



## **Audit and Budget Committee**

Council Chamber  
9909 Franklin Avenue, Fort McMurray

Tuesday, March 03, 2015  
4:00 p.m.

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### **Agenda**

#### **Call to Order**

1. Adoption of the Agenda
2. Minutes of Audit and Budget Committee meeting - February 17, 2015

#### **New and Unfinished Business**

3. Questions to the Municipal Auditor
4. Taxable Benefits Policy – FIN-250
5. Amendment to the Community Investment Program Policy
6. 2014 Expense Summary – Council and Office of the Chief Administrative Officer

#### **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, February 17, 2015, commencing at 4:00 p.m.**

**Present:** S. Germain, Chair  
M. Blake, Mayor  
T. Ault, Councillor  
J. Cardinal, Councillor  
J. Stroud, Councillor

**Absent:** L. Bussieres, Councillor  
J. Chadi, Councillor  
K. McGrath, Councillor  
P. Meagher, Councillor  
A. Vinni, Councillor

**Administration:** M. Ulliac, Chief Administrative Officer  
A. Rogers, Senior Legislative Officer  
S. Harper, Legislative Officer

**Call to Order**

Chair S. Germain called the meeting to order at 4:03 p.m.

**1. Adoption of the Agenda**

Moved by Councillor J. Stroud that the agenda be adopted as presented.

CARRIED UNANIMOUSLY

**2. Minutes of Audit and Budget Committee meeting - February 3, 2015**

Moved by Councillor J. Stroud that the Minutes of the Audit and Budget Committee meeting of February 3, 2015 be approved as presented.

CARRIED UNANIMOUSLY

**New and Unfinished Business**

**3. Questions to the Municipal Auditor**

The Committee did not direct any questions to the Municipal Auditor at this time.

**4. Governance Training**

(4:06 p.m. – 4:14 p.m.)

The Committee came to a consensus that the Terms of Reference were appropriate as presented, and supported proceeding with an open Request for Proposals process for Council Governance Training.

**Adjournment**

Moved by Councillor T. Ault that the meeting adjourn.  
CARRIED UNANIMOUSLY

Time of adjournment: 4:14 p.m.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Chief Legislative Officer

**Subject: Taxable Benefits Policy – FIN-250**

**APPROVALS:**

Kola Oladimeji, Director  
Elsie Hutton, Executive Director  
Marcel Ulliac, Chief Administrative Officer

**Administrative Recommendation:**

THAT Taxable Benefits Policy FIN-250, be recommended to Council for approval.

**Summary:**

This policy is to ensure that Taxable Benefits are identified and reported to the Canada Revenue Agency (CRA) in accordance with the *Income Tax Act* of Canada and provide a framework within which the Chief Administrative Officer or delegate can establish and administer guidelines and procedures to ensure that taxable benefits are identified, assessed, calculated, monitored and reported in a consistent and systematic manner.

**Background:**

As a follow up to the Accountability, Integrity and Transparency Audit conducted by KPMG, it was identified as part of their recommendation the need to have a Council policy on taxable benefits to ensure all taxable benefits are identified, administered and reported to CRA in compliance with the *Income Tax Act* of Canada.

**Rationale for Recommendation:**

In compliance with the KPMG recommendation and leading practice, Administration has provided the Taxable Benefits policy as a framework for a detailed procedure to administer taxable benefits across the Municipality.

**Attachment:**

1. Taxable Benefits Policy - FIN-250

# Council Policy



Policy Name: Taxable Benefits

Policy No.: FIN-250

Effective Date: March 10, 2015

Review Date: March 10, 2018

## **STATEMENT:**

The Regional Municipality of Wood Buffalo (“Municipality”) is committed to defining a process to guide the identification, recording, and reporting of taxable benefits in accordance with all applicable laws and regulations.

## **PURPOSE AND OBJECTIVE:**

The purpose and objective of this policy is to ensure that Taxable Benefits are identified and reported to the Canada Revenue Agency in accordance with the Income Tax Act of Canada and provide a framework within which the Chief Administrative Officer (“CAO”) can establish and administer guidelines and procedures to ensure that taxable benefits are identified, assessed, calculated, monitored and reported in a consistent and systematic manner.

