipal Auditor reports directly to the CAO with no documented informal reporting to Council or the Audit and Budget Committee; ▪ The role of Director, Risk and Compliance is vacant with no document or up to date enterprise risk assessment completed; ▪ Internal audit reports and findings are not risk rated; and, ▪ No evidence over regular or consistent reporting to Council on issue tracking or progress against plan, including delays in completion of internal audits could be provided. <p>Root cause: Governance matter</p>	<p>We recommend Council clearly define its expectations for the Municipal Auditor function.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Establish a Governance Framework – establishing the internal audit governance structure and framework and establishing formal oversight of the internal audit function (i.e. Audit and Budget Committee). The internal audit governance framework should be documented in an internal audit charter, which includes the following areas at a minimum role, professionalism, authority, reporting, independence and objectivity, responsibility, internal audit plan, monitoring, and quality assurance. ▪ Develop Operational Guidance – establishing the operational framework of internal audits as well as developing standardized tools and templates for use in the operations of the internal audit function. ▪ Establish Reporting to Council/Committee– determining reporting requirements with Council and Administration and developing related protocols. It also entails developing the necessary reporting tools and formalizing the frequency of agreed reporting. ▪ Perform Enterprise Risk Assessment – developing risk criteria and performing risk assessment. It requires identifying enterprise risks and facilitating discussions on how these risks threaten the Municipality’s objectives. Additionally, it involves associating risks to key business processes and communicating results and validating findings to develop the basis for the internal audit plan. Consideration should include control deviations and non-compliances noted in the report. ▪ Internal Audit Plan Development – leads to creating a risk-based internal audit plan and includes determining timing and resource requirements. It entails developing and sharing a draft plan with the audit area before obtaining audit committee approval. Once approval is granted, this step also requires maintaining and updating the internal audit plan on a regular basis. Consideration should include control deviations and non-compliances noted in the report. ▪ Issue Resolution and Tracking: Issue tracking and completion of follow up audits on findings to check for appropriate implementation of recommendations. ▪ Ongoing Reporting: Regular and timely reporting to the Audit and Budget Committee on findings and recommendations, including progress against planned internal audits and issue resolution.

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2.0 Council policies

The following areas were considered to be in scope:

- Whistleblower policy;
- Severance and termination;
- Employee performance management;
- Delegated Authority / Delegations of Authority;
- Residency of Councillors;
- Learning for all policy; and,
- Information received by Council / Committees from Administration.

Overall observations

Thirteen instances where no documented evidence of Council policies or administrative procedures could be provided were noted, including performance management, severance, and whistleblower activities. Additionally, thirteen instances were noted where existing policies and procedures lacked sufficient design and / or documentation and one instance where procedure included a policy and procedure statement. The findings noted comprised of a number of areas of scope, indicating a potential where this issue may be more widespread than our current findings. The Municipality should:

- Review the gap areas noted in our report;
- Develop and implement relevant policy and / or procedure;
- Communicate and train employees on new and updated procedures to ensure these areas are well understood; and,
- Create mechanisms for Administration to monitor where updates are not well understood or not being complied with.

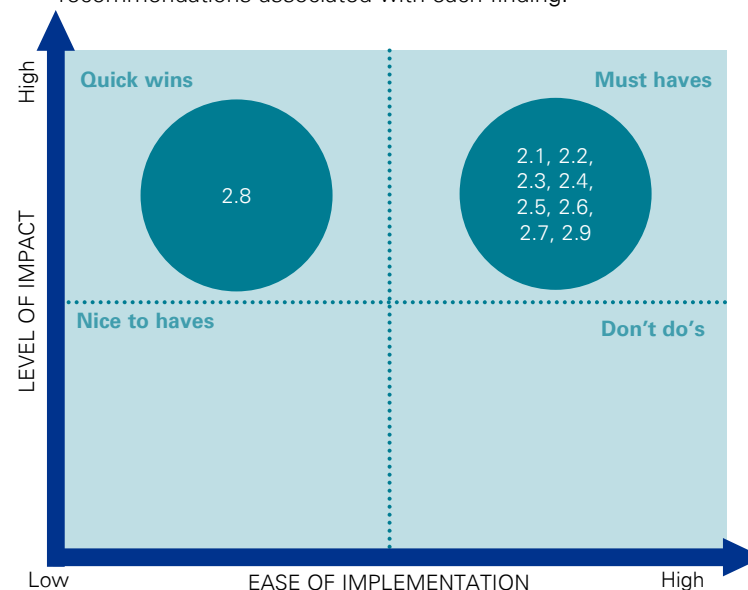
Summary of findings

The following table summarizes the findings identified:

Finding title	
2.1	Lack of whistleblower policy
2.2	Non-compliance with Delegation Order
2.3	Out of date code of conduct
2.4	Lack of employee performance management policy and procedure
2.5	Lack of severance policy and procedure
2.6	Lack of "Learning For All" policy or appropriately approved procedure

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



Finding title	
2.7	Insufficient policy and procedure on attendance at political fundraisers
2.8	Implementation of grant procedure
2.9	Other policies and procedures

2.1 Lack of whistleblower policy

Finding	Recommendation
<p>There is no documented whistleblower policy. The Municipality's code of conduct makes reference to whistleblower activities, but does not provide sufficient detail to be considered a policy or procedure.</p> <p>A whistleblower policy provides employees and others with a safe and secure means of reporting, in good faith, incidents that violate the Code of Conduct to the Municipality without repercussions to the reporter. A whistleblower hotline would provide Council with a comprehensive listing of incidents. The listing can be used as a preventative and pre-emptive tool for the Municipality to follow-up on incidents and help ensure accountability for the resolution of these matters.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a whistleblower policy.</p> <p>In order to implement this recommendation, the Municipality should create a whistleblower policy incorporating the following:</p> <ul style="list-style-type: none"> ▪ What the cost of implementing an internal hotline versus an external hotline run by an independent third party would be to the Municipality; ▪ Whether internal audit or legal, who are well placed to be at the center of an internal hotline, have sufficient capacity and skills to review and analyze reported incidents; ▪ What information should be reported to Council or any other parties within the Municipality based on the severity of reported incidents; ▪ Establish expected responses to incidents to obtain consistent treatment on a case-by-case basis; and, ▪ The benefits of outsourcing the whistleblower to a third party operator, such as obtaining independent reporting over incidents and phone calls. <p>As a leading practice, the whistleblower hotline is outsourced to a third party operator to ensure anonymity of those calling and independence of the hotline.</p>

2.2 Non-compliance with Delegation Order

Finding	Recommendation
<p>The Delegation of Financial Signing Authority and Designated Office Duties (Delegation Order) dated June 19, 2012 contains guidelines surrounding the authority and accountability of employee sign-offs on various matters. Based on procedures performed, we noted several instances of non-compliance or instances where no documentation could be provided demonstrating compliance with the Delegation Order, including the following findings:</p> <ul style="list-style-type: none"> 2.1 Lack of severance policy and procedure; 5.1 Lack of documented policies and procedures (land acquisition); 6.5 Undocumented approval requirements; 6.6 Self-approval of expense reports; 6.7 Lack of evidence of approval of expense reports; and, 7.2 Inappropriate approval of change orders. <p>The above listing is comprised of a number of areas of scope, noting that instances of non-compliance may be widespread within the organization. Through interviews held with control owners and employees, we noted that the current Delegation Order is considered to be confusing and unfit for its purpose, as it does not always provide a clear indication of signing authority. For example, some positions exist in the Delegation Order that are not present in the Municipality, while others included are currently vacant. Furthermore, the Delegation Order does not provide clarity on who should approve in the absence of a position.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality should review and update its Delegation Order on a regular basis to ensure it remains current.</p> <p>In order to implement this recommendation, the Municipality should review the findings noted throughout the report, including the following:</p> <ul style="list-style-type: none"> The current document drives desired outcomes; Responsibilities and accountabilities are clearly articulated; A supporting schedule / matrix would assist in the application of the Delegation Order; Documenting what employees should do in the event of a vacant position (i.e. substitute approvals); The Delegation Order can be integrated or automated in SAP; and, Implement a requirement for process or control owners to verify and report on compliance. <p>Leading practice would support a regular, periodic review of the Delegation Order to confirm that it remains current and to implement changes when they are required.</p>

2.3 Out of date code of conduct

Finding	Recommendation
<p>The Municipality's code of conduct defines the principles by which employees are expected to act ethically, professionally and in the best interest of stakeholders of the Municipality. The Municipality's code of conduct is documented in Administrative Directive HRM-110, Code of Conduct.</p> <p>HRM-110 notes that the code of conduct shall be assessed two years from its effective date to determine its effectiveness and appropriateness. We noted that the procedure was last reviewed on April 18, 2007 and has been under review since April 7, 2011, indicating that the procedure is past the required review date and may be outdated.</p> <p>In addition, we noted gaps in the current code of conduct compared to leading practice, some of which have been summarized below:</p> <ul style="list-style-type: none"> ▪ Inclusion of the Municipality's vision, mission and goals; ▪ A listing of available resources for obtaining guidance of application; ▪ A summary listing of other ethics or compliance resources in the Municipality, including supplementary policies and procedures; ▪ Information technology: The code of conduct does not include guidelines for acceptable use of information technology, including social media in a professional and personal capacity; ▪ Workplace security: The code of conduct does not contain reference to procedures for ensuring a safe and secure workplace. We noted these exist in practice through swipe cards, secure stairwells, and locked filing cabinets; however, reference should be included in the code of conduct; and, ▪ Political agendas: The code of conduct does not disclose whether Municipal employees can run for political office or the desired conduct for Municipal employees who choose to run for political office. <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality finalize the review and update of its code of conduct to reflect leading practice.</p> <p>In order to implement this recommendation, the Municipality should to address the gaps noted in our findings.</p>

2.4 Lack of employee performance management policy and procedure

Finding	Recommendation
<p>There are no documented policies, procedures, or guidelines detailing the Municipality's employee performance management framework or requirements to complete employee performance reviews, including the CAO.</p> <p>The following are examples of leading practices that should be considered in creating an employee performance management structure:</p> <ul style="list-style-type: none"> ▪ <i>Talent optimization</i>: ensuring talent is well employed throughout the Municipality by clearly defining roles, creating talent awareness across the leadership team with bios and mentoring, and expanding tools and processes for succession planning. ▪ <i>Goal setting</i>: with the aid of a performance mentor, setting goals that align with the Municipality's strategy, while promoting employee development and progress to desired outcomes. ▪ <i>Performance reviews</i>: effective periodic performance reviews (quarterly or semi-annually) to provide and document feedback to employees regarding their contributions in their role and guidance for areas of improvement to better align with the Municipality's goals. Reviews should be structured to indicate where the employee is performing relative to the Key Performance Indicators (KPIs) of the job role. ▪ <i>360 degree feedback</i>: feedback should be given from others around the employee, not just the direct supervisor. This will allow for a more thorough and well-rounded view of an employee's performance. ▪ <i>Leadership review</i>: a review of the tools and process developments for the leadership team may indicate gaps where leaders need more support from staff. Talent management processes should realign and distribute resources to where leadership gaps are occurring. ▪ <i>Coaching and / or mentorship</i>: helping employees to achieve their potential through continued support may provide greater team cohesion. Coaching should aim to fill any gaps between the current and desired state of tools/training/communication skills within the workforce. Mentoring may enhance retention by the Municipality being able to greater understand the needs of the employees, and communicate the Municipality's goals through a more direct channel. <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a robust employee performance management policy and procedure.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Document and implement an employee performance management policy and procedure; ▪ Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; ▪ Create monitoring mechanisms for Administration to monitor the status of the employee performance management program, including compliance with goal setting, performance reviews, and 360 degree feedback; ▪ Align pay to key performance indicator achievements; ▪ Incorporate performance management into roles and responsibilities; and, ▪ Work with Council to assess whether information should be reported to Council on employee performance management and at what frequency.

2.5 Lack of severance policy and procedure

Finding	Recommendation
<p>There are no documented policies, procedures or guidelines for severance – whether employees are terminated with or without cause. Discussions with Human Resources staff revealed that procedures and processes are somewhat ad hoc and communicated while severance is taking place. Severing an employee involves many elements, including filling out the prerequisite forms, calculating severance payments, obtaining approvals, and communication with the employee.</p> <p>Based on our sample testing of six severances without cause, we noted inconsistencies in documentation retained as well as missing documents at various stages of the process. Specifically:</p> <ul style="list-style-type: none"> Three out of six samples did not have a termination letter on a consistent / expected template; One out of six samples did not have paperwork signed by the former employee; Five out of six samples did not have a severance calculation on file; Two out of six samples did not have an appropriately completed Affidavit of Executions; and, Three out of six samples did not have appropriate evidence of approval of the termination letter, as they were signed by a contractor rather than an employee of the Municipality, which violates the Delegation of Financial Signing Authority dated June 19, 2012. <p>We noted that in most cases, severance payments were calculated inconsistently, no documentation of employee exit interviews or evidence that internal legal counsel was involved was able to be consistently provided.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a severance policy and procedure.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Document the policy and procedure by which severance with / without cause should be performed. The procedure should include, at a minimum, what documents need to be obtained, completed (and by whom), retained, when to engage legal or other departments, guidelines for calculating severance payments, consideration of labor laws, and what approvals need to be obtained and retained; Create a checklist to be placed on file to verify that all relevant parts of the process have been completed and required documents are retained on file; Clearly communicate new procedures to employees through orientation, e-mail, or training sessions; Where applicable an exit interview should be performed and findings addressed appropriately; Create monitoring mechanisms for Administration to monitor the status of severance with or without cause, including checking for required information in the file / appropriate approval of severance; and, Work with Council to assess whether information should be reported to Council on severance and at what frequency.

2.6 Lack of “Learning For All” policy or appropriately approved procedure

Finding	Recommendation
<p>There is no documented “Learning For All” policy approved by Council. Administrative procedure HRM-410, Employee Education Program, currently serves as both the policy and procedure, but has not been reviewed and approved by Council or the CAO, which is required as it impacts more than one department. As a result, a policy document does not exist nor does an appropriately approved organization wide-procedure.</p> <p>Based on sample testing of three employees engaged in education and professional development, we noted:</p> <ul style="list-style-type: none"> Each employee had completed and approved learning agreements as per HRM-410, although the learning agreements were not always completed; and, One out of three employee had a return to service agreement. For this employee, the return to service agreement was not consistent with HRM-410 which does not require a return to service agreement to be in place. <p>Per review of HRM-410, we noted the following for consideration by Administration:</p> <ul style="list-style-type: none"> The procedure document currently includes policy descriptions, which should be removed and included in a policy document approved by Council; Term 4.4 states that employees should suffer no loss of wages/salary to pursue education under the "learning for all" policy. It is unclear if this is meant to cover paid time off to attend classes or electives (such as week long in-resident electives and the extent of support available); The procedure does not indicate a threshold or criteria where a return to service agreement is required and guidelines over the suggested length; and, The procedure is silent on where individuals are expected to complete electives and what travel costs will be covered. <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a “Learning For All” policy and procedure.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Document, approve and implement a “Learning For All” policy; Revise the current procedure for findings noted and review to assess if it is fit for purpose to the Municipality’s needs; Going forward, implement specific requirements for return to service agreements for all future learning for all applications; For employees currently enrolled in a learning for all program, assess whether or not return to service agreements should be put in place; Clearly communicate new policies and updated procedures to employees through orientation, e-mail, or training sessions; Create monitoring mechanisms for Administration to monitor the status of learning for all, including: <ul style="list-style-type: none"> Checking for completed forms and return to service agreements; Storing return to service agreements with Human Resources; and, Completing ongoing monitoring over program and travel spend; and, Work with Council to assess whether information should be reported to Council on “Learning For All” and at what frequency.

2.7 Insufficient policy and procedure on attendance at political fundraisers

Finding	Recommendation
<p>Administrative procedure LEG-130, Council Events, states that “any expense” incurred during attendance of a political fundraiser will not be reimbursable by the Municipality. We were informed of an instance where an elected member of the Municipality was invited, as a guest, to attend a political fundraiser and the Municipality reimbursed the individual for the expenses; the costs for the Mayor to attend (i.e. flight, rental car, and hotel) were paid for by the Municipality.</p> <p>We were informed by Council that attendance at the political fundraisers can bring value to the Municipality as it is a forum where the Mayor and Councillors can engage directly with elected officials. Based on procedures performed, we noted that there is no policy regarding employee attendance at political fundraisers. In addition, LEG-130 which covers the attendance of elected officials at political fundraisers, is a procedure approved by the CAO; therefore, no Council approved policy exists.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a policy covering attendance at political fundraisers and update the current procedures to include additional guidance.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Draft and implement a policy covering attendance at political fundraisers for both elected officials and employees; ▪ Include employees into the scope of the procedure (LEG-130); and, ▪ Require preapproval from Council or the Audit and Budget Committee when there are any costs to be incurred by the Municipality when an employee or elected official is invited to an event. This should include documentation of the expected benefits / purpose.

2.8 Implementation of grant procedure

Finding	Recommendation
<p>As at the date of fieldwork, an updated methodology and procedure manual for grants to organizations in the community was in draft. The procedure sets out the process by which grants are disbursed, as it provides clear guidelines and visual workflows, and step by step instructions on how employees should make decisions, including who to ask questions. The intent of the updated procedure is to improve the process by which grants are approved and disbursed by providing guidelines, risk assessments, and tools to enable employees to make decisions on behalf of the Municipality.</p> <p>Based on procedures performed over grants, we noted the following:</p> <ul style="list-style-type: none"> Administration represented that the Audit and Budget Committee does not currently receive budget breakdown of individual grants in the budget approval process; Integration with the Municipality's intranet would allow for staff to easily access and understand the policy; In one instance, no evidence of a completed risk assessment could be provided. In this case, the grantee was unable to fund a Municipality sponsored event, which resulted in additional funding being issued to the grantee; and, Grant applications are currently obtained from applicants on a paper form, resulting in a process efficiency opportunity as there is administrative effort put into sorting, filing, and inputting applications into electronic tools. <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement the grant procedure.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Clearly communicate new procedures to employees through orientation, e-mail, or training sessions; Create monitoring mechanisms for Administration to monitor the status of grants, including completion of risk assessments; Present a full listing of anticipated grants to Council for approval as part of the budgeting process, including unallocated funding; Work with Council to assess whether information should be reported to Council on an ongoing basis, including approval of unallocated / additional funding; and, Assess whether an online system for applications would assist in driving desired outcomes and reduce resource constraints.

2.9 Other policies and procedures

Finding	Recommendation
<p>Administrative procedure ADM-010, Policy and Procedure Standards, provides guidance over how policies and procedures are to be documented and approved. Section 2 notes:</p> <ul style="list-style-type: none"> ▪ Council is responsible for setting and adopting policies that direct and limit the discretion of Administration. ▪ Administration may recommend new policies or amendments to existing policies to Council. ▪ Administration is responsible for reviewing, amending, or approving operating and administrative policies and procedures. <p>Based on procedures performed, we noted several instances where there was a lack of Council approved policy or no procedures. These have been summarized in the following findings throughout the report:</p> <ul style="list-style-type: none"> ▪ 2.1 Lack of whistleblower policy; ▪ 2.4 Lack of employee performance management policy or procedure; ▪ 2.5 Lack of severance policy and procedure; ▪ 2.6 Lack of learning for all policy or procedure; ▪ 2.7 Insufficient policy and procedure on attendance at political fundraisers; ▪ 2.8 No definition of residency for elected officials; ▪ 3.1 Absence of documented departmental mandates; ▪ 4.1 Lack of honorarium policy and procedure; ▪ 5.1 Lack of documented policies and procedures for land acquisitions and expropriations ▪ 6.1 Lack of fly-in-fly-out travel policy and procedure ▪ 6.2 Lack of temporary housing policy or procedure; and, ▪ 6.3 Lack of taxable benefits policy and procedure. <p>The above listing is comprised of a number of areas of scope, indicating a potential where this issue is more widespread than our current findings where Council policies may not exist, and it is not clear when a document is administrative policy versus Council policy. Additionally, we noted one instance (FIN 190, Supply Chain Management Administrative Procedure) where the procedure includes a policy and procedure statements, indicating that the difference between policy and procedure may not be clear at the Municipality.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality review all policies and procedure for gaps noted in this report.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Complete a review of all policy and procedure documents to check whether appropriate approval has been obtained and the policy / procedures are up to date and meet internal review requirements; ▪ Review existing policies to assess whether they are sufficiently focused on high priority issues rather than day-to-day operations. If any are determined to focus on day-to-day operations, the policy should be approved by Council or should be a procedure instead. ▪ Check whether a complete listing of policies and procedures exist. For example, there may be instances where a Council policy exists but an Administrative procedure does not. Conversely, there may be instances where an Administrative procedure exists, but a Council Policy does not. If no policy or procedure are required, the decision and rationale should be documented and approved; and, ▪ Clarify where policy is the responsibility of Administration rather than Council Policy or assess whether Administration should be able to set policy as per ADM-010. <p>For any new or updated procedures, Administration should consider:</p> <ul style="list-style-type: none"> ▪ Clearly communicating new policies and updated procedures to employees through orientation, e-mail, or training sessions; and, ▪ Reviewing and updating the policy / procedure as necessary.

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3.0 Organization review – Communications and Public Affairs

The following areas were considered to be in scope:

- Review the mandate, documented roles and responsibilities, and job descriptions for the Communications and Public Affairs departments and provide comments on potential overlaps and synergies.

Overall observations

Although synergies may exist in combining the Communications and Public Affairs departments, the Municipality does not appear to have a clear or consistently documented plan for organizational design. Not every department has a documented mandate, and functions within departments are consistently transferred to other departments within the Municipality. Focus on defining the Municipality's culture may have a more lasting impact. The Municipality should complete a review of the organizational design prior to concluding on synergies in combining the departments.

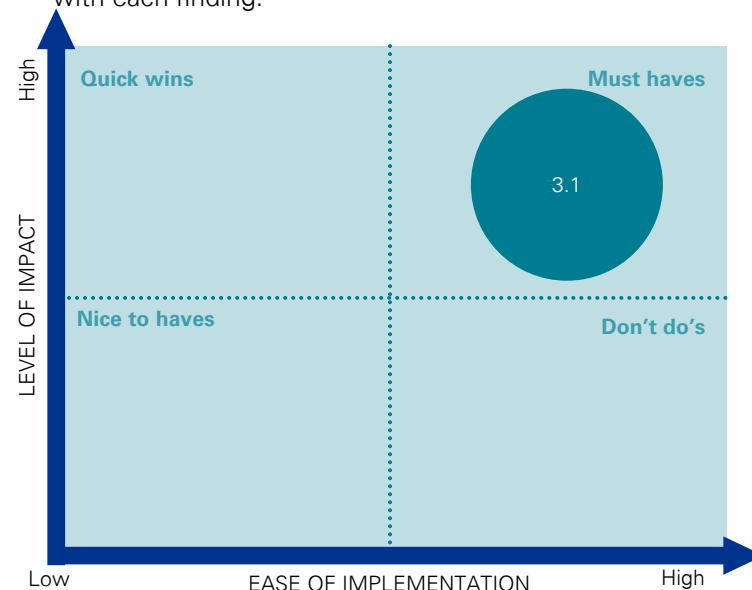
Summary of findings

The following table summarizes the findings identified:

Finding title	
3.1	Absence of documented departmental mandates

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.

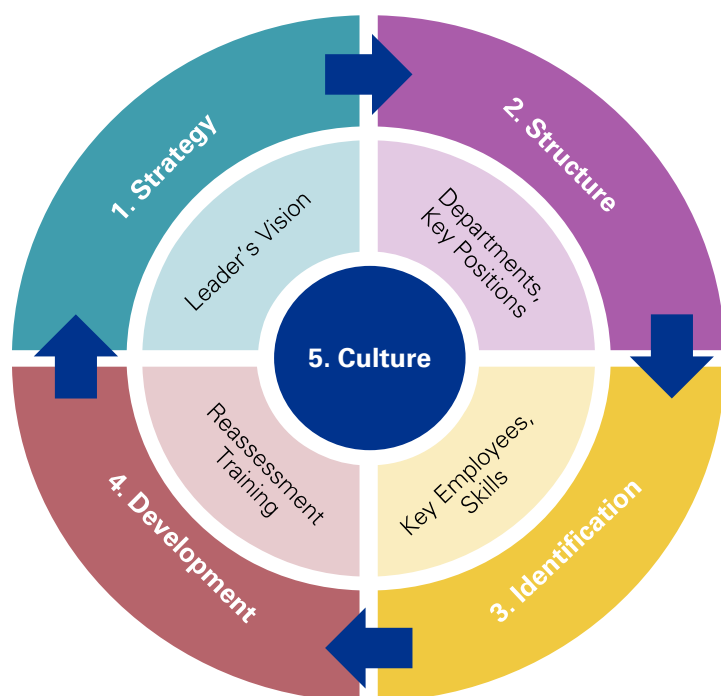


Overall organizational design

Organizational design is the creation of roles, processes, and formal reporting relationships in an organization. There are several elements, as depicted below, noting that they are driven by an organization's culture. Strategy and structure focus on the organization as a whole, while identification and development focus largely on the individuals or employees within the organization. Each element plays a critical role in an organization's design and need to be considered both in isolation and in aggregate when assessing the Municipality's organizational structure.

The Municipality needs to focus on clearly defining the Municipality's culture, by setting the right goals, holding employees accountable, and putting in place appropriate disciplines

The following are provided as examples of what should be considered within each of the 5 elements.



1	<ul style="list-style-type: none"> Strategic plan Clear vision and priorities Cohesive leadership team
2	<ul style="list-style-type: none"> Documented departmental mandates and boundaries Clear roles and responsibilities Job descriptions for key positions
3	<ul style="list-style-type: none"> Hiring employees with the right skills and abilities Clear roles and responsibilities Job descriptions
4	<ul style="list-style-type: none"> Ongoing training and development of employees Efficient and effective processes Automated systems and reporting
5	<ul style="list-style-type: none"> Values and ethics High performance culture Desire and capacity for change

Communications and Public Affairs

The following provides an overview of the roles and responsibilities of the Communications and Public Affairs departments.

Communications

- Short-term day-to-day external communications including, short-term crisis management, publishing external media (i.e. Regional Municipality of Wood Buffalo's web page, brochures, social media), and media campaigns;
- Support Mayor /Council and Executives in their communications with the public. Lead media relation functions for the Municipality as a whole;
- Publish Internal media (Intranet and employee messenger);
- Media analytics – monitor the Municipality's external media presence; and,
- Develop/implement strategic communication and marketing campaigns in the media.

