

**MINUTES OF A SPECIAL MEETING OF THE COUNCIL OF THE REGIONAL
MUNICIPALITY OF WOOD BUFFALO HELD IN THE COUNCIL CHAMBERS AT THE
MUNICIPAL OFFICES IN FORT McMURRAY, ON TUESDAY, MAY 6, 2008,
COMMENCING AT 6:00 P.M.**

PRESENT:	MAYOR	M. BLAKE
	COUNCILLORS	M. ALLEN D. BLAIR M. BYRON S. GERMAIN G. JANVIER P. MEAGHER R. REBUS J. VYBOH
	CHIEF ADMINISTRATIVE OFFICER	R. BURKARD
	CHIEF LEGISLATIVE OFFICER	S. KANZIG
	LEGISLATIVE ASSISTANT	B. BROOMFIELD
ABSENT:	COUNCILLOR	S. CLARKSON

CALL TO ORDER: Mayor Blake called the meeting to order at 6:02 p.m.

PRAYER: The Mayor asked everyone to join her in Prayer.

DELEGATIONS: **Mr. Kim Jenkins, Deputy Superintendent, Fort McMurray Catholic Board of Education re: Proposed Fine Arts Centre – Capital Funding Request**

Mr. Jenkins was in attendance to present a capital funding request for a proposed fine arts centre. The Regional Municipality of Wood Buffalo (RMWB) is in need of an additional performing arts facility, and the Fort McMurray Catholic School District (FMCS D) is building a new high school that will open in September 2010. The cost for the addition of a 350 seat theatre and a dance studio has been estimated at \$6M. Funding from the government for a new high school does not allow for the inclusion of a performing arts facility. Mr. Jenkins proposed a partnership between the RMWB and the FMCS D whereby the municipality would assist with construction costs, and the operation and maintenance of a fine arts centre would be provided by the FMCS D.

The cost of this proposed facility is \$6M, which is more than the provincial government funding is providing. If the RMWB contributes \$2M, one of the oil sands companies will also contribute \$2M, and another \$2M is expected from a potential third partner.

In response to questions of Council, Mr. Jenkins provided the following comments: if their request for funding is approved, no further funding would be requested in the future; the proposed facility will largely be utilized by school children during the day and by the community during the evenings; some provincial grants may be available next year; and the foundations should be laid by July or August this year. It was suggested that instead of a partnership, would the FMCSO consider a grant from the RMWB; Mr. Jenkins concurred. The Mayor asked Mr. Jenkins if he would consider an operating agreement to guarantee public access to the proposed facility and Mr. Jenkins indicated he was agreeable to this.

There were no further questions or comments from the gallery.

**Mr. Mel Grandjamb, Capital Officer, Fort McKay First Nation
re: Fort MacKay Sewage Lift Station – Capital Funding Request**

Mayor Blake advised that a provincial grant has been awarded to the Regional Municipality of Wood Buffalo for the Fort MacKay sewage lift station. This item will be addressed further under 2008 Capital Budget Amendments.

**Mr. Todd Jurak, General Manager, MacDonald Island Park re:
Miskanaw Golf Course Rehabilitation – Capital Funding Request**

Mr. Jurak was in attendance to present a capital funding request for the Miskanaw Golf Course Rehabilitation. He presented a power point presentation that included an update on the progress and 2008 plans for the golf course rehabilitation. Several advantages that the golf course provides for the community are: 32,000 to 40,000 rounds of golf per year; job and youth development opportunities; a venue for charitable events to raise funds; but, due to deterioration, the course has become more expensive to maintain. A golf course redevelopment construction project was implemented in 2006 with a commitment from the RMWB to contribute \$2.4M at \$600K over a four year period.

In response to questions from Council, Mr. Jurak provided the following information: the planned construction from 2007 to 2011, which will provide a better class of golf course to users; possible trail development and maintenance; and improved profit sustainability in the future.

Deacon Jerry Metz, President, Abram's Land Development Corporation re: Land Development Proposal – Capital Funding Request

Deacon Metz was in attendance to present a capital funding request for a land development proposal. The amount of \$7M is being requested as Abram's Land Development Corporation cannot carry the RMWB's costs to develop this land and without the municipality's participation, the project cannot proceed. He presented a PowerPoint presentation that included a progress update of the land development. Abram's Land Development Corporation is a not for profit organization consisting of local churches, a Mosque and the local Health Region to acquire services and subdivide lands in the RMWB. For each month that development is deferred, the cost is \$1M.

