



Audit and Budget Committee

Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, October 21, 2014
4:00 p.m.

Agenda

Call to Order

1. Adoption of the Agenda
2. Minutes of Audit and Budget Committee - October 7, 2014

New and Unfinished Business

3. Questions to the Municipal Auditor
4. Delegation - Keyano College (5 minutes)
5. Municipal Transit Services – Internal Audit Findings
6. Mayor and Chief Administrative Officer's Expenses
7. 2015 Budget Process Review

Adjournment

Unapproved Minutes of a Meeting of the Audit and Budget Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, October 07, 2014, commencing at 4:00 p.m.

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

Absent: J. Chadi, Councillor
J. Stroud, Councillor

Administration: M. Ulliac, Interim Chief Administrative Officer
D. Leflar, Chief Legislative Officer
A. Rogers, Senior Legislative Officer
S. Harper, Legislative Officer

Call to Order

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

1. Adoption of the Agenda

Moved by Councillor K. McGrath that the agenda be adopted as presented.

CARRIED UNANIMOUSLY

2. Minutes of Audit and Budget Committee meeting - September 16, 2014

Moved by Mayor M. Blake that the Minutes of Audit and Budget Committee Meeting of September 16, 2014 be approved as presented.

CARRIED UNANIMOUSLY

New and Unfinished Business

3. Questions to the Municipal Auditor

Arrival

Councillor A. Vinni entered the meeting at 4:04 p.m.

Ralph Timleck, Municipal Auditor, provided a brief update on the internal audit of the transit contract, indicating that the results of the audit would be presented to Council at the Administrative Briefing that same evening following the conclusion of the Audit and Budget Committee meeting.

4. 2015 Proposed Budget - Audit and Budget Committee Workshops (New Proposed Dates)

Exit and Return

Councillor G. Boutilier exited the meeting at 4:21 p.m. and reentered at 4:23 p.m.
Councillor K. McGrath exited the meeting at 4:23 p.m. and reentered at 4:28 p.m.

Moved by Councillor A. Vinni that the dates for the Audit and Budget Committee Budget Workshop for review of the 2015 Proposed Budget be rescheduled from November 6, 7 and 8, 2014 to November 6, 13, and 20, 2014 from 3:00 p.m. - 9:00 p.m.
CARRIED UNANIMOUSLY

5. Cost Summary - Fort McMurray Airport Authority Events

David Leflar, Chief Legislative Officer, presented a Cost Summary on Fort McMurray Airport Authority Events for the West Airport Boundary Road Highway Ribbon Cutting Ceremony and the 2014 Oilsands Celebration Banquet. The information was brought forward to the Committee as a result of a request for information made by a Member of Council.

Motion to Move In Camera

Moved by Councillor A. Vinni that the Audit and Budget Committee move in camera pursuant to section 24 of the Freedom of Information and Protection of Privacy Act.
CARRIED UNANIMOUSLY

The Committee relocated to the Jubilee Centre 3rd Floor Boardroom for the balance of the meeting.

6. Overview of Proposed 2015 Community Investment Program

Arrivals, Exits and Returns

Councillor G. Boutilier exited the meeting at 5:02 p.m. and reentered at 5:05 p.m.
Councillor P. Meagher entered the meeting at 5:09 p.m.
Mayor M. Blake exited the meeting at 5:34 p.m. and reentered at 5:36 p.m.

Motion to Reconvene in Public

Moved by Councillor A. Vinni that the Audit and Budget Committee reconvene in public.
CARRIED UNANIMOUSLY

The Audit and Budget Committee met in camera from 4:55 p.m. to 5:40 p.m.

Adjournment

Moved by Councillor A. Vinni that the meeting adjourn.

CARRIED UNANIMOUSLY

The meeting adjourned at 5:41 p.m.

Chair

Chief Legislative Officer



Audit and Budget Meeting Presentation Request

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

Presentation Information	
Preferred Date of Presentation	October 21, 2014
Name of Presenter(s)	<ul style="list-style-type: none">• Kara Flynn, Chair of the Keyano College Board of Governors• Alan Roberts, Director of Keyano Theatre & Arts Centre
Organization Represented	Keyano College
Topic	Keyano Theatre Expansion
Please List Specific Points/Concerns	The Keyano Theatre is the community piece of a larger <i>Heart of the Campus</i> expansion. The Keyano Theatre expansion leverages an established facility and staff of professional experts; demonstrates responsible financial investment and fiscal prudence; builds the vibrancy and sustainability of the community; contributes to the growth of arts and culture in Wood Buffalo; offers new opportunities for community stakeholders; and offers a community gathering space for our residents to enjoy.
Action Being Requested of Council	Keyano College is requesting that Council partner with the College and approve capital project funding for the Keyano Theatre.
<p>Are you providing any supporting documentation (ie: Powerpoint)? Yes, enclosed. Also enclosed for reference is a Strategic Business Plan for Keyano Theatre Expansion.</p> <p>If yes, the documentation <u>must</u> accompany this request, as handouts will not be distributed at the meeting. To ensure that your documents meet minimum standards, please see presentation guidelines on the next page.</p> <p>Supporting documents may be e-mailed to Legislative.Assistants@woodbuffalo.ab.ca.</p>	

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

STRATEGIC BUSINESS PLAN FOR THEATRE EXPANSION

Prepared by:

KEA Canada

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Phone: 403-497-4398

E-Mail: Kathy@KeaCanada.com

Web: www.KeaCanada.com

Prepared for:



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BOOKMARK NOT DEFINED.	

