

**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, AB, on Tuesday, May 19, 2009, commencing at 6:00 p.m.**

**Present:** M. Blake, Mayor  
M. Allen, Councillor  
D. Blair, Councillor  
M. Byron, Councillor  
S. Clarkson, Councillor  
L. Flett, Councillor  
S. Germain, Councillor  
G. Janvier, Councillor (via teleconference)  
P. Meagher, Councillor  
R. Rebus, Councillor  
J. Vyboh, Councillor

**Administration:** R. Burkard, Chief Administrative Officer  
A. Rogers, Acting Chief Legislative Officer  
D. Elliott, Deputy CAO  
K. Greig, Deputy CAO  
K. Kloss, Deputy CAO  
A. Hawkins, Legislative Officer  
J. Callahan, Legislative Officer  
B. Broomfield-Andrews, Recorder/Legislative Assistant  
A. Johnson, Legislative Assistant

**Call to Order**

Mayor Blake called the meeting to order at 6:06 p.m.

The Acting Chief Legislative Officer, Audrey Rogers, provided a brief process overview for the information of Council and those in attendance.

**Bylaws**

**1. Bylaw No. 09/015 – 2009 Tax Rate Bylaw**

09-120 Moved by Councillor Germain that Bylaw No. 09/015 be raised from the table.

CARRIED UNANIMOUSLY

09-121 Moved by Councillor Allen that further delegations be permitted as part of the deliberation process regarding Bylaw No. 09/015, the 2009 Tax Rate Bylaw.

CARRIED UNANIMOUSLY

**Other Delegations re: 2009 Tax Rate Bylaw****Jack Bonville, President, Fort McMurray Chamber of Commerce**

Mr. Bonville, representing two business organizations, the Fort McMurray Chamber of Commerce, comprised of over 600 businesses, and the Fort McMurray Construction Association, comprised of 100 member firms, expressed opposition to the proposed tax rate increases. The business sector in the region is coping with serious issues related to increased lease rates, higher pay for staff, and more staff turnover. Local businesses pay 93% of the local taxes, and residential property owners pay 6.5%. With the current economic slowdown, the timing for a tax increase should be reconsidered. Taxes should be levied fairly and not be aimed at any one sector. In closing, Mr. Bonville advised that a "Joint Action Committee" should be established to review property tax principles, and a public input process be introduced.

**Corey Hines, Local Business Owner**

Mr. Hines expressed opposition to the proposed tax rate increases, citing that the proposed increases would negatively affect his business. He has experienced a decrease in his business since November 2008, which has affected his staff being reduced from 200 to the current 65. If tax rates increase, overhead costs also increase, and will eventually be reflected down into the community as his business will no longer be able to sponsor as many groups as they do. Mr. Hines responded to questions from Council.

**Byron Bailey, Small Business Consultant and Former Small Business Banker, Fort McMurray**

Mr. Bailey expressed opposition to the proposed tax rate increases arguing that the tax rate increase being considered by Council is detrimental to small businesses in the region. He urged Council to consider the proposed tax rate increases very closely. Mr. Bailey said small businesses cannot survive in Fort McMurray, and are moving to locations like Lac la Biche and Wandering River. As well, access to land at reasonable rates is not available. Mr. Bailey responded to questions from Council.

**Frank Saraka, Manager, Canadian Tire Franchise, Fort McMurray**

Mr. Saraka expressed opposition to the proposed tax rate increases, explaining that the greatest portion of the proposed tax rate increases will be levied against the oil industry. Even though his store has the same pricing as other Canadian Tire franchises across the county, it has the highest wage cost, and the highest staff turnover. Since the onset of the current economic slowdown, and due to the decrease of construction projects by the oil sands industry, his profits have decreased dramatically. Mr. Saraka believes the Provincial and Federal governments should be more involved in providing the additional funding required for infrastructure and access to land. Mr. Saraka responded to questions from Council.

**Mike Durocher, Fort McMurray Resident**

Mr. Durocher expressed opposition to the proposed tax rate increases in that the increases will adversely affect big and small businesses in the region. The lack of small businesses also affects the

quality of life of residents. He suggested that it would be a more opportune time to implement tax rate increases when the economy improves.

**Ms. Bernice Cree, Rural Commercial Land Owner**

Ms. Cree advised she is opposed to the higher tax rate increases being proposed, especially as it pertains to the amount of taxes that will be paid for commercial land in the Anzac rural area.

09-122 Moved by Councillor Allen that the presentations, relative to the 2009 Tax Rate Bylaw, from Mr. Jack Bonville, Mr. Corey Hines, Mr. Byron Bailey, Mr. Frank Saraka, Mr. Mike Durocher, and Ms. Bernice Cree, be accepted as information.

CARRIED UNANIMOUSLY

09-123 Moved by Councillor Vyboh that Bylaw No. 09/015 be amended by:

- Deleting the amount \$494,291,264 and inserting \$518,852,570 as the operating expenditures approved in the 2009 Operating Budget;
- Deleting the amount \$79,419,203 and inserting \$79,357,897 as the operating revenues from sources other than taxation levies;
- Deleting the amount \$414,491,759 and inserting \$439,053,066 as the net annual tax levy requirements for the 2009 fiscal year;
- Deleting the Rural Non-Residential tax rate of 0.0191730 and inserting 0.0206830;
- Deleting the Urban Residential tax rate of 0.0023911 and inserting 0.0019846; and
- Deleting the Rural Residential tax rate of 0.0015034 and inserting 0.0012478.

The above scenario represents the following taxation strategy: for Rural Non-Residential an increase of 28% over 2008 tax revenues, plus new growth; for Urban Non-Residential an increase of 5% over 2008 tax revenues, plus new growth; and for Urban/Rural/Other Residential a decrease of 17% from 2008 tax revenues, plus new growth.