There were no further questions or comments from the gallery.

REPORTS:

Appointment of Chief Administrative Officer

Resolution #08-096

MOVED by Councillor Meagher that Mr. Rodney Burkard be confirmed as Chief Administrative Officer for the Regional Municipality of Wood Buffalo.

It was clarified that Mr. Burkard initially accepted the position of CAO for a 90 day period, and at the end of this period, would be permanently appointed to the position by a resolution of Council, as required by the *Municipal Government Act*.

CARRIED

For: Allen, Blair, Blake, Germain,
Janvier, Meagher, Rebus, Vyboh

Opposed: Byron

2008 Capital Budget Amendment

Ms. Patty King, General Manager, Finance, and Ms. Elsie Hutton, Manager, Financial Planning Branch, were in attendance and responded to questions from Council. It was explained that after a first quarter review of the capital budget, to determine the progress to date on capital items previously approved by Council, amendments were required. The 2008 Capital Budget Amendments consists of capital projects recommended for cancellation, deferral or revision.

The following motion was presented by Councillor Germain: "THAT the 2008 Capital Budget be amended as summarized on Attachment 1

– 2008 Capital Budget Amendments – Projects Cancelled, Deferred or New – May 6, 2008.”

Clarification was requested with respect to the proposed cancellation of the Roadway Weather Sensor Information System, as noted in Attachment 7 of the report. Mr. Darcy Elder, Manager, Infrastructure Branch, was in attendance and provided clarification relative to the resource challenges. Concern was expressed that when projects are prolonged, costs escalate. A short discussion ensued on the type and benefits of information that can be collected by a roadway weather sensor information system.

Resolution #08-097

MOVED by Councillor Vyboh that Attachment 1 (– 2008 Capital Budget Amendments – Projects Cancelled, Deferred or New – May 6, 2008) be amended by deleting the Roadway Weather Sensor Information.

DEFEATED

For: Byron, Vyboh

Opposed: Allen, Blake, Blair,
Germain, Janvier, Meagher,
Rebus

Clarification was requested regarding the deferral of the Thickwood Trunk Sewer Upgrading project, as referenced in Attachment 17 of the report. Mr. Michel Savard, Manager, Environment Branch, was in attendance and explained that this project is being deferred to 2010 until the completion of the Wastewater Master Plan, and Ms. Susan Motkaluk, Deputy CAO, concurred with this. Concern was expressed that by deferring this project, costs would increase. It was clarified that funding for the project currently exists as it was also deferred in 2006 and 2007. Concern was also expressed relative to the possibility of a sewer system failure in the Thickwood area. Mr. Savard and Mr. Salem Abushawashi, Superintendent, Engineering Services, provided details of the road rehabilitation and maintenance programs, and provided assurance that any sewer system issues in the Thickwood area would be immediately addressed.

Resolution #08-098

MOVED by Councillor Vyboh that Attachment 1 (– 2008 Capital Budget Amendments – Projects Cancelled, Deferred or New – May 6, 2008) be amended by deleting the Thickwood Sewer Trunk Upgrading project.

DEFEATED

For: Vyboh

Opposed: Allen, Blake, Blair, Byron,
Germain, Janvier, Meagher,
Rebus

Voting then occurred on Councillor Germain's motion.

Resolution # 08-099

MOVED by Councillor Germain that the 2008 Capital Budget be amended as summarized on Attachment 1 – 2008 Capital Budget Amendments – Projects Cancelled, Deferred or New – May 6, 2008.

CARRIED

For: Allen, Blake, Byron, Germain,
Janvier, Meagher, Rebus

Opposed: Blair, Vyboh

Recess

A recess occurred from 7:40 p.m. to 8:00 p.m.

Resolution #08-100

MOVED by Councillor Meagher that the 2008 Capital Budget be amended as summarized on Attachment 2 – 2008 Capital Budget Amendments – Revised Projects – May 6, 2008.