Public Affairs

- Image / brand management;
- Run long-term campaigns on important Municipality issues (i.e. conferences, guerilla marketing, public sessions);
- Support other departments in creating marketing strategies/initiatives;
- Support external parties (i.e. NGOs and community organizations) in their marketing strategies/initiatives; and,
- Administrative duties over switchboard and mailroom.

We note that potential synergies may exist in merging the Public Affairs and Communications departments as:

- There are similar positions in both departments; for example, graphic designers;
- The job descriptions for the Directors of each of the departments are similar; and
- The departments have similar roles as they are focused on assisting other departments with messaging and communications.

Merging the two departments may serve as creating one point of contact within the Municipality, which may result in efficiencies for the organization as a whole. However, based on procedures performed, although similar in focus, the Departments have different functions as well as roles, which may lead to the creation of a larger department rather than any cost savings through elimination of redundancies.

Before we are able to conclude on overlaps and potential synergies, the Municipality should complete a review of the organizational design.



Organization review – Communications and Public Affairs

3.1 Absence of documented departmental mandates

Finding	Recommendation
<p>Each department should have a documented mandate setting out the responsibilities and boundaries that the department should operate within. Per inspection of the business plans of the Communications and Public Affairs departments, we noted that the Communications department has a documented mandate, whereas the Public Affairs department does not.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality develop and document mandates for the public affairs department.</p> <p>In order to implement this recommendation, the Municipality should draft a mandate for the Public Affairs department and perform a review to determine whether other departments have a documented mandate. If not, the Municipality should work with these departments to establish a mandate and establish a process to periodically assess whether the department is achieving the mandate.</p>

4.0 Honorariums

The following areas were considered to be in scope:

- Honorarium payments;
- Honorarium services; and,
- Honorarium disbursements.

Overall observations

No documented evidence of a policy or procedure within the Municipality outlining the definition of, what services are eligible for, recommended rates, or required approvals for a honorarium could be provided. Currently, honorariums include payments for services and repayment of out of pocket expenses. The Municipality should define the term honorarium, implement a policy and procedure, communicate throughout the Municipality and implement monitoring and reporting.

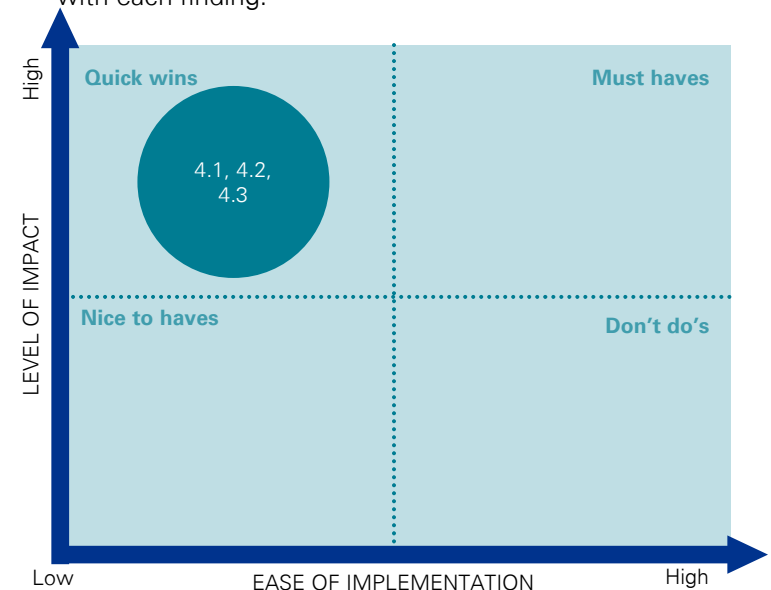
Summary of findings

The following table summarizes the findings identified:

Finding title	
4.1	Lack of honorarium policy and procedure
4.2	Inconsistent form for approval of honorariums
4.3	Lack of regular monitoring and reporting over honorariums

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



Summary of findings

The Municipality currently utilizes honorarium payments to recognize volunteer services by providing a nominal payment. Honorariums currently include disbursements for out-of-pocket expenses reimbursed to individuals receiving an honorarium.

When considering the findings, it is important to note that honorarium payments for services are less than one-third of total honorarium payments, and comprise a fraction of the percentage of the Municipality's overall expense budget. The following summarizes honorarium payments by category compared to the Municipality's total expenses:

	2011	2012	2013
Services expense*	\$ 14,266	\$ 34,153	\$ 66,258
Out-of-pocket / disbursements*	\$ 41,376	\$ 71,127	\$ 234,812
Total honorarium expense	\$ 55,642	\$ 105,280	\$ 301,070
Services % of total honorarium	25.6%	32.4%	22.0%

Total expenses**	\$ 691,455,694	\$ 423,367,900	\$ 457,255,257
Services % of total expenses	0.00%	0.01%	0.01%
Honorarium % of total expenses	0.01%	0.02%	0.07%

*Obtained from Financial Services.

** Obtained from the 2014 approved budget and financial plans

4.1 Lack of honorarium policy and procedure

Finding	Recommendation
<p>Currently, there is no policy and procedure within the Municipality outlining (i) the definition of an honorarium, (ii) what services are eligible to receive an honorarium, (iii) suggested rates/reasonable rates for an honorarium, (iv) the form/method of granting and approving an honorarium, or (v) who can approve the amount of an honorarium. Without a policy and/or procedure, there is a lack of clarity in the organization surrounding the use and application of honorarium payments.</p> <p>Bylaws 12/024 and 10/003 for the creation of the Design Review Panel (DRP) and Assessment Review Board (ARB) include reference to compensation for members. The wording surrounding compensation for attendance at meetings differs between the two bylaws as follows:</p> <ul style="list-style-type: none"> ARB: "members may be compensated" in accordance with Government of Alberta rates; and, DRP: "remuneration shall be paid" at a "rate to be fixed by the CAO". <p>Per review of honorariums paid, DRP members were paid \$1,500 per day while the Government of Alberta Order in Council prescribes that the rates shall be \$427 for services in excess of eight hours, and as a result, there is an inconsistent rate paid for services to the Municipality.</p> <p>Reimbursements for out of pocket expenses are currently classified as honorarium expense payments.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality develop and implement a formal honorarium policy and procedure.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Document the policy and / or procedure for honorarium payments. This should include the definition of an honorarium, application, and guidance over the rates. Consideration should be given to: <ul style="list-style-type: none"> Whether expense reimbursements should be classified as an expense rather than honorarium; and, Whether payments made to non-Council members should be categorized as expenses rather than honorariums (i.e. adopt a trail). Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; Create mechanisms for Administration to monitor the number and amount of honorarium payments and expenses; and, Including information on honorarium payments in reporting to Council through the Audit and Budget Committee.



Honorariums

4.2 Inconsistent form for approval of honorariums

Finding	Recommendation
<p>Currently, the Municipality does not have a consistent process to document honorarium payments including for example: the purpose of the honorarium, the amount, the nature of work performed, and the appropriate approval. Sample testing of six honorariums paid revealed that several different forms are used throughout the Municipality and that one department has created its own form, which was not appropriately completed or utilized.</p> <p>Root cause: Insufficient documentation of compliance with policies and procedures</p>	<p>We recommend the Municipality use a consistent form for approval of honorariums.</p> <p>In order to implement this recommendation, the Municipality should develop and implement a consistent form for honorarium payments that references the honorarium policy and procedure.</p>

4.3 Lack of regular monitoring and reporting over honorariums

Finding	Recommendation
<p>Timely and regular review of honorariums, including exception reporting, can identify emerging issues and trends to enable management to take corrective action. Currently, there is no regular review completed by Administration or reporting of honorarium payments to Council.</p> <p>Inspection of honorarium payments made revealed that that payments that could be classified as goods and services were being coded to honorariums. Some examples include:</p> <ul style="list-style-type: none"> ▪ Musicians and DJ's for events; ▪ Art and graffiti mural projects; ▪ Face painting service; ▪ Prize money for school sponsorship; and, ▪ A payment was made to a resident for performing <i>research assistance</i>. The honorarium payment was unexpected and flagged as unnecessary by the recipient. <p>Root cause: Inadequate monitoring and reporting processes</p>	<p>We recommend the Municipality develop and implement regular monitoring and reporting over honorariums.</p> <p>In order to implement this, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Implement a regular exception reporting / review process whereby Financial Services will review the nature and amount of honorarium payments made to check for adherence to policies and procedures and accurate coding and classification in the general ledger; ▪ Update the Delegation Order to include reference to honorarium payments; and, ▪ Work with Council to determine the frequency and what, if any, reporting on honorariums is required to the Audit and Budget Committee.

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5.0 Land acquisitions and expropriations

The following areas were considered to be in scope:

- Land acquisitions; and,
- Land expropriations.

Overall observations

A documented policy or procedure outlining the expected guidelines for land acquisition or expropriation could not be provided, resulting in inconsistencies in documentation retained and completed on file. The Municipality should develop policies and procedures to ensure consistent application throughout the Municipality.

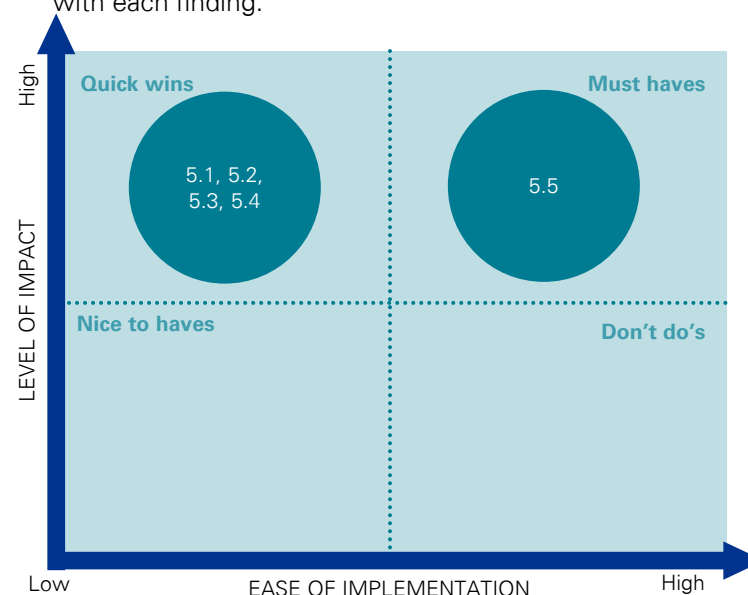
Summary of findings

The following table summarizes the findings identified:

Finding title	
5.1	Lack of documented policies and procedures for land acquisitions and expropriations
5.2	Insufficient documentation and file retention
5.3	Inconsistent completion of required documentation
5.4	No documentation of conflict of interest / related party checks
5.5	Manual tracking of land acquisitions and expropriations

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



5.1 Lack of documented policies and procedures for land acquisitions and expropriations

Finding	Recommendation
<p>There are no documented policies and procedures for land acquisitions and expropriations. Interviews with Land Administration staff revealed that procedures and processes are communicated on-the-job. The land acquisition process involves obtaining specific documents, obtaining approvals, contacting the client, and demonstrating compliance with the Municipal Government Act (MGA) for all acquisitions (the Expropriation Act for expropriations).</p> <p>Based on sample testing of three expropriation and two land acquisition files, we noted inconsistencies in documentation retained as well as missing documents at various stages in acquisition or expropriation process. Contributing to the lack of documentation retained is that several departments (i.e. land administration, legal, and the requesting department) involved with the transaction may not be given an outline of roles and responsibilities at handover.</p> <p>When a property is expropriated, additional compliance requirements exist due to the Expropriation Act. The Expropriations Act outlines what is required and the additional elements include demonstrating the conditions to expropriate have been met, obtaining Council approval of the expropriation, issuing a notice of intention to expropriate, and issuing a Municipality Without Prejudice Offer. We were unable to obtain evidence that there is documentation retained on file to substantiate consideration of these requirements.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality document its policies and procedures for land acquisitions and expropriations.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> Document its policies and procedures for land acquisitions and expropriations. The policies and procedures should include, at a minimum, a description of the documents that need to be obtained, completed and retained, how compliance with the MGA and Expropriations Act are assessed, when to engage legal or other departments, and what approvals need to be obtained at each stage; Consider creating a checklist for land acquisitions to be placed on file to ensure that all relevant documentation has been completed and retained. The checklist should include key dates that need to be met in order to complete the acquisition (conditions subsequent / precedent); Consider creation of a separate checklist for expropriations to confirm compliance with the Expropriations Act and engagement with internal Legal Counsel; Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; Create mechanisms, through use of the Delegation Order, for Administration to monitor the status of land acquisitions or expropriations; and, Include information on land acquisitions or expropriations in reporting to Council through the Audit and Budget Committee.

5.2 Insufficient documentation and file retention

Finding	Recommendation
<p>Evidence of approval of an offer amount, including a reconciliation of the initial appraisal to final offer price should be documented and retained. Sample testing noted that there is no consistency in the retention of approvals of the initial offer, subsequent amendments to the initial offer, or the final offer price. In some instances, an email was on file documenting the price and approval, but this was not always retained.</p> <p>A required form reconciling the various aspects of the final purchase price (fair market value appraisal of property, appraisal for damages and disturbances, any other items) should be prepared and approved in accordance with the Delegation Order.</p> <p>Root cause: Insufficient documentation of compliance with policies and procedures</p>	<p>We recommend the Municipality retain all documentation in the land acquisition and expropriation files.</p> <p>In order to implement this recommendation, the Municipality should</p> <ul style="list-style-type: none"> ▪ Create and mandate the use of a form requiring documentation and approval of the various aspects of the final purchase price including any amendments (fair market value appraisal of property, appraisal for damages and disturbances, any other items, which should be retained in the acquisition file; and, ▪ Implement a requirement for process or control owners to verify and report on compliance.

5.3 Inconsistent completion of required documentation

Finding	Recommendation
<p>A "Land Administration Transaction Request" form is required to be completed by the department issuing a request to acquire land prior to involving the Land Acquisition department. This form includes details such as the location, timing, budget, and service requests required for the site.</p> <p>Based on sample testing of two land acquisitions and three expropriations, we noted:</p> <ul style="list-style-type: none"> One instance where appropriate sign-off was not evidenced on the form; and, Four instances where the form was not completed or on file, as we were informed the request to acquire the land was completed and approved verbally. <p>We were informed by Administration that although the form exists to be completed, each department may not be aware of the requirement to complete it.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality mandate the use of the "Land Administration Transaction Request" form.</p> <p>In order to implement this recommendation, the Municipality should</p> <ul style="list-style-type: none"> Clearly communicate the requirement to complete the form through orientation, e-mail, or training sessions; Follow up with departments on instances of non-compliance and advising senior management where repeat instances of non-compliance are noted; and, Implement a requirement for process or control owners to verify and report on compliance.



Land acquisitions and expropriations

5.4 No documentation of conflict of interest / related party checks

Finding

Conflicts of interest and related party checks should be completed when considering land to be acquired or expropriated. We were advised that these reviews are completed through review of the legal land title search; however, no documentation of the consideration of a conflict of interest or related party check is maintained on file.

Root cause: Insufficient documentation of compliance with policies and procedures

Recommendation

We recommend the Municipality include documentation of conflict of interest and related party checks in the land acquisition and expropriation files.

In order to implement this recommendation, the Municipality should implement a requirement to identify and document any potential conflicts of interest or related parties for all land acquisitions and expropriations.

5.5 Manual tracking of land acquisitions and expropriations

Finding	Recommendation
<p>Documentation related to land acquisitions and expropriations should be tracked and maintained in one location. Due to the confidential nature of acquisitions, the register is not available throughout the Municipality; however, it is currently held with few individuals and is manually tracked in a non-password protected excel document with no requirement on fields to maintain. For example, the spreadsheet does not track the value of the property, status (in acquisition, in expropriation, or completed) or the departmental leads responsible for acquiring the property.</p> <p>Root cause: Inadequate monitoring and reporting processes</p>	<p>We recommend the Municipality consider implementing a data processing patch in SAP to track land acquisitions and expropriations.</p> <p>In order to implement this recommendation, the Municipality should consider implementing an information system solution, such as a land patch in in SAP (the Municipality's current enterprise software tool), to streamline tracking of property acquisitions, the status, and which department and person has been assigned responsibility for the acquisition file.</p>

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6.0 Travel and living expenses

The following areas were considered to be in scope:

- Travel expenses; and,
- Living expenses.

Overall observations

No documented evidence of a policy or procedure or regular monitoring over fly-in-fly out, temporary housing accommodation, or taxable benefits could be provided. Within expense reports, instances of un-evidenced approval, non-compliance with expense policies, and self-approval of expenses were noted. The Municipality should develop policy and procedure documents and mechanisms for monitoring and reporting on travel and living expenses.

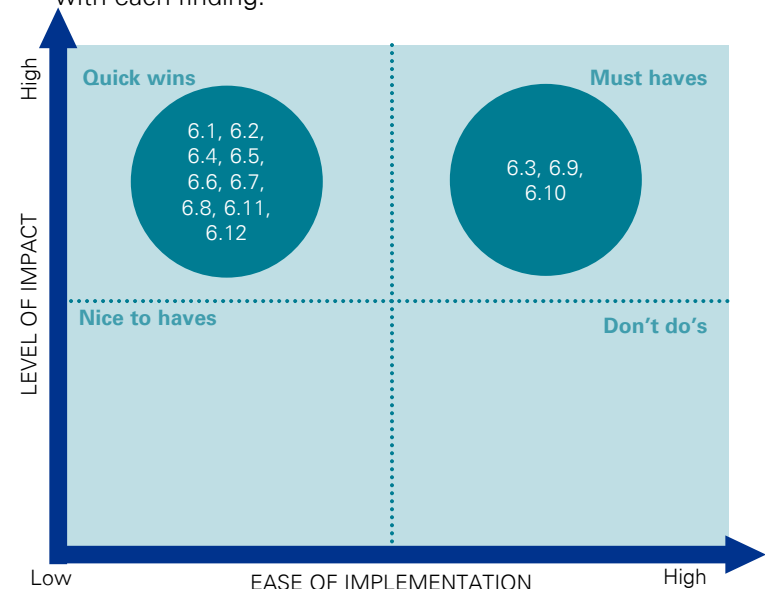
Summary of findings

The following table summarizes the findings identified:

Finding title	
6.1	Lack of fly-in-fly-out travel policy and procedure
6.2	Lack of temporary housing policy and procedure
6.3	Lack of taxable benefits policy and procedure
6.4	Taxable benefits relating to fly-in-fly-out arrangements
6.5	Undocumented approval requirements
6.6	Self-approval of expense reports
6.7	No evidence of approval of expense reports
6.8	Non-compliance with expense policy
6.9	Expense reports lacking supporting documentation
6.10	No monitoring of taxable benefits

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



Finding title	
6.11	Manual approval process
6.12	Lack of approval of expenses by a more senior employee

6.1 Lack of fly-in-fly-out travel policy and procedure

Finding	Recommendation
<p>Currently, the Municipality does not have a documented policy and procedure over travel costs related to employees on fly-in-fly-out (FIFO) arrangements. Sample testing noted three employees who were provided with flight passes or had travel costs paid for on their behalf by the Municipality as part of their employment terms and conditions. In addition, we noted two instances where taxable benefits related to fly-in-fly-out arrangements may not have been appropriately calculated. We are not aware of any employees subsequent to May 2014 who are on FIFO arrangement.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality determine whether or not a FIFO policy is required and, if required, implement a policy and procedure.</p> <p>In order to implement this recommendation, the Municipality should conclude whether FIFO arrangements are expected to be provided in the future and if such arrangements are to continue the Municipality should:</p> <ul style="list-style-type: none"> ▪ Implement policy and procedure documents over travel costs and where FIFO is applicable; ▪ Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; ▪ Create monitoring mechanisms for Administration to monitor costs and employees with FIFO arrangements; and, ▪ Include information on employees with these arrangements in reporting to Council through the Audit and Budget Committee.

6.2 Lack of temporary housing policy and procedure

Finding	Recommendation
<p>Currently, the Municipality does not have a documented policy over costs related to providing employees with living or housing arrangements. Administrative procedure, HRM-360, Employee Housing Initiatives, establishes guidelines for the administration and eligibility for living or housing allowances. Per review of the procedure document and based on the results of procedures performed, HRM-360 does not reflect current practice as:</p> <ul style="list-style-type: none"> ▪ An employee was provided housing during his entire employment, not only temporarily as dictated in the procedure document; and, ▪ The procedure notes the employee is responsible for the monthly rental cost, whereas in practice, the Municipality is paying for the majority of the rental costs. <p>The procedure is dated July 20, 2006 and has been under review since April 7, 2011, indicating that it may be out of date.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a policy and procedure for temporary housing.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Draft and implement a policy on temporary housing, including: maximum length of housing benefit, whom is entitled / exempted from the benefit and the maximum value any one person can claim; ▪ Review and update the existing procedure document to reflect current practice; ▪ Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; ▪ Create mechanisms for Administration to monitor costs and employees with housing / living arrangements; and, ▪ Include information on employees with these arrangements in reporting to Council through the Audit and Budget Committee.

6.3 Lack of taxable benefits policy and procedure

Finding	Recommendation
<p>Currently, the Municipality does not have a documented policy and procedure covering taxable benefits and the required calculation and reporting thereof.</p> <p>Root cause: Lack of documented policies and procedures</p>	<p>We recommend the Municipality implement a policy and procedure for taxable benefits.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Consider completing a comprehensive review of taxable benefits it provides to its employees to confirm whether or not all taxable benefits were appropriately reported; ▪ Create a policy and procedure that includes a definition of taxable benefits as well as the procedures for monitoring, calculating and reporting taxable benefits. ▪ Clearly communicate new policies and procedures to employees through orientation, e-mail, or training sessions; ▪ Create mechanisms for Administration to monitor taxable benefits; and, ▪ Include information on employees with these arrangements in reporting to Council through the Audit and Budget Committee.

6.4 Taxable benefits relating to fly-in-fly-out arrangements

Finding	Recommendation
<p>In circumstances where the Municipality provides employees with travel, housing, and fly-in-fly-out arrangement it's likely that those amounts would represent taxable benefits to the employees. We noted two instances where taxable benefits related to fly-in-fly-out arrangements may not have been appropriately calculated. For example, we noted one employee agreement that included a reference to "flights at no cost to the employee" and it is unclear whether or not potential taxable benefit implications had been considered.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality review all taxable benefits related to fly-in-fly-out arrangements.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Review all existing fly-in-fly-out arrangements to check that taxable benefits have been appropriately calculated and reported; ▪ Review the wording of existing employee arrangements to ensure wording takes into account potential taxable benefit considerations; and, ▪ Implement a requirement for process or control owners to verify and report on compliance.

6.5 Undocumented approval requirements

Finding	Recommendation
<p>The policies and procedures for delegation of authority and required approvals of travel and living expenses should clearly articulate the approver for all staff within the Municipality. The current policies and procedures do not specify the required approver of expenses reports for a number of senior positions, including the CAO and Mayor.</p> <p>Additionally, LEG-050, Elected Officials Compensation, specifies that Legislative and Legal Services is responsible for reviewing all council expense claims for compliance to the policy; any non-compliance is to be forwarded to the Mayor for review. This policy may lead to self-approval if, for example, the expenses of the Mayor are found to be non-compliant by Legal and Legislative Services, and are forwarded to the Mayor for review.</p> <p>Root cause: Inadequate design and documentation of policies and procedures</p>	<p>We recommend the Municipality update the Delegation Order and LEG-050 for the gaps noted in this report.</p> <p>To implement this recommendation, the Municipality should update the Delegation Order and LEG-050 to specify the approver for expense reports based on specified dollar amounts submitted by Executive Directors, Councillors, and the Mayor.</p>



Travel and living expenses

6.6 Self-approval of expense reports

Finding

Although the Delegation Order does not clearly articulate who should approve expense reports, the frequently asked questions for the Delegation Order notes that no employee or elected official can self-review his / her expense report. Sample testing over expense reports noted one instance where an employee had self-reviewed his / her expense reports.

Root cause: Non-compliance with policies and procedures

Recommendation

We recommend the Municipality utilize the Municipal Auditor to perform sample testing over self-approval of expense reports.

The Municipality should add a verification process, for example through sample testing completed by the Municipal Auditor or a requirement for process and controls owners to verify and report on compliance, over senior personnel's expense report to avoid self approval.



Travel and living expenses

6.7 No evidence of approval of expense reports

Finding	Recommendation
<p>The Delegation Order contains guidelines surrounding the authority and accountability of employee sign-offs on various matters. Based on sample testing, we noted six instances where no evidence could be provided to validate that appropriate approvals were obtained.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality retain appropriate evidence of approval of expense reports.</p> <p>In order to implement this recommendation, the Municipality should</p> <ul style="list-style-type: none">▪ Ensure that it maintains appropriate documentation of approval of all expense reports in accordance with the Delegation Order;▪ Re-communicate the Delegation Order and retrain employees through orientation, e-mail, or mandatory training sessions; and,▪ Implement a requirement for process or control owners to verify and report on compliance.

6.8 Non-compliance with expense policy

Finding

FIN 180, Travel and Subsistence, requires that the most senior employees pay for and expense business expenses incurred amongst a group of employees (i.e. meals). Based on sample testing of employees' purchase cards, we noted five instances where an employee who was not the most senior in a group paid for and expensed the meal. In two of these instances, the employees expense report was approved by a more senior employee who was also in attendance.

Based on interviews held, we noted that many employees were not familiar with the requirement in FIN 180.

Root cause: Non-compliance with policies and procedures

Recommendation

We recommend the Municipality reinforce the requirements of the expense policy to all employees.

In order to implement this recommendation, the Municipality should:

- Reinforce the requirements of FIN 180 to employees through an e-mail update or training update; and,
- Implement a monitoring system to track and document instances of non-compliance and report these matters to senior management or the individuals performance mentor to discuss with the employee.



Travel and living expenses

6.9 Expense reports lacking supporting documentation

Finding

FIN 180 requires that all expense reports submitted have receipts and / or appropriate documentation attached as support for expenses incurred. Based on sample testing over employees' purchase cards, we noted four instances where the receipts and documentation were not attached, or an incorrect supporting document was attached.

Root cause: Non-compliance with policies and procedures

Recommendation

We recommend the Municipality reinforce the requirement to submit copies of receipts with expense reports.