EXECUTIVE SUMMARY

Keyano College plays an important role in the Wood Buffalo community. There is a tremendous pride of community here, and a desire to have the best of facilities and opportunities. Strong community culture plays a key role in building resilient and sustainable communities, and in attracting, recruiting and retaining people. The next generation of Fort McMurray/Wood Buffalo will be the future leaders of this community, and are being shaped by the community and services that we have to offer.

Keyano College is the perfect place to increase arts and culture infrastructure. By building on existing, high quality space, the community will maximize the return on investment by leveraging existing expertise and infrastructure and minimizing the costs associated with building a 1,200 seat theatre.

Theatre expansion would:

- Expand the ability to attract diverse productions.
- Enable increased activity and service with no net increase to Keyano's annual operating contribution
- Save the RMWB up to \$90 Million by avoiding the need for a new theatre downtown
- Lever the expertise and infrastructure in place at Keyano
- Strengthen Keyano's ability to be a leader and key player in growing community arts and culture for RMWB – critical to building a sustainable and vibrant community.

Keyano College is seeking a \$40 Million capital investment from the Regional Municipality of Wood Buffalo over three years - \$2.5 Million in 14/15, \$27.5 Million in 14/15 and \$10 Million in 15/16. \$30 Million will cover the core costs associated with the theatre expansion, and a further \$10 Million will fund the landmark elements of the main college entrance to enable the creation of an unique structure in concert with the Keyano Arts Centre that would be worthy of this tremendous community asset that Fort McMurray will be proud of.

In addition, Keyano will mount a \$10 Million fundraising campaign to complement this funding and to cover programming and sustainability objectives to place the Keyano Arts Centre in a strong position to be a cultural hub for the community, enhance the quality of arts in Northern Alberta.

PROCESS

KEA Canada was engaged by Keyano College to develop a preliminary business plan and funding strategy for the potential expansion of the Keyano Theatre. The project was completed by Kathy Arney, president of KEA Canada during May and June, 2014. The case for a theatre expansion was based on service to the community, and its complement to existing and planned services and infrastructure. As a result, a significant amount of the project involved community consultation, listed of in Appendix 1.

The process involved a thorough review of the expansion concept and rationale, review of relevant reports and data relating to the project and community infrastructure plans, consultation with a wide variety of stakeholders, literature review, and an analysis of existing and planned facilities.

BACKGROUND

The original Keyano College Theatre was officially opened on September 5, 1980. For its size, it was equal to the very finest of its kind in Canada. *“The Keyano College Theatre provides an art-oriented nucleus for the community, and is serving to enhance the quality of the Arts in northern Alberta.”*¹ The Province of Alberta, the City of Fort McMurray and the joint high school board together championed the need for a large cultural facility in the rapidly growing city. *The city provided the land for parking, the public school board provided land for the theatre, and the province agreed to build and operate the theatre, through Keyano College.*² The Community Theatre continues to be a critical venue for the growing region.

Today the Arts Centre is home to the Conservatory, offering community arts programs in a variety of areas including individual music lessons, dance and camps. The Theatre component of the Arts Centre mounts community theatre performances, local productions and ceremonies, and hosts touring entertainment. Activities are supported by tickets sales, venue rental fees, student and participation fees, donations, and over \$400,000 in operating costs plus overhead is paid by Keyano College.

Keyano College has recently undergone a review of the infrastructure needs assessment to support the growing activities of the college, including a planned launch of the Visual Art and Design Certificate. The Capital Plan calls for a total investment of \$290.6 Million over the next three years, including self-funded expenditures, government capital requests, donations and financed capital.

¹ Keyano College Theatre brochure, published circa September 5, 1980.

² Keyano Theatre brochure, circa September 1980.

The Heart of the Campus component of the Capital Plan totals \$125 Million over the next six years and will add educational space, create a student mall, expand the library and other student resource facilities, increase the capacity of the theatre, re-purpose the old gym, reorganize administrative offices and link the main campus building to the new student residence. Costs directly associated with the theatre portion of the plan total \$30 Million.

Support of arts and culture in the region is a critical part of Keyano's mandate. Many of the professional artists that call Fort McMurray home were originally attracted to the area through Keyano College. Arts programming has seen changes over the years, including the cancelling of the musical instrument repair program and controversial cuts to the visual and performing arts programs in 2012. Focus instead has turned to community arts programming, community theatre and performances, and the addition of a Visual Art and Design Certificate.

Expanding the arts facilities and accompanying human resource support at Keyano will be a critical part of increasing its ability to champion arts and culture in the region.

CURRENT STATUS

Arts and culture facilities in the region are insufficient to adequately support its growing population. Priority 9 in the 2013 Live Work Play: A Year in the Life of Wood Buffalo is to invest in arts, recreation and culture development. The demise of Events Wood Buffalo increased the deficit in arts and culture infrastructure. For this growing community, building facilities for sport and recreation has greatly outpaced the expansion of arts and cultural facilities. Appendix 3 summarizes existing venues, with a notably small list of larger theatre options.

In addition, there is a lack of technical expertise and equipment in the area. Many references were made about the need for expertise and equipment from Edmonton and premium prices to hold convocation and performance events at various venues around the city as the current Keyano space was too small and other venues lacked appropriate infrastructure. Keyano has high quality equipment and highly qualified expertise in many areas associated with the theatre – something that can be built on as facilities and services grow.