### **1. Definitions**

- 1.1. Benefits - refer to benefits or allowances to employees, or individuals who hold an office.
- 1.2. Non-Taxable Benefits - refer to benefits provided by the Municipality that do not result in personal tax consequences as per the Income Tax Act.
- 1.3. Taxable Benefits - refer to benefits provided by the Municipality where the nature of the benefit received results in personal tax consequences as per the Income Tax Act.

### **2. Responsibilities**

- 2.1. Council to:
  - 2.1.1. Approve any amendments to this policy.
- 2.2. Chief Administrative Officer (CAO)to:
  - 2.2.1. Support the implementation of this policy
  - 2.2.2. Recommend amendments to this policy.
  - 2.2.3. Ensure compliance with this policy.

### 3. General Procedures

- 3.1. The Chief Administrative Officer can delegate authority to the Chief Financial Officer and Director, Financial Services to assess and conclude whether a benefit is taxable or non-taxable through an Administrative Procedure on taxable benefits.

#### **MANAGEMENT, REFERENCES AND APPROVAL:**

This policy shall be reviewed in three (3) years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority: Council  
Approval Date:

Revision Approval Dates: Not Applicable  
Review Due: March 10, 2018

Policy Manager: Director, Financial Services  
Department Contact: Manager, Accounting Services

Legal References: Not Applicable  
Cross References: Administrative Procedure – Taxable Benefits FIN-260

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Melissa Blake, Mayor

\_\_\_\_\_  
David Leflar, Chief Legislative Officer

\_\_\_\_\_  
Insert Date

**Subject: Amendment to the Community Investment Program Policy****APPROVALS:**

Carole Bouchard, Director  
Bob Couture, Executive Director  
Marcel Ulliac, Chief Administrative Officer

**Administrative Recommendation:**

THAT amended Community Investment Policy - FIN-220, dated March 3, 2015, be recommended to Council for approval.

**Summary:**

Paragraph two of section 3.3 of the amended CIP Policy-FIN-220 states that “All Applicants requesting funding in the amount of \$500,000 or more and new funding requests from the Regional Municipality of Wood Buffalo - Community Investment Program (CIP) shall be required to make a presentation to the Audit and Budget Committee”.

**Background:**

Council adopted the Community Investment Program Policy FIN-220 on June 24, 2014. As part of 2015 budget deliberations, Administration recommended the criteria for funded organizations to present to the Audit and Budget Committee based on a dollar value over a specific threshold and new funding requests. Council amended and approved on October 28, 2014, the following criteria for presentation to the Audit and Budget Committee: operating grants above \$500,000 and new funding requests as amended.

**Budget/Financial Implications:**

There is no budget impact related to this amendment. Council approves the overall CIP budget amount as part of annual Municipal Budget.

**Rationale for Recommendation:**

To provide the Audit and Budget Committee with advance information on CIP, and also provide an opportunity to ask questions about the organization’s mandate and programs as well as offer feedback prior to the commencement of the budget deliberations.

**Attachments:**

1. Community Investment Program Policy No. FIN-220

# Council Policy

Policy Name: Community Investment Program  
 Department Name: Community Services Department  
 Policy No.: FIN-220  
 Effective Date: March 3, 2015

Review Date: March 3, 2018

## **STATEMENT:**

Through the Community Investment Program (CIP), the Regional Municipality of Wood Buffalo provides financial support to community groups and non-profit organizations that are responsible for the delivery of various recreational, cultural and social programs and services, the development and operation of community facilities, and the organization of major community events.

The Community Services Department developed a CIP booklet to communicate changes regarding the CIP to Council, Administration, community groups and non-profit organizations.

## **PURPOSE AND OBJECTIVE:**

The objective of this policy is to:

1. Establish the Community Investment Program.
2. Identify budgeting and accounting requirements related to municipal grants.
3. Determine eligibility for funding under the Community Investment Program Policy.

## **PROCEDURES:**

### **1. Definitions**

- 1.1. Applicant - means any group, club, individual or organization incorporated as a non-profit, charitable or Part IX Corporation.
- 1.2. Community Investment Program (CIP) – means the program which provides financial assistance to a number of community based groups and non-profit organizations that are responsible for the delivery of various recreational, cultural and social programs and services; development and operation of community facilities; and organization of major community events.
- 1.3. Grant – means a transfer of monies from the Community Services Department to an Applicant for a project or a purpose according to the requirements outlined by a specific grant program.
- 1.4. Grant Programs – means funding programs created to directly administer grants to Applicants (e.g. Joint Initiatives Program, Games Legacy Fund, Community Development Funding, Community Plan on Homelessness Funding, etc.) under specific guidelines.