In order to implement this recommendation, the Municipality should:

- Reinforce the requirements of FIN 180 to employees through an e-mail update or training update; and,
- Implement a monitoring system to track and document instances of non-compliance and report these matters to senior management or the individuals performance mentor to discuss with the employee



Travel and living expenses

6.10 No monitoring of taxable benefits

Finding	Recommendation
<p>Taxable benefits should be monitored and reported to Human Resources and Finance to validate completeness and accuracy. Currently, taxable benefits are not monitored or reported internally. Based on sample testing and our discussions and interviews, we noted that:</p> <ul style="list-style-type: none">▪ Payroll does not appear to be aware of all terms of employment, such as housing and FIFO arrangements that may result in taxable benefits; and,▪ Finance does not receive a listing of taxable benefits from Payroll to complete a check against the general ledger of what costs are actually incurred. <p>Root cause: Inadequate monitoring and reporting processes</p>	<p>We recommend the Municipality regularly monitor taxable benefits.</p> <p>In order to implement this recommendation, the Municipality should:</p> <ul style="list-style-type: none">▪ Implement a requirement for ongoing monitoring and reporting of taxable benefits; and,▪ Ensure the Finance and Payroll departments actively communicate with one another. For example, a copy of the employee contract should be communicated to both departments.

6.11 Manual approval process

Finding	Recommendation
<p>Leading practices utilize system tools, such as SAP (the Municipality's current enterprise software tool) in data processing to automate the workflow of approvals and increase the efficiency of retention of approvals. The current processes at the Municipality are largely manual for expense approvals and storing evidence of approval. We noted a number of instances where:</p> <ul style="list-style-type: none"> ▪ Approvals are not evidenced on expense reports; ▪ Self-review of expense occurred; and, ▪ Documentation supporting expenses is not available. <p>Utilization of a SAP patch for approvals can assist the Municipality through creating a more efficient and consistent environment for work flowing and retaining approvals as well as consistent implementation of controls and supporting documentation.</p> <p>Root cause: Inadequate design and documentation of policies and procedures</p>	<p>We recommend the Municipality consider implementing an automated approval workflow for expense reports.</p> <p>In order to implement this recommendation, the Municipality should consider implementing an automated approval workflow in SAP linked to the approval requirements of the Delegation Order that is mandatory for all approvals.</p>



Travel and living expenses

6.12 Lack of approval of expenses by a more senior employee

Finding

Leading practice suggests that an employee's expense report should be reviewed and approved by a more senior individual within the organization. In accordance with the Delegation Order, we noted that the expense reports for the Chief Operating Officer, Executive Director of Corporate and Community Services, Executive Director of Public Infrastructure and Planning, and Municipal Auditor were reviewed and approved by the Executive Director of Financial Services, who is at the same position level / reporting to the other position levels in the organization.

Root cause: Inadequate design and documentation of policies and procedures

Recommendation

We recommend the Municipality update the Delegation Order to require all expenses be approved by a more senior employee.

In order to implement this recommendation, the Municipality should:

- Update the Delegation Order to include requirements per position for expense reports to be approved by a specific senior in the Municipality; and,
- Implement a requirement for process or control owners to verify and report on compliance.

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7.0 Consultants and contractors

The following areas were considered to be in scope:

- Procurement of consultants and contractors; and,
- Contract management, including payment, change orders, and close-out processes.

Overall observations

A number of instances were noted where no documentation could be provided to evidence that:

- Change orders were completed or appropriately approved;
- Vendor performance reviews were completed; or,
- Contract close out procedures were completed.

The Municipality should reinforce the requirements for documented completion of these areas and implement monitoring and follow-up of instance of non-compliance.

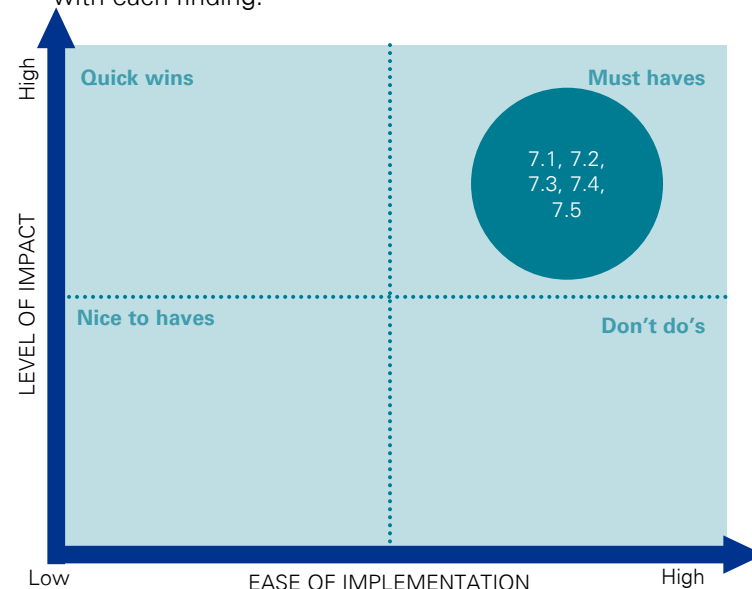
Summary of findings

The following table summarizes the findings identified:

Finding title	
7.1	No documentation of vendor performance reviews
7.2	Change orders approved from inappropriate authority
7.3	No documentation of contract close-out reviews
7.4	Change orders missing necessary documentation
7.5	Change orders missing approval signatures

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



7.1 No documentation of vendor performance reviews

Finding

Standard Operating Procedure (SOP) 15, Vendor Performance Evaluation, requires that vendor performance reviews be completed. Based on sample testing of four vendors, no evidence supporting the completion of a vendor performance review could be provided. Vendor performance reviews give the Municipality the ability to assess how a vendor performs against agreed upon terms in a contract, key performance indicators and desired service levels with the goal of determining whether the vendor is meeting expectations, whether corrective action is required, and whether to engage the vendor in the future.

Root cause: Non-compliance with policies and procedures

7.2 Change orders approved from inappropriate authority

The Delegation Order requires that change orders above \$250,000 be approved by a Director or equivalent. Based on sample testing, we noted two instances (of 42 samples selected) where, based on the information provided, change orders above \$250,000 were approved by a Manager (i.e. below the level of Director) and therefore lacked the appropriate authorization required per the Delegation Authority.

Root cause: Non-compliance with policies and procedures

7.3 No documentation of contract close-out reviews

Standard Operating Procedure (SOP) 16 Contract Close-out, requires that the contract close-out process be completed at the termination of a contract. Based on sample testing of 4 vendors, no evidence supporting the completion of a contract close-out could be provided. The contract close-out process enables the Municipality to confirm that all parties have complied with all terms of the contract or agreement, including completion of all deliverables, all amendments for scope changes and revisions were completed, and that payments owing and release of all holdbacks were completed as per the contract conditions.

Root cause: Non-compliance with policies and procedures

Recommendation

We recommend the Municipality reinforce the requirements of the standard operating procedures and Delegation Order related to vendor performance, change orders and contract close out to all employees.

In order to implement this recommendation, the Municipality should:

- Reinforce the requirement for the completion of vendor performance assessments, contract close-out procedures and authorization through orientation updates or training session;
- Implement a monitoring mechanism for vendor performance assessments and contract close-out to check for completion. Administration should follow up with overdue assessments / close-outs and on instances of non-compliance;
- Report the results of vendor performance assessments or overdue contract close-outs to Council for significant contracts (dollar value and scope); and,
- Implement a requirement for process or control owners to verify and report on compliance.

7.4 Change orders missing necessary documentation

Finding

Standard Operating Procedure (SOP) 13, Purchase Order Change, requires the completion of a Purchase Order Change Request form. we noted 19 instances (out of 42 samples selected) in which change orders lacked sufficient supporting documentation; in particular we could not check the existence of a Change Order Request form being completed as required by SOP 13.

Root cause: Insufficient documentation of compliance with policies and procedures

7.5 Change orders missing approval signatures

Based on information obtained, we noted three instances (of 42 samples selected) in which change orders issued did not possess a physical signature indicating authorization had been formally given; therefore, KPMG could not check whether appropriate approval was obtained as required by the Delegation Authority.

Root cause: Insufficient documentation of compliance with policies and procedures

Recommendation

We recommend the Municipality reinforce the requirements for change orders, including evidence of approval, to all employees.

In order to implement this recommendation, the Municipality should:

- Reinforce documentation requirements with employees through orientation updates or training sessions;
- Implement a monitoring mechanism or peer review mechanism to check for retention of approved change orders. Administration should follow-up with over due assessments / close-outs and on instances of non-compliance;
- Implement thresholds where Council is advised of cumulative changes / contracts with frequent change orders; and,
- Implement a requirement for process or control owners to verify and report on compliance.

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8.0 Tenders and proposals

The following areas were considered to be in scope:

- Tenders and proposals, including evaluation, award, and approval.

Overall observations

The current policy for procurement is out-of-date and does not comply with the required review date. One instance was noted where no documentation could be provided to evidence the completion of a non-competitive business case, and other performance improvement opportunities around efficiency and consistency were noted. The Municipality should review and renew its procurement policy.

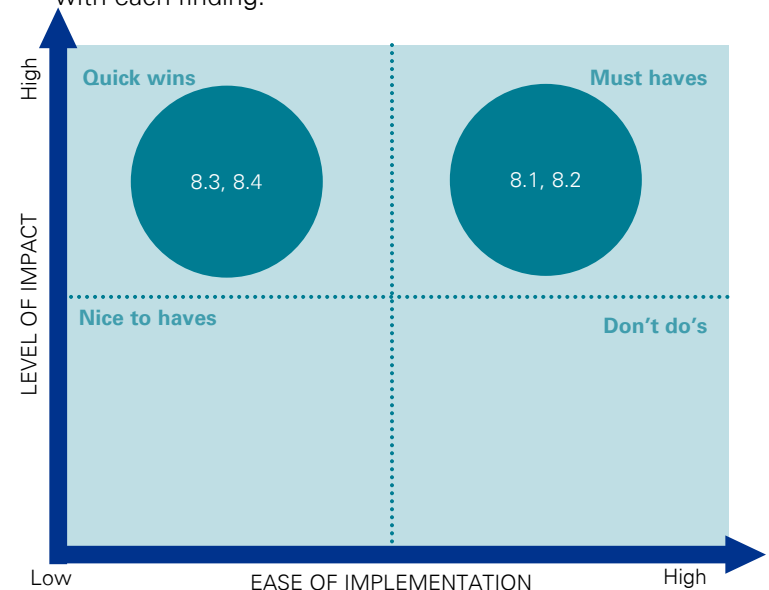
Summary of findings

The following table summarizes the findings identified:

Finding title	
8.1	Non-compliance with policy review dates
8.2	Non-completion of required form for a sole source purchase decision
8.3	Unspecified number of bids required before contracts awarded
8.4	Inadequate proposal evaluation criteria requirement

Prioritization matrix

To assist the Municipality in assessing the prioritization of our recommendations, the findings were categorized based on the anticipated level of impact and ease of implementation of the recommendations associated with each finding.



8.1 Non-compliance with policy review dates

Finding	Recommendation
<p>Council Policy PUR-100, Procurement Policy (the “policy”), states that the policy shall be accessed five years from its effective date to determine its effectiveness and appropriateness. The policy was approved on April 14, 2009 with a required review date of April 14, 2014. As at the date of this report, the policy remains under review. Policies should be reviewed and renewed in a timely manner to assess whether opportunities exist to enhance or optimize the policy.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality review the policy in accordance with the mandatory review dates.</p> <p>In order to implement this recommendation, the Municipality should complete a review of the policy to assess whether opportunities exist to enhance or optimize the policy. Where changes are made, these should be communicated to employees through orientation, e-mail, or training sessions.</p> <p>Additionally, the Municipality should implement a requirement for process or control owners to verify and report on compliance.</p>

8.2 Non-compliance of required form for a sole source purchase decision

Finding	Recommendation
<p>Standard Operating Procedure (SOP) 8 requires the use of a “Non-competitive Selection Business Case” form when the decision is made to sole source a purchase. Sample testing over the use of the form noted one instance (out of four tenders selected) where the form was not completed. SOP 8 requires documentation of the key reasons for engaging in a non-competitive process.</p> <p>Root cause: Non-compliance with policies and procedures</p>	<p>We recommend the Municipality reinforce the requirement to complete a “Non-competitive Selection Business Case” to all employees.</p> <p>In order to implement this recommendation, the Municipality should ensure its SOP with respect to sole source purchases contains the desired definition of a sole source and that the SOP is consistently applied and that the results and the analysis performed are appropriately documented.</p> <p>Additionally, the Municipality should implement a requirement for process or control owners to verify and report on compliance.</p>

8.3 Unspecified number of bids required before contracts awarded

Finding	Recommendation
<p>FIN 190, Supply Chain Management Administrative Procedure, does not indicate a specific minimum number of required respondents to proposals and or tenders. Without a minimum number of respondents, the request for proposal or tender may be undermined by lack of competition and a sufficient number of qualified respondents. Procurement policies should indicate a minimum number of recipients prior to contracts being awarded in order to ensure an efficient and thorough competitive bid process.</p> <p>Root cause: Inadequate design and documentation of policies and procedures</p>	<p>We recommend the Municipality amend FIN 190 to include a minimum number of bids.</p> <p>In order to implement this recommendation, the Municipality should amend FIN 190 to require the receipt of a minimum number of bids and when the number of minimum bids is required.</p>

8.4 Inadequate proposal evaluation criteria requirement

Finding	Recommendation
<p>FIN 190, Supply Chain Management Administrative Procedure, indicates that proposals will be awarded to the supplier with the lowest total cost or highest - scored proposal. Although the procedure includes assigning a weighting to categories, the procedure does not indicate a minimum categorical required score, specifically in relation to budget considerations. Without a minimum required score, contracts may be rewarded despite a significant associated contract cost based on the depth of the evaluation matrix.</p> <p>Root cause: Inadequate design and documentation of policies and procedures</p>	<p>We recommend the Municipality update FIN 190 to include a minimum categorical requirement for proposal submissions.</p> <p>In order to implement this, the Municipality should:</p> <ul style="list-style-type: none"> ▪ Implement a minimum categorical requirement for each proposal submission to ensure all categories of the evaluation matrix are given sufficient consideration; and, ▪ Require that proposals meet a minimum standard, as set by the Municipality, in each category of the evaluation matrix.

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**Personnel
contacted**



Personnel contacted

The following outlines the Council members and employees contacted in completion of the scope of works.

Name	Title
Melissa Blake	Mayor
Sheldon Germain	Councillor
Phil Meagher	Councillor
Guy C. Boutilier	Councillor
Keith McGrath	Councillor
Tyran Ault	Councillor
Lance E Bussieres	Councillor
Julia Cardinal	Councillor
Allan Vinni	Councillor
John H. Chadi	Councillor
Jane Stroud	Councillor
Cheryl Viegas	Senior Administrative Assistant, Land Administration
Keith Smith	Director, Land Administration
Marc Fortais	Manager, Finance
David Leflar	Director, Legal Services
Amanda Mercer	Senior Administrative Assistant, Public Affairs
Ralph Timleck	Municipal Auditor
Dianne Batsone	Senior Executive Assistant
Deanne Bergy	Senior Executive Assistant
Karoline Power	Senior Executive Assistant
Darlene Soucy	2013 Elections Returning Officer

Name	Title
Surekha Kanzig	Chief Legislative Officer
Elsie Hutton	Chief Financial Officer
Brian Makey	Chief Operating Officer
Marcel Ulliac	Chief Administrative Officer (Acting)
Roseanne Hall	Director, Human Resources
Robert Kirby	Manager, Labour & Employee Relations
Grace Dallard	Supervisor, Payroll
Jackee Denney	Coordinator, Payroll
Rhonda Sherb-Gillam	Coordinator, Payroll
Denise Neil	Coordinator, Payroll
Leanne McCarthy	Director, Advisory Services
Joanne Roberts	Director, Public Affairs
Lisa Romaine	Supervisor, Purchasing
Ted Zlotnik	Director, Supply Chain Management
Kola Oladimeji	Director, Finance
Prince Agyapong	Community Investment Program Officer
Maxine Tobin	PCard Administrator
Grace Dallard	Supervisor, Payroll
Osei Baah-Acheamphour	Supervisor, Financial Planning
Audrey Rogers	Legislative officer
Sarah Harper	Legislative Officer

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Appendices



Report 2 - Redacted Version

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Privileged and confidential

Members of the Audit and Budget Committee
Regional Municipality of Wood Buffalo
Third Floor, 9909 Franklin Avenue
Fort McMurray, Alberta T9H 2K4

July 18, 2014

Dear Members of the Audit and Budget Committee

RE: Summary of Specified Procedures Performed with respect to the Regional Municipality of Wood Buffalo's compensation provided to the Former Executive Director of Corporate and Community Services

As specifically agreed, we have performed the specified procedures enumerated in this letter in connection with the compensation provided to the former Executive Director – Corporate and Community Services (“the Former Employee”), including reimbursement of expenses during the term of the Former Employee’s employment with the Regional Municipality of Wood Buffalo from 17(1) to 17(1). Refer to the follow pages for the listing of procedures performed and related findings.

Our engagement was performed in accordance with the Canadian generally accepted standards for specified auditing procedures engagements.

We make no representation regarding the appropriateness and sufficiency of the specified procedures. These specified procedures do not constitute an audit or review of the total compensation provided to the Former Employee, and therefore we are unable to and do not provide any assurance on the total compensation package provided to the Former Employee. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

Our report is intended solely for the Mayor and Members of Council as represented by the Audit and Budget Committee of the Regional Municipality of Wood Buffalo and should not be distributed or used by parties other than Audit and Budget Committee of the Regional Municipality of Wood Buffalo.

Yours sincerely

Chartered Accountants
Edmonton, Canada

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KPMG Confidential

Agreed upon procedures:

1. Obtain copies of the signed employment agreements and any amendments to the employment agreements that have been in effect over the duration of the former Executive Director – Corporate Services’ (“the Former Employee”) tenure with the Regional Municipality of Wood Buffalo (“the Municipality”). Summarize the terms of the employment agreements and summarize all benefits related to travel, relocation and accommodation.
2. Obtain a listing of all relocation expenses paid for or reimbursed to the Former Employee by the Municipality. Obtain supporting documentation and approval for all amounts paid or reimbursed in accordance with the Municipality’s policies.
3. Obtain a listing of all travel expenses incurred by the Former Employee and reimbursed by the Municipality (or paid for on the Former Employee’s P-Card) during the period of time the Former Employee was employed by the Municipality. Obtain supporting documentation and check for approval for all travel expenses in accordance with approval policies.
4. Inspect the Municipality employee housing register and check if the accommodation benefit provided for the Former Employee during the period of time the Former Employee was employed by the Municipality was in compliance with terms of the employment agreement(s).
5. Compare the Former Employee’s compensation to all other Executive Directors of the Municipality in fiscal 2012 and 2013 as well as the Municipality’s salary compensation matrix.
6. Obtain a copy of the Former Employee’s T4 slip for the 2012 and 2013 taxation years and compare taxable benefits reported on the T4 to taxable benefits included in the Former Employee’s compensation (from procedures 1-5 above).
7. Obtain a copy of the Former Employee’s “learning for all” agreement with the Municipality to complete an 17(1) program sponsored and paid for by the Municipality. Obtain a listing of all tuition and travel expenses paid for by the Municipality under this agreement. Obtain supporting documentation and approval for all expenses.
8. Obtain documentation retained by the Municipality surrounding the termination of the Former Employee and recalculate the total severance package. Obtain evidence of approval of the severance in accordance with the Municipality’s delegation of authority.

Findings:

1. Employment Agreement Summary

We obtained the following employment agreements, and amendments, between the Former Employee and the Municipality:

- a. Employment agreement #1 - effective 17(1)
 - i. Amendment - June 27, 2011
 - ii. Amendment - August 16, 2011
 - iii. Amendment - September 7, 2011
- b. Employment agreement #2 - effective January 13, 2012
 - i. Amendment - March 20, 2012
- c. Employment agreement #3 - effective February 13, 2012
- d. Employment agreement #4 - effective June 4, 2013

The table below summarizes relocation, travel and accommodation benefits over the term of the Former Employee's employment with the Municipality as identified in the employment agreements above:

	Cost of living allowance	Relocation benefit	Travel benefit	Accommodation benefit	Salary
Employment agreement #1	\$480 biweekly (\$12,480/yr)	Lump sum of 80% of two quotes provided or reimbursement of actual expenses.	Initial – two flight passes for first 3 months (max of \$6,000) Amendment – flight passes to be provided to January 2012.	Paid temporary accommodations for 3 weeks with \$75/day food per diem (expiring May 27, 2011) Amendment – Former Employee to receive subsidized housing after May 27, 2011 where the Municipality was to pay costs of \$1,600/month.	17(1) September 7, 2011 amendment - 17(1)
Employment agreement #2	\$480 biweekly (\$12,480/yr)	Lump sum of \$10,000	Personal travel expenses paid up to a limit of \$32,000/year.	Former Employee to receive subsidized housing to a maximum value of \$19,200/year.	17(1)
Employment agreement #3	\$480 biweekly (\$12,480/yr)	N/A	Personal travel expenses paid up to a limit of \$35,000/year.	Cost-free accommodation provided by the Municipality.	17(1)
Employment agreement #4	\$480 biweekly (\$12,480/yr)	N/A	Personal travel provided in the form of one flight pass per month.	Cost-free accommodation provided by the Municipality.	17(1)

We had the following additional findings from inspection of the Former Employee's employment agreements:

- The August 16, 2011 amendment to the employment agreement stated that a full review of the Former Employee's terms and conditions of employment was to occur in January 2012. We could obtain no documented evidence this review occurred.
- The employment agreement effective February 13, 2012 was signed on August 20, 2012. The agreement was in effect and unsigned by the Former Employee or the Municipality from February 13, 2012 until August 20, 2012, a period of 6 months.
- Per HRM-370 (under review since April 2011) cost of living allowance OLA is provided to compensate exempt employees for the additional housing expense in the Municipality as compared to outside the Municipality. HRM-370 also notes that in order to be eligible, employees must also reside in the Municipality. In addition to the cost of living allowance, the Former Employee was provided an accommodation benefit and travel benefit as he resided in Winnipeg.

2. Relocation Benefit

We obtained a compensation summary for the Former Employee and noted that the Former Employee was paid a sum of \$10,000 for relocation expenses in February 2012. This amount was agreed to the Former Employee's pay stub for pay period ended February 9, 2012.

Per inspection of the Former Employee's employment agreement in effect at the time, the Former Employee was due a lump sum payment of \$10,000 for "full and final settlement of all relocation costs incurred to date or incurred in the future. No additional consideration shall be given towards relocation other than this provision herein." Therefore, the \$10,000 lump sum payment was approved per the Former Employee's signed employment agreement.

HRM 350 states that relocation assistance should be made by either reimbursement of actual costs or by paying an 80% lump sum determined from two moving quotes. No actual costs or moving quotes were provided as supporting evidence for the lump sum payment.

We noted no other payments or reimbursements made to the Former Employee for relocation over the term of the Former Employee's employment with the Municipality.

3. Travel Benefit

We obtained a listing of all travel expenses paid for or reimbursed to the Former Employee during the term of the Former Employee's employment with the Municipality. We agreed all expenses to supporting documentation and approval in accordance with the Municipality's policy FIN-180, with the following exceptions noted:

- a. The Former Employee's February 2012 and March 2012 employee expense reports retained by the Municipality were unsigned by the Former Employee or an approver. No receipts were on file supporting these two expense reports.

- b. The Former Employee's August 2012 expense report contained a flight pass purchase that was supported by a receipt from July 2012. The July 2012 expense report included the exact same receipt as support for the flight pass purchase in that month. This expense was approved with the incorrect receipt provided as support.
- c. From February 2012 through January 2013, the Former Employee expensed \$35,417.35 for flight passes exceeding the \$35,000/year threshold per year in the Former Employee's employment agreement.
- d. The Former Employee's June 2013 expense report contained a flight pass purchase that was supported by a receipt from July 2013. The July 2013 expense report included the exact same receipt as support for the flight pass purchase in that month. This expense was approved with the incorrect receipt provided as support.

4. Accommodation Benefit

We obtained the Municipality's employee housing register and compared the accommodations provided to the Former Employee to the accommodation benefit identified in the Former Employee's employment agreements. The Former Employee was provided accommodation in compliance with the employment agreement in effect at the time, with the following exceptions noted:

- a. The Former Employee was to receive only a subsidized accommodation benefit between May 27, 2011 and February 13, 2012, a period of approximately 8 months. Costs over \$1,600 per month were to be paid for by the Municipality.
- b. Per inspection of the housing register and pay stubs, the Municipality does not have record that the Former Employee paid out of pocket costs for accommodations during this time period. Per the evidence obtained, the Former Employee was in receipt of an unapproved accommodation benefit of approximately \$12,800 (8 months at \$1,600).
- c. There is no documentation to support whether the Former Employee paid out of pocket costs for accommodations.

5. Executive Director Compensation Comparison

We obtained compensation information for the Former Employee and two other Executive Directors of the Municipality for fiscal 2012 and fiscal 2013 and completed the following procedures:

- a. Verified the Former Employee's base salary by sampling 2 pay stub periods and recalculating annual salary. No findings noted.
- b. Sampled the entire population of flight passes purchased by the Former Employee in each year (one per month) to Flight Pass purchases as appeared on the Former Employee's procurement card expense forms. No findings noted.
- c. Recalculated the housing benefit for 2012 and 2013 based on the monthly rent charge per the housing register. No findings noted.
- d. Agreed the relocation expense to the Former Employee's pay stub and employment agreement (See procedure 2 above). No findings noted.

Compensation in fiscal 2012 and 2013 is summarized as follows:

2012 Compensation – Executive Directors	The Former Employee	Executive Director 1	Executive Director 2
Base Salary	17(1)	17(1)	17(1)
Housing	31,050.00	-	25,650.00
Flight Passes	32,474.40	-	-
Relocation	10,000.00	-	-
Total Compensation fiscal 2012*	17(1)	17(1)	17(1)

2013 Compensation – Executive Directors	The Former Employee	Executive Director 1	Executive Director 2
Base Salary	17(1)	17(1)	17(1)
Housing	32,000.00	-	12,100.00
Flight Passes	43,297.80	-	-
Total Compensation fiscal 2013*	17(1)	17(1)	17(1)

**Excluding standard employee benefits such as cost of living allowance, vacation, RRSP contributions, life insurance, and critical illness payments.*

We also obtained a copy of the Municipality's salary compensation matrix for 2012 and 2013 which specifies the range of pay for exempt employees of the Municipality. We noted that in 2012, Directors and Executive Directors did not have specified salary ranges, compensation was based on negotiation. In 2013 the maximum of the compensation range for Executive Directors was \$254,898. The Former Employee's compensation is outside of the maximum point in the compensation matrix throughout 2013.