Finally, areas for improvement exist currently in the theatre and art centre, including the need to improve marketing and communications, and the structural separation of the Conservatory and the theatre. By unifying the arts programming and facilities at Keyano to form the Keyano Arts Centre³, the facilities and programming effectiveness and efficiency will be maximized.

³ The Name has not been finalized – it is one example of a potential name.

THE CONCEPT

The expansion of the arts and culture facilities at Keyano will enable it to be the arts and culture hub for the region, and for the city centre. As part of the Master Plan, the theatre seating will double, from 594 to approximately 1,200 by adding a balcony level. The concept calls for building out facilities to return to a cultural centre that is of the highest quality, reflecting the pride of the community in building state-of-the-art facilities among the best on the continent.

The facility will include:

- Expanded, state-of-the-art multi-use lobby
- Gallery bar
- First class art gallery
- Integral design to connect the arts centre space to other college facilities
- Upgrading of existing facilities
- Ability to provide high-quality food and beverage, events and performances in the theatre, gallery, and surrounding space.

The business plan will continue to rely on the critical operating funding from the College at current levels, but will expand its human infrastructure to ensure that staffing is appropriate to maximize the programming of the new facilities. This includes:

- A Curator for the Art Gallery
- Increasing staffing levels in theatre and theatre production to provide appropriate administrative and technical support for the increased space and activity
- Improved marketing and communications capacity
- Allocation for increased overhead costs, such as janitorial services, to appropriately operate and maintain the new facilities.

New space will enable significant increases in facility revenue as it will allow for more diverse, cost-effective programming of many types.

THE PRELIMINARY PLAN

Sustainable Operating Model

In developing the operating model moving forward, Keyano has employed a sustainable financing strategy that considers the operating costs of a larger, busier venue, thus ensuring that plans are in place to maximize the new community asset.

Community arts programming and facilities will be combined into one unit, forming the Keyano Arts Centre. This will enable the facilities and the programming to work in closer alignment, maximizing the value of both parts of the Centre.

The Theatre will be better able to be self-supporting through improved ticket sales revenue, incorporating endowment funds into the funding model, and seeking capital as well as long-term philanthropic and sponsorship support to enable the establishment of endowment and support the ongoing operations and overhead of the facility.

Financial Plan

The goal for the expansion is to maintain Keyano's annual overall operating contribution to the Theatre at its current level.

The business plan anticipates that the Theatre's increased ability to generate revenue will decrease the percentage reliance on Keyano for direct operating costs overall, enabling funding to continue at current levels.

Currently Keyano College subsidized 40% of the Theatre (including contribution to revenue and un-allocated overhead costs). Expanding the theatre and building complex will increase the central overhead costs. The business model projects that any increases to College overhead will be offset by the Theatre's ability to generate more revenue, decreasing the percentage budgetary reliance on the College.

Increased revenue generation will come from:

- Expanding the Theatre size will double the opportunity for ticket sales for many events
- Increased seating will enable community groups to accommodate their audiences in few nights – a cost savings for the groups, and an opportunity to rent the space to more local groups as availability will increase
- The gallery bar will add to the revenue stream
- The Art Gallery may be converted to a high-end event venue suitable for high-end meals or receptions

- Similarly, the expanded lobby opens up many options for revenue, including wedding receptions, pre-and post-performance events

Programming

Keyano recognizes that investment in programming and human resources will be critical to maximizing the value of the Keyano Arts Centre. Detailed planning around the programming elements is not yet complete and is an important part of the next planning stage.

Aligning the programming of the Conservatory and arts centre with the facility by creating the Keyano Arts Centre will grow and enhance the ability to deliver robust, diverse programming.

The addition of a first class Art Gallery will be a significant new addition to the community infrastructure. However, it will be critical to hire professional staff to maximize the value of this space and the programs associated with it. Funding for hiring appropriate human resources is included in the preliminary plan.

SUMMARY OF NET IMPACT OF THEATRE EXPANSION

REVENUE	Current	Change	New	NOTES
Theatre	159,500	264,500	424,000	Double theatre sales
Theatre Productions	332,299	21,030	353,329	Double theatre sales
Presenter's Series	435,701	281,238	716,939	Double theatre sales
Fundraising	149,536	144,536	294,072	Increase space for Event = incr net revenue
Theatre Rental	164,879	41,220	206,099	Increase facility rental by 25%
Art Gallery	1,500	206,500	208,000	Increase in grants
TOTAL REVENUE	1,243,415	959,024	2,202,439	
EXPENSES				
Theatre	952,564	436,943	1,389,507	30% Increase in staff, \$100k misc.
Theatre Productions	354,946	29,812	384,758	30% Increase in staff
Presenter's Series	250,871	179,079	429,950	Increase in staff, travel
Fundraising	80,500	14,350	94,850	Costs assoc with larger venue
Theatre for Rent	-	-	-	
Art Gallery	4,500	125,000	129,500	Add curator
TOTAL EXPENSES	1,643,381	785,184	2,428,565	
NET CONTRIBUTION (DEFICIT)	(399,966)	173,840	(226,126)	
O/H ABSORBED BY KEYANO	(248,683)	(191,805)	(440,488)	Assume 20% of Revenue
TOTAL KEYANO CONTRIB'N	(648,649)	(17,965)	(666,614)	GOAL: No net increase in Keyano Contribu'n