- 1.5. Municipality – means the Regional Municipality of Wood Buffalo, excepting any lands comprising of any First Nation Reserve or Metis settlement situated therein.

## **2. Responsibilities**

### 2.1. Council:

- (a) approve any amendments to this policy; and
- (b) approve overall CIP Budget.

### 2.2. Senior Leadership Team:

- (a) support the implementation of this policy;
- (b) ensure compliance with this policy; and
- (c) support and recommend any amendments to this policy.

### 2.3. Chief Financial Officer:

- (a) ensure the policy is enforced and is consistent with the Municipality's accounting procedures;
- (b) provide Council with the information it requires to make decisions on an ongoing basis; and
- (c) use interest earned on the Games Legacy Fund to fund the grant and not the principle.

### 2.4. Community Services Committee:

- (a) approve allocation of provincial and federal funds received as per the Community Plan on Homelessness and Family and Community Support Services; and
- (b) approve allocation of lump sum Grant Programs.

### 2.5. Community Services Department:

- (a) Review and evaluate funding requests from Applicants engaged in the delivery of social, recreation and community services, and recommend the annual budget for the Community Investment Program as part of the Community Services Department Budget.

### 2.6. Program Administrator:

- (a) ensure all transactions are properly coded and accounted for by the receiver of grant funds;
- (b) ensure annual budgets are prepared using all guidelines within this policy;
- (c) ensure recommendations from any reviews are submitted for approval and implementation;

- (d) recommend new Grant Programs for application under this policy;
- (e) responsible for implementing all aspects of the CIP and ensure it has sufficient resources to fulfill this responsibility; and
- (f) ensure that adequate procedures and systems are in place to implement the Grant Program as defined in this policy.

### 3. General Procedures

#### 3.1. Eligibility:

Funding shall only be provided to an Applicant that:

- (a) resides or operates within the Municipality;
- (b) enhances leisure, cultural, recreational, and/or quality of life issues, and/or makes a social or community investment within the Municipality;
- (c) conforms with the identified criteria of the specific Grant Program being applied under; and
- (d) completes and submits all required Grant Program application documentation within the stated deadlines.

#### 3.2. Ineligibility

The following funding requests are not subject to this policy:

- (a) exceptional funding requests that exceed approved budget limits or do not fall within the eligibility guidelines of approved Grant Programs. Requests of this nature may either:
  - (i) be brought forward in the subsequent budget year for additional consideration and possible incorporation into the budget approval process;
  - (ii) be considered under exceptional circumstances and be approved by Council as an over expenditure in the current budget year; or
  - (iii) be denied.

#### 3.3. Application and Funding Process

The Municipality shall evaluate applications based on the type of funding request and their conformity to the available Grant Programs and funding limits. Approval processes shall be consistent with the specific guidelines of the Grant Program applied for.

All Applicants requesting funding in the amount of \$500,000 or more and new funding requests from the Regional Municipality of Wood Buffalo - Community Investment Program (CIP) shall be required to make a presentation to the Audit and Budget Committee.

3.4. Communication

Approved funding recipients shall recognize the Municipality, if required under the Grant Program, as a funding partner in any official communications.

3.5. Monitoring and Reporting

The Municipality will evaluate the outcomes, as outlined in the agreement between the Municipality and the Applicant, to ensure accountability for use of funds and monitor how the desired goals were achieved. Any reporting requirements, as stated in the Grant Programs, not met by the Applicant will be subject to potential withdrawal of future funding support. All surplus funds not used for the intended or closely related purpose must be returned to the Municipality.

**APPROVAL, MANAGEMENT AND REFERENCES:**

This policy shall be reviewed in three (3) years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority: Council  
Approval Date: \_\_\_\_\_

Revision Approval Dates: \_\_\_\_\_  
Review Due: \_\_\_\_\_

Policy Manager:  
Department Contact: Director, Community Services

Legal References: \_\_\_\_\_  
Cross References: \_\_\_\_\_

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Melissa Blake, Mayor

\_\_\_\_\_  
David Leflar, Chief Legislative Officer

\_\_\_\_\_  
Date:

**Subject: 2014 Expense Summary – Council and Office of the Chief  
Administrative Officer****APPROVALS:**David Leflar, Director  
Marcel Ulliach, Chief Administrative Officer**Administrative Recommendation:**

THAT the Expense Summary for Council and the Office of the Chief Administrative Officer for the period January 1 – December 31, 2014 be received as information.