A lengthy discussion ensued with regard to the proposed tax bylaw amendments. During the discussion, Audrey Rogers, Acting Chief Legislative Officer; Henk van Waas, General Manager, Assessment and Taxation; and D'arcy Elliott, Deputy Chief Administrative Officer, came forward to provide clarification and respond to questions from Council.

Voting then occurred on Councillor Vyboh's amendment.

DEFEATED

For: Blair, Byron, Germain, Vyboh  
Opposed: Allen, Blake, Clarkson, Flett,  
Janvier, Meagher, Rebus

## Recess

A recess occurred from 8:20 p.m. to 8:39 p.m.

09-124 Moved by Councillor Vyboh that Bylaw No. 09/015 be amended by:

- deleting the amount \$494,291,264 and inserting \$518,852,570 as the operating expenditures approved in the 2009 Operating Budget;
- deleting the amount \$79,419,203 and inserting \$79,357,897 as the operating revenues from sources other than taxation levies;
- deleting the amount \$414,491,759 and inserting \$414,491,035 as the net annual tax levy requirements for the 2009 fiscal year;
- deleting the Rural Non-Residential tax rate of 0.0191730 and inserting 0.0194098;
- deleting the Urban Residential tax rate of 0.0023911 and inserting 0.0019846; and
- deleting the Rural Residential tax rate of 0.0015034 and inserting 0.0012478.

The above scenario represents the following taxation strategy: for Rural Non-Residential an increase of 21% over 2008 tax revenues, plus new growth; for Urban Non-Residential an increase of 5% over 2008 tax revenues, plus new growth; and for Urban/Rural/Other Residential a decrease of 17% from 2008 tax revenues, plus new growth.

A short discussion occurred with regard to the proposed tax rate amendments.

DEFEATED

For: Blair, Byron, Germain, Janvier, Vyboh

Opposed: Allen, Blake, Clarkson, Flett, Meagher, Rebus

09-125 Moved by Councillor Allen that Bylaw No. 09/015 be amended by:

- deleting the amount of \$494,291,264 and inserting \$518,852,750 as the operating expenditures approved in the 2009 Operating Budget;
- deleting the amount \$79,419,203 and inserting \$79,357,897 as the operating revenues from sources other than taxation levies;
- deleting the amount \$414,491,759 and inserting \$339,884,639 as the net annual tax levy requirements for the 2009 fiscal year;
- deleting the Rural Non-Residential tax rate of 0.0191730 and inserting 0.0153884; and
- deleting the Urban Non-Residential tax rate of 0.0075284 and

inserting 0.0071535.

The above scenario represents the following taxation strategy: for Rural Non-Residential tax neutral, plus new growth; for Urban Non-Residential tax neutral, plus new growth; and for Urban/Rural/Other Residential tax neutral, plus new growth.

Discussion continued with regard to the proposed tax rate amendments. Rodney Burkard, Chief Administrative Officer, provided clarification with regard to the implications of a tax neutral bylaw.

DEFEATED

For: Allen, Blake, Flett, Meagher,  
Rebus

Opposed: Blair, Byron, Clarkson,  
Germain, Janvier, Vyboh

09-126 Moved by Councillor Clarkson that Bylaw No. 09/015 be amended by:

- deleting the amount of \$494,291,264 and inserting \$518,852,570 as the operating expenditures approved in the 2009 Operating Budget;
- deleting the amount \$79,419,203 and inserting \$79,357,897 as the operating revenues from sources other than taxation levies;
- deleting the amount \$414,491,759 and inserting \$377,504,252 as the net annual tax levy requirements for the 2009 fiscal year; and
- deleting the Rural Non-Residential tax rate of 0.0191730 and inserting 0.0172557.

The above scenario represents the following taxation strategy: for Rural Non-Residential an increase of 10% over 2008 tax revenues, plus new growth; for Urban Non-Residential an increase of 5% over 2008 tax revenues, plus new growth; and for Urban/Rural/Other Residential tax neutral, plus new growth.

Discussion continued with regard to the proposed tax rate bylaw amendment.

CARRIED

For: Allen, Blake, Clarkson, Flett,  
Meagher, Rebus

Opposed: Blair, Byron, Germain,  
Janvier, Vyboh

09-127 Moved by Councillor Clarkson that Bylaw No. 09/015, being the 2009 Tax Rate Bylaw, as amended, be read a second time.

A discussion ensued with regard to the projected deficit resulting from the approved tax rate increase. Audrey Rogers, Acting Chief Legislative Officer, and Rodney Burkard, Chief

Administrative Officer, provided clarification in response to questions from Council.

CARRIED

For: Allen, Blake, Clarkson, Flett,  
Meagher, Rebus

Opposed: Blair, Byron, Germain,  
Janvier, Vyboh

09-128 Moved by Councillor Meagher that the shortfall of \$61,548,814 result in a deficit 2009 Operating Budget.

CARRIED

For: Allen, Blake, Clarkson, Flett,  
Meagher, Rebus

Opposed: Blair, Byron, Germain,  
Janvier, Vyboh

09-129 Moved by Councillor Clarkson that Bylaw No. 09/015 be read a third and final time.

CARRIED

For: Allen, Blake, Clarkson, Flett,  
Meagher, Rebus

Opposed: Blair, Byron, Germain,  
Janvier, Vyboh

### **Adjournment**

09-130 Moved by Councillor Germain that the meeting be adjourned.

CARRIED UNANIMOUSLY

The meeting adjourned at 10:20 p.m.

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Mayor

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Chief Legislative Officer