Excludes Capital Maintenance - net offset with endowment

FUNDING STRATEGY FOR THE EXPANSION PROJECT

The Regional Municipality of Wood Buffalo has contemplated including a new theatre as part of the new downtown complex currently under discussion. Building a new theatre could cost \$100 - \$120 Million, not including the cost to establish the operating staff and infrastructure to run the theatre. Expansion to the existing Keyano Arts Centre will cost \$50 Million - \$40 Million for the theatre, including related costs, and \$10 Million for the symbolic entrance. Keyano seeks \$40 Million from the RMWB and is committed to securing \$10 Million of the theatre expansion through fundraising activities. **Investing in this expansion rather than in building a new facility will save RMWB between \$70 - \$90 Million.** In addition the cost of building the specialized human infrastructure required to operate a theatre complex would be a significant cost for the municipality, while Keyano has an existing team and expertise in place. Finally, building a new theatre in close proximity to the existing theatre at Keyano College would likely result in producing a competitive environment that would not maximize the value of the facilities for the community.

A critical element in the design concept for the new “Heart of the Campus” initiative is a copper roof tying the two main entrances together, and symbolizing the wing of a hawk and the entrance to a teepee. Keyano College is seeking funding from RMWB for this important additional aspect of the new master plan as well as for the core theatre project.

Funding Request for RMWB:

Funding for Theatre Expansion	\$30 Million
Contribution to Attached Symbolic Roof	<u>\$10 Million</u>
Total Request from RMWB	\$40 Million

Timing: 2014/15: \$2.5 Million 2015/16: \$27.5 Million 2016/17: \$10 Million

A capital campaign for the additional \$10 Million will be mounted by the Keyano College Foundation. This will provide the funding to build out programming and establish endowments to support key positions and sustainable funding. Recognition opportunities around the Theatre Complex appear sufficient to attract major corporate and individual support.

Funding Areas to Consider

In addition to the capital build, consideration for sustainable funding is critical to long-term success. Some key elements have been identified for inclusion in the campaign:

- Maintenance Endowment
- General Operating Endowment
- Endowed Artistic Director

Other considerations may include:

- Additional endowed staff or apprenticeship positions
- Endowed visiting artists, artists-in-residence
- Engaging parents – future artists program for their children
- Youth programming

PRELIMINARY Fundraising Goal for Theatre & Arts Centre

(Theatre only - excluding \$10M for Symbollic Roof)

Capital Build-out of the Theatre/Arts Centre

Maintenance Endowment

General Operating Endowment

Community Creation Fund

Endowed Artistic Director

\$	40,000,000.00
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Naming Opportunities - Initial Concept

Living Wall

Main Theatre

Endowed Artistic Director

Main Theatre Lobby

Community Creation Fund

Mezanine Lobby

Art Gallery

Recital Theatre

Theatre-end Building Entrance

Patio

Amphitheatre

Various Rooms

Seat Campaign

Gallery Bar

NAMING AVAILABLE - Initial Est.

\$	40,000,000.00
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OTHER

Main Galleria (that spans the building)

Arts Centre space

FUNDRAISING, RECOGNITION AND DONOR WALL TO BE BUILT INTO THE BUDGET

NEXT STEPS

Moving forward, the following next steps are recommended:

- Seek approval of funding from the municipality. This is a critical first step in moving forward.
- Continue to engage stakeholders and seek community input and feedback throughout the process. In particular ensure further input from cultural organizations.
- Identify and engage the key people who were instrumental in building the original Keyano Theatre to seek their advice and support.
- Secure letters of support from key community stakeholders.
- Begin a planning process to develop a robust strategy for the Keyano Arts Centre to further refine the vision, mission, objectives and plan for growing to be a premier arts and culture leader for the community.
- Expand financial data to explore impact over 5 years.
- Review and update fundraising policies and processes, including the donor recognition program for the Keyano Arts Centre.
- Develop the initial Case for Support document and begin to test it with prospective key supporters.
- Verify the preliminary fundraising strategy – naming levels, donor interest, chart of standards, should be tested with key stakeholders to verify that they are effective, appropriate and achievable. This process should also serve as a vehicle to identify prospective donors.

APPENDIX 1 – COMMUNITY CONSULTATIONS

NAME	TITLE	ORGANIZATION
Therese Greenwood	VP External Relations and Advancement	Keyano College
Alan Roberts	Director	Keyano Theatre
Dara-Lane Lake	Supervisor, Dance	Regional Recreation Corporation
Frank Creasy	CEO	Fort McMurray Tourism
Mike Allen	MLA	Fort McMurray-Wood Buffalo
Wade Kolmel	Director, Sport & Wellness	Keyano College
Moe Farhat	Board member	Keyano Foundation
Deborah Hunt	Finance	Keyano College
Trevor Boe	Keyano supporter	Tervita
Melane Leblanc	Director of Development	Keyano College Foundation
Kevin Nagel	President and CEO	Keyano College
Paul Taylor	Chair, Keyano College Foundation	CEDA International Corporation
Kizzie Sutton	Conservatory Coordinator	Keyano College
Doug Nicholls	Superintendent of Schools	Fort McMurray Public Schools
Ted Doleman	Board member, Fort McMurray Chamber of Commerce	Canadian Natural
Tracey Carnochan	Community Relations Coordinator	Suncor Energy
Dwayne Hart	Vice President, Finance and Administration and CFO	Keyano College
Lance Bussieres	Councillor, RMWB	Re/Max Fort McMurray
Krista Balsom	Community Theatre performer	Balsom Communications Inc.
Buffy Close	Communications VP	Student's Association of Keyano College
Kara Flynn	Chair, Keyano Board of Governors	Syncrude Canada
Constance Scarlett	Executive Director	Arts Council Wood Buffalo
Sarah Neiman	Singer, Teacher	Artist
Loraine Humphrey	Manager	Suncor Energy Centre