**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:**

The attached Council Expense Summary (Attachment 1) reflects the expenses entered in the Municipality's financial system for the period January 1-December 31, 2014 in the categories of business travel, conference travel (includes registration costs and training) and public relations (includes event tickets, hosting, sponsorships, etc.) for each Member of Council. 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. No adjustments were made in 2014, as all Council Members remained within their respective total cumulative budget allocation.

In May 2014, at the request of the Audit and Budget Committee, expenses for the Office of the Chief Administrative Officer were submitted for review on a monthly basis. That practice has now evolved and expenses for the Office of the Chief Administrative Officer will be submitted for review on a quarterly basis, along with Council expenses for the same period. This will provide a consistent reporting process for Council Members and the most senior member of municipal administration, while ensuring that the primary objectives of transparency and accountability are upheld.

**Attachment:**

1. Expense Summary – Council and Office of the CAO - January 1–December 31, 2014.

## EXPENSE SUMMARY - COUNCIL AND OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER (CAO)

Total Expenses Submitted for the Period January 1 - December 31, 2014

| Elected Official                     | Annual Budget | YTD Expenses  | Percentage Expended | Other Committees | Deputy Mayor | Details   |
|--------------------------------------|---------------|---------------|---------------------|------------------|--------------|---|
| Blake, Melissa - Business Travel     | 10,000        | 4,637         | 46.37%              |                  |              | Meetings: Minister Hughes/Northern Alberta Mayor and Reeves/Mid-Size Cities Meeting Honorary Doctorate Flights (credit) Grande Prairie Alberta Municipal Governance Symposium |
| Blake, Melissa - Public Relations    | 15,000        | 5,326         | 35.51%              |                  |              | Holiday Reception (2013) /Chamber Luncheon/Minister Quest Meeting Women Of Inspiration Celebration Donation Silent Auction Baskets Seniors of the Year Gifts Door Prizes      |
| Blake Melissa - Conference Travel    | 7,500         | 7,054         | 94.05%              |                  |              | 21st Century Leadership - Seattle Washington  |
| <b>MAYOR - TOTAL</b>                 | <b>32,500</b> | <b>17,017</b> | <b>52.36%</b>       |                  |              |   |
| Ault, Tyran - Business Travel        | 1,000         | 0             | 0.00%               |                  |              |   |
| Ault, Tyran - Public Relations       | 3,000         | 0             | 0.00%               |                  |              |   |
| Ault, Tyran - Conference Travel      | 10,000        | 2,317         | 23.17%              |                  |              | FCM Conference  |
| <b>AULT - TOTAL</b>                  | <b>14,000</b> | <b>2,317</b>  | <b>16.55%</b>       |                  |              |   |
| Boutillier, Guy - Business Travel    | 1,000         | 945           | 94.50%              |                  | 650          | Council Retreat; Return Flight from Edmonton to Fort McMurray - Poor Road Conditions  |
| Boutillier, Guy - Public Relations   | 3,000         | 1,119         | 37.30%              |                  |              | Cdn. Business Leader Award Dinner - \$195; Food/Meals - \$242; Parade Signage - \$316; Event Tickets - \$366  |
| Boutillier, Guy - Conference Travel  | 10,000        | 3,163         | 31.63%              |                  |              | AUMA Conference - \$1622; AAMDC Fall Conference - \$1541  |
| <b>BOUTILIER - TOTAL</b>             | <b>14,000</b> | <b>5,227</b>  | <b>37.34%</b>       |                  |              |   |
| Busseries, Lance - Business Travel   | 1,000         | 0             | 0.00%               |                  |              |   |
| Busseries, Lance - Public Relations  | 3,000         | 1,895         | 63.17%              |                  |              | Promotional Materials   |
| Busseries, Lance - Conference Travel | 10,000        | 0             | 0.00%               |                  |              |   |
| <b>BUSSIERES - TOTAL</b>             | <b>14,000</b> | <b>1,895</b>  | <b>13.54%</b>       |                  |              |   |
| Cardinal, Julia - Business Travel    | 32,200        | 32,323        | 100.38%             |                  |              | Travel, accommodation and expenses for weekly Council meetings  |
| Cardinal, Julia - Public Relations   | 3,000         | 48            | 1.60%               |                  |              | Event Ticket  |
| Cardinal, Julia - Conference Travel  | 10,000        | 5,427         | 54.27%              |                  |              | FCM - \$2386; AAMDC - \$2377; Council for Aboriginal Business - \$664 (registration)  |
| <b>CARDINAL - TOTAL</b>              | <b>45,200</b> | <b>37,798</b> | <b>83.62%</b>       |                  |              |   |
| 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%               |                  |              |   |
| <b>CHADI - TOTAL</b>                 | <b>45,200</b> | <b>0</b>      | <b>0.00%</b>        |                  |              |   |
| Germain, Sheldon - Business Travel   | 1,000         | 0             | 0.00%               |                  |              |   |
| Germain, Sheldon - Public Relations  | 3,000         | 2,048         | 68.27%              |                  |              | 3-on-3 Tournament Sponsorship - \$2000; Event Ticket - \$48   |
| Germain, Sheldon - Conference Travel | 10,000        | 4,373         | 43.73%              |                  |              | FCM Conference  |
| <b>GERMAIN - TOTAL</b>               | <b>14,000</b> | <b>6,421</b>  | <b>45.86%</b>       |                  |              |   |
| McGrath, Keith - Business Travel     | 1,000         | 0             | 0.00%               |                  |              |   |
| McGrath, Keith - Public Relations    | 3,000         | 6,596         | 219.87%             |                  |              | Promotional Materials - \$3858; Event Tickets - \$2744  |
| McGrath, Keith - Conference Travel   | 10,000        | 6,116         | 61.16%              |                  |              | FCM Conference - \$4396; AAMDC Fall Conference - \$1720   |
| <b>McGRATH - TOTAL</b>               | <b>14,000</b> | <b>12,712</b> | <b>90.80%</b>       |                  |              |   |