6. T4 Slip Taxable Benefits Comparison

We obtained copies of the Former Employee's T4 slips from 2012 and 2013 and compared the taxable benefits reported on the T4 slips to the taxable benefits we performed in procedures 1 to 5 above. All taxable benefits identified have been included on the Former Employee's T4 slips from 2012 and 2013 with the following exceptions:

- The Former Employee's 2012 T4 did not include the personal travel benefit (flight passes) of \$32,474.40 per the Former Employee's expense claims (see procedure 3 above).
- The Former Employee's 2012 T4 did not include an accommodation benefit of \$11,850 per the Municipality's housing register (see procedure 4 above). We noted that the total accommodation benefit in 2012 was \$31,050, but only \$19,200 was included on the Former Employee's T4 as an accommodation benefit.
- The Former Employee's 2013 T4 did not include the personal travel benefit (flight passes) of \$43,797.80 per the Former Employee's expense claims (see procedure 3 above).

The cumulative balance of taxable benefits not included in the Former Employee's T4 as identified above is \$88,122.20.

7. “Learning for All” Agreement

We obtained the Former Employee’s “learning for all” agreement documenting the Municipality’s sponsorship of the Former Employee’s 17(1) program at 17(1), which included an in-residence elective course to be taken in Singapore. We noted the Former Employee had been approved for tuition expenses up to \$44,500 and related travel expenses up to \$5,000.

We obtained a listing of all expenses paid on behalf of or reimbursed to the Former Employee towards the 17(1) program. We noted the total expenses paid on behalf of or reimbursed to the Former Employee for both tuition and travel were below the thresholds in the “learning for all” agreement. We sampled all expenses incurred under the agreement and noted they were supported with underlying documentation and approval, with the following exceptions:

- a. Per inspection of the approved “learning for all” agreement, there were several sections of the form that were incomplete and left blank:
 - i. “What is your action plan to develop and maintain these skills”
 - ii. The entirety of Section 2: “Leader’s Input” (to be completed by the Former Employee’s leader)
 - iii. “What is the primary focus of this position [Employee’s current position]? What are the core duties and responsibilities?”
- b. The Former Employee’s “learning for all” agreement was not accompanied by a return to service agreement specifying the period of time the Former Employee must remain employed by the Municipality to avoid having to reimburse the costs to the Municipality upon successful completion of the 17(1) program as required by the Municipality’s current policy HRM-410 as well as its predecessor policy.
- c. There was a “double payment” made towards an invoiced tuition payment, with the second payment processed without being supported by an appropriate invoice. This payment was applied to a subsequent tuition payment due at a later date. Total expenditures on tuition therefore remained within the terms of the “learning for all” agreement.

8. Termination Agreement

We obtained a copy of the executed termination agreement for the Former Employee. The termination agreement was signed on 17(1) by the Former Employee and the Director of Human Resources and was effective May 1, 2014. An Affidavit of Execution was retained on file by the Municipality from the Director of Human Resources noting the termination agreement was executed on 17(1).

The termination agreement provided a severance amount of 17(1). This was offered to the Former Employee in the termination agreement which was signed by the Director of Human Resources on behalf of the Chief Operating Officer.

Per discussion with the Director of Human Resources and the Chief Operating Officer, we noted that the approval for severance was made by the former Chief Administrative Officer and was based on discussion. No documented approval could be provided.

We recalculated the severance amount of 17(1) per the terms of the Former Employee’s employment agreement. No findings noted.



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Privileged and confidential

Members of the Audit and Budget Committee
Regional Municipality of Wood Buffalo
Third Floor, 9909 Franklin Avenue
Fort McMurray, Alberta T9H 2K4

July 18, 2014

Dear Members of the Audit and Budget Committee:

RE: Summary of Specified Procedures Performed with respect to the Regional Municipality of Wood Buffalo's Procurement of Strategic and Senior Mentoring and Leadership Support Downtown Reinvention (RFP QU 2609)

As specifically agreed, we have performed the specified procedures enumerated in this letter in connection with the Regional Municipality of Wood Buffalo's ("the Municipality") procurement of Strategic and Senior Mentoring and Leadership Support Downtown Reinvention (RFP QU 2609) from the former Executive Director of Development. Refer to the following pages for the listing of procedures performed and related findings.

Our engagement was performed in accordance with the Canadian generally accepted standards for specified auditing procedures engagements.

We make no representation regarding the appropriateness and sufficiency of the specified procedures. These specified procedures do not constitute an audit or review of the Municipality's procurement of Strategic and Senior Mentoring and Leadership Support Downtown Reinvention (RFP QU 2609), and therefore we are unable to and do not provide any assurance on the adherence to the Municipality's policies and procedures. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

Our report is intended solely for the Mayor and Members of Council as represented by the Audit and Budget Committee of the Regional Municipality of Wood Buffalo and should not be distributed or used by parties other than Audit and Budget Committee of the Regional Municipality of Wood Buffalo.

Yours sincerely

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal line.

Chartered Accountants
Edmonton, Canada

Agreed upon procedures:

1. Obtain supporting documentation relating to the original Request for Proposal in connection with the Municipality's procurement of Strategic and Senior Mentoring and Leadership Support Downtown Reinvention (RFP QU 2609) and assess whether the process followed was in accordance with PUR-100 Procurement Policy.
2. Obtain a copy of the Strategic and Senior Mentoring and Leadership Support Contract with Arcturus Realty Corporation ("the Contract") and purchase orders to determine whether the Contract and purchase orders were issued and approved in accordance with the Delegation of Financial Signing Authority and Designated Officer Duties ("the Delegation Order").
3. Obtain copies of change orders issued under the Contract and determine whether they were issued and approved in accordance with PUR-100 Procurement Policy, FIN-190 Supply Chain Management Administrative Procedure, Standard Operating Procedure 13 Purchase Order Change and the Delegation Order.
4. Inspect a sample of invoices submitted under the Contract and determine whether they were in accordance with the scope of the Contract. Agree the sample of invoices to change orders or purchase orders issued.

Findings:

1. Request for Proposal

We obtained a copy of Request for Proposal (QU 2609) which was issued on April 29, 2011. We assessed whether or not the process followed was in accordance with Municipality PUR-100 Procurement Policy effective April 14, 2009. No findings noted.

2. Contract and Purchase Orders

We obtained a copy of the Contract which was issued on 30 June 2011. We assessed whether the contract was issued and approved in accordance with the Delegation Order. No findings noted.

We obtained copies of the following purchase orders:

- Purchase Order 450002810 issued June 2011 for \$150,000.
- Purchase Order 4500006883 issued October 2012 for \$193,422.20.

We assessed whether the purchase orders were issued and approved in accordance with the Delegation order. No findings noted.

3. Change Orders

We obtained copies of the following change orders and assessed whether the change orders were issued and approved in accordance with PUR-100 Procurement Policy, FIN-190 Supply Chain Management Administrative Procedure, Standard Operating Procedures 13 Purchase Order Change and the Delegation Order:

- *Change orders against Purchase Order 450002810:*
 - \$21,376.35 Change Order: Requisition number 10003250 issued December 19, 2011. No findings noted.
 - \$100,130.35 Change Order: Requisition number 10004474 issued March 27, 2012. No findings noted.
 - \$65,371.91 Change Order: Requisition number 10005344 issued June 20, 2012. We were not able to ascertain the existence of the completion of a sole source justification form being completed as required per Delegation of Financial Signing Authority and Designated Officer Duties (June 19, 2012) and therefore the change order was issued and approved in accordance with Municipal policy and procedure.
 - \$318,503.21 Change Order: Requisition number 10000655 issued August 14, 2012. No findings noted.

- *Change orders against Purchase Order 4500006883:*
 - \$160,000 Change Order: Requisition number 1006532 issued June 11, 2013. We were not able to ascertain the existence of the completion and approval of a “Purchase Order Change” form as dictated in SOP 13 effective January effective January 2013.
 - \$350,000 Change Order Requisition number 1006532 issued September 13, 2013. We were not able to ascertain the existence of the completion and approval of a “Non Competitive Selection Business Case” form as dictated in SOP 13 effective January 2013.

4. Inspect a sample of invoices

We obtained a sample of 170 invoices, representing \$1,128,518 under the contract and agreed to issued change orders or purchase orders. No findings noted.



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Members of the Audit and Budget Committee
Regional Municipality of Wood Buffalo
Third Floor, 9909 Franklin Avenue
Fort McMurray, Alberta T9H 2K4

18 July 2014

Dear Members of the Audit and Budget Committee

RE: Summary of Specified Procedures Performed with respect to Councillors and Chief Elected Official Residency

As specifically agreed, we have performed the specified procedures enumerated in this letter in connection with the residency of the Regional Municipality of Wood Buffalo's ("the Municipality") Councillors and Chief Elected Official. Refer to the following pages for the listing of procedures performed and related findings.

Our engagement was performed in accordance with the Canadian generally accepted standards for specified auditing procedures engagements.

We make no representation regarding the appropriateness and sufficiency of the specified procedures. These specified procedures do not constitute an audit, review, or legal opinion on the residency of the Municipality's Councillors and Chief Elected Official, and therefore we are unable to and do not provide any assurance on the residency of the Municipality's Councillors and Chief Elected Official. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

Our report is intended solely for the Mayor and Members of Council as represented by the Audit and Budget Committee of the Regional Municipality of Wood Buffalo and should not be distributed or used by parties other than Audit and Budget Committee of the Regional Municipality of Wood Buffalo.

Yours sincerely

Chartered Accountants
Edmonton, Canada

Agreed upon procedures:

1. Obtain a copy of the Municipal Government Act (“MGA”) and review the residency requirements for Councillors and the Chief Elected Official.
2. Obtain an understanding of the Municipality’s definition of residency for Councillors and the Chief Elected Official.
3. Obtain a representation from each Councillor and the Chief Elected Official which includes the number of days in the last year that they resided in the Municipality.
4. Obtain a copy of each Councillor and the Chief Elected Official’s most recent notice of assessment from the Canada Revenue Agency and check if the mailing address is in the Municipality.
5. Obtain a copy of each Councillor and the Chief Elected Official’s driver’s license and check if the home address is in the Municipality.
6. Obtain a copy of each Councillor and the Chief Elected Official’s utility bill(s) for the last 12 months to check if the mailing address is in the Municipality and consider changes in month to month activity;
7. Compare the addresses obtained in procedures 4, 5 and 6 to check if the addresses are the same; and,
8. For each Councillor and the Chief Elected Official, obtain a listing of all other owned and rented properties inside and outside of the Municipality.

Findings:

1. The Municipal Government Act requires that Councillors and the Chief Elected Official are to be elected in accordance with the Local Authorities Election Act.

The Local Authorities Election Act (“Elections Act”) provides criteria for the eligibility and ineligibility of a candidate to be nominated, including residency, where a candidate may be nominated if they have “been a resident of the local jurisdiction and the ward, if any, for the 6 consecutive months immediately preceding nomination day.”

2. The Municipality does not have a documented definition of residency for Councillors and the Chief Elected Official that differs from that of the Elections Act. During each election, administration of the Municipality obtains copies of all the ‘Nomination Papers and Candidates’ Acceptances, which contain an affidavit requiring the Councillors and Chief Elected Official to sign and Commissioner of Oaths to witness the candidate’s declaration of residence.
3. We obtained a representation from each Councillor and the Chief Elected Official which included the number of days in the last year that the Council member resided in the Municipality.
4. For each Councillor and the Chief Elected Official, we obtained a copy of their most recent notice of assessment from the Canada Revenue Agency and noted that all mailing addresses were in the Municipality.
5. For each Councillor and the Chief Elected Official, we obtained a copy of their driver’s license and noted that their home address was in the Municipality.
6. For each Councillor and the Chief Elected Official, we obtained a copy of their utility bills for the last 12 months and assessed if there was fluctuations in monthly activity. No findings noted.
7. We compared the addresses in the documentation obtained in procedures 4, 5, and 6 and noted that all addresses were the same.
8. We obtained a listing of all other properties owned by each Councillor and the Chief Elected Official.



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Subject: Assessment Review Boards Bylaw – Bylaw No. 14/033**APPROVALS:**David Leflar, Director
Marcel Ulliac, Interim Chief Administrative Officer**Administrative Recommendations:**

1. THAT Bylaw No. 14/033, being a bylaw to establish Assessment Review Boards, be read a second time.
2. THAT Bylaw No. 14/033 be read a third and final time.

Summary:

The current Assessment Review Boards Bylaw was enacted in 2010 following an amendment to the *Municipal Government Act* that created an entirely new system for dealing with complaints by taxpayers against municipal assessments of their properties. After four years of practical experience and several Court decisions on various aspects of the new statutory scheme, it is apparent that changes to the bylaw are appropriate. Administration is of the opinion that the changes are sufficiently broad as to warrant repeal of the existing bylaw and replacement with a new bylaw that addresses the concerns raised by practical experience and by the Courts.

Rationale for Recommendation:

The Courts have recently dealt with challenges to the Assessment Review Board legislation on the ground that it creates tribunals that lack institutional independence and may therefore be inherently biased against taxpayers. Although the legislation itself has not been struck down, the Courts have advised municipalities that their Assessment Review Boards must be administratively independent of the councils that create them, and that Board members must have clear security of tenure and security of remuneration for their services. The new bylaw enshrines those principles, and also establishes a Code of Conduct for Board members.

Experience in this municipality over the past four years has also shown that some companies are likely to bring formal complaints against their machinery and equipment (M&E) assessments, some of which are valued in the billions of dollars. M&E assessments are very complex, often involving tens of thousands of documents addressing intricate details of engineering and project financing, and complaints against them can be brought on an annual basis. Board members having only the bare minimum qualifications required by the legislation are not necessarily adequately equipped to deal with such complaints, so the new bylaw makes clear that Council may seek out persons with greater skill, knowledge and experience in relevant areas to serve as Board members for hearing major M&E complaints, and may set their remuneration accordingly.

Attachments:

1. Bylaw No. 14/033

BYLAW NO. 14/033

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO ESTABLISH ASSESSMENT REVIEW BOARDS

WHEREAS Part 11 of the *Municipal Government Act*, R.S.A 2000, c. M-26 (the “Act”) provides that a council may by bylaw establish one or more local assessment review boards and one or more composite assessment review boards;

AND WHEREAS Section 455 of the Act provides that a council must appoint a designated officer to act as the clerk of the assessment review boards;

AND WHEREAS Section 481 of the Act authorizes a council to set fees payable in order to file a complaint;

AND WHEREAS the Regional Municipality of Wood Buffalo desires to maintain public confidence in the fairness of assessment review boards and their decision-making processes, and to ensure that the boards are impartial and independent within the limits prescribed by the Act and its associated regulations;

AND WHEREAS the Council of the Regional Municipality of Wood Buffalo recognizes that certain complaints involving complex assessments of machinery and equipment, the value of which may be in the hundreds of millions or billions of dollars, should be heard by assessment review board members with specialized skills, knowledge and experience and the ability to commit significant amounts of their time to the Complaint Adjudication Process;

NOW THEREFORE BE IT RESOLVED that the Council of the Regional Municipality of Wood Buffalo enacts as follows:

PART I – DEFINITIONS AND INTERPRETATION

Short Title

1. This Bylaw may be cited as the “Assessment Review Boards Bylaw”.

Definitions

2. In this Bylaw, words have the meaning prescribed to them in the Act and the Regulation, except that:
 - (a) “Act” means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
 - (b) “Board” means a Local Assessment Review Board, a One Member Local Assessment Review Board, a Composite Assessment Review Board, or a One Member Composite Assessment Review Board established by this Bylaw;

- (c) “Chief Administrative Officer” means the chief administrative officer of the Regional Municipality or that person’s delegate;
- (d) “Clerk” means the individual appointed by Council as the Clerk of the Assessment Review Boards or that person’s delegate;
- (e) “Code of Conduct” means the Code of Conduct for Members of Assessment Review Boards prescribed in Section 14 and attached as Schedule B to this Bylaw;
- (f) “Complaint Adjudication Process” means all aspects of dealing with a complaint including procedural and scheduling issues, preliminary hearings on points of law or jurisdiction, review of materials submitted by litigants prior to a merit hearing, attending and hearing evidence at the merit hearing, considering and evaluating the evidence following a merit hearing, and preparing a written decision.
- (g) “Council” means the municipal council of the Regional Municipality;
- (h) “Mayor” means the chief elected official of the Regional Municipality;
- (i) “Member” includes a Municipal Member and a Provincial Member;
- (j) “Municipal Member” means an individual who is appointed to a Board by Council and, where the context so requires, includes an acting member appointed in accordance with section 457(1) of the Act;
- (k) “Presiding Officer” means
 - (i) for the Local Assessment Review Board, the Member chosen from among the Members of that Board;
 - (ii) for each Composite Assessment Review Board, the Provincial Member of the Board;
- (l) “Provincial Member” means the individual appointed to a Composite Assessment Review Board by the Minister and, where the context so requires, includes an acting member appointed in accordance with section 457(2) of the Act;
- (m) “Regional Municipality” means the municipal corporation of the Regional Municipality of Wood Buffalo; and
- (n) “Regulation” means the *Matters Relating to Assessment Complaints Regulation*, Alta. Reg. 310/2009.

Rules for Interpretation

3. References in this Bylaw to a statute, regulation or other bylaw refer to the current laws as at the time this Bylaw was enacted and as they are amended from time to time, including successor legislation.

4. Headings and sub-headings in this Bylaw are included for convenience only, and shall not be considered in interpreting the substantive content of this Bylaw.
5. The preamble paragraphs that precede the numbered paragraphs of this Bylaw are an integral and necessary part of this Bylaw and not a mere recital.

PART II – ESTABLISHMENT OF BOARDS AND MEMBER APPOINTMENTS

Boards Established

6. The following Boards are established:
 - (a) one Local Assessment Review Board;
 - (b) three One Member Local Assessment Review Boards;
 - (c) two Composite Assessment Review Boards; and
 - (d) two One Member Composite Assessment Review Boards.

Appointments

7.
 - (1) Council will by resolution appoint the statutorily prescribed number of Municipal Members to each Board.
 - (b) If the number of persons qualified and willing to serve as Municipal Members is not sufficient to allow for appointment of different Members to each Board, the Council may appoint one or more Members to serve on two or more Boards.
 - (c) In addition to the minimum qualifications set out in the Regulation, Council may consider skill, knowledge and experience, and availability to devote long periods of time to the Complaint Adjudication Process, in making appointments to Boards that deal with complaints involving complex assessments of machinery and equipment, the value of which may be in the hundreds of millions or billions of dollars.
 - (4) The Mayor shall not be a Municipal Member of any Board.

Term

8.
 - (1) Every Council appointment of a Municipal Member will be for a term of two years.
 - (b) A Municipal Member may be re-appointed at the expiration of the Member's term.
 - (c) If a Municipal Member is appointed to a Board that has begun to deal with a complaint and if the Member's term is scheduled to expire before the Board has finished dealing with the Complaint, then the Member's term is extended automatically and without further resolution of the Council until the Board has completed its deliberation, issued its decision, and is no longer seized with the matter.

Resignation

9. (1) A Member may resign by providing written notice, signed by the Member, to the Clerk.
 - (a) The resignation of a Member is effective on the date it is received by the Clerk, even if a later date is set out in the letter of resignation.

Removal

10. (1) Council may revoke the appointment of a Member only if Council forms the opinion on reasonable grounds that the Member has breached the Code of Conduct.
 - (b) Subject to subsection 10(1) a Member may not be removed, or rendered ineligible for re-appointment, by reason only of the content of any Board decision in which the Member concurred.

Vacancies

11. If a Municipal Member vacancy occurs on a Board, Council may appoint a replacement to fill the vacancy for the remaining unexpired term of the Municipal Member who is being replaced.

Remuneration

12. (1) Council will by resolution determine the amount of remuneration and the basis for remuneration payable to Municipal Members, for the duration of the Members' terms.
 - (2) Council may prescribe different rates of remuneration for the Members appointed to different Boards taking into consideration:
 - (a) the nature and complexity of the complaints that may be heard by the Board;
 - (b) the time commitment required of a Board for the Complaint Adjudication Process, including matters that may involve weeks or even months of hearing evidence, weighing and considering that evidence, and rendering a written decision; and
 - (c) the requisite level of specialized skills, knowledge and experience required of Members in order to comprehend and evaluate the issues in dispute in a complaint before the Board.
 - (3) The Chief Administrative Officer shall cause the rates of remuneration established under subsection (1) to be published as soon as practicable in a manner readily accessible to the public.
13. Municipal Members are entitled to be reimbursed for reasonable expenses incurred in carrying out their duties, in accordance with Regional Municipality policies and procedures.

PART III – HEARING PROCEDURES AND MEMBER CONDUCT

Presiding Officers

14. The Presiding Officer will chair the Board at a hearing and will:
- (a) make and keep a record of the hearing;
 - (b) prepare the decision in accordance with the Act and Regulation;
 - (c) provide the record of the hearing to the Clerk; and
 - (d) sign orders, decisions and other documents issued by the Board.

Member Conduct

15. (1) The Code of Conduct for Members of Assessment Review Boards attached as Schedule B to this Bylaw is hereby adopted.
- (2) Members must comply with the Code of Conduct.

Board Procedures

16. The provisions of the Procedure Bylaw do not apply to a Board.
17. (1) The Clerk may prescribe policies, procedures and directives governing hearing processes and other Board administration matters that are not inconsistent with this Bylaw, the Act or the Regulation.
- (2) The Clerk shall cause the policies, procedures and directives established under subsection 17(1) to be published in a manner readily accessible to the public.
18. Members must comply with the policies, procedures and directives prescribed by the Clerk.

PART IV– CLERK OF THE ASSESSMENT REVIEW BOARDS

Establishment

19. There is hereby established the position of Clerk of the Assessment Review Boards, and the Clerk will be the designated officer responsible for managing all administrative matters for the Boards.

Appointment

20. (1) Council will by resolution appoint an individual to the position of Clerk.
- (2) The Clerk shall not be an employee of the Assessment and Taxation Department of the Regional Municipality.

Duties

21. In addition to those duties prescribed in Part 11 of the Act and the Regulation, and the authority and duties set out in Section 17 of this Bylaw, the Clerk's duties include:
- (a) within 30 days of Council establishing a Composite Assessment Review Board, notifying the Minister of that fact;
 - (b) assigning Boards to hear complaints, consistent with the direction of Council as set out in this Bylaw or in any Council resolution authorized under this Bylaw;
 - (c) making arrangement for the retention of records of all decisions of each Board for a period of at least five years;
 - (d) issuing refunds of complaint fees in accordance with the provisions of the Act and the Regulation;
 - (e) at the direction of a Board, retaining and instructing independent legal counsel for the Board;
 - (f) consulting with Members on matters affecting the Boards; and
 - (g) overseeing all administrative and budgeting matters for the Boards, and reporting on those matters as required.

Delegation of Authority

22. The Clerk may delegate the Clerk's duties and functions to employees of the Regional Municipality who are not assessors and have successfully completed the prescribed training.

PART V – GENERAL

Complaint Fees

23. The fees payable to file a complaint are set out in the attached Schedule A.

Severability

24. Every provision of this Bylaw is independent of all other provisions and it is the intention of the Council that if any provision of this Bylaw is declared invalid for any reason by a court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

Repeal

25. Bylaw 10/003, as amended, is repealed.

Effective Date

26. This Bylaw comes into effect on the day it is passed.

READ a first time this 9th day of September, 2014.

READ a second time this ____ day of ____, 2014.

READ a third and final time this ____ day of ____, 2014.

SIGNED and PASSED this this ____ day of ____, 2014.

Mayor

Chief Legislative Officer

Schedule A

COMPLAINT FILING FEES

Complaint Type	Fee
Residential 3 or fewer dwellings and farm land	\$20.00
Residential 4 or more dwellings and all non-residential <u>Assessment Range</u>	
\$0 - \$500,000	\$100.00
\$500,001 - \$5,000,000	\$500.00
\$500,000,001 +	\$650.00
Local improvements	\$30.00

Schedule B

Code of Conduct for Members of Assessment Review Boards

PREAMBLE

The proper operation of the Boards requires that each Member be independent, impartial and responsible to the public. Therefore, it is important that Members maintain high standards of conduct.

PURPOSE

- To establish and promote ethical conduct standards for Members in their interactions with other Members, the Clerk, the parties to a complaint and the public.
- To document certain rules of conduct for Members so that they may carry out their duties, powers and functions honourably, recognizing that the function of Members is, at all times, to serve the public.

This Code of Conduct provides a framework to guide ethical conduct in a way that upholds the integrity and reputation of the Boards. It is not possible to write a Code that covers every conceivable scenario and accordingly Members are to be guided by and conduct themselves in a manner that reflects the spirit and intent of this Code.

CORE VALUES

Members are expected to behave in a manner that upholds the following core values:

- Impartiality
- Integrity
- Objectivity
- Excellence
- Diligence
- Accountability
- Respect

RULES OF CONDUCT

1. Members must carry out their duties in accordance with the Act and regulations.
2. Members must be independent and impartial.
3. Members must not use their position for personal benefit or for the benefit of any other individual or organization.
4. Members must not hear complaints in which they are, directly or indirectly, financially or personally interested.

Schedule B

5. Members must not accept any fee, gift or other benefit that is connected with or would reasonably be perceived to be connected with the performance of their duties, other than remuneration prescribed by Council.
6. Members must, in their interactions with other Members, the Clerk, parties to a complaint, and the public:
 - a. be courteous, professional, fair and unbiased;
 - b. contribute to the preservation of order and decorum in a hearing;
 - c. avoid abusive, discriminatory, harassing and intimidating language and behaviour;
 - d. avoid sarcasm, derogatory comments and questions or comments designed to belittle or embarrass; and
 - e. be respectful of the rulings and direction of the Presiding Officer.
7. Members must treat all parties fairly, in good faith and without bias, must ensure that all parties are given an adequate opportunity to state their case, and must apply their best judgment to weighing and considering evidence and rendering decisions without pre-conceptions and taking into account nothing apart from the evidence itself and the relevant law.
8. Members must:
 - a. restrict their contact with parties prior to, during and following a hearing so as to reflect the independent and impartial nature of the hearing;
 - b. refrain from discussing in public ongoing complaints or individuals appearing before the Board; and
 - c. refrain from commenting on Board decisions to the media or anyone else external to the Board.
9. Members must not divulge any confidential information presented to the Board in connection with any hearing.

**Subject: Land Use Bylaw Amendment – A portion of NE 31 TWP 76
RGE 7 W4M (Conklin) – Bylaw No. 14/034**

APPROVALS:

Felice Mazzoni, Director
Kevin Scoble, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Office

Administrative Recommendations:

THAT Bylaw No. 14/034, being a Land Use Bylaw Amendment specific to a portion of NE 31 TWP 76 RGE 7 W4M (Conklin) be read a first time, and

THAT the required public hearing be held on October 14, 2014.