Leigh Agozzino-Organ	Cultural Supervisor	Regional Municipality of Wood Buffalo
Catherine Koch	VP Academic	Keyano College
Nadia Power	Community Strategies Coordinator	Regional Municipality of Wood Buffalo

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APPENDIX 2 – SELECT COMMENTS FROM INTERVIEWS

Theatre is our jewel. Very successful. The community demographic is changing - many more people with a keen interest in arts and culture. Could complement what's happening downtown.

Expanding the theatre is an excellent idea. The community needs a larger concert venue.

Definitely need this in the community. Art has grown a lot since 2005. Capacity grown through arts council. Mac Island Gallery is booked up to a year in advance - community gallery. Ours might be a different mandate, which is great. Consideration for opportunity around local artists to have access to a more recognized artist gallery space. Say 2-3 times per year a local art exhibit curated, etc.

Don't lose the current feel and acoustics of the theatre. Performances in the past have been excellent.

Attention to youth is critical.

Should establish a budget to sponsor or offset costs for local schools to use the space.

Keyano Theatre is spectacular. They are in an area under serviced for arts but money means have great sound system etc.

Larger theatre is needed - want to bring in ballet, other acts.

Becoming a very central part of the community for holding event. Every school apart from Holy Trinity comes to Keyano to produce their plays. At her kid's school, the Christmas concert is over 3 nights at the school standing room only. Dance recitals sell out for 3 or 4 shows. Combining student shows from 3 nights to 2 makes more opportunity for other groups to use the theatre and reduce the cost.

One of her highlights in the long winter is to go to a show at Keyano Theatre. Expand it, appeal to more kinds of people, different options. Need the in-between space between big concert and limited space at 500 people.

The space should be cool and trendy enough to be desirable for weddings.

Having technical experts at Keyano would be very helpful if their jobs were structured to support community activities. That would help ensure they were available to others and avoid having to bring in people and equipment from Edmonton.

APPENDIX 3 - COMMUNITY PERFORMANCE SPACE INVENTORY

Performance and Venue Inventory

Location	Type	Capacity
THEATRES		
Westwood Community High School Cheepiyak Theatre	Fixed seat Proscenium	170
Keyano Recital Theatre	Fixed seat Proscenium	194
Suncor Energy Centre for the Performing Arts at Holy Trinity H.S.	Multi-purpose 'Black Box'	350
Keyano Theatre - Current	Fixed seat performance	594
<i>Keyano Theatre - Proposed</i>	<i>Fixed seat performance</i>	<i>~1,200</i>
RECREATIONAL		
Casman Centre	Performance Ice Arena	1,500
Syncrude Sport and Wellness Centre, Keyano College	Sport, multi- use	1,000 +
MacDonald Island Park	Multi-purpose recreation	1,000 +
Northside Recreation Centre (planned)	Multi-purpose recreation	1,000 +
CONFERENCE FACILITIES		
Quality Hotel and Conference Centre	Conference facilities	800
Sawridge Inn and Conference Centre	Conference facilities	850
OTHER		
Camps	Various small stages	Various
City Centre Redevelopment	To be determined	To be determined
Shell Place Project (under development)	Outdoor Performance Centre	20,000
Fort McKay Amphitheatre	Outdoor Amphitheatre	1,800

APPENDIX 4: KEY DOCUMENTS REVIEWED

Keyano Arts Centre Statement of Philosophy for programming, usage and access, published circa 1990

Keyano College Theatre brochure, published some time after the Official Opening in September, 1980.

Keyano Cultural Centre Facilities Program study, prepared by Pyramid Facilities Planning Ltd., April 1984.

Keyano Theatre brochure, publishing date not long after the 1980 opening, acknowledges “Keyano Theatre and the Keyano Theatre Company are operated by Keyano College, with the generous support of the Alberta Departments of Advanced Education and Culture, the Alberta Foundation for the Performing Arts, Syncrude Canada Ltd., and Suncor Inc. Oil Sands Group.”

Keyano Theatre current marketing materials and brochures.

Keyano College Foundation materials

2013 Live Work Play: A Year in the Life of Wood Buffalo

http://www.woodbuffalo.ab.ca/Municipal-Government/municipal_departments/Financial-Services-Department/Strategic-Plan-2012---2016/2013-Live-Work-Play--A-Year-in-the-Life-of-Wood-Buffalo.htm

Our Sustainable Future: City Centre Area Redevelopment Plan
February 2012

[A City for Playing](#)

Arts, cultural and recreational facilities will be accessible to all. We will foster the city’s cultural development, encourage the expanded use of our unique natural recreational areas and celebrate our community spirit. City Centre will be the premier cultural and recreational destination in Fort McMurray and Wood Buffalo.