A brief discussion occurred in which clarification was provided relative to the following projects:

- Heavy Equipment Replacements 2007, 1 ton w/aerial - Mr. Elder explained that funds originally budgeted for this equipment, which is for a 45 foot boom on a lift truck, are not now sufficient, and additional funding of \$57,566. is being requested from the 2008 capital budget.
- Heavy Equipment and Fleet Purchases 2008 – Mr. Savard explained that this project is for a van equipped with CCTV equipment and a solid waste roll-off truck. The project is being deferred to 2009 due to staff and capacity issues. A discussion ensued relative to recruiting and contractor servicing issues.
- South Municipal Facility (Firehall) – Ms. Motkaluk provided clarification on the project name change from South Municipal Facility (Fire Hall) to South Municipal Facility – Pre-Design and Design. This building will be a multi-use facility with municipal offices. The additional funding being requested is to start the design and pre-design process. It is expected that further capital funding will be requested from the 2009/2010 budget for this facility. Ms. Hutton and Mr. Brian Makey, Deputy Chief, Emergency Services Operations, were in attendance and responded to questions from Council.

Voting then occurred on Councillor Meagher's motion.

CARRIED UNANIMOUSLY

Mayor Blake advised that written confirmation was received from the Province that the Municipality will receive funding for the Fort MacKay Lift Station project under the Alberta Municipal Water/Wastewater Partnership, therefore, that particular item should be removed from the list of proposed amendments.

Resolution #08-101

MOVED by Councillor Allen that the Fort MacKay Lift Station project be deleted from Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

CARRIED UNANIMOUSLY

Councillor Allen presented the following motion for consideration: “THAT the 2008 Capital Budget be amended as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.”

As each of the items on Attachment 3 deal with emerging or sensitive issues, many of which also relate to the presentations heard earlier this evening, it was requested that each item be voted on individually.

Fine Arts Centre

Council expressed its support toward the proposed fine arts centre. This multi-purpose facility will serve the community's needs for a fine arts space with the municipality's involvement, and community access is guaranteed.

Resolution #08-102

MOVED by Councillor Allen that the 2008 Capital Budget be amended by adding the Fine Arts Centre project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

CARRIED UNANIMOUSLY

Miskanaw Golf Course Rehabilitation

Resolution #08-103

MOVED by Councillor Allen that the 2008 Capital Budget be amended by adding the Miskanaw Golf Course Rehabilitation project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

CARRIED

For: Allen, Blake, Germain, Meagher,
Rebus, Vyboh

Opposed: Blair, Byron, Janvier

Recess

A recess occurred from 9:11 p.m. to 9:25 p.m.

Abram's Land Development Corporation

Resolution #08-104

MOVED by Councillor Allen that the 2008 Capital Budget be amended by adding the Abram's Land Development Corporation project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

CARRIED UNANIMOUSLY

Conklin Water Treatment Plant Expansion

Resolution #08-105

MOVED by Councillor Allen that the 2008 Capital Budget be amended by adding the Conklin Water Treatment Plant Expansion project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

Mr. Savard explained that there is provincial funding available for this project under the Alberta Municipal Water Wastewater Partnership funding program, but no federal funding. The planned expansion will primarily benefit the residents of Conklin, not industry.

CARRIED UNANIMOUSLY

MacDonald Island Redevelopment Project

The following motion was presented Councillor Allen: "THAT the 2008 Capital Budget be amended by adding the MacDonald Island Redevelopment Project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008."

It was suggested that discussions relative to the proposed Capital Budget Amendment for the MacDonald Island Redevelopment Project be tabled to allow Council to hear the various presentations before debating and voting on the matter.

Resolution #08-106

MOVED by Councillor Vyboh that the capital budget amendment for the MacDonald Island Redevelopment project be tabled.

CARRIED UNANIMOUSLY

Eco-Industrial Park

Resolution #08-107

MOVED by Councillor Allen:

- THAT Resolution # 07-090 (Development of Eco-Industrial Park by Wood Buffalo Housing and Development Corporation) be rescinded;
- THAT Resolution # 08-024 (Acquisition of Fill from Parcel F) be rescinded; and
- THAT Resolution # 08-033 (Eco-Industrial Park: Land Transfer to Wood Buffalo Housing and Development Corporation) be rescinded.

- THAT the Regional Municipality of Wood Buffalo enter into a Real Estate Purchase and Development Agreement with Wood Buffalo Housing and Development Corporation, as identified in Attachment 4 – Real Estate Purchase and Development Contract, dated May 6, 2008;
- THAT the provisions of said Real Estate Purchase and Development Contract remain confidential pursuant to sections 16 and 25 of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000. c.F-25, as amended; and
- THAT the net proceeds from Wood Buffalo Housing and Development Corporation be allocated to the Asset Addition Reserve.