Summary:

An application has been received to amend the Land Use Bylaw specific to a portion of NE 31-76-7-4 to redesignate the subject property from Urban Expansion District (UE) to the Hamlet Commercial District (HC). The intention of this amendment is to allow for the development of a future office that will be occupied by the Conklin Resource Development Advisory Committee (CRDAC).

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

Background:

The selected site (Schedule A) is located in the centre of the hamlet of Conklin and is an unsubdivided part of a larger parcel owned by the Municipality within NE-31—76-7-W4M. The site has a historic relevance for Conklin and has always been regarded as a gathering space for the community.

On July 9, 2013 the CRDAC got approved to lease the subject area from the Municipality. The area to be leased is 0.34 hectares with a lease term of five years when the option to purchase is exercised. The CRDAC proposal is to develop office space for this organization and other spaces that will support community activities including future plans for: a youth centre, a day care facility, a business development centre and a Metis local office.

The open house for the proposed Land Use Bylaw Amendment took place in the Conklin Nakewin Centre on June 12, 2014. The written notice to the adjacent property owners was distributed on May 7, 2013 and no objections were received.

Rationale for Recommendations:

The purpose of Hamlet Commercial District (HC) is to provide for commercial development in established hamlets; therefore the proposed use of land will be a complement for commercial uses.

The Conklin Area Structure Plan (ASP) Bylaw 13/024 designates the subject property as Community Core which allows for commercial, institutional and residential uses. The proposed CRDAC office is compatible with the Land Use Concept approved in the Conklin ASP.

The application is consistent with the long term planning for Conklin. It will enable the creation of the "Community Core" that will increase the opportunities for local retail and commercial activities. The rezoning to allow for the development CRDAC office fits within the community desires and the policies of the Conklin ASP.

Administration supports the propose Land Use Amendment and recommends that Bylaw No. 14/034 be given first reading.

Attachments:

1. Bylaw No. 14/034

BYLAW NO. 14/034

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

WHEREAS Section 639 of the *Municipal Government Act* requires every municipality to enact a Land Use Bylaw;

AND WHEREAS Section 191 (1) of the *Municipal Government Act* authorizes Council to adopt a bylaw to amend a Land Use Bylaw;

NOW THEREFORE the Regional Municipality of Wood Buffalo, in open Council assembled, enacts as follows:

1. Bylaw No. 99/059, the Land Use Bylaw, is hereby amended by revising the Conklin Land Use District Map found at “Map 14” to show that portions of NE 31-76-7-4 are re-designated from Urban Expansion District (UE) to Hamlet Commercial District (HC) depicted in “Schedule A”.
2. This bylaw comes into effect when it is passed.

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

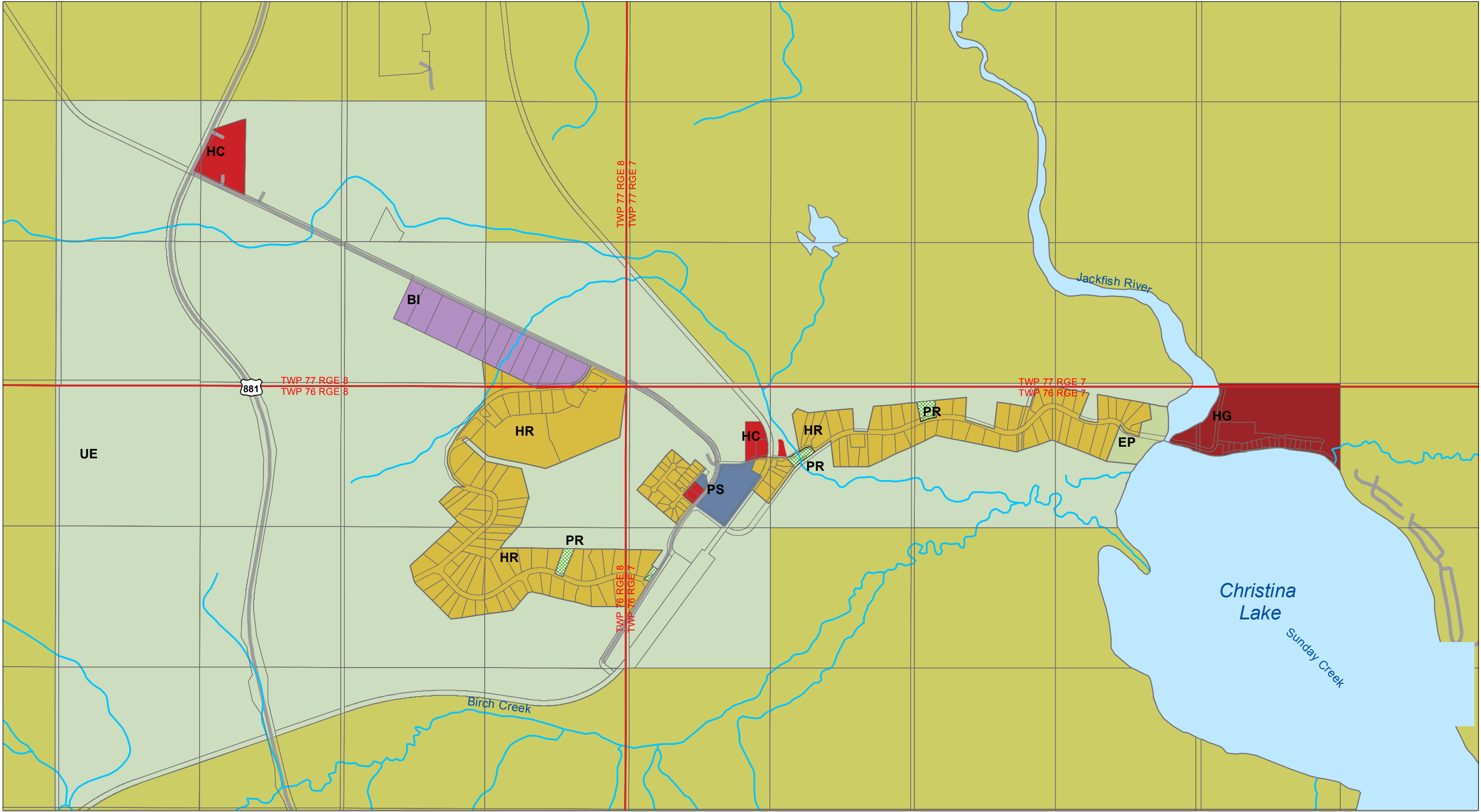
READ a second time this _____ day of _____, A.D. 2014.

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

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

Mayor

Chief Legislative Officer



Land Use Districts - Rural Service Area

BI Business Industrial	HC Hamlet Commercial	HR Hamlet Residential	PS Public Service	UE Urban Expansion
EP Environmental Protection	HG Hamlet General	PR Parks and Recreation	RD Rural District	

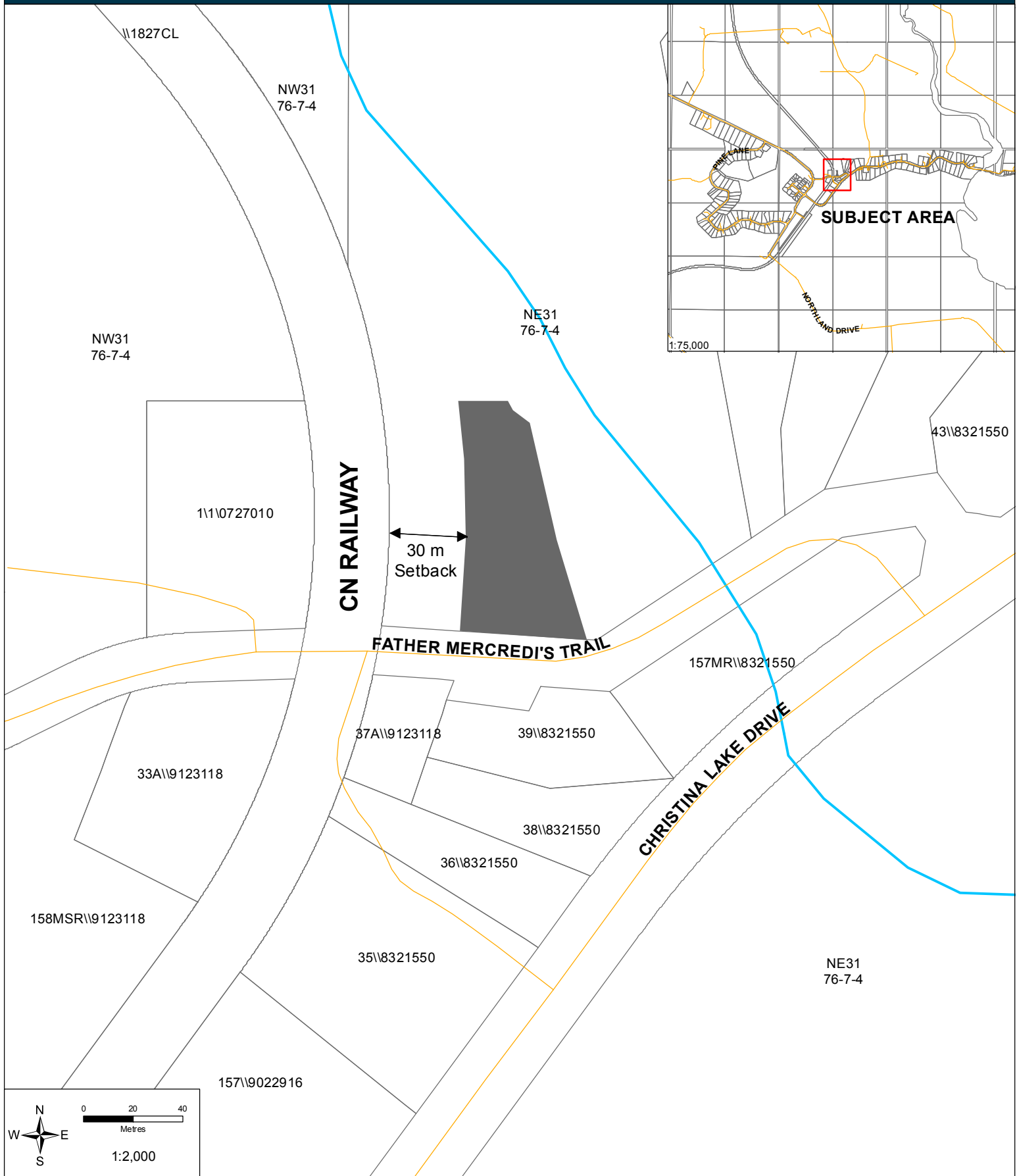
CONKLIN LAND USE DISTRICTS BYLAW 99/059 - MAP 14

Amendment Date: October 14, 2014

1 cm = 200 meters

REGIONAL MUNICIPALITY
OF WOOD BUFFALO

September 05, 2014
Map 14 - Conklin Land Use District
Map produced by Community Development Branch



■ From UE to HC

A PORTION OF
NE 31 TWP 76 RGE 7 W4M
CONKLIN



Map Produced by the
Community Development Planning
Branch on 9/8/2014

Subject: Municipal Public Utilities Bylaw No. 14/035**APPROVALS:**

Kevin Scoble, Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendation:

THAT Bylaw No. 14/035, being the Municipal Public Utilities Bylaw, be read a first time.

Summary:

The purpose of the Municipal Public Utilities Bylaw is to prohibit any person from supplying a utility service to the public within the Municipality that is the same as or similar to a Municipal utility service provided by the Municipality or a subsidiary of the Municipality as stated in Section 33 of the *Municipal Government Act* without consultation with, and the approval of, the Municipality. This permits the Municipality to have input in the provision of public utility services to ensure equity for all stakeholders.

Courtesy notifications have been made to affected utility service providers. Administration has developed a communication plan to effectively communicate the Bylaw's implementation, if approved by Council, and to provide additional clarity to potentially affected businesses, unaffected businesses, and residents.

Background:

The Municipality has recently commissioned significant infrastructure to meet service demands and growth within the region. Additional environmental services infrastructure, as approved in the 2014 and prior Capital Budgets, is planned or is under construction and further infrastructure, as outlined in the 2015-2019 Capital Plan, is being contemplated.

Potentially impacted environmental services infrastructure throughout the region includes:

1. Water treatment infrastructure,
2. Wastewater treatment infrastructure, and
3. Solid waste infrastructure.

Planning and design of existing and new infrastructure considers individual assets as components of an optimized regional system to achieve economies of scale to reduce costs and considers revenue generation from commercial (i.e. work camps and industrial plants) bulk water and septage sales in the business cases to maintain/subsidize rates for residential and small business customers and enhance services or provide new services to those customers.

Alternatives:

1. Increasing residential and commercial utility rates.
2. Re-evaluating planned infrastructure to provide less efficient infrastructure at higher unit cost per customer, both urban and rural.
3. Vertically integrating the Environmental Services value chain to facilitate demand for services.

Rationale for Recommendation:

Recently, significant growth has occurred in alternative third party wastewater treatment facilities operating in conjunction with work camps. This current situation impacts the Municipality with both decreases in existing and new revenue and increases in operating costs associated with the difficulty in treating concentrate from these facilities. Additionally, capital upgrades are required to continue to treat this concentrate to meet more stringent regulatory requirements coming into effect in 2015.

Administration has identified private businesses pursuing design and construction of commercial water and wastewater treatment facilities within the region. These facilities have potential to negatively impact sales from existing and future municipal infrastructure and may require Administration to re-consider the design plans of approved and future capital infrastructure technology and capacity downgrades if operational efficiencies are impacted. These private facilities also have the potential for the Municipality to incur sunk costs for existing infrastructure.

Environmental Services operates in a deficit position: revenues do not cover costs and the difference is subsidized through the property tax base. Historically, a significant portion of this deficit, if not all of it, has been made up through bulk water and septage receiving sales. Full cost recovery, approved by Council in 2006, has not been fully implemented with no rate increases since 2010. Administration estimates a 10% decline in commercial revenue requires a 26% increase in residential rates to offset the revenue shortfall.

Comparable bylaws have been enacted in Edmonton, Calgary, Red Deer, Lethbridge, Medicine Hat and Grande Prairie. The Bylaw, as proposed, would not prohibit third parties from providing public utilities services in the region, but instead permits the Municipality to have input to such activities to ensure equity for all stakeholders. This provides a balance to ensure viable business development without subsidization by taxpayers or ratepayers and without impact to their access to economic and comprehensive service levels.

Attachments:

1. Municipal Public Utilities Bylaw No. 14/035

BYLAW NO. 14/035

A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO PROHIBIT THE PROVISION OF A SAME OR SIMILAR TYPE OF UTILITY IN THE MUNICIPALITY.

WHEREAS Section 33 of the *Municipal Government Act* empowers a council to pass a bylaw for the purpose of prohibiting any person from supplying a utility service within the municipality that is the same as or similar to a municipal utility service provided by the municipality or a subsidiary of the municipality;

NOW THEREFORE the Regional Municipality of Wood Buffalo in council assembled enacts as follows:

SHORT TITLE

1. This bylaw may be cited as the "Municipal Public Utilities Bylaw".

DEFINITIONS

2. Unless otherwise specified any word or expression used in this bylaw that is a defined word or expression under the Act has the meaning set out in the Act.
3. In this Bylaw, unless the context otherwise requires, the following definitions shall apply:
 - (a) "Act" means the *Municipal Government Act* of Alberta;
 - (b) "Municipality" means the Regional Municipality of Wood Buffalo, or the area contained within its boundaries, as the context requires;
 - (c) "Person" means a natural person or a body corporate;
 - (d) "Subsidiary" has the meaning set out in subsection 1(3) of the *Electric Utilities Act*

NON-APPLICABILITY TO FRANCHISE AGREEMENTS

4. This bylaw has no application to:
 - (a) utility services provided under a contract with the Municipality of the kind described in Section 45 of the Act; or
 - (b) utility services created or generated by a Person for sole and exclusive use or consumption by that Person or a Subsidiary of that Person, and not re-sold or re-distributed to any other Person.

PROHIBITION ON THIRD PARTY UTILITY SERVICES

5. Subject to Section 6 no person other than the Municipality is allowed to provide any utility service within the Municipality that is the same as or similar to a municipal utility service provided by the Municipality or a Subsidiary of the Municipality.
6. The Municipality may by written agreement allow any Person to provide utility services within the Municipality that would otherwise be prohibited under this bylaw, including utility services originally provided by a municipal public utility and re-sold or re-distributed by the Person to others, for such time and subject to such conditions as may be specified in the agreement, including without limitation a provision that the Municipality shall be paid a share of the revenues received by the Person in exchange for provision of utility services.
7. A person who contravenes the provisions of Section 5 is guilty of an offence and upon conviction is liable to pay a fine not exceeding \$10,000.00, or to be imprisoned for a period not exceeding 6 months in default of payment of the fine.
8. The Municipality may give written notice to a person in contravention of Section 5 to cease and desist the contravention, and each day that a person continues to contravene the provisions of Section 5 after receiving such notice constitutes a separate offence.
9. Where a person is convicted of an offence under this Act and the court is satisfied that as a result of the commission of the offence monetary benefits accrued to the person, the court may order the person to pay, in addition to a fine under Section 7, a fine in an amount equal to the court's estimation of the amount of those monetary benefits
10. This bylaw comes into effect when it is passed.

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

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

READ a third time this _____ day of _____, 2014.

SIGNED and PASSED this _____ day of _____, 2014.

Mayor

Chief Legislative Officer

Subject: Fort McMurray Flood Mitigation Program: Funding Application to the Province of Alberta**APPROVALS:**

Kevin Scoble, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

THAT Council approve a three-phase flood mitigation development plan that outlines priorities for flood mitigation in the Lower Townsite over the next four years; and

THAT Council direct Administration to apply for flood mitigation funding from the Alberta Community Resilience Program.

Summary:

Subsequent to the June 2013 flooding, the Government of Alberta announced its intention to develop provincial legislation prohibiting development within any flood plain. The Alberta Flood Recovery and Reconstruction Act – Bill-27 would impact more than half of Fort McMurray's Lower Townsite. Administration and Provincial representatives for Fort McMurray have discussed an exemption from this future legislation, contingent upon upgrading flood mitigation to the 1:100 year ice jam flood elevation of 250.0 m. Concurrent with developing the Bill, the Province has established the Alberta Community Resilience Program. This grant program is open to any community affected by floods in Alberta, offering funding for implementing flood mitigation measures. At this time, Administration is seeking \$201,607,316 in financial assistance.

Background:

In 2013, Administration began planning to upgrade the flood mitigation system to the 1:100 year flood elevation of 250.0 to satisfy the requirements for an exemption from Bill-27. The primary task was to update the 2000 conceptual plan prepared by Trillium Engineering and Hydrographics Inc. to reflect current site conditions and establish current capital and engineering costs. This plan only provides the conceptual alignment and costs to build the full flood mitigation system to the mandated elevation. The Administration is recommending that the flood mitigation system be upgraded without any freeboard - a 0.5 m tolerance that is often applied to flood mitigation systems. This is based on the fact that ice-jam-related flooding or ponding is less severe than an active rapid flow of water.

In 2014, Administration retained Northwest Hydraulic Consultants Ltd. to finalize the conceptual plan for the current flood mitigation program, including a preliminary alignment and current and near-term costs to develop the program over the next few years. Several "reaches" or segments have been proposed. Each reach is unique; at times the segments are elevated roadways versus more conventional berms located within the park system.

Administration is recommending that this plan be a guiding document for further study, value engineering and cost refinement over the coming months. Three stages are proposed:

- Phase 1 – Reaches 1 through 9.
- Phase 2 – Reaches located between Waterways and the confluence of the Hangingstone and Clearwater Rivers.
- Phase 3 – Flood mitigation for other reaches/areas.

Alternatives:

1. Do not proceed with flood mitigation to the 1:100 year flood elevation. The Province will likely repeal the pending Bill-27 exemption for Fort McMurray, which would prohibit any development within approximately half of the Lower Townsite.
2. Council could direct Administration to explore costs to increase flood mitigation to also include a freeboard above the 1:100 year return period at 250.50m elevation.
3. Funds under the *Alberta Community Resilience Program* are available over the next three calendar years. Aligning the Municipality's development timeline with this program is ideal in order to take full advantage. Council could direct Administration to extend the build-out of flood mitigation over a longer period of time; however Administration would need to consult with Provincial representatives about how that would affect the Bill-27 exemption.

Budget/Financial Implications:

The *Alberta Community Resilience Program* offers a total of about \$325M to all communities, released over three years to successful applicants. Administration has provided a preliminary application for the full amount of the anticipated flood mitigation program, and is now in the process of completing more formal applications using newly-released forms. In principle, this is a cost-sharing program, with the Province contributing up to 90 per cent of the first \$3M of each request and 70 per cent of costs exceeding \$3M. Administration is working with Provincial representatives about how to partition applications for each reach and construction year to get the maximum funding.

Prior to completing the conceptual plan, Administration used the best information available to estimate flood mitigation costs for the 2014 budget approval process. At that time, \$150M for construction and \$18M for pre-construction was projected. Now, total costs of \$201,607,316 are estimated, including construction, pre-construction and contingency costs plus annual cost escalation.

As part of the application, Council is required to establish and approve a "Statement of Community Priorities," identifying priorities for flood mitigation and planned projects over the next three years. To meet the target deadline of September 30, 2014, Administration is seeking Council approval to proceed with the application for the entire flood mitigation program.

Rationale for Recommendations:

Administration has a strong working relationship with the Province in developing a flood mitigation program so that the Municipality maintains its exemption to Bill-27. There are many economic, social and political benefits in allowing development to continue in the Lower Townsite, considering the demand for redevelopment and new development projects as well as protecting existing properties.

Provincial funding to help support flood mitigation measures would reduce construction and pre-construction costs for the Municipality. There is a September 30, 2014 deadline for the initial phase; Administration needs to submit a funding application as soon as possible in order to be eligible.

Attachments:

1. Grant Application to the Province of Alberta under the *Alberta Community Resilience Program*
2. Statement of Community Priorities under the *Alberta Community Resilience Program*

Alberta Community Resilience Program Grant Application

The Alberta Community Resilience Program (ACRP) will provide grants to applicants for the design and construction of eligible projects include works that: (a) enhance or enable the protection of critical infrastructure, (b) mitigate public safety hazards, or (c) that do both (a) and (b). For program eligibility, please refer to the Grant Program document.

Applicant Information

Application is hereby made to the Minister of the Environment and Sustainable Resource Development (hereinafter called the "Minister") for Grant pursuant of the Environment and Sustainable Resource Development Grant Regulation, A.R. 182/2000 [refer also to the Designation and Transfer of Responsibility Regulation, A.R. 80/2012, Section 8(8)].

Name of Applicant:		
Contact Name: Tara Matchim, Grants Administrator		
Address: (Indicate Street No./P.O. Box, City/Town or Others and Postal Code) 9909 Franklin Avenue Fort McMurray AB T9H 2K4		
Phone #: 780-743-7873	Fax #:	E-mail: tara.matchim@woodbuffalo.ab.ca
MLA for Project Area (Name):		

Project Name:	Regional Municipality of Wood Buffalo Flood Mitigation Program - Lower Townsite, Fort McMurray
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Project GPS Marker (in decimal degrees):	Latitude: 56.7264 N	Longitude: 111.3803 W
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Project Description:

The construction of a Flood Mitigation Program to provide protection against the 1:100 year ice jam flood event in the Lower Townsite of Fort McMurray, the urban centre of the Regional Municipality of Wood Buffalo.

How well does the project address "Community Resilience," which is defined as the capacity of a system to cope with, adapt to, or recover from a recurrent disturbance, such as flood or drought?

Select the most applicable response:

- ☒ Project allows Applicant to cope short-term with the identified issue
☒ Project allows Applicant to adapt to the identified issue long-term
☐ Project eliminates need for future mitigation

Please describe:

The proposed flood mitigation program will provide protection against a 1:100 year ice jam flood event.

How has the project location been previously affected by flood or drought? Please describe:

Most recently, June 2013 open water flooding has caused an estimated flood damage of \$24.0 Million. See attached report "Fort McMurray Flood Protection Conceptual Design by North West Hydrulic Consultant Ltd."

Is project located in or does it impact a flood plain area? ☒ Yes ☐ No ☐ Unknown

Please check one: ☒ Floodway ☐ Flood Fringe ☐ Unmapped

Has an application been submitted for Water Act/Public Lands Act Authorization?

☐ Yes ☒ No ☐ Application is being prepared

If yes, please provide application/authorization number(s): _____

Project Duration:

Estimated Start Date: March 2014

Estimated Completion Date: November 2017

Schedule for implementation, considering regulatory requirements (please identify key milestones):

The Flood Mitigation Program proposes various flood protection measures over 11 "reaches" and in one other area. The schedule of implementation is shown in the cash-flow for the proposed program budget shown in the attached Table 1 Budget Requirements.

Estimated Total Cost of Project: \$201,607,316

Is Project eligible for funding from another program? ☐ Yes ☐ No ☒ Unknown

Has funding been applied for and/or received for the proposed project? ☐ Yes ☒ No

If yes, please list:

Have you included your supporting documentation? See Program Guide for more information

- ☒ Statement of Community Priorities
- ☒ Preliminary Engineering Report
- ☐ Risk Assessment, if required

☐ Other information that will benefit the decision-making process

What are the immediate consequences, if proposed project does not proceed?

For many generations, the Lower Townsite of Fort McMurray Alberta has experienced regular flooding caused by the naturally occurring habits of the Clearwater, Athabasca and Hangingstone Rivers. These flood events have caused substantial financial losses on private lands, as well as public infrastructure. Two flooding conditions occur in this area, including annual open water floods caused by spring melts and runoff, and ice jam flood events that are a result of built-up ice downstream of the Lower Townsite. Open water flood events on the Athabasca and Clearwater Rivers have had negligible effects on the community, as the high water levels during a flood event do not crest any bank of the Lower Townsite.

A unique condition in 2013 was flooding caused by the Hangingstone River, which passes through the Lower Townsite and leads to the Clearwater River. This was the only recorded open water flood event that crested the banks of the Hangingstone River and caused flooding on the Lower Townsite.

Ice jam flood events, on the other hand, have devastating consequences on the community and in a 1:100 year ice jam flood event can flood approximately 80% of the downtown. A 1:100 year ice jam flood event will result in more significant flooding of the Lower Townsite than that experienced in 2013.

If the proposed program does not proceed, the Lower Townsite remains at risk of significant flood events with devastating consequences.

Applicant Name: Regional Municipality of Fort McMurray	
Contact Name: Tara Matchim	Date: September 23, 2014
Signature*:	

*All applications must be signed by the Applicant. Consultants may not apply on behalf of the Applicant.

