

**MACKENZIE COUNTY
SPECIAL COUNCIL (BUDGET) MEETING**

**Tuesday, November 19, 2013
10:00 a.m.**

**Fort Vermilion Council Chambers
Fort Vermilion, Alberta**

AGENDA

- | | | | | |
|--|----|----|--|----|
| CALL TO ORDER: | 1. | a) | Call to Order | |
| AGENDA: | 2. | a) | Adoption of Agenda | |
| ADOPTION OF
PREVIOUS MINUTES: | 3. | a) | None | |
| DELEGATIONS: | 4. | a) | None | |
| BUSINESS: | 5. | a) | Bylaws 926-13, Municipal Development
Plan, and 927-13, Land Use Bylaw
Amendments | 1 |
| | | b) | Policy ADM046 – Hiring Policy | 31 |
| | | c) | 2014 Operating Budget – Draft | 37 |
| | | | i. Statements of Operations | 39 |
| | | | ii. Cash Flow Requirement | 53 |
| | | | iii. Long Term Debt Schedule | 59 |
| | | | iv. Local Government Finances | 63 |
| | | | v. Assessment History & Estimated
Property Tax Revenues | 67 |
| | | | vi. Review of Farm Tax Rates | 75 |
| | | | vii. Review of Water & Sewer Rates | 81 |
| | | d) | Town of High Level – 2014 Municipal
Revenue Sharing, and Capital Budget
Requests | 89 |
| | | e) | | |
| | | f) | | |

**IN CAMERA
SESSION:**

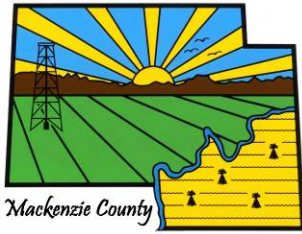
6. a) None

**NEXT MEETING
DATE:**

7. a) Special Council Meeting –
Multi-Year Capital Plan
Friday, December 6, 2013
10:00 a.m.
Fort Vermilion Council Chambers

ADJOURNMENT:

8. a) Adjournment



MACKENZIE COUNTY REQUEST FOR DECISION

Meeting:	Special Council Meeting
Meeting Date:	November 19, 2013
Presented By:	Byron Peters, Director of Planning & Development
Title:	Bylaws 926-13, Municipal Development Plan, and 927-13, Land Use Bylaw Amendments - First Reading

BACKGROUND / PROPOSAL:

Mackenzie County recently updated the existing Area Structure Plans (ASP) for each of the hamlets, while also creating three industrial ASPs. In order to ensure that all of the County's planning documents are consistent administration has been working on updating both the Municipal Development Plan (MDP) and Land Use Bylaw (LUB). Scheffer Andrew Ltd., was engaged to assist in the process. To date revised draft copies have been completed, presented at Open Houses in Zama, High Level, Fort Vermilion and La Crete, and revised to incorporate comments received.

The changes to the MDP are minimal, but still critical. The biggest change is in the way the hamlet land use maps have been revised.

The changes to the LUB are much more significant. Fourteen new zoning districts were created while seven were eliminated. A reason for the increase in zoning districts is that several existing districts have now been split up into districts specific for each hamlet.

See the attached Implementing Area Structure Plans document for a detailed list of the proposed amendments and feedback received at the Open Houses.

One key item that was brought up at an Open House was that with the creation of hamlet specific zoning districts, liquor sales should no longer be restricted to Direct Control districts. The proposed amendments include liquor sales as a discretionary use (decided upon by the Municipal Planning Commission [MPC]) within the Fort Vermilion Hamlet Commercial Centre district and the Zama Mixed Use district. Liquor sales would not be included in any of the La Crete zoning districts. If an applicant were to desire liquor sales in La Crete, the property would need to be rezoned to Direct Control as is

Author: B. Peters **Reviewed by:** _____ **CAO** _____

the current practice. This approach does take some of the control out of Council's hands as a whole, and places more control with the MPC.