| 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  |
| <b>MEAGHER - TOTAL</b>                | <b>14,000</b> | <b>105</b>    | <b>0.75%</b>        |                  |              |  |
| Stroud, Jane - Business Travel        | 15,880        | 9,218         | 58.05%              | 1,038            |              | Travel and Expenses for weekly Council Meetings - \$9218; VMHA - \$1038  |
| Stroud, Jane - Public Relations       | 3,000         | 1,258         | 41.93%              |                  |              | Event Tickets - State of the Region; Leading the North Golf Tournament; NAABA Women in Business; Gift Baskets -  |
| Stroud, Jane - Conference Travel      | 10,000        | 7,857         | 78.57%              |                  |              | AAMDC - \$2,148; FCM - \$1576; Council for Aboriginal Bus. - \$664; Northern Leaders - \$720; MGA Review - \$918; Ports to Plains Conference - \$1831; |
| <b>STROUD - TOTAL</b>                 | <b>28,880</b> | <b>18,333</b> | <b>63.48%</b>       |                  |              |  |
| Vinni, Allan - Business Travel        | 5,000         | 0             | 0.00%               |                  |              |  |
| Vinni, Allan - Public Relations       | 3,000         | 456           | 15.20%              |                  |              | Event Tickets - \$1334; Gold Star Gala; Spring Fling   |
| Vinni, Allan - Conference Travel      | 10,000        | 5,748         | 57.48%              |                  |              | FCM Conference - \$2457; AUMA Conference - \$3301  |
| <b>VINNI - TOTAL</b>                  | <b>18,000</b> | <b>6,204</b>  | <b>34.47%</b>       |                  |              |  |
| Office of the CAO - Business Travel   | 10,000        | 4,726         | 47.26%              |                  |              | Meetings with Deputy Ministers, Associate Engineering, mid sized City Mayors/CAO meeting, legal counsel re land trust                                  |
| Office of the CAO - Public Relations  | 8,000         | 1,864         | 23.30%              |                  |              | Chamber Networking Luncheons/business lunches with various stakeholders  |
| Office of the CAO - Conference Travel | 4,000         | 2,795         | 69.88%              |                  |              | Global Conference/Alberta Urban Municipalities Annual Conference   |
| <b>OFFICE OF THE CAO - TOTAL</b>      | <b>22,000</b> | <b>9,385</b>  | <b>42.66%</b>       |                  |              |  |