A short discussion ensued relative to the closure of the sale, and the time period to execute the transfer of these lands. Mr. Dennis Peck, General Manager, Planning and Development, and Mr. Ed Salmon, Manager, Land Services, were in attendance and responded to questions from Council. The municipal solicitor, Mr. Allan Farmer, QC, has been involved in this process and provided clarification that a not for profit corporation cannot enter into a profit sharing arrangement with a third party under the *Municipal Government Act*. A brief discussion took place relative to sections 16 and 25 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED UNANIMOUSLY

Cancellation of Lease – 9717 Franklin Avenue (the Brick building)

Resolution #08-108

MOVED by Councillor Vyboh:

- THAT the lease agreement signed April 11, 2007 between The Brick Warehouse Ltd. and the Municipality for the property at 9717 Franklin Avenue be cancelled.

- THAT the cost of the cancellation be funded within the existing 2008 Operating Budget.

Resolution #08-109

MOVED by Councillor Germain that Council move in camera.

CARRIED

For: Allen, Blake, Byron, Germain,
Janvier, Meagher, Rebus, Vyboh

Opposed: Blair

Exit

Council met in camera from 9:50 p.m. until 10:10 p.m.

Resolution #08-110

MOVED by Councillor Allen that Council reconvene in public.

CARRIED UNANIMOUSLY

In response to questions from Council, Mr. Salmon responded that the municipality had attempted to sub-lease the Brick building but was unsuccessful. The cost to the building is \$10M and not many organizations within the municipality are willing to invest that much capital to upgrade the building. Since the lease agreement was signed, the building has not been used for any municipal purpose. Administration was cautioned to carefully consider the ramifications of renovations needed should a similar deal occur in the future.

CARRIED UNANIMOUSLY

MacDonald Island Redevelopment Project Review Findings

The CAO advised that Council would hear presentations from KPMG and Conestoga-Rovers and Associates (CRA) relative to the reviews undertaken by each party and the findings and associated recommendations.

Mr. Burkard provided an introduction of the MacDonald Island Redevelopment Project, and provided an overview of the scope and history of the project, along with the many complexities associated with undertaking a project of this magnitude. Mr. Burkard explained that Administration has presented three alternatives for consideration, with the recommended alternative being to complete construction of the full facility with phased occupancy. He noted that there will be some safety issues that need to be addressed before the various components of the facility will be ready to occupy. If Council

approves proceeding with phased occupancy, Administration will need to lay out a design schematic which carefully details next steps and mitigating measures that may be required.

Mr. Burkard advised that it will cost an estimated additional \$21 Million to finish the facility, bringing the total cost to \$170 Million. In addition, there are further capital expenditures that will be required relating to water and wastewater. The development permit requires confirmation that the existing infrastructure has sufficient capacity; however, that capacity is not known at this point and further evaluation is required to fully understand the impact the completed facility will have. The access road is another development permit issue that must be resolved. The road development is tied to Snye improvements and the Snye improvements link back to the Lower Townsite Area Redevelopment Plan, so further studies of this particular aspect must occur. Mr. Burkard explained that the \$21 Million will essentially get the facility, but more funding will be required in order to occupy and operate the facility. Administration is recommending that an additional \$29 Million be allocated to the Capital Infrastructure Reserve. As issues become known, Administration would then bring forward a report requesting to access the Reserve funds.

The MacDonald Island Park does not have a comprehensive business plan in place, which means that operating revenues and expenditures, and staffing requirements, are unknown at this time. Mr. Burkard concluded by noting that it is critical that other capital items required as part of the Snye and Lower Townsite Area Redevelopment Plan process, as well as the various development permit issues, be dealt with in order to have the facility operate. Administration is hoping to report back to Council with concrete numbers for the above requirements, as part of the 2009 Capital Budget process.

Mr. John Stelter, KPMG

Mr. John Stelter, CA, partner with KPMG, was in attendance and provided a brief report on their involvement with the Macdonald Island Park Redevelopment project. The scope of their report was to provide observations and findings, and these were presented; after which the following recommendations were outlined:

- administrative oversight is required;
- management of the redevelopment project should be consolidated;
- roles and responsibilities should be clarified;
- strong monitoring and process controls should be established; and
- remaining matters must be addressed.