An additional suggestion regarding liquor sales was that the County create two Recreation districts Rec 1 and Rec 2, with the only difference being the sale of liquor would be a discretionary use for Rec 2. This would allow the High Level Golf Course, High Level Rural Hall, Mosquito Creek Rodeo Grounds, Fort Vermilion Community Complex and Fantasy North Golf Course to be rezoned as Rec 2 and allow liquor sales from these facilities without the delays they currently face in getting permits or temporary liquor licenses. This proposed change was not included in the proposed LUB amendments because it was not required to bring the LUB in consistency with the ASP.

Incorporating the liquor changes as outlined would eliminate much red tape for the facilities in our County that do serve/sell liquor. For example it took the High Level Golf Course over two months to get an approval to build a cart shed, which would typically be a permitted use with a permit processing time of a week or less. Administration is also aware of the difficulties that some of the facilities have with obtaining their liquor licenses, even if only for temporary use.

Many of the current facilities serving/selling liquor are not Direct Control zoned now, and the proposed changes would bring them into compliance with County zoning requirements.

OPTIONS & BENEFITS:

There are multiple options and benefits regarding the Land Use Bylaw:

Option 1:

That first reading be given to bylaw number 927-13, being a Land Use Bylaw amendment to ensure consistency with the ASP, subject to Public Hearing input.

Option 2:

That first reading be given to bylaw number 927-13, being a Land Use Bylaw amendment to ensure consistency with the ASP, incorporating amendments regarding liquor sales as discussed, subject to Public Hearing input.

Municipal Development Plan

That first reading be given to bylaw number 926-13, being a Municipal Development Plan amendment to ensure consistency with the ASP, subject to Public Hearing input.

COSTS & SOURCE OF FUNDING:

The remaining costs for the planning document amendments are the advertising costs, which will be covered within the operating budget.

Author: B. Peters Reviewed by: _____ CAO _____

COMMUNICATION:

Administration has created a mailing list of all property owners within all of the Area Structure Plan boundaries, and addressed letters will be sent to each property owner regarding the Public Hearing, while also mentioning that if there are general questions that administration welcomes their comments before the Public Hearing. Additionally, an ad will be placed in the both the Pioneer and the Echo advertising the Public Hearing.

RECOMMENDED ACTION:

Land Use Bylaw

Option 2:

That first reading be given to bylaw number 927-13, being a Land Use Bylaw amendment to ensure consistency with the ASP, incorporating amendments regarding liquor sales as discussed, subject to Public Hearing input.

Municipal Development Plan

That first reading be given to bylaw number 926-13, being a Municipal Development Plan amendment to ensure consistency with the ASP, subject to Public Hearing input.

Author: B. Peters Reviewed by: _____ CAO _____



Implementing Area Structure Plans for Mackenzie County
Changes to the Municipal Development Plan and Land Use Bylaw

November 2013

1102-03

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1 Introduction

In August and September 2013 Mackenzie County Council adopted six new Area Structure Plans. These included updated plans for the hamlets of Fort Vermilion, La Crete and Zama City as well as the industrial Area Structure Plans called Footner, Mackenzie and Fort Vermilion.

The purpose of this report is to provide an overview of the proposed changes to the Municipal Development Plan and the Land Use Bylaw needed to implement the Area Structure Plans, as well as highlight the results of public consultation in respect of the proposed changes.

The Municipal Government Act Section 638 requires that all statutory plans of a Municipality are consistent with each other. Due to this relationship between the Municipal Development Plan and Area Structure Plans several amendments need to be undertaken to ensure consistency between the policies and maps of these documents.

The purpose of an Area Structure Plan is to set out the proposed land uses, density of population, location of infrastructure, and staging for a given area of land. These plans should seek to reflect the higher level policies of a Municipal Development Plan. A Land Use Bylaw is the mechanism by which the policies of an Area Structure Plan are implemented. To implement the intent of these planning documents the Land Use Bylaw should be amended to reflect their policies.

The first section of this report explains the proposed changes to the Municipal Development Plan, while the second section explains the changes proposed to the Land Use Bylaw. The final section sets out the results from public open houses and addresses each comment that was received.