Freedom of Information

The Applicant acknowledges that the *Freedom of Information and Protection of Privacy Act* applies to all information and records provided by the Applicant to the Minister and to any information and records which are in the custody or under the control of the Minister.

Statement of Community Priorities

Alberta Community Resilience Program

Introduction

As part of the Alberta Community Resilience Program (ACRP), applicants are being asked to submit a Statement of Community Priorities prior to (or with) their first application to the program.

The purpose of this statement is to provide the Grant Review Committee with context on the overall mitigation issues facing a community, specific issues of chronic flood/erosion/drought, overall community mitigation goals and priorities, and the projects being planned to achieve those goals and priorities. The statement should be historical in nature and identify a community's highest priority projects in the next 2 to 3 years. With this information, the Grant Review Committee can make recommendations for funding that hopefully represent the cumulative priorities of Alberta's communities.

Preparation of these statements need not be complex or lengthy, as long as they provide a clear indication of community priorities which are not likely to change.

Section 1 Community Overview

Name of Community: Regional Municipality of Wood Buffalo

Population: 116,407 (2012 Census)

Community location:

The affected community is the Lower Townsite of Fort McMurray, the urban centre of Regional Municipality of Wood Buffalo. The Lower Townsite is generally bound on three sides by the Athabasca River, the Clearwater River, and Highway 63.

Rivers, streams, or creeks that intersect in your community:

Rivers, streams and creeks that cross or intersect the Lower Townsite include the Athabasca River, the Clearwater River, the Snye water body, the Hangingstone River and Saline Creek.

Major industries near identified water bodies (please name industrial facilities, if possible):

Construction, Wholesale Trade, Retail Trade, Transportation Warehousing, Finance, Insurance, Real Estate, and Leasing, Healthcare and Social Assistance, Accommodation and Food Services; Provincial and Municipal Offices.

Major public infrastructure near identified water bodies (hospitals, roads, etc.):

The Lower Townsite, of which approximately 80% is within the Provincially-defined floodway, is the city centre of Fort McMurray. Within this downtown are located a hospital, schools, a college, seniors residences, recreational facilities, provincial and municipal government offices, water distribution systems, sewerage collection systems, and a road network of arterial, collector and residential streets.

Section 2 Description of Water Issues

Please identify which are chronic issues (historical) and which occur occasionally. Please include design criteria for existing infrastructure, if applicable/available.

Flooding: ☒ Chronic ☐ Occasional ☐ Unknown

Has Flood Hazard Mapping been undertaken in your community? ☐ Yes ☐ No ☐ Unknown
If yes, please provide a copy with your Statement

For many generations, the Lower Townsite of Fort McMurray Alberta has experienced regular flooding caused by the naturally occurring habits of the Clearwater, Athabasca and Hangingstone Rivers. These flood events have caused substantial social and financial losses on private lands, as well as public infrastructure. Two flooding conditions occur in this area, including annual open water floods caused by spring melts and runoff, and ice jam flood events that are a result of built-up ice downstream of the Lower Townsite. Open water flood events on the Athabasca and Clearwater Rivers have had negligible effects on the community, as the high water levels during a flood event do not crest any bank of the Lower Townsite.

A unique condition in 2013 was flooding caused by the Hangingstone River, which passes through the Lower Townsite and leads to the Clearwater River. This was the only recorded open water flood event that crested the banks of the Hangingstone River and caused flooding on the Lower Townsite.

Ice jam flood events, on the other hand, have devastating consequences on the community and in a 1:100 year ice jam flood event can flood approximately 80% of the downtown. A 1:100 year ice jam flood event will result in more significant flooding of the Lower Townsite than that experienced in 2013.

Erosion: ☒ Chronic ☐ Occasional ☐ Unknown

Erosion in the Lower Townsite is problematic along the Hangingstone River and in some sections of the Clearwater River. Erosion protection is contemplated along certain reaches of the flood mitigation program to protect from the negative impacts of these waters.

Debris flows: ☐ Chronic ☒ Occasional ☐ Unknown

Debris flows are occasional and may accumulate along sections of rivers as the channel is constantly changing.

Drought: ☐ Chronic ☒ Occasional ☐ Unknown

Drought impacts in Fort McMurray are occasional, and do not impact on sustainable development of the Lower Townsite. Resiliency in the community's water supply has been achieved through effective reservoir design.

Section 3 Description of Long-term Community Resilience Goals / Priorities

Please describe your community's long-term resilience goals and identify specific areas of the community that are most vital to achieve long-term resilience within the community.

The Municipality's long-term resilience goals include protection of the Lower Townsite to the 1:100 year ice jam level flood elevation of 250.0 , with no freeboard. The Municipality is undertaking the planned mitigation works in conjunction with development of a waterfront park system and arterial street development.

A number of guiding documents completed by the Municipality have significance on this goal, including the 2010 Municipal Development Plan, the 2012 City Centre Area redevelopment Plan, and the Waterfront Program and City Center Land Use By Law. These documents speak to the need for protecting natural systems and environmental stewardship, and building healthy, sustainable communities.

Some of the key environmental values that have influenced the conceptual design of the waterfront park system and flood mitigation system are as follows:

- ensuring development fronting the Rivers allows for the protection of the natural environment;
- developing and implementing an erosion control program for critical areas of the Hangingstone and Clearwater Rivers;
- maintaining an environmental protection zone between any new development that backs onto the Hangingstone and Clearwater River;
- assessing flood risks and identify appropriate protection measures needed to support safe development;
- protecting and preserving significant natural and environmentally sensitive areas from incompatible development, especially along the riverfront;
- ensuring a high level of sustainable design is applied, including stormwater management and habitat preservation to all future development;
- creating sustainable landscapes through using, when possible, only native planting and xeriscapes that use as little water as possible;

- preserving and enhancing riparian edges, including active restoration of disturbed shoreline - bringing back a naturalized edge and native riparian vegetation to the waterfront; and
- preserving environmentally sensitive areas through the capture of Environmental Reserve on development lands.

The Municipality is committed to building healthy, sustainable communities – striking a delicate balance between human and ecological health as community development.

In March 2014, the Municipality commissioned a Sustainability Plan for the proposed waterfront park system and the flood mitigation system. This Plan will provide over-arching design principles and will set various targets through clearly articulated actions to bring a high level of sustainability to all development. Once complete in September 2014, this information will be publicly available, and offered to various government departments for their use.

Section 4 Project Priority

Please provide a list of specific projects that could allow your community to meet/address its identified priorities. Projects **must** be placed in priority order. Note that we do not require a detailed project description at this point; the intent is to simply give an idea of what may be submitted and its overall priority to the community.

Several “reaches” or segments of the flood mitigation system have been proposed. Each reach has a unique character, whereas at times the segments are elevated roadways, vs. more conventional berms located within the park system. The attached Figure 1 demonstrates the approximate location of each of the reaches. The attached Table 1 includes a description of each of the 12 reaches.

The flood mitigation program is proposed in generally three phases, including:

- Phase 1 – reaches 1 through 9, as per Figure 1;
- Phase 2 – reaches 10 and 11 located between Waterways and the Clearwater Hangingstone River confluence; and
- Phase 3 – flood mitigation for other reaches / areas

Council has accepted the current conceptual plan for flood mitigation of the lower townsite as information, and for Administration to use this plan as a guiding document for further study, value engineering, and cost refinement over coming months. It is important to convey that the priorities in developing this plan include:

- mitigating for the risk of flooding;
- evaluating economic impact of flood mitigation;
- social benefits to the community;
- environmental benefits of various approaches to flood mitigation; and
- coordination with other concurrent projects.

In terms of priorities, Council has accepted in principle the planned mitigation measures and the proposed delivery of the program as per Table 2 attached. This program is subject to annual review by Council of the Municipality's capital program.

Section 5 Watershed Assessment

Please provide an assessment of how the works proposed by the applicant maintain and potentially enhance the health of the watershed and sub-watersheds the community is located in. Please identify how the project(s) will enhance the overall resilience of the community in future flood and drought events. The components of this assessment should include:

Provide an overview of any other mitigation options considered, including non-structural options such as wetland assessment and riparian protection.

The proposed works will protect the Lower Townsite to the 1:100 year ice jam flood event. Because they are being undertaken in conjunction with waterfront park development and arterial street development and enhancement, the works will be undertaken respecting the Municipality's key guiding documents for the Lower Townsite in terms of healthy, sustainable communities, and of our environmental values, as stated above.

Identify any relationship to other projects being proposed by other communities in the watershed.

There is no relationship to other projects being proposed by other communities in the watershed.

Please engage your local Watershed Planning and Advisory Council (WPAC), and identify how the projects proposed by the applicant fit within the WPAC's Integrated Watershed Management Plan, if applicable.

N/A

Contact Name: Kevin Scoble

Date: September 23, 2014

Signature:

Freedom of Information

The Applicant acknowledges that the *Freedom of Information and Protection of Privacy Act* applies to all information and records provided by the Applicant to the Minister and to any information and records which are in the custody or under the control of the Minister.

Subject: Rural Water and Sewer Servicing**APPROVALS:**

Kevin Scoble, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

THAT the property owners' contribution of ten percent to capital costs for piped water and sewer systems in Anzac, Conklin and Gregoire Lake Estates be collected through Local Improvement Tax.

THAT the property owners' contribution of ten percent to capital costs for piped water and sewer systems in Draper, Janvier and Saprae Creek (sewer only) be collected through contracts administered by the Municipality.

THAT all property owners receiving piped water and sewer systems in the program have the option to pay any portion of their contribution, from ten percent to one hundred percent, initially in the form of a lump sum payment with the remaining balance to be administered through Local Improvement Tax or contract.

THAT all property owners may pay the remaining balance of their contribution off at any time during the term of the Local Improvement Tax or contract.

THAT new subdivisions and developments will be required to connect to the piped water and sewer systems and that the costs of these private connections, paid through development service fees, will be the full responsibility of the property owner.

Summary:

On July 9, 2014, Council directed Administration to provide recommendations to Council by September 23, 2014 on available financing options to provide flexibility to individual property owners in paying the fee. Administration has evaluated the financing options including: a lump-sum payment, a contract with an owner, and a Local Improvement Tax (LIT). Council's direction on the financing strategy will enable Administration to proceed with community engagement, submit grant applications and maintain the proposed project schedule.

Background:

On July 9, 2014, Council approved that:

- Individual property owners in the communities of Anzac, Conklin, Draper, Gregoire Lake Estates, Janvier, and Saprae Creek contributing ten percent of the total rural water and

sewer system capital costs in their communities through a Local Improvement Program, one-time lump sum payment or other financing options.

- Full pressure water and gravity sewer systems to be provided to Anzac, Conklin and Gregoire Lake Estates and trickle fill water and low pressure sewer systems to be provided to Draper, Janvier and Saprae Creek (sewer only).
- The Municipality proceed with detailed engineering design of the community-specific systems and the respective grant applications,
- Administration provides recommendations to Council by September 23, 2014 on available financing options to provide flexibility to individual property owners in paying the fee, and
- A capital budget request for Rural Water and Sewer Construction be submitted for consideration as part of the 2015 Capital Budget deliberations.

Alternatives:

In order to enable flexibility for property owners to connect to the enhanced services, several financing strategies were considered. The financing strategies considered to aid individual property owners were: entering into a contract with individual property owners, proposing LITs to the individual communities, and a lump-sum payment. As a single financing strategy may not be the best fit for each community or every property owner, financing scenarios for each community were considered based on service enhancement and ancillary information (survey results, Councilor requests, and known history). A summary of the strategies and their implications is discussed below:

Contracts: Contracts offer flexibility in terms of repayment. Contracts may be preferred in communities where flexibility in terms of payment is required or where flexibility in connection timing for individual property owners to piped water and sewer systems is appropriate (i.e. mid-life cycle septic fields/tanks in Saprae Creek).

There are risks using contracts. The Municipality does not have the property owner's property as collateral in a contractual arrangement. However, the Municipality can recover delinquent payments through increasing individual utility rate charges and if necessary it can disconnect the service until the fees are paid. The contracts would need to contain a section creating a charge against the lands to enable the Municipality to register a caveat against title to the property. This would ensure a future owner would have notice of the contract in the event of sale of the property before the contractual amount is fully repaid. There would be an increase administrative and legal cost to register and discharge the caveats over time. If a property owner did not pay, the Municipality would have to sue on the contract, an increased administrative cost with no guarantees of repayment.

For property owners receiving trickle fill water and low pressure sewer systems and who have tanked systems in mid-life cycle, two connections options are available:

- The property owner's services are upgraded and the existing private infrastructure will be assessed for compatibility with the new system. Infrastructure deemed compatible and in suitable condition, will be valued (based on its remaining service life) and that value will be discounted from the individual property owners ten percent contribution, or

- The piped water and sewer systems' installation on the private property is deferred and when the systems' installation eventually proceeds, the property owner contract with the Municipality at ten percent of the total project cost plus inflation and uses the Municipality's contractor for installation. Property owners will not be permitted to replace existing systems themselves or select their own contractor.

Based on the current cost estimates, the ten percent fee per property owner per lot is approximately \$16,000 and financing this over 25 years at 3.647% provides an annual payment of \$986. As per Table 1, if the property owner decides not to connect within the first year, to account for the increased costs in providing the connection, inflation would be applied to the \$16,000 fee. For example, assuming an annual rate of inflation of 3%, in 20 years, the \$16,000 fee would rise to \$25,675 corresponding to an annual payment of \$1,583. Contracts would be available to property owners for up to 25 years after the start of the project. Future contract connection fees based on inflation:

Year	Amount Payable	Annual Payment
1	\$16,000	\$986
5	\$18,008	\$1,110
10	\$20,268	\$1,249
15	\$22,812	\$1,406
20	\$25,675	\$1,583
25	\$28,898	\$1,781

To assess actual inflation, regional inflation rates will be determined using data from governmental and financial institutions. Borrowing rates at the time of connection will be based on interest rates in the marketplace at the time through available and eligible lenders, to be determined (governmental and/or private lenders).

LIT: A Local Improvement Tax, implemented through a Local Improvement Program, requires a process in which property owners in a community can petition against the local improvement. If a sufficient petition is received against the proposed LIT, the Council cannot proceed with the local improvement (MGA s. 396). If the petition against the proposed LIT is insufficient, all property owners would then contribute to the cost of the Local Improvement. The associated costs of the enhancements would be charged along with the property taxes and the Municipality to all of the owners in the community.

In general, a LIT offers less flexibility to individual property owners, but provides greater security to the Municipality in recovering the lot owners' portion of the project costs.

Failure to pay the LIT would require the Municipality to act in the same manner as a default in payment of property taxes and the property owner's title to the property would be at stake, thus securing the repayment of the loan to the Municipality. A LIT is appropriate in communities where the cost is relatively higher for the Municipality; specifically high-pressure water/gravity sewer systems cost the Municipality more per lot than trickle fill water/low-pressure sewer systems water and the LIT would ensure all property owners connect within a specified period of time.

To encourage all property owners enhance their service and connect, a grace period of five years will be provided; after which, connection to the new system would be mandatory. As per Table 2, assuming an annual rate of inflation of 3%, within five years, the \$16,000 connection fee would rise to \$18,008 corresponding to an annual payment increase of \$124. Future LIT connection fees based on inflation:

Year	Amount Payable	Annual Payment
1	\$16,000	\$986
2	\$16,480	\$1,016
3	\$16,974	\$1,046
4	\$17,484	\$1,078
5	\$18,008	\$1,110

Lump Sum: In this case, an upfront payment is made in by the property owner to the Municipality. The property owner can pay any portion of the ten percent fee; however, to make this administratively efficient, a minimum payment of ten percent of the lot owner's contribution will be required (i.e. the minimum payment would be approximately \$1,600, which is ten percent of the current estimated costs of \$16,000 per lot). The lump sum payment option would be available to the property owners regardless of if the lot owner is in a community where the program is administered under LIT or contract. For property owners using the lump sum payment but not paying in full, the property owner would also engage with the Municipality on the financing strategy used in their community for the balance of the fee. Additionally, during the term of the contract or the LIT, the property owner would also be permitted to make annual lump sum payments at a minimum of ten percent of their initial contribution.

Budget/Financial Implications:

Administration is recommending that Council approve the use of a combination of contracts and LITs in order to charge property owners the fee of ten percent of the total costs. The ten percent fee will connect property owners to the new system, including a one-time installation and site restoration on private property; however, it does not include any future private property costs including maintenance. Costs for future maintenance and repairs to and/or replacements of water and sewer systems services on the lot owner's private property will be entirely the lot owner's and such repairs and/or replacements will have to be approved by the Municipality to ensure systems integrity.

As the LIT provides property as collateral, the Municipality's exposure to unpaid fees or bad debt is expected to be minimal for communities that will receive full pressure water/gravity sewer systems. The Municipality's exposure to unpaid fees or bad debt may be higher with contractual arrangements in the remaining communities receiving trickle fill/low-pressure sewer systems and the resultant administrative costs will be higher to collect such defaults. An analysis on the financial impact of the property owner's bad debts and unpaid fees, based on service enhancement and financing strategy:

Community	Survey Support	10% Unpaid	20% Unpaid	Unsupportive Unpaid*
Local Improvement (Full Pressure)				
Anzac	78%	\$393,600	\$787,200	\$865,920
Conklin	66%	\$300,800	\$601,600	\$1,037,760
Gregoire Lake Estates	73%	\$136,000	\$272,000	\$374,000
Total		\$830,400	\$1,660,800	\$2,277,680
Contract (Low Pressure)				
Draper	53%	\$142,400	\$284,800	\$669,280
Janvier	84%	\$187,200	\$374,400	\$308,880
Saprae	34%	\$454,400	\$908,800	\$2,999,040
Total		\$784,000	\$1,568,000	\$3,977,200

*Unsupportive Unpaid refers to those that are not in support (i.e. for Anzac $100\% - 78\% = 22\%$) and assumes all non-supporters do not pay and all supporters pay.

The administrative costs will increase for all the flexibility options proposed and these have not been assessed at this time due to the uncertainty as to the magnitude of applicability to individual lot owners. Following community engagements and execution of LIT and contractual agreements, the administrative costs will be budgeted in future proposed operational budgets for Council's consideration.

A comparison of current and future water and sewer costs for an average rural property owner were presented to Council on July 9, 2014. Highlighted was that future water and sewer costs, due to the enhanced services and including the private portion of the project costs, are expected to be less than they are for the current level of service. An average rural resident currently pays \$2,210 for water and sewer services annually while future water and sewer costs, including the property owner's portion of the project costs, are expected to be \$1,939.

Rationale for Recommendations:

The recommendations recognize the uniqueness of each community and the differences in individual lot owners' situations, providing flexibility. A combination of financing scenarios, based on the type of service enhancement will allow the Municipality to treat property owners fairly and equally.

Attachment:

1. PowerPoint Presentation

Rural Water and Sewer Servicing

Financing Options for Property Owners

September 23, 2014

Attachment 1

PURPOSE

- To provide recommendations on available financing options for property owners.
- Council's direction will enable Administration to proceed with community engagement, submit grant applications and maintain the proposed project schedule.

BACKGROUND

On July 9, 2014 Council approved:

- Anzac, Conklin, Draper, Gregoire Lake Estates, Janvier and Saprae Creek contribute 10% of the total rural water and sewer capital costs.
- The following systems be provided to the communities:

Community	Water	Sewer
Anzac	Full Pressure	Gravity
Conklin	Full Pressure	Gravity
GLE	Full Pressure	Gravity
Draper	Trickle Fill	Low Pressure
Janvier	Trickle Fill	Low Pressure
Saprae	NA	Low Pressure

BACKGROUND (continued)

- That Administration proceed with detailed design of the systems and grant applications.
- That Administration provide recommendations to Council by September 23 on available financing options.
- That a Capital Budget Request for Rural Water and Sewer Construction be submitted in the 2015 Capital Budget for Council's consideration.

OBJECTIVE

- To enable flexibility for property owners to connect to the enhanced services.
- The financing strategies considered were:
 - Contracts between the Municipality and individual property owners.
 - Local Improvement Taxes (LITs).
 - Lump-sum payments.

FINANCING OPTIONS

CONTRACTS

- May offer some flexibility in terms of repayment.
Contracts may be preferred communities where:
 - Flexibility in terms of repayment is required.
 - Service enhancements across the whole community, at this time, may not be necessary and can be deferred.
 - Trickle flow water/low pressure sewer systems are installed as these systems are less capital intensive for the Municipality and therefore present less exposure in situations of property owner default on contractual obligations.

CONTRACTS (Continued)

- The Municipality can recover unpaid fees by increasing service rates and disconnecting the service. If a land owner still did not pay, the Municipality would have to sue on the contract.
- The contracts would need to contain a section creating a charge against the lands to enable the Municipality to register a caveat against title to the property. This would ensure a future owner would have notice of the contract in the event of sale of the property before the contractual amount is fully repaid.

CONTRACTS (continued)

- Contracts would be available to property owners for up to 25 years after the start of the project.

Year	Amount Payable	Annual Payment
1	\$16,000	\$986
5	\$18,008	\$1,110
10	\$20,268	\$1,249
15	\$22,812	\$1,406
20	\$25,675	\$1,583
25	\$28,898	\$1,781

- Property owners with tanked systems in mid-life cycle can receive a discount on their 10 percent contribution based on the “book value” of tanks if deemed compatible with the piped systems

LOCAL IMPROVEMENT TAX

- A Local Improvement Tax (LIT) is implemented through a Local Improvement Program and it requires a process in which property owners in a community can petition against the Local Improvement:
 - If a sufficient petition is received, the Council cannot proceed with the Local Improvement (MGA s. 396).
 - If the petition is insufficient, all property owners would then contribute to the cost of the Local Improvement.

LOCAL IMPROVEMENT TAX (continued)

- Failure to pay the LIT would require the Municipality to act in the same manner as a default in payment of property taxes.
- In general, a LIT offers less flexibility to individual property owners, but provides greater security to the Municipality in recovering property owners' portions of the project cost and may be desirable for full pressure water/gravity sewer systems that are more capital intensive than other systems.

LOCAL IMPROVEMENT TAX (continued)

- To encourage all property owners enhance their service and connect, there will be a grace period of five years. After that, connection to the new system would be mandatory.

The private costs would change based on lending rates and construction and material costs.

Year	Amount Payable	Annual Payment
1	\$16,000	\$986
2	\$16,480	\$1,016
3	\$16,974	\$1,046
4	\$17,484	\$1,078
5	\$18,008	\$1,110

LUMP-SUM PAYMENT

- An upfront payment (minimum 10%) is made by the property owner to the Municipality.
- Property owners who do not pay in full would also engage with the Municipality on the financing strategy used in their community for the balance of the fee.
- During the term of the contract or the LIT, the property owner would also be permitted to provide a lump sum payment for the balance of the fee.

FINANCIAL IMPACT

Community	Survey Support	10% Unpaid	20% Unpaid	Unsupportive Unpaid*
Local Improvement (Full Pressure)				
Anzac	78%	\$393,600	\$787,200	\$865,920
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Saprae	34%	\$454,400	\$908,800	\$2,999,040
Total		\$784,000	\$1,568,000	\$3,977,200

FINANCIAL IMPACT (continued)

- The Municipality's exposure to unpaid fees or bad debt is expected to be minimal for communities that receive full pressure water/gravity flow sewer systems and property becomes collateral with the administration of an LIT.
- The Municipality's exposure to unpaid fees or bad debt could be more probable with the administration of less enforceable contracts in communities receiving trickle fill water/low pressure sewer. However, the worst-case default scenario is 2.3% of the total project cost.

FINANCIAL IMPACT (continued)

- The administrative costs will increase with the administration of the flexibility recommended. However, these costs are anticipated to be negligible relative to the total project cost and can be included in future proposed annual operating budgets for Council's consideration.
- To limit long-term exposure, the Municipality will not be responsible for private infrastructure system maintenance, and repairs to and/or replacements of private services after initial installation, nor will it be responsible for any private infrastructure costs on new subdivisions or developments.

RURAL RATE IMPACT

- \$1,920 is current average water and septage truck hauling costs rural residents pay annually based on a limited survey (noting true cost is higher with RMWB water subsidy)
- Current Rural Residential Water and Sewer Costs =
Truck Hauling + Rural Utility Rates = $\$1,920 + \$290 = \$2,210$
- Future Rural Residential Water and Sewer Costs =
(Urban) Utility Rates + Private Portion of Project Costs =
 $\$953 + 986 = \$1,939$

RECOMMENDATIONS

- THAT property owners' contribution of 10 percent to capital costs for piped water and sewer systems in Anzac, Conklin and Gregoire Lake Estates be collected through a Local Improvement Tax.
- THAT property owners' contribution of 10 percent to capital costs for piped water and sewer systems in Draper, Janvier and Saprae Creek (sewer only) be collected through contracts administered by the Municipality.

RECOMMENDATIONS (continued)

- THAT all property owners receiving piped water and sewer systems have the option to pay any portion of their contribution, from 10 percent to 100 percent, initially in the form of a lump sum payment with the remaining balance administered through Local Improvement Tax or contract.

RECOMMENDATIONS (continued)

- THAT all property owners may pay the remaining balance of their contribution off at any time during the term of the Local Improvement Tax or contract.
- THAT new subdivisions and developments will be required to connect to the piped water and sewer systems and that the costs of these private connections, paid through development service fees, will be the full responsibility of the property owner.

RATIONALE

The recommendations as presented:

- Recognize the uniqueness of each community and the differences in individual lot owners' current situation.
- Provide flexibility and options to lot owners.
- Incur additional but minimal financial risk to the Municipality relative to the scope of the project.
- Current uncertainties can be addressed by Administration in the future as more information becomes available with minimal impact to operations and without increased risk to the successful implementation of the program.

QUESTIONS

Subject: Council Expense Summary – January 1 – June 30, 2014

Audit and Budget Committee Recommendation:

THAT the Council Expense Summary for the period January 1 – June 30, 2014 be approved.

Background:

The Council Expense Summary for the period January 1 – June 30, 2014 was presented to the Audit and Budget Committee on September 2, 2014. At that meeting, the Audit and Budget Committee passed the following resolution:

“THAT the Council Expense Summary for the period January 1 – June 30, 2014 be forwarded to Council for consideration.”

Attachment:

- I. Audit and Budget Committee Report – September 2, 2014



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

AUDIT AND BUDGET COMMITTEE REPORT

Meeting Date: September 2, 2014

Subject: Council Expense Summary – January 1 – June 30, 2014

APPROVALS:

Audrey Rogers, Acting Director
Brian Makey, Chief Operating Officer
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Council Expense Summary for the period January 1 – June 30, 2014 be forwarded to Council for consideration.