KEYANO THEATRE EXPANSION

Kara Flynn

Chair | Keyano College Board of Governors

Alan Roberts

Director | Keyano Theatre & Arts Centre

October 21, 2014



HEART OF THE CAMPUS MASTER PLAN

- Keyano College's *Comprehensive Institutional Plan* outlines three key goals:
 1. Enhance the student experience
 2. Pursue academic excellence
 3. Advance institutional sustainability
- Part of these goals will be met through infrastructure growth.
- Keyano is investing more than \$300 million in the Heart of the Campus Plan over the next five to ten years.



PREMIERE COMMUNITY PIECE



THEATRE EXPANSION PLAN



- Increase theatre seating from 594 to 1,200 seats.
- Professional art gallery & multi-function exhibit space.
- Distinctive multi-use lobby and gallery bar.

BENEFITS OF THE PROJECT

- Increase diversity in productions, activity and service.
- Responsible financial investment demonstrating fiscal prudence.
- Leverage the \$1.6 million that Keyano invests annually in operating the Theatre & Arts Centre.

BENEFITS OF THE PROJECT

- Continue providing our professional expertise to community partners.
- Grow arts and culture, further enhancing the vibrancy and sustainability of our community.
- New opportunities for collaboration with school boards, industry and other stakeholder groups.

COMMUNITY HUB

Capital cost of the Heart of the Campus Plan is \$300-400 million, with \$250-350 million from Provincial grants and College assets.



Capital cost of Community
Hub expansion: \$40 million

Private

Funders: \$10
million

=

Total Community Hub
Campaign: \$50 million

REQUEST TO COUNCIL

Keyano College requests that Council approve \$40 million in capital project funding support for the Keyano Theatre expansion.

- \$2.5 Million - 2015 budget
- \$27.5 Million - 2016 budget
- \$10 Million - 2017 budget

MOVING FORWARD

- Continue to engage community and stakeholders.
- Robust planning process for programming around the expanded Theatre & Arts Centre.
- Develop and implement fundraising campaign through Keyano College Foundation.



QUESTIONS?



Subject: Municipal Transit Services – Internal Audit Findings**Recommendation:**

That the Audit and Budget Committee accept as information the Municipal Transit Services Internal Audit Findings as summarized.

Summary:

The Office of the Municipal Auditor has conducted an audit on Municipal Transit Services identifying 15 findings with 18 recommendations for improvement. The findings and recommendations have been summarized for this presentation to the Audit and Budget Committee, as set out in the attached PowerPoint presentation.

The audit findings have been discussed with management. Management has accepted the recommendations and developed an action plan, including target dates for implementation.

The Municipal Auditor will follow up with Managements on the implementation plan on or before November 1, 2015.

Background:

During the formation of the scope for the Accountability, Integrity and Transparency Audit, Council raised concerns relating to the new Municipal Transit Services contract that came in to effect July 1, 2013.

The Office of the Municipal Auditor conducted the internal audit during the period of June 3 to August 5, 2014.

Budget/Financial Implications:

The Municipal Transit Services Audit was conducted within the existing approved 2014 budget.

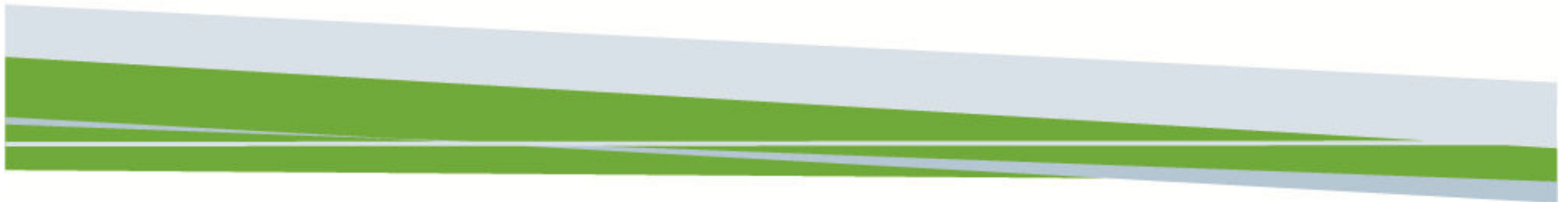
Attachments:

Municipal Transit Power Point Presentation for the Audit and Budget Committee

Municipal Transit Services

Summary of Audit Findings & Recommendations

October 21, 2014



Municipal Transit Services

Transit Services was included in the original scope of the Accountability, Integrity and Transparency Audit

Due to a conflict for the External Auditor (KPMG), the Municipal Transit Services Audit was done internally.

Municipal Transit Services

This review carried out by the Office of the Municipal Auditor resulted in 15 audit findings and 18 recommendations.

The findings and recommendations are summarized in this presentation and have all been discussed with, and accepted by management.

1. Intelligent Bus Transit System - Deployment

The transit contractor has not developed a strategy and deployment plan for IBTS.

The contract states that the strategy and deployment plan would be completed 15 business days after the commencement date of the contract. The contract commencement date was **July 1, 2013**.

Internal Auditor's Recommendations

1. All documents pertaining to the IBTS should be in accordance with Municipal policies and procedures.
2. All stakeholders have to come to an agreement on the Strategy and Deployment Plan.

2. Intelligent Bus Transit System - Licenses

The transit contractor has not ensured all licenses and agreements related to IBTS are in the name of the Municipality as stated in the contract.

Licenses not in the name of the Municipality would constrain the use of the IBTS technology, in the event of a disagreement with the transit contractor.