For specific details of the changes, refer to proposed Municipal Development Plan and proposed Land Use Bylaw.

1.1 Reviewing Changes

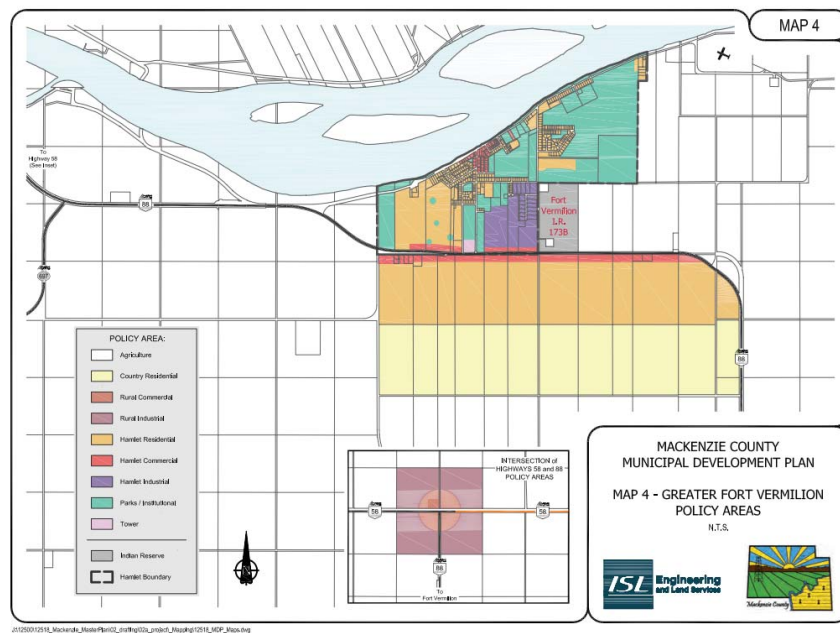
It is important to note that over time, as Area Structure Plans and Land Use Bylaws are being used, it is common for a Municipality to undertake a series of administrative amendments. We suggest that after six months to one year that Administration reviews their observations of the new Area Structure Plans, and the changes made to the Municipal Development Plan and Land Use Bylaw to implement them. This will ensure that improvements to the policies and regulations are undertaken in a timely manner.

2 Explaining Changes to the Municipal Development Plan

There are two general changes proposed to the Municipal Development Plan. The first one is to create generalized maps for land uses within each hamlet and create a strong link between the Area Structure Plans and the text and policies of the Municipal Development Plan. The second is to include new maps outlining the industrial Area Structure Plans and amend the text to refer to these new maps.

In respect of the first change, the Municipal Development Plan currently includes a land use concept map for each hamlet that is very specific as it prescribes land uses for every parcel of land within the hamlet. This serves in many ways as a higher level of Area Structure Plan. The downfall of this approach is that every time a land use change is made to an Area Structure Plan, the Municipal Development Plan must also change. This creates additional work for County Administration when changes to land uses occur to an Area Structure Plan that are inconsistent with those identified in the Municipal Development Plan.

Figure 1: Current Municipal Development Plan hamlet map for the Fort Vermilion area, including detailed land uses