Summary:

The current Elected Officials Compensation, Travel, Expense and Support Policy requires that reports on expenditures for each member of Council be presented for review at a public meeting on a quarterly basis.

Background:

Administration records, monitors and reports on expenditures for each Council Member. The attached Council Expense Summary (Attachment 1) reflects the expenses entered in the Municipality's financial system for the period January 1-June 30, 2014 in the categories of business travel, conference travel (includes registration costs and training) and public relations (includes event tickets, hosting, sponsorships, etc.). At the request of Council, reporting has also been expanded to provide additional detail about the nature of the expenses.

The quarterly report also reflects any expenses that were incurred while acting as Deputy Mayor or when participating on an external board or agency on behalf of Council. These expenses are budgeted separately and do not impact the individual Council Member's budget allocations.

Individual budgets are monitored on an ongoing basis, and budget adjustments are made, as needed. As of June 30, 2014, all Council Members are within total budget allocations; therefore, no adjustments are required.

Attachments:

1. 2014 Council Expense Summary for the period January 1 – June 30, 2014.

2014 COUNCIL EXPENSE SUMMARY
Total Expenses Submitted for the Period January 1 - June 30, 2014

Elected Official	Annual Budget	YTD Expenses	Percentage Expended	Other Committees	Deputy Mayor	Details
Blake, Melissa - Business Travel	10,000	3,347	33.47%			Meetings: Minister Hughes/Northern Alberta Mayor and Reeves/Mid-Size Cities Meeting Honorary Doctorate Flights <i>(credit)</i>
Blake, Melissa - Public Relations	15,000	2,554	17.03%			Holiday Reception (2013) /Chamber Luncheon/Minister Quest Meeting Women Of Inspiration Celebration Donation Silent Auction Baskets Seniors of the Year Gifts
Blake Melissa - Conference Travel	7,500	0	0.00%			
MAYOR - TOTAL	32,500	5,901	18.16%			
Ault, Tyran - Business Travel	1,000	0	0.00%			
Ault, Tyran - Public Relations	3,000	0	0.00%			
Ault, Tyran - Conference Travel	10,000	2,463	24.63%			FCM Conference
AULT - TOTAL	14,000	2,463	17.59%			
Boutilier, Guy - Business Travel	1,000	746	74.60%		650	Council Retreat; Return Flight from Edmonton to Fort McMurray - Poor Road Conditions
Boutilier, Guy - Public Relations	3,000	437	14.57%			Cdn. Business Leader Award Dinner - \$195; Food/Meals - \$242
Boutilier, Guy - Conference Travel	10,000	0	0.00%			
BOUTILIER - TOTAL	14,000	1,183	8.45%			
Bussieres, Lance - Business Travel	1,000	0	0.00%			
Bussieres, Lance - Public Relations	3,000	0	0.00%			
Bussieres, Lance - Conference Travel	10,000	0	0.00%			
BUSSIERES - TOTAL	14,000	0	0.00%			
Cardinal, Julia - Business Travel	32,200	16,335	50.73%			Travel, Accommodation and Expenses for Weekly Council Meetings
Cardinal, Julia - Public Relations	3,000	0	0.00%			
Cardinal, Julia - Conference Travel	10,000	5,279	52.79%			FCM (travel & registration) - \$2238; AAMDC - \$2377; Council for Aboriginal Business - \$664 (registration)
CARDINAL - TOTAL	45,200	21,614	47.82%			
Chadi, John - Business Travel	32,200	0	0.00%			
Chadi, John - Public Relations	3,000	0	0.00%			
Chadi, John - Conference Travel	10,000	0	0.00%			
CHADI - TOTAL	45,200	0	0.00%			
Germain, Sheldon - Business Travel	1,000	0	0.00%			
Germain, Sheldon - Public Relations	3,000		0.00%			
Germain, Sheldon - Conference Travel	10,000	3,437	34.37%			FCM (flights & registration)
GERMAIN - TOTAL	14,000	3,437	24.55%			
McGrath, Keith - Business Travel	1,000		0.00%			
McGrath, Keith - Public Relations	3,000	1,212	40.40%			Event Tickets - State of the Region; Cdn. Business Leader Awards; Council for Aboriginal Business;
McGrath, Keith - Conference Travel	10,000	3,635	36.35%			FCM (flights & registration)
McGRATH - TOTAL	14,000	4,847	34.62%			

Elected Official	Annual Budget	YTD Expenses	Percentage Expended	Other Committees	Deputy Mayor	Details
Meagher, Phil - Business Travel	1,000	0	0.00%			
Meagher, Phil - Public Relations	3,000	105	3.50%			Event Tickets - State of the Region; Chamber Luncheon
Meagher, Phil - Conference Travel	10,000	0	0.00%	3,721		Arctic Winter Games
MEAGHER - TOTAL	14,000	105	0.75%			
Stroud, Jane - Business Travel	15,880	2,950	18.58%	1,038		Travel and Expenses for weekly Council Meetings - \$2950; VMHA - \$1038
Stroud, Jane - Public Relations	3,000	262	8.73%			Event Tickets - State of the Region; Leading the North Golf Tournament; NAABA Women in Business
Stroud, Jane - Conference Travel	10,000	5,306	53.06%		720	AAMDC - \$2148; FCM - \$1576; Council for Aboriginal Bus. - \$664; Northern Leaders - \$720; MGA Review - \$918
STROUD - TOTAL	28,880	8,518	29.49%			
Vinni, Allan - Business Travel	5,000	0	0.00%			
Vinni, Allan - Public Relations	3,000	456	15.20%			Event Tickets - Gold Star Gala; Spring Fling
Vinni, Allan - Conference Travel	10,000	1,523	15.23%			FCM (flights & registration)
VINNI - TOTAL	18,000	1,979	10.99%			

**Subject: 2014 and Prior Capital Budget Amendments – Revised
Provincial Projects – Fort McMurray Community
Development Program****Audit and Budget Committee Recommendation:**

THAT the 2014 and Prior Capital Budget Amendments – Revised, as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program, dated September 2, 2014) be approved; and

THAT the cash flow of Capital Projects, as summarized on Attachment 2 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program – Project Cash Flow Summary, dated September 2, 2014) be approved.

Background:

The 2014 and Prior Capital Budget Amendments – Revised Provincial Projects - Fort McMurray Community Development Program was presented to the Audit and Budget Committee on September 2, 2014. At that meeting, the Audit and Budget Committee passed the following resolution:

1. “THAT the 2014 and Prior Capital Budget Amendments – Revised, as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program), dated September 2, 2014 be recommended to Council for approval; and

THAT the cash flow of Capital Projects, as summarized on Attachment 2 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program – Project Cash Flow Summary), dated September 2, 2014 be recommended to Council for approval.”

Attachment:

- I. Audit and Budget Committee Report – September 2, 2014



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

AUDIT AND BUDGET COMMITTEE REPORT

Meeting Date: September 2, 2014

**Subject: 2014 and Prior Capital Budget Amendments – Revised
Provincial Projects - Fort McMurray Community Development
Program**

APPROVALS:

Kola Oladimeji, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

1. THAT the 2014 and Prior Capital Budget Amendments – Revised, as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program), dated September 2, 2014 be recommended to Council for approval.
2. THAT the cash flow of Capital Projects, as summarized on Attachment 2 (2014 and Prior Capital Budget Amendments – Revised, Provincial Projects – Fort McMurray Community Development Plan program – Project Cash Flow Summary), dated September 2, 2014 be recommended to Council for approval.

Summary:

Four existing Provincial Capital Projects identified by Administration are hereby submitted for amendment and approval. Since Council is the approving authority for the Capital Budget, subject to provisions of the Council Policy (FIN-160), Fiscal Responsibility Policy, some Capital Budget Amendments require Council approval.

This Capital Budget amendment will result in a net decrease in funding of (\$1,800,000) for 2013 and prior, a net increase in funding of \$9,000,000 for 2014. The total net increase is **\$7,200,000** as outlined in the Budget Net Change Summary.

The additional \$7.2M is required to complete the Parsons Creek water supply project which costs to completion has increased from \$33.7M to \$42.7M. The Provincial Grant is \$35.5M resulting in a shortfall that will need to be funded by the Municipality if the project is to proceed. The infrastructure costs will be collected from the developer through Developer's charge.

Background:

In 2009, the Regional Municipality of Wood Buffalo and Government of Alberta signed an agreement to construct offsite infrastructure to support the development of Parsons Creek and Saline Creek. Twelve projects were adopted for implementation under this Fort McMurray Community Development Plan (FMCDP) agreement. The Government of Alberta paid Two Hundred Forty Three Million Three Hundred and Eighty Thousand (\$243,380,000) to the Municipality for these projects. No more funds are available under this agreement. The Parsons Creek Water Supply project was delayed due to additional land required for this project. As no more funds are available under the FMCDP agreement, \$7.2M of Municipal funds are required to

complete this project. However, these infrastructure costs will be collected from the developer through Developer's charge.

Budget/Financial Implications:

The approval of this Capital Budget amendment will allow the projects to be completed as scheduled. The full budget impact of the amendment included in this report has been incorporated in the proposed amended 2014 Budget and is presented in Attachments 1-3.

Attachment 1 shows the total cost of the projects recommended for amendment. The first section of this attachment presents the original budget for the projects requesting revision; the second section presents the revised budget. The net increase in capital funding required as a result of amending these projects is \$7,200,000.

Attachment 2 shows changes in cash flow of Capital Projects by budget year. Since multi-year projects are pre-approved for future years by Council in order to proceed seamlessly, amendments in cash flows of these projects require pre-budget approval by Council.

Attachment 3 shows the impact of cash flows and source of funding from this proposed amendment by years 2014 and prior, and 2015 and thereafter, as reflected below in the Budget Net Change Summary.

Budget Net Change Summary						
	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture
2014 & Prior	7,200,000	-	-	7,200,000	-	-
2015 and thereafter	-	-	-	-	-	-
Reconciled net change	7,200,000	-	-	7,200,000	-	-

Part of the review process considered the opportunity cost of funding tied to projects that due to changes in strategic direction will not be implemented in the near future, thus releasing such funds to provide funding for current strategic priorities.

Rationale for Recommendation:

The rationale for amendment of each capital project is included in the attached individual Capital Budget Amendment Forms as prepared by the individual departments responsible (Attachments 4 - 7).

Attachments:

- 1 - 2. 2014 and Prior Capital Budget Amendment – Revised, Provincial Projects - Fort McMurray Community Development Plan program
- 3. Cash Flow, by Funding Source, by Year
- 4 - 7. 2014 Capital Budget Amendment forms

Regional Municipality of Wood Buffalo
 2014 and Prior Capital Budget Amendment - Revised
 Provincial Projects - Fort McMurray Community Development program
 September 2, 2014

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project

Project Description	Expense I/O	Department	Year of original approval	Total Project Cost	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture	Att.
ORIGINAL PROJECT BUDGET										
Parsons Creek Reservoir (FMCDP)	600018	Engineering	2010	15,300,000	-	15,300,000	-	-	-	4
Parsons Creek Water Supply from WTP to Parsons Creek Reservoir (FMCDP)	600352	Engineering	2008	33,750,000	-	33,750,000	-	-	-	5
Parsons Creek West Access Road (FMCDP) - Design	600406	Engineering	2008	7,090,000	-	7,090,000	-	-	-	6
Saline Creek King Street Booster Station (FMCDP)	600381	Engineering	2006	12,290,000	-	12,145,000	145,000	-	-	7
Total Original Capital Project Budget				68,430,000	-	68,285,000	145,000	-	-	
REVISED PROJECT BUDGET										
Parsons Creek Reservoir (FMCDP)	600018	Engineering	2010	14,600,000	-	14,600,000	-	-	-	4
Parsons Creek Water Supply from WTP to Parsons Creek Reservoir (FMCDP)	600352	Engineering	2008	42,750,000	-	35,550,000	7,200,000	-	-	5
Parsons Creek West Access Road (FMCDP) - Design	600406	Engineering	2008	6,490,000	-	6,490,000	-	-	-	6
Saline Creek King Street Booster Station (FMCDP)	600381	Engineering	2006	11,790,000	-	11,645,000	145,000	-	-	7
Total Revised Capital Project Budget				\$ 75,630,000	\$ -	\$ 68,285,000	\$ 7,345,000	\$ -	\$ -	
Net Increase/(Decrease) Required on Existing Projects				\$ 7,200,000	\$ -	\$ -	\$ 7,200,000	\$ -	\$ -	

Regional Municipality of Wood Buffalo
 2014 and Prior Capital Budget Amendment - Revised
 Provincial Projects - Fort McMurray Community Development program
 Project Cash Flow Summary
 September 2, 2014

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project

Project Description	Expense IO	Original Approval Year	Funding Source	Total Budget (Accumulative)	Cash flow				Att
					2013 & Prior	2014	2015	Thereafter	
ORIGINAL PROJECT BUDGET									
Parsons Creek Reservoir (FMCDP)	600018	2010	FMCDP	15,300,000	15,300,000	-	-	-	4
Parsons Creek Water Supply from WTP to Parsons Creek Reservoir (FMCDP)	600352	2008	FMCDP	33,750,000	33,750,000	-	-	-	5
Parsons Creek West Access Road (FMCDP) - Design	600406	2008	FMCDP	7,090,000	7,090,000	-	-	-	6
Saline Creek King Street Booster Station (FMCDP)	600381	2006	FMCDP, Reserves	12,290,000	12,290,000	-	-	-	7
Total Original Capital Project Budget (a)				68,430,000	68,430,000	-	-	-	
REVISED PROJECT BUDGET									
Parsons Creek Reservoir (FMCDP)	600018	2010	FMCDP	14,600,000	14,600,000	-	-	-	4
Parsons Creek Water Supply from WTP to Parsons Creek Reservoir (FMCDP)	600352	2008	FMCDP, Reserves	42,750,000	33,750,000	9,000,000	-	-	5
Parsons Creek West Access Road (FMCDP) - Design	600406	2008	FMCDP	6,490,000	6,490,000	-	-	-	6
Saline Creek King Street Booster Station (FMCDP)	600381	2006	FMCDP, Reserves	11,790,000	11,790,000	-	-	-	7
Total Revised Project Budget (b)				\$ 75,630,000	\$ 66,630,000	\$ 9,000,000	\$ -	\$ -	
Net Change (b-a)				\$ 7,200,000	\$ (1,800,000)	\$ 9,000,000	\$ -	\$ -	

Regional Municipality of Wood Buffalo
 2014 and Prior Capital Budget Amendment - Revised
 Provincial Projects - Fort McMurray Community Development program
 Cash Flow, by Funding Source, by Year
 September 2, 2014

	Funding Sources				
	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves (CIR)	Other Sources Debentures
Original Funding Sources					
2013 and prior	68,430,000	-	68,285,000	145,000	-
2014	-	-	-	-	-
2015	-	-	-	-	-
Thereafter	-	-	-	-	-
Original Funding Sources Total (a)	68,430,000	-	68,285,000	145,000	-
Revised Funding Sources					
2013 and prior	66,630,000	-	66,485,000	145,000	-
2014	9,000,000	-	1,800,000	7,200,000	-
2015	-	-	-	-	-
Thereafter	-	-	-	-	-
Revised Funding Sources Total (b)	75,630,000	-	68,285,000	7,345,000	-
Revision / Difference (b) - (a)	7,200,000	-	-	7,200,000	-
Net Change by year					
2013 and prior	(1,800,000)	-	(1,800,000)	-	-
2014	9,000,000	-	1,800,000	7,200,000	-
2015	-	-	-	-	-
Thereafter	-	-	-	-	-
Reconciled net change	\$ 7,200,000	\$ -	\$ -	\$ 7,200,000	\$ -



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

CAPITAL BUDGET AMENDMENT

CURRENT PROJECT NAME: Parsons Creek Reservoir (FMCDP)

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0152010	700014	600018	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	15,300,000		15,300,000			
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	15,300,000	-	15,300,000	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	15,300,000	13,343,727	1,046,474	909,798

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This project has achieved substantial completion and is ready to be commissioned. Based on the cash flow projections, \$700,000 can be released from this project as savings.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	14,600,000		14,600,000			
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	14,600,000	-	14,600,000	-	-	-

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?

No

Will the underlying scope change alter the nature and type of capital project?

No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

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

CURRENT PROJECT NAME: Parsons Creek Water Supply Line from WTP to Parsons Creek Reservoir (FMCDP)

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0312008	700095	600352	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	33,750,000		33,750,000			
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	33,750,000	-	33,750,000	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	33,750,000	24,922,195	729,736	8,098,070

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This budget amendment is to request an additional \$9,000,000, as the costs to complete the last phase of this project and to commission the whole water line are higher than the available budget. The Parsons Creek Water Supply project was delayed due to additional land required for this project as no more funds are available under FMCDP agreement, \$7.2M Municipal fund is required to complete this project. \$1,800,000 will come from savings of other FMCDP funded projects and \$7,200,000 will come from reserves.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	33,750,000		33,750,000			
2014	9,000,000		1,800,000	7,200,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	42,750,000	-	35,550,000	7,200,000	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	No
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	No
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

CURRENT PROJECT NAME: Parsons Creek West Access Road (FMCDP) - Design

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0402008	700235	600406	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	7,090,000		7,090,000			
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	7,090,000	-	7,090,000	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	7,090,000	6,138,835	84,712	866,453

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This project has achieved substantial completion. Based on the cash flow projects, \$600,000 can be released from this project as savings.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	6,490,000		6,490,000			
2014	-		-			
2015	-					
2016	-					
Thereafter	-					
TOTAL	6,490,000	-	6,490,000	-	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	No
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	n/a
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

CURRENT PROJECT NAME: Saline Creek King Street Booster Phase II (FMCDP)

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0112006	700124	600381	-

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	12,290,000		12,145,000	145,000		
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	12,290,000	-	12,145,000	145,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	12,290,000	11,685,880	47,199	556,921

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This project has achieved substantial completion. Based on the cash flow projects, \$500,000 can be released from this project as savings.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	11,790,000		11,645,000	145,000		
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	11,790,000	-	11,645,000	145,000	-	-

FISCAL RESPONSIBILITY POLICY CRITERIA:

Will the change result in an efficient administrative and project delivery process?	n/a
Will the change result in an addition or cancellation of a capital project?	No
Will the underlying scope change alter the nature and type of capital project?	No
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	n/a
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.

Subject: 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects
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Audit and Budget Committee Recommendation:

THAT the 2014 and Prior Capital Budget Amendments as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects) dated September 2, 2014 be approved; and

THAT the cash flow of Capital Projects as summarized on Attachment 2 (2014 and Prior Capital Budget Amendment – Revised, New and Cancelled Projects – Project Cash Flow Summary), dated September 2, 2014 be approved.

Background:

The 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects was presented to the Audit and Budget Committee on September 2, 2014. At that meeting, the Audit and Budget Committee passed the following resolution:

1. “THAT the 2014 and Prior Capital Budget Amendments as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects) dated September 2, 2014 be recommended to Council for approval; and

THAT the cash flow of Capital Projects as summarized on Attachment 2 (2014 and Prior Capital Budget Amendment – Revised, New and Cancelled Projects – Project Cash Flow Summary), dated September 2, 2014 be recommended to Council for approval.”

Attachment:

- I. Audit and Budget Committee Report – September 2, 2014



AUDIT AND BUDGET COMMITTEE REPORT

Meeting Date: September 2, 2014

Subject: 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects

APPROVALS:

Kola Oladimeji, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

1. THAT the 2014 and Prior Capital Budget Amendments as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects) dated September 2, 2014 be recommended to Council for approval.
2. THAT the cash flow of Capital Projects as summarized on Attachment 2 (2014 and Prior Capital Budget Amendment – Revised, New and Cancelled Projects – Project Cash Flow Summary), dated September 2, 2014 be recommended to Council for approval.

Summary:

Ten existing and one new Capital Projects identified by Administration are hereby submitted for amendment and approval. Since Council is the approving authority for the Capital Budget, subject to provisions of the Council Policy (FIN-160), Fiscal Responsibility Policy, some Capital Budget Amendments require Council approval.

This Capital Budget amendment will result in a net decrease in funding of (\$3,383,746) for 2013 and prior, (\$9,100,000) for 2014, (\$8,416,254) for 2015, and a net increase of \$40,973,100 for 2016 and thereafter. The total net increase is **\$20,073,100** as outlined in the Budget Net Change Summary below.

All the amendments have been reviewed and recommended by the Capital Projects Steering Committee.

Background:

Capital Budget amendments are an ongoing process. Some amendments are identified and presented to Council on an individual basis due to the specific nature and timing of the request. The Capital Budget amendments addressed in this report include one new capital project, those requiring additional funding and scope changes, and one cancellation.

In addition, there are a number of projects proposed for deferral. Projects to be deferred will be brought back to Council for approval in the applicable year for approval. Projects deferred cannot proceed until future budget approval is provided.

Budget/Financial Implications:

The approval of the Capital Budget amendments identified will allow the projects to proceed as scheduled. The full budget impact of the amendments included in this report has been incorporated in the proposed amended 2014 Budget and is presented in Attachments 1-3.

Attachment 1 shows the total cost of the projects recommended for amendment. The first section of this attachment presents the original budget for the projects requesting revision; the second section presents the revised budget. The net increase in capital funding required as a result of amending these projects is \$20,073,100.

Attachment 2 shows changes in cash flow of Capital Projects by budget year. Since multi-year projects are pre-approved for future years by Council in order to proceed seamlessly, amendments in cash flows of these projects require pre-budget approval by Council.

Attachment 3 shows the impact of cash flows and source of funding from this proposed amendment by years 2014 and prior, and 2015 and thereafter, as reflected below in the Budget Net Change Summary.

Budget Net Change Summary

	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture
2014 & Prior	(12,483,746)	–	–	(9,983,746)	–	(2,500,000)
2015 & thereafter	32,556,846	–	–	27,956,846	–	4,600,000
Reconciled net change	20,073,100	–	–	17,973,100	–	2,100,000

Part of the review process considered the opportunity cost of funding tied to projects that due to changes in strategic direction will not be implemented in the near future, thus releasing such funds to provide funding for current strategic priorities.

Rationale for Recommendation:

The rationale for amendment of each capital project is included in the attached individual Capital Budget Amendment Forms as prepared by the individual departments responsible (Attachments 4 - 14). Additional funding is required to enable the previously approved projects to be completed.

Attachments:

- 1-2. 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects
- 3. Cash Flow, by Funding Source, by Year
- 4-14. 2014 Capital Budget Amendment forms

Regional Municipality of Wood Buffalo
2014 and Prior Capital Budget Amendment - Revised and New Projects
September 2, 2014

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project

	Project Description	Expense I/O	Department	Year of original approval	Total Project Cost	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture	Att
ORIGINAL PROJECT BUDGET											
1	Conklin Mobile Waste Water Treatment Plant	New	Environmental Services	2014	-	-	-	-	-	-	4
2	Fort Chipewyan Richardson River Bridge Replacement - Construction	600725	Public Operations	2013	6,800,000	-	-	4,600,000	-	2,200,000	5
3	Fort Chipewyan Swimming Pool - Construction	600726	Community Services	2013	27,000,000	-	-	21,000,000	-	6,000,000	6
4	Fort Chipewyan Winter Road Bridges Replacement - Construction	600704	Public Operations	2012	2,500,000	-	-	2,500,000	-	-	7
5	Gateways Preconstruction	600879	City Centre	2014	500,000	-	-	500,000	-	-	8
6	Performing and Visual Arts Centre - Preconstruction	600785	City Centre	2013	26,800,000	-	-	-	-	26,800,000	9
7	Rural Water & Sewer Servicing - Predesign & Design	600515	Environmental Services	2009	5,850,000	-	-	5,850,000	-	-	10
8	Signage and Wayfinding - Preconstruction	600797	City Centre	2013	383,746	-	-	383,746	-	-	11
9	Traffic Signal Upgrades 2013-2014 (Amalgamate 600824, 600825, 600970)	600824	Public Operations	2013	1,275,000	-	-	1,275,000	-	-	12
10	Transit Terminals	600285	Public Operations	2009	5,600,000	-	-	-	-	5,600,000	13
11	Water and Wastewater - Preconstruction	600811	City Centre	2013	1,800,000	-	-	1,800,000	-	-	14
Total Original Capital Project Budget					78,508,746	-	-	37,908,746	-	40,600,000	
REVISED PROJECT BUDGET											
1	Conklin Mobile Waste Water Treatment Plant	New	Environmental Services	2014	2,500,000	-	-	2,500,000	-	-	4
2	Fort Chipewyan Richardson River Bridge Replacement - Construction	600725	Public Operations	2013	6,800,000	-	-	2,500,000	-	4,300,000	5
3	Fort Chipewyan Swimming Pool - Construction	600726	Community Services	2013	36,473,100	-	-	30,473,100	-	6,000,000	6
4	Fort Chipewyan Winter Road Bridges Replacement - Construction	600704	Public Operations	2012	2,500,000	-	-	2,500,000	-	-	7
5	Gateways Preconstruction	600879	City Centre	2014	500,000	-	-	500,000	-	-	8
6	Performing and Visual Arts Centre - Preconstruction	600785	City Centre	2013	26,800,000	-	-	-	-	26,800,000	9
7	Rural Water & Sewer Servicing - Predesign & Design	600515	Environmental Services	2009	15,750,000	-	-	15,750,000	-	-	10
8	Signage and Wayfinding - Preconstruction	600797	City Centre	2013	383,746	-	-	383,746	-	-	11
9	Traffic Signal Upgrades 2013-2014 (Amalgamate 600824, 600825, 600970)	600824	Public Operations	2013	1,275,000	-	-	1,275,000	-	-	12
10	Transit Terminals	600285	Public Operations	2009	5,600,000	-	-	-	-	5,600,000	13
11	Water and Wastewater - Preconstruction	600811	City Centre	2013	-	-	-	-	-	-	14
Total Revised Capital Project Budget					98,581,846	-	-	55,881,846	-	42,700,000	
Net Increase/(Decrease) Required on Existing Projects					20,073,100	-	-	17,973,100	-	2,100,000	

Regional Municipality of Wood Buffalo
 2014 and Prior Capital Budget Amendment - Revised and New Projects
 Project Cash Flow Summary
 September 2, 2014

Legend:

First year of a multi year project
Other than first year of a multi year project
Single year project