Internal Auditor's Recommendation

1. All licenses and agreements relating to IBTS should be in the name of the Municipality.

3. Request for Proposals (RFP)

– Supporting Documents

The Supply Chain Management Branch did not maintain all documentation for the selection process in accordance with their Standard Operating Procedures (SOP#1, sub-section 3.1).

The integrity of the selection process cannot be verified by an audit without the detailed report and scoring assessments.

Internal Auditor's Recommendation

1. The Supply Chain Management Branch should follow proper process for retention and safe-guarding of all information, as in accordance with their Standard Operating Procedures.

4. RFP Submission Deadline

The Supply Chain Management Branch accepted a proposal that was not in accordance with the RFP criteria, as it was received by the Municipality after 2 pm on January 8, 2013.

It was accepted on the basis that an investigation confirmed it was sitting at the local courier depot as of January 6, 2013.

The late submission was not awarded the contract.

Internal Auditor's Recommendation

1. Mandatory RFP criteria should be followed.

5. Advertising Policy

The transit contractor is providing more than the contract agreed amount of 10% of the total advertising space on the Revenue Vehicles and Heated Bus Shelters each month to the Municipality.

The Municipality has not been billed for the advertising space beyond the 10% allowance in the contract.

Internal Auditor's Recommendation

1. The Communications Department should implement the advertising procedures to monitor advertising space.

6. Staffing Requirement

The transit contractor is not following the staffing requirements that are outlined in the contract as shown on the following slide.

Staffing Requirement

<u>Details</u>	<u>Required</u>	<u>Actual</u>	<u>Variance (Favourable)</u>
Inspectors	4	5	(1)
Office Support Clerks	2	3	1
FT Operators - Standard	70	82	(12)
PT Operators - Standard	12	8	4
FT Operators - Specialized	9	5	4
PT Operators - Specialized	3	-	3
Shop Foreman	1	-	(1)
Mechanical Apprentices	3	4	(1)
Facility Maintenance Staff	<u>3</u>	<u>1</u>	<u>2</u>
Total	<u>132</u>	<u>133</u>	<u>(1)</u>

Internal Auditor's Recommendation

1. The staffing terms and conditions of the contract should be followed.

7. Construction of Facility

The transit contractor did not meet the timetable for construction of the temporary Bus Facility. The contractor commenced service from the temporary bus shelter just over one year later as per what was outlined in the contract.

As a result of the delay, the contractor occupied a Municipal building rent-free for a year.

Internal Auditor's Recommendation

1. The terms and conditions of the contract should be complied with on a timely basis.

8. Customer Complaints

The contract states that the number of substantiated customer complaints against the contractor will not exceed ten complaints per 100,000 passengers per quarter.

The number of complaints exceeds the acceptable threshold specified in the contract with the transit contractor as shown on the following slide.

Customer Complaints

<u>Description</u>	<u>July - Sep 2013</u>	<u>Oct - Dec 2013</u>	<u>Jan - Mar 2014</u>	<u>Apr - June 2014</u>
Average Ridership	<u>396,794</u>	<u>556,668</u>	<u>558,712</u>	<u>358,229</u>
Total Complaints	140	172	88	82
Acceptable Complaint Threshold Level	<u>40</u>	<u>56</u>	<u>56</u>	<u>36</u>
Complaints Above the Acceptable Threshold Level	<u>100</u>	<u>116</u>	<u>32</u>	<u>46</u>

Internal Auditor's Recommendation

1. Customer complaints should not exceed the limit specified in the terms and conditions of the contract (Standard 1.4A).

9. Delays and Missed Trips

The transit contractor had multiple delays and missed trips as shown in the table below.

YEAR	DELAYS	MISSED TRIPS
2013	774	5
2014 (JUNE 30)	1853	59

Delays and missed trips, according to documentation obtained, were caused by mechanical issues and operator delays.

Internal Auditor's Recommendation

1. The Municipality's Transit Services Branch should ensure that the terms and conditions of the contract in Schedule I are followed.

10. Reporting Revenue

The transit contractor maintains revenues in accordance to the contract.

The transit contractor does not submit regular operational, financial, and performance based reports to the Municipality in accordance with the contract.

Internal Auditor's Recommendation

1. Transit Services Branch should request the regular financial reports pertaining to transit operations from the transit contractor as per subsection 9.2 of the contract.

11. Financial Model

The financial model sets down the basis for the transit services contract.

Transit Services Branch did not have a copy of the “Financial Model” and without it, no monitoring of the financial results can take place.

Internal Auditor's Recommendations

1. A copy of the Financial Model should be retained within the Municipality's Transit Services Branch.
2. Actual versus projected results should be monitored on a periodic basis

12. Passenger Utilization

No documented information was provided by Transit Services Branch confirming regular monitoring of routes are being performed.

Transit Services Branch will not have information to assess utilization of the transit system without regular monitoring of routes.

Internal Auditor's Recommendation

1. The Transit Services Branch should enforce the contract by ensuring the implementation of the Intelligent Bus Tracking System (IBTS) in the transit system for accurate and reliable ridership data.

13. Emission Testing

There are no records of GHG or carbon dioxide emissions testing being completed by the transit contractor as per the contract requirement (subsection 20.6).

Internal Auditor's Recommendations

1. The Transit Services Branch should enforce the terms and conditions of the contract for GHG or carbon dioxide emissions.
2. The transit contractor and the Municipality should agree on the appropriate reporting format for meeting the Performance Standard.