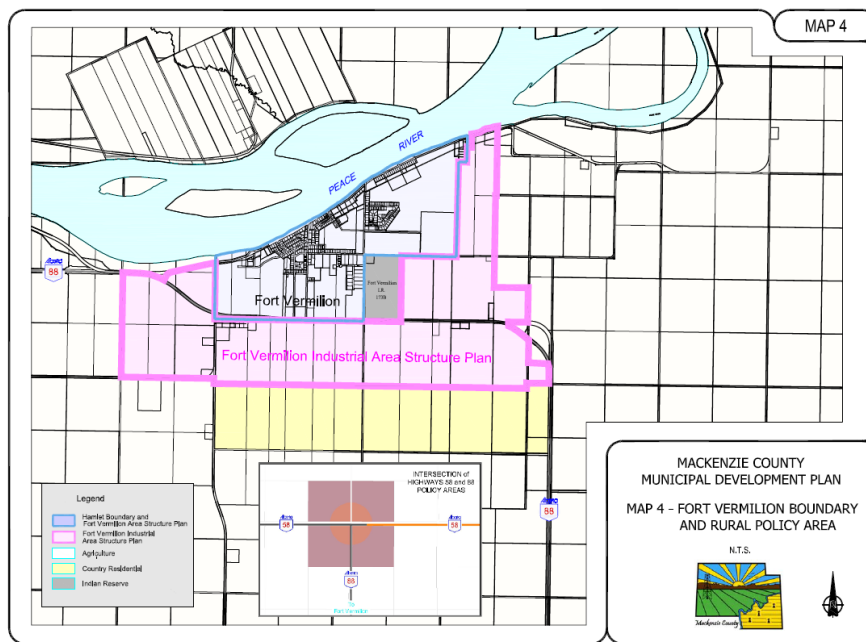
If the level of land use detail in the above map is retained in the Municipal Development Plan then all six new Area Structure Plans would necessitate mapping changes to the conceptual land use maps of the Municipal Development Plan. Changes would need to happen each time that one of the Area Structure Plans was updated or changed. This represents an inefficient approach to relating these different policy documents that we are seeking to improve.

The changes we are proposing to the Municipal Development Plan are intended to place more emphasis on the detailed land uses found in an Area Structure Plan and less on the land uses identified in the

Municipal Development Plan for the coincident lands. Instead of identifying site specific land uses within areas of land that are in both the Municipal Development Plan and Area Structure Plan, we propose that the Municipal Development Plan instead refers to the boundaries of the Area Structure Plans and leaves out the site specific land use detail. This approach places greater weight on the Area Structure Plan land use concepts and simplifies the process to amend or update and Area Structure Plan. Changes to the text and the maps of the Municipal Development Plan are proposed to implement this.

Additionally, new maps have been created for the industrial Area Structure Plans which identify the areas to which these plans apply.

Figure 2: Proposed new Municipal Development Plan hamlet map for the Fort Vermilion area, showing relation to Area Structure Plans



3 Explaining Changes to the Land Use Bylaw

The purpose of the Land Use Bylaw is to regulate the use and development of land and buildings within the boundaries of the County to achieve the orderly and economic development of land. The purpose of the proposed changes to the Land Use Bylaw is to put additional or amended regulations in place to implement the policies found within the new Area Structure Plans. The sections of the Land Use Bylaw which are affected are Section Three: Definitions and Interpretation, Section Seven: General Regulations and Section Eight: Land Use District Regulations.

3.1 Section Three: Definitions and Interpretation

The purpose of Section Three: Definitions and Interpretation is to provide a clear understanding and meaning for all of the Permitted and Discretionary Uses found within each of the Land Use Districts in the Land Use Bylaw. The definitions provide clarity for both the public and the Development Authority on the type and nature of the uses that are contained with each District while also giving a broader understanding of the intention and make up of each District and its regulations.

The purpose of the proposed changes to Section Three is to assist in implementing the vision and policies of the new Area Structure Plans by adding eight new Uses to the Land Use Bylaw, which will both regulate and encourage specific types of development to locate in the Plan areas. The proposed new Uses are:

- Arts, Crafts and Photography Studio,
- Building Supply Centre,
- Business Support Services,
- Light Manufacturing,
- Oilfield Support Services,
- Recreational Vehicle Sales,
- Retail Garden Centre and Shared Parking.

These new Uses will assist, by their type and nature, in achieving the specific type of growth, character and purpose of each of the Land Use Districts within the Area Structure Plans.

For example, the addition of the Arts, Crafts and Photography Studio is a new use which has been added to the core commercial district of the Hamlet of Fort Vermilion to encourage the development of cultural retail stores to help develop the hamlet's tourism industry, diversify the retail sector and provide additional employment opportunities for residents and entrepreneurs. Another new use is Shared Parking which has been added to some of the commercial districts to allow for a site to service the parking needs of more than one use at a time. This will assist in reducing the total amount of parking needed in some commercial areas, allowing for more productive and economic use of land and reduce storm water runoff from overly large parking areas.