					Cash flow				
Project Description	Expense IO	Original Approval Year	Funding Source	Total Budget (Accumulative)	2013 & Prior	2014	2015	Thereafter	Att
ORIGINAL PROJECT BUDGET									
1 Conklin Mobile Waste Water Treatment Plant	New	2014	Reserves	-	-	-	-	-	4
2 Fort Chipewyan Richardson River Bridge Replacement - Construction	600725	2013	Debentures, Reserves	6,800,000	2,200,000	4,600,000	-	-	5
3 Fort Chipewyan Swimming Pool - Construction	600726	2013	Debentures, Reserves	27,000,000	3,000,000	9,000,000	15,000,000	-	6
4 Fort Chipewyan Winter Road Bridges Replacement - Construction	600704	2012	Reserves	2,500,000	-	2,500,000	-	-	7
5 Gateways Preconstruction	600879	2014	Reserves	500,000	-	500,000	-	-	8
6 Performing and Visual Arts Centre - Preconstruction	600785	2013	Debentures	26,800,000	300,000	-	16,900,000	9,600,000	9
7 Rural Water & Sewer Servicing - Predesign & Design	600515	2009	Reserves	5,850,000	5,850,000	-	-	-	10
8 Signage and Wayfinding - Preconstruction	600797	2013	Reserves	383,746	383,746	-	-	-	11
9 Traffic Signal Upgrades 2013-2014 (Amalgamate 600824, 600825, 600970)	600824	2013	Reserves	1,275,000	575,000	700,000	-	-	12
10 Transit Terminals	600285	2009	Debentures	5,600,000	5,600,000	-	-	-	13
11 Water and Wastewater - Preconstruction	600811	2013	Reserves	1,800,000	500,000	-	1,300,000	-	14
Total Original Capital Project Budget (a)				78,508,746	18,408,746	17,300,000	33,200,000	9,600,000	

REVISED PROJECT BUDGET									
1 Conklin Mobile Waste Water Treatment Plant	New	2014	Reserves	2,500,000	-	2,500,000	-	-	4
2 Fort Chipewyan Richardson River Bridge Replacement - Construction	600725	2013	Debentures, Reserves	6,800,000	-	-	-	6,800,000	5
3 Fort Chipewyan Swimming Pool - Construction	600726	2013	Debentures, Reserves	36,473,100	3,000,000	5,000,000	14,000,000	14,473,100	6
4 Fort Chipewyan Winter Road Bridges Replacement - Construction	600704	2012	Reserves	2,500,000	-	-	-	2,500,000	7
5 Gateways Preconstruction	600879	2014	Reserves	500,000	-	-	500,000	-	8
6 Performing and Visual Arts Centre - Preconstruction	600785	2013	Debentures	26,800,000	-	-	-	26,800,000	9
7 Rural Water & Sewer Servicing - Predesign & Design	600515	2009	Reserves	15,750,000	5,850,000	-	9,900,000	-	10
8 Signage and Wayfinding - Preconstruction	600797	2013	Reserves	383,746	-	-	383,746	-	11
9 Traffic Signal Upgrades 2013-2014 (Amalgamate 600824, 600825, 600970)	600824	2013	Reserves	1,275,000	575,000	700,000	-	-	12
10 Transit Terminals	600285	2009	Debentures	5,600,000	5,600,000	-	-	-	13
11 Water and Wastewater - Preconstruction	600811	2013	Reserves	-	-	-	-	-	14
Total Revised Project Budget (b)				98,581,846	15,025,000	8,200,000	24,783,746	50,573,100	
				20,073,100	(3,383,746)	(9,100,000)	(8,416,254)	40,973,100	

Regional Municipality of Wood Buffalo
Cash Flow, by Funding Source, by Year
September 2, 2014

	Total Project Cost (Accumulative)	Funding Sources				
		Federal Grants	Provincial Grants	Reserves (CIR)	Other Sources	Debentures
Original Funding Sources						
2013 and prior	18,408,746	-	-	7,308,746	-	11,100,000
2014	17,300,000	-	-	17,300,000	-	-
2015	33,200,000	-	-	13,300,000	-	19,900,000
Thereafter	9,600,000	-	-	-	-	9,600,000
Original Funding Sources Total (a)	78,508,746	-	-	37,908,746	-	40,600,000
Revised Funding Sources						
2013 and prior	15,025,000	-	-	6,425,000	-	8,600,000
2014	8,200,000	-	-	8,200,000	-	-
2015	24,783,746	-	-	21,783,746	-	3,000,000
Thereafter	50,573,100	-	-	19,473,100	-	31,100,000
Revised Funding Sources Total (b)	98,581,846	-	-	55,881,846	-	42,700,000
Revision / Difference (b) - (a)	20,073,100	-	-	17,973,100	-	2,100,000
Net Change by year						
2013 and prior	(3,383,746)	-	-	(883,746)	-	(2,500,000)
2014	(9,100,000)	-	-	(9,100,000)	-	-
2015	(8,416,254)	-	-	8,483,746	-	(16,900,000)
Thereafter	40,973,100	-	-	19,473,100	-	21,500,000
Reconciled net change	20,073,100	-	-	17,973,100	-	2,100,000

REGIONAL MUNICIPALITY
OF WOOD BUFFALO

CAPITAL BUDGET AMENDMENT

CURRENT PROJECT NAME: Conklin Mobile Wastewater Treatment Plant

AMENDED PROJECT NAME:

Group I/O

Revenue I/O

Expense I/O

New Project

ORDER CODES (if assigned):

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	-	-	-	-	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
	-			-

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Construction of a new Wastewater Treatment Plant (WTP) in Conklin has been delayed as it related to the commissioning of the Anzac WTP. A temporary plant is now required to meet existing demand and regulatory requirements. The temporary plant will allow the new Conklin WTP to operate at full production allowing for increased bulk water sales. It will allow wastewater haulers in the south to discharge in the south, instead of Fort McMurray, which has the following benefits: improved economics for wastewater haulers (less distance), less traffic on 881 (increasing safety), and helps reduce/eliminate illegal dumping. Further, after commissioning the permanent plant, the temporary plant can be mobilized and reused in other locations as needed which will allow the Municipality to better respond to issues related to wastewater quality and environmental discharges.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	2,500,000			2,500,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	2,500,000	-	-	2,500,000	-	-

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?

No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other 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

CURRENT PROJECT NAME: Fort Chipewyan Richardson River Bridge Replacement - Construction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Deferral
ORDER CODES (if assigned):	0142013	500412	600725	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	2,200,000					2,200,000
2014	4,600,000			4,600,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	6,800,000	-	-	4,600,000	-	2,200,000

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	6,800,000	-	-	6,800,000

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This amendment is to move cash flow to 2016 and 2017. Richardson River Bridge is located approx. 60 KM north of Firebag River Bridge on the Fort Chipewyan Winter Road. The construction of Richardson River Bridge is dependent on the completion of the Firebag Bridge construction. Firebag Bridge construction is in progress but significantly delayed due to a number of issues, i.e. RDS amendment for additional land, Caribou Protection requirement and H2S gas issues. Per the BIM (Bridge Inspection and Maintenance) report done in 2012, the estimated replacement year for Richardson River Bridge is 2020. It is recommended that construction of Richardson River Bridge be deferred till 2016 when the Firebag Bridge will be completed.

When the debenture bylaw was passed in the year 2013 it included \$4.3M for this project - \$2.2M in 2013 and \$2.1M in 2014. During the 2014 budgeting process the 2014 portion was misallocated to reserves. Part of this amendment is to reallocate the \$2.1M back to debentures, rather than to amend the debenture bylaw.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	3,500,000					3,500,000
Thereafter	3,300,000			2,500,000		800,000
TOTAL	6,800,000	-	-	2,500,000	-	4,300,000

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?

No

Will the underlying scope change alter the nature and type of capital project?

No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

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

CURRENT PROJECT NAME: Fort Chipewyan Swimming Pool - Construction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0152013	700413	600726	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	3,000,000					3,000,000
2014	9,000,000			9,000,000		
2015	15,000,000			12,000,000		3,000,000
2016	-					
Thereafter	-					
TOTAL	27,000,000	-	-	21,000,000	-	6,000,000

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	27,000,000	1,820,904	228,377	24,950,720

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

All three compliant tenders for the Fort Chipewyan Swimming Pool construction were substantially higher than the original approved budget of \$27M. The lowest bid price, including additional engineering work, is \$36.4M for the original scope of work (\$9.4M over the allocated budget), with an extended bid award date to 60 days from September 2, 2014. The original intent of constructing a swimming pool, water park and hot tub will be met with this amendment.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	3,000,000					3,000,000
2014	5,000,000			5,000,000		
2015	14,000,000			11,000,000		3,000,000
2016	14,473,100			14,473,100		
Thereafter	-					
TOTAL	36,473,100	-	-	30,473,100	-	6,000,000

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?	No
Will the underlying scope change alter the nature and type of capital project?	No
Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	No
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

CURRENT PROJECT NAME: Fort Chipewyan Winter Road Bridges Replacement - Construction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Deferral
ORDER CODES (if assigned):	0632012	500397	600704	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	2,500,000			2,500,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	2,500,000	-	-	2,500,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	2,500,000	-	-	2,500,000

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This amendment is to move cash flow to 2016. The rehabilitation work of the winter road bridges will be completed under one tender with Richardson River Bridge which is dependent on the RDS amendment approval and completion of the Firebag Bridge construction. The Firebag Bridge construction is in progress but significantly delayed due to a number of issues, i.e. RDS amendment for additional land, Caribou Protection requirement and H2S gas issues. It is recommended that rehabilitation of winter road bridges be deferred until 2016 when Firebag Bridge will be completed.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	2,500,000			2,500,000		
Thereafter	-					
TOTAL	2,500,000	-	-	2,500,000	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

n/a

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

CURRENT PROJECT NAME: Gateways Preconstruction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Deferral
ORDER CODES (if assigned):	0312014	500503	600879	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	500,000			500,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	500,000	-	-	500,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	500,000	-	-	500,000

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Design standards are being finalized that will redefine street characteristics within the downtown core. To proceed with this project before these standards are complete is premature, therefore we are deferring this project until completion. This amendment will also better align the project to anticipated street work.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	500,000			500,000		
2016	-					
Thereafter	-					
TOTAL	500,000	-	-	500,000	-	-

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?

No

Will the underlying scope change alter the nature and type of capital project?

No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

No

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

CURRENT PROJECT NAME: Performing and Visual Arts Centre Preconstruction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Deferral
ORDER CODES (if assigned):	0332013	700431	600785	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	300,000					300,000
2014	-					
2015	16,900,000					16,900,000
2016	9,600,000					9,600,000
Thereafter	-					
TOTAL	26,800,000	-	-	-	-	26,800,000

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	26,800,000	-	-	26,800,000

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

The timeline for this project is being amended to allow more time to evaluate various financing models available for delivering the project. It will also give administration the time to undertake a value-for-money assessment on the project. In the meantime, all costs relating to the Performing and Visual Arts Centre will be funded through the operating budget.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	17,200,000					17,200,000
Thereafter	9,600,000					9,600,000
TOTAL	26,800,000	-	-	-	-	26,800,000

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?	No
Will the underlying scope change alter the nature and type of capital project?	No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

No

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

CURRENT PROJECT NAME: Rural Water & Sewer Servicing - Predesign & Design

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0482009	700219	600515	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	5,850,000			5,850,000		
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	5,850,000	-	-	5,850,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	5,850,000	288,206	186,293	5,375,500

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Associated Engineering has completed predesign. Design has commenced with input from the Rural Service Review. This project is for the predesign and design only. Construction will be budgeted separately. The scope of work is for the water distribution and sewer collection of all the rural areas within the hamlets of Anzac, Draper Road, Conklin, Janvier and Gregoire Lake Estates. \$9.9M was originally allotted for 2014, which was deleted in the 2014 Capital Budget preparation instead of being placed in 2015. This amendment is to request that the funds be put back into the project for 2015. These funds need to be secured to award the design tender to a consulting firm.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	5,850,000			5,850,000		
2014	-					
2015	9,900,000			9,900,000		
2016	-					
Thereafter	-					
TOTAL	15,750,000	-	-	15,750,000	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

No

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

CURRENT PROJECT NAME: Signage and Wayfinding Preconstruction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0452013	500443	600797	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	383,746			383,746		
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	383,746	-	-	383,746	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	383,746	-	-	383,746

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

Engineering servicing standards are being finalized that will redefine street characteristics within the downtown core. Until the servicing standards are complete, proceeding with this project would be premature. Therefore, this project is to be deferred until completion of the servicing standards. This amendment will also better align the project to anticipated street work and the need for associated signage.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	383,746			383,746		
2016	-					
Thereafter	-					
TOTAL	383,746	-	-	383,746	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	No

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?	n/a
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

CURRENT PROJECT NAME:	2013 Traffic Signals at Loutit Rd and Sparrow Hawk Dr / Accessible Pedestrian Signal at Hospital St at Fitzgerald Ave / Traffic Signal Upgrades & Installation 2014			
AMENDED PROJECT NAME:	Traffic Signal Upgrades 2013-2014			
	Group I/O	Revenue I/O	Expense I/O	Project Consolidation
ORDER CODES (if assigned):	0632013, 0642013 & 0742014	700461, 700462 & 700546	600824, 600825 & 600970	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	575,000			575,000		
2014	700,000			700,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	1,275,000	-	-	1,275,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	1,275,000	307,217	407,500	560,283

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

RMWB currently has three traffic operations projects ongoing. The recent TAC (Transportation Association of Canada) studies have identified need for two additional full pedestrian signals at (1) Franklin Ave & Richard St and (2) Powder Drive & Millennium Gate, to safely accommodate pedestrian and vehicular traffic. The purpose of this amendment is to merge the existing projects to have better administrative and project efficiency, expand the scope to include the two new locations, and to pool the savings in the existing projects to fund the two new locations. The estimated cost of the new locations is \$320,000 which can be accommodated in the current budget.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	575,000			575,000		
2014	700,000			700,000		
2015	-					
2016	-					
Thereafter	-					
TOTAL	1,275,000	-	-	1,275,000	-	-

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?	No
Will the underlying scope change alter the nature and type of capital project?	Yes

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects? n/a

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.



**Capital Project
Business Case For**
[Pedestrian Signals Installation at Franklin Ave and Powder Drive]

Created: [15th July 2014]
Updated: [16th July 2014]

Project Accountability

Role	Name	Signature	Date
Project Sponsor Department	Public Operations	N/A	N/A
Sponsor Department Contact	Robert Billard		
Sponsor Executive Director	Kevin Scoble		
Project Delivery Department	Public Operations	N/A	N/A
Delivery Department Contact	Robert Billard		16 th July 2014
Project Manager (if assigned)	Muhammad Jamal Arif		16 th July 2014
Business Case Contact (author)	Muhammad Jamal Arif		16 th July 2014

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1 Executive Summary

The intersection of Franklin Ave and Richard St is currently a two way stop control intersection with free flow on Franklin Ave and stop control on Richard St. Pedestrian traffic utilizes existing signed and marked cross walk for crossing Franklin Ave. Over the past few years the cross walk was operating fine and there were ample crossing opportunities available for the pedestrian. The opening of HWY-63 underpass has changed the traffic pattern along Franklin Ave. These changes in traffic pattern have increased the traffic significantly. The increase in traffic has observable implications on the existing signed and marked cross walk. In order to evaluate the requirements of full signalization and Accessible Pedestrian Signals, a traffic study using Transportation Association of Canada guidelines was completed in March 2014. The study results indicate that pedestrian signals are required to safely accommodate the pedestrian traffic.

The second signed and marked cross walk is located in the Timberlea area at Powder Drive and Millennium Gate. This location presently operates as a two way stop control on side streets and free flow along Powder Drive. The crosswalk runs across Powder Drive. The cross walk is closely located to a bus transfer station and Extra Food store on Powder Drive, which has increased pedestrian activity at this location. In order to evaluate the safety concerns, a traffic study using Transportation Association of Canada guidelines was completed in March 2014. Transportation Association of Canada guidelines were utilized for the study to see if additional improvements were required to safely accommodate pedestrian and vehicular traffic. The study results recommend full pedestrian signals to safely accommodate pedestrian and vehicular traffic at both locations at this time.

The upgrade of these crosswalks to signalized pedestrian crossing will improve the overall pedestrian traffic flow, safety, minimize delay, increase comfort and ride-ability for public users. The upgrade will also address public concerns thus reducing operation cost. The estimated capital cost to implement these two signalized crosswalks is \$320,000. The subsequent Operation & Maintenance cost at a \$6500/year, for a period of 20 years is \$130,000. The total owner ship cost of the project would be \$450000.

The project is feasible and can be completed by the end of 2014 depending on approval date. The project is located within RMWB road right of way, therefore no land acquisition is required. The installation is beneficial in different ways. First benefit includes coordination with the nearest signals. The second benefit include driver's acceptance resulting from uniform traffic control at all of the crossing roads.

The approximate duration of the project is 5 month. It includes tender preparation, predesign, design, construction, final acceptance testing and operation.. Following is a summary of the project duration

S. No	Description	Timeline
1	Tender Preparation	2 weeks
2	Tender posting and Award	1 months
3	Contract preparation and signing	2 weeks
4	Predesign and Design	One month
5	Construction	Two month
6	Final Acceptance and Operations	One month

2 Strategic Priority Actions

The Strategic Plan sets forth a direction for the operations of RMWB over a period of five years. The Plan identifies ten priority areas that will require enhancement in order to better serve the regions residents. Mobility was identified as one of these priority areas. Current priority actions associated with mobility in the region include:

- Develop active transporation and transporation alternative (Active transporation refers to any form of human-powered transporation- walking, cycling, using a wheelchair etc. This project will encourage pedestrian activity.
- Invest in capital infrastructure investment network development

3 Analysis

3.1 Justification

The project includes installation of two signalized crosswalks at existing signed and marked locations on Franklin Ave and Powder Drive. Due to continuing community concerns, the traffic operation staff have upgraded the road marking and signage at both these locations for the interim period. However the recent traffic studies completed at these locations indicate that signalization. Upon completion the project will improve overall safety for vehicular and pedestrian traffic.

Franklin Ave. and Richard St. Crosswalk:

Pedestrian traffic utilizes existing signed and marked cross walk for crossing Franklin Ave. Over the past few years the crosswalk was operating fine and there were ample crossing opportunities available for the pedestrian. The opening of HWY-63 underpass has changed the traffic pattern along Franklin Ave. These changes in traffic pattern have increased the traffic significantly. The increase in traffic has observable implications on the existing signed and marked cross walk. In order to evaluate the requirements of full signalization and Accessible Pedestrian Signals, a traffic study using Transportation Association of Canada guidelines was completed in March 2014. The study results indicates that pedestrian signals are required to safely accommodate the pedestrian traffic.

Two types of warrant studies were completed at this location to see if the site meets the requirements of a full or half traffic signals. The first study assessed the feasibility of signalized cross walk i.e. half signals, to see if additional improvements are required to safely accommodate pedestrian and vehicular traffic. Twenty four hour counts were collected and a peak hour was selected for the study. Transportation Association of Canada (TAC) warrant matrix was used for the study. This matrix takes into account pedestrian and vehicular traffic, number of traffic lanes and available crossing opportunities for pedestrians. It should be noted that pedestrian numbers were converted to Equivalent Adults Units (EAU) using TAC factors for children, seniors and disabled population. The study results indicate that the location meets the requirement of pedestrian signals to safely accommodate pedestrian and vehicular traffic at both locations at this time.

A second study was completed to see the feasibility of full traffic signals. The study was completed using Transportation Association of Canada Matrix Signal Warrant procedure. This procedure uses a cumulative factors methodology to evaluate vehicle/vehicle conflicts and the vehicle/ pedestrian conflicts. The procedure is based on a function that calculates a score for the intersection; a value of 100 points is used as the basis for determining traffic signalization requirements. Using the data obtained from the traffic count at this location a traffic warrant score of 99 was calculated. Although the study does not meet the signalization requirement at this time, it is recommended to install the underground work for future full signalization.

Powder Dr at Millenium Gate:

The second signed and marked crosswalk is located in the Timberlea area at Powder Drive and Millennium Gate. This location is presently operates as a two way stop control on side streets and free flow along Powder Drive. The cross walks runs across Powder Drive. The cross walk is closely located to a bus transfer station and Extra food store on Powder Drive, which has increased pedestrian activity at this location. In order to evaluate the safety concerns, a traffic study using Transportation Association of Canada guidelines was completed in March 2014. Transportation Association of Canada guidelines were utilized for the study to see if additional improvements were required to safely accommodate pedestrian and vehicular traffic. The study results recommend full pedestrian signals to safely accommodate pedestrian and vehicular traffic at both locations at this time.

3.2 Assumptions

The estimated project completion date is 31st December 2014. The implementation of this project is based on the following assumption

- If receive budget approval in August 2014
- Project may be added to the existing contract as a change order

3.3 Priority Score

Both these projects are categorized as high priority. The total priority score of these project is 72.

PROJECT PRIORITY SCORE					
HIGH PRIORITY - Project needs to start in the first year of the capital plan		MEDIUM PRIORITY - Project does not need to start until the second or third year of the capital plan		LOW PRIORITY - Project does not need to start within the first three years of the capital plan	
		NOT APPLICABLE - Criterion does not apply to this capital project			
		HIGH Yr 1	MEDIUM Yr 2 or 3	LOW After Yr 3	N/A
		6	3	1	0
Imminent Health or Safety	7	x			
Legislation/Contractual Obligation	6				
Maintain Existing Assets	5				
Maintain Current Service Levels	4				
Increase Efficiencies	3	x			
Increase Level of Existing Service	2	x			
New Service	1				
Total Score					72

4 Implementation

The estimated capital cost to implement these two signalized crosswalks is \$320,000. The subsequent O & M cost at a \$6,500/year, for a period of 20 years is \$130,000. The total owner ship cost of the project would be \$450,000.

Life Expectancy: 20 years
Total Life Cycle Cost: \$130,000.00

Life Cycle	0 - 3 yrs	4– 6 yrs	7 – 9 yrs	10 – 12 yrs	13 – 15 yrs	16-18 yrs.	19-20 yrs
Annual Costs	\$6500.00	\$6500.00	\$6500.00	\$6500.00	\$6500.00	\$6500.00	\$6500.00
Total Costs	\$19500.00	\$19500.00	\$19500.00	\$19500.00	\$19500.00	\$19500.00	\$130000.00

The approximate duration of the project is one year. It includes tender preparation, predesign, design, construction, final acceptance testing and operation. Following is a summary of the project duration

S. No	Description	Timeline
1	Tender Preparation, posting and Award	1 month
2	Contract preparation, signing, Predesign and Design	1 month
3	Construction, final acceptance and operations	3 month

4.1 Estimated Schedules / Milestones

Following is the estimated schedules/milestones

Project Planning*	design	Construction	Construction	Completion
Q3-2014	Q4-2014	Q1-2015	Q2-2015	Q2-2015
Tender preparation, posting, Award	Contract preparation, signing, predesign, design and Construction	Construction	Construction	Final Acceptance, testing and Operations

4.2 Project Capital Cash Flow Requirement – Annually

It is a one year project, therefore the total project amount is required.

4.3 Project Cash Flow – Capital Budget and Plan

It is a one year project, this section is not applicable.

4.4 Impact on Operating Budget

The annual Operation and Maintenance cost of these signalized cross walks is \$13,000. This amount is included in the capital request for a period of twenty years.

5 Total Cost of Ownership

The total owner ship cost of the project would be \$450,000.

6 Appendices

6.1 Supporting Documentation

Following are the supporting documentation

1. Locations Map
2. Traffic Studies
3. Capital Request



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

CAPITAL BUDGET AMENDMENT

CURRENT PROJECT NAME: Transit Terminals

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Amendment
ORDER CODES (if assigned):	0302009	700055	600285	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	5,600,000					5,600,000
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	5,600,000	-	-	-	-	5,600,000

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	5,600,000	497,195	153,546	4,949,258

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

The selected locations for the transit centres - Main Street, Thickwood and Timberlea - do not have the same practical application as a location at MacDonald Island Park (MIP). MIP is the hub of the Fort McMurray community and building a transit centre at that location would provide better ease of access for those citizens who are dependant upon transit as a means of transportation. At this time, MIP is the preferred location, and the other three locations are postponed indefinitely.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	5,600,000					5,600,000
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	5,600,000	-	-	-	-	5,600,000

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?	No
Will the underlying scope change alter the nature and type of capital project?	Yes

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other 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

CURRENT PROJECT NAME: Water and Water Preconstruction

AMENDED PROJECT NAME:

	Group I/O	Revenue I/O	Expense I/O	Project Cancellation
ORDER CODES (if assigned):	0592013	500457	600811	

CURRENT PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	500,000			500,000		
2014	-					
2015	1,300,000			1,300,000		
2016	-					
Thereafter	-					
TOTAL	1,800,000	-	-	1,800,000	-	-

CURRENT COST AND COMMITMENT

As at	Current Budget	Actual to Date	Commitments	Available
August 8, 2014	1,800,000	-	-	1,800,000

DESCRIPTION/RATIONALE FOR BUDGET AMENDMENT

This project is being cancelled because the scope of work is not fully defined at this point in time.

AMENDED PROJECT BUDGET

Funded capital project

Year	Annual Cost	Fed Grants	Prov Grants	Reserves	Other Sources	Debtenture Financed
2013 & Prior	-					
2014	-					
2015	-					
2016	-					
Thereafter	-					
TOTAL	-	-	-	-	-	-

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?

Yes

Where additional funding is required, are the funds from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects?

No

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.

Subject: Notice of Motion – Transportation Authority**Recommendations:**

THAT Administration be directed to investigate the establishment of a transportation authority; and

THAT consideration for proceeds from provincial land release sales be directed towards the development of transportation infrastructure within the Regional Municipality of Wood Buffalo.

Summary and Background:

At the Council meeting held on Tuesday, August 26, 2014, Councillor Germain served notice of his intent to bring forward the following motion for consideration at the September 23, 2014 Council Meeting:

THAT Administration be directed to investigate the establishment of a transportation authority; and

THAT consideration for proceeds from provincial land release sales be directed towards the development of transportation infrastructure within the Regional Municipality of Wood Buffalo.

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

As Councillor Germain was unable to attend the September 9, 2014 Council Meeting, Council passed a motion to re-schedule the matter until the Council Meeting on September 23, 2014.

Subject: Notice of Motion – Family Bus Pass**Recommendation:**

THAT Administration be directed to investigate a family bus pass to promote the use of public transportation within the Regional Municipality of Wood Buffalo.

Summary and Background:

At the Council meeting held on Tuesday, August 26, 2014, Councillor Germain served notice of his intent to bring forward the following motion for consideration at the September 9, 2014 Council Meeting:

THAT Administration be directed to investigate a family bus pass to promote the use of public transportation within the Regional Municipality of Wood Buffalo.

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

As Councillor Germain was unable to attend the September 9, 2014 Council Meeting, Council passed a motion to re-schedule the matter until the Council Meeting on September 23, 2014.