14. Storm Water Policy

There was no documentation provided to confirm that the transit contractor has or implemented a storm water policy in a form and content that is in compliance with the law and acceptable to the Municipality, as per the contract

Internal Auditor's Recommendation

1. Transit Services Branch should ensure that the transit contractor complies with the terms and conditions of the contract related to storm water policy.

15. Emergency Management Procedures

There is no emergency response procedure for transit operators in the Health and Safety Manual provided by the transit contractor as required by the contract.

Internal Auditor's Recommendation

1. The Transit Services Branch should enforce the contract by ensuring the documentation and approval of the emergency procedures for transit operators.

Internal Audit Follow-Up

Internal Audit expects to follow up with the Municipal Transit Services Management on or before November 1, 2015, to verify that the Action Plan to address the audit findings has been fully implemented.

Questions?

Subject: Mayor and Chief Administrative Officer's Expenses**APPROVALS:**

Audrey Rogers, Acting Director
Brian Moore, Acting Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Mayor and Chief Administrative Officer's Expenses for the period January 1 to September 30, 2014 be accepted as information.

Summary:

The Audit and Budget Committee requested the expenses for the Mayor and Chief Administrative Officer be submitted to the Committee for review on a monthly basis.

Background:

In the interest of reaffirming the Municipality's commitment to accountability and transparency, the Audit and Budget Committee requested regular reviews of the Mayor and Chief Administrative Officer's expenses. At the June 3, 2014 Audit and Budget Committee meeting, the Committee passed the following resolution; "That the Offices of the Mayor and Chief Administrative Officer be requested to submit monthly updates on expenses and activities for the previous month to the Audit and Budget Committee for review."

The attached expense summary reports for the period January 1 to September 30, 2014 were prepared and submitted by the Mayor and Chief Administrative Officer's offices respectively, and are provided for the Audit and Budget Committee's review.

Attachments:

1. 2014 Mayor's Expenses
2. 2014 CAO Expenses

2014 Mayor's Expenses

For the period January 1 - September 30, 2014

2014 Budget \$34,500.00

September 5 - October 5 Visa Expenditures Mayor

Date	Business Travel	Total Budget	\$10,000
This budget is for the Mayor/Mayor's Office to travel to attend meetings outside of the Fort McMurray Area			
	Business Travel for period January 1, 2014 to September 30, 2014	\$3,660.00	
Sep 5/14	Alberta Municipal Governance Symposium (Panel Speaker) Grande Prairie [Meals/Taxi/Parking]		\$132.67
Sep 18/14	Alberta Smart City Symposium - St. Albert [Hotel/Car Rental]		\$213.13
		Total	\$345.80
TOTAL BUSINESS TRAVEL			\$4,005.80
	Conference Travel/Registration	Total Budget	\$9,500.00
This budget is for the Mayor/Mayor's Office travel and registration at conferences like AUMA, FCM and AMDC or other relevant sessions			
	Conference Travel for period January 1, 2014 to September 30, 2014	\$0.00	
		Total	\$0.00
TOTAL CONFERENCE TRAVEL			\$0.00
	Public Relations	Total Budget	\$ 15,000.00
This budget is for luncheons for the purpose of business or networking includes promotional items for the general public, as well as business meetings with Ministers or Executive Staff and the Community Leaders Reception and Seniors Tea			
	Public Relations for period January 1, 2014 to September 30, 2014	\$3,353.00	
		Total	\$0.00
TOTAL PUBLIC RELATIONS			\$3,353.00
Expenditures TOTAL			\$345.80
2014 Budget Remaining			\$27,141.20

2014 Office of the CAO Expenses

For the period Sept. 6 - Oct. 5, 2014

2014 Budget **\$25,000.00**

September 6- October 5 2014 Visa Expenditures Listed Below

Date of event	Business Travel (\$10,000.00)		
	Business Travel to Jan 1st to Oct. 5, 2014	\$3,496.70	
9/3/2014	Mid-sized Cities Mayor & CAO Meeting in Grand Prairie		388.48
9/27/2014	Meeting with Associate Engineering in Edmonton		868.71
9/10/2014	Meeting with legal counsel in Edmonton		633.40
9/10/2014	Credit for meeting cancellation with legal counsel in Edmonton		-633.40
9/10/2014	Marlin Travel fee for cancellation		10.50
9/29/2014	Meeting with DMs Day/Werry/Pickering in Edmonton re land release, flood mitigation, corporate utility, regional water management		329.76
9/28/2014	Meeting with Cr. Boutilier & Kevin Scoble in Edmonton		11.19
	Total		\$1,608.64

TOTAL BUSINESS TRAVEL TO October 5, 2014 \$5,105.34

Conference Travel & Registration (\$7,000.00)			
	Conference Travel & Registration from Jan. 1 to Oct. 5, 2014	\$3,541.00	
Sept. 24-26, 2014	Alberta Urban Municipalities Association Conference		\$1,818.34
	Total		\$1,818.34
	TOTAL CONFERENCE TRAVEL & REGISTRATION TO October 5, 2014		\$5,359.34

Public Relations (8,000.00)			
	Public Relations expenses from Jan. 1 to Oct.5, 2014	\$1,774.00	
Sept. & Oct.	Chamber luncheons Sept. 18 & Oct. 2		\$94.50
	Total		94.50

TOTAL PUBLIC RELATIONS TO October 5, 2014 \$1,868.50

Expenditures TOTAL from January 1-October 5, 2014 **\$12,333.18**

2014 Budget Remaining **\$12,666.82**