In conclusion, Mr. Stelter noted that the nature, size and lack of experience resulted in this project not fitting well within the existing set of governance and operating controls of the RMWB.

Conestoga-Rovers and Associates

Mr. Jack Michaels, Ms. Sylvie Eastman and Mr. Paul Fabbro, representatives of Conestoga-Rovers and Associates, were in attendance to present a report on the preliminary findings of the review and assessment for the MacDonald Island Redevelopment Project.

The scope of their report included the following five tasks:

- understanding the project framework;
- background and scope of the project;
- detailed technical review;
- development of options; and
- communication, reporting and schedule.

In conclusion, Mr. Michaels offered the following preliminary findings of the review and assessment:

- communication between the parties involved in the project was not always effective;
- cost estimates were not clearly documented;
- developing a design and schedule that would allow for phased opening;
- CRA is expecting information from the design team to complete the technical review, this is a requirement of the development permit; and
- a number of other requirements for successful facility operation, including:
 - provisions for emergency access on and off of the island;
 - confirmation of adequacy of off-site public utility service capacities to serve the project;
 - adequacy of off-site communication service for users;
 - availability of staff to operate services; and clear understanding of annual operating budgets and revenues.

The following motion was presented by Councillor Meagher: "THAT the KPMG report on the MacDonald Island Park Redevelopment Project Review – Financial and Governance Aspects, dated May 2, 2008, be received as information; THAT the CRA report on MacDonald Island Review and Assessment Preliminary Findings Report, dated May 2, 2008, be received as information; THAT the MacDonald Island Park Redevelopment Project be completed as set out as alternative 2 (complete construction of the full facility with phased occupancy) in this report."

A lengthy discussion ensued during which the following concerns were discussed:

- costs and escalating costs;
- lack of a business plan;
- partial refurbishment of ice rinks;
- phased opening/occupancy;
- the project schedule;
- water, sewer, roadway;
- project accommodations;
- lack of contractual obligations;
- closer monitoring, reporting, and communications;
- the role of Part 9 corporations and how they fit within this project; and
- project schedule.

Following the discussion, the CAO recommended that the municipality move forward with the existing structure. There are now a number of positions in place that were not available before.

Voting then occurred on Councillor Meagher's motion, which reads as follows:

Exit

Councillor Allen left the meeting at 12:30 a.m.

Resolution #08-111

MOVED by Councillor Meagher:

- THAT the KPMG report on the MacDonald Island Park Redevelopment Project Review – Financial and Governance Aspects, dated May 2, 2008, be received as information.
- THAT the CRA report on MacDonald Island Review and Assessment Preliminary Findings Report, dated May 2, 2008, be received as information.

Councillor Allen was absent during the vote; therefore, his vote was not recorded.

CARRIED UNANIMOUSLY

For: Blake, Blair, Byron, Germain,
Janvier, Meagher, Rebus, Vyboh

Return

Councillor Allen returned to the meeting at 12:35 a.m.

Resolution #08-112

MOVED by Councillor Meagher that the capital budget amendment for the MacDonald Island Redevelopment project be raised from the table.

CARRIED UNANIMOUSLY

Resolution #08-113

MOVED by Councillor Allen that the 2008 Capital Budget be amended by adding the MacDonald Island Redevelopment Project, as summarized in Attachment 3 – 2008 Capital Budget Amendments – Emerging Issues – May 6, 2008.

CARRIED UNANIMOUSLY

For: Allen, Blake, Blair, German,
Janvier, Meagher, Rebus, Vyboh
Against: Byron

A short discussion then occurred on water, sewer, storm water and subsidization.

Resolution #08-114

MOVED by Councillor Meagher that the MacDonald Island Park Redevelopment Project be completed as set out as alternative 2 (complete construction of the full facility with phased occupancy) in this report.

CARRIED

For: Allen, Blake, Blair, German,
Janvier, Meagher, Rebus, Vyboh
Against: Byron

ADJOURNMENT:

Resolution # 08-115

MOVED by Councillor Meagher that the meeting be adjourned.

CARRIED UNANIMOUSLY

The meeting adjourned at 12:58 p.m.

MAYOR

CHIEF LEGISLATIVE OFFICER