Incorporating these additional Uses and their definitions into Section Three will provide clarity for both the public and the Development Authority when processing development permits for new businesses which would be listed within these new use categories.

3.2 Section Seven: General Regulations

The purpose of Section Seven: General Regulations is to provide a full list of regulations on a variety of items that must be adhered to in all Land Use Districts. General regulations provide detailed descriptions of requirements for various specific land uses or items associated with land uses. This section ensures that all land development and land uses are regulated in a manner that the County feels is essential to maintaining a high standard of land and building development. The purpose of the proposed changes to Section Seven is to provide additional regulations which will continue to ensure a high quality of building design and promote sustainable development practices, particularly within the new Commercial Land Use Districts that have been created to implement the Area Structure Plan policies.

The first amended regulation is 7.6 Building – Height, which has been renamed to 7.6 Building – Height, Design, Character and Appearance and now provides the County a greater degree of power to choose to require high quality design related to building form and design and site planning. One example of the new requirements under this expanded regulation is that a commercial building’s mechanical equipment shall be screened from view or incorporated into the roof envelope. This requirement focuses on the appearance and character of buildings which will assist with the promotion of contextual high quality development.

The second amended regulation is 7.28 Landscaping, Screening or Sound Barriers which has an additional requirement added which states that; “Low Impact Development (LID) features shall be incorporated into commercial developments. Examples of LID are; landscape conservation, green roofs, rain gardens and rain barrels”. This requirement focuses specifically on commercial districts with the purpose of adding sustainable development initiatives to reduce storm water runoff and provide increased landscaping in retail areas.

One new regulation is 7.47 Sea Cans, which provides regulations for the use of Sea Cans as storage containers. As Sea Cans can sometimes be out of character with surrounding development or not present a high quality image, restrictions are identified for which Districts and under what circumstances Sea Cans can be used. For example, Sea Cans cannot be stacked.

Incorporating these amendments to Section Seven will assist in implementing the policies within the new Area Structure Plans, particularly surrounding site development and building design, with a focus on increasing the quality and sustainability of new development.

3.3 Section Eight: Land Use District Regulations

The purpose of Section Eight: Land Use District Regulations is to describe all the Land Use Districts that have been approved by Council within Mackenzie County. Each Land Use District is comprised of a purpose statement, a list of permitted and discretionary uses, a set of regulations which includes density, lot area and minimum setbacks, and other requirements.

The purpose of the proposed changes to Section Eight is to include fourteen new Land Use Districts to regulate land use and development within the Area Structure Plans and to delete seven Land Use Districts which will have been superseded. The new Land Use Districts are based on the existing ones, as well as the policies of the Area Structure Plans.

The new Land Use Districts are specific to each hamlet and industrial Area Structure Plan. In the current Land Use Bylaw, many of the Land Use Districts apply to more than one hamlet. This means, for example, that when an amendment is created to address a land use issue in Fort Vermilion it also affects the other two hamlets. This does not allow the Land Use Bylaw to reflect the differences between the three communities. By creating new Land Use Districts for each community there is an increase in flexibility as each community may choose to change the Land Use Bylaw regulations for hamlet specific reasons without impacting other hamlets.

3.3.1 Fort Vermilion Proposed Land Use Districts

The following new Land Use Districts are proposed for Fort Vermilion:

- 8.5 Fort Vermilion Hamlet Commercial Centre "HCC1"*
- 8.6 Fort Vermilion Highway Commercial District "HC1"*
- 8.7 Fort Vermilion Limited General Industrial "LG1"*

The Hamlet Commercial Centre District will allow new development to reflect the unique character and history of the hamlet. The Highway Commercial District and the Limited General Industrial District are intended to foster commercial development in the vicinity of Highway 88.

3.3.2 Proposed Hamlet Industrial Districts

As industrial development tends to be similar between Fort Vermilion and La Crete, the following two new districts are proposed. These create the ability to separate heavier and lighter industrial uses into different areas to increase compatibility with surrounding land uses.

- 8.10 Hamlet Industrial 1 "HI1"*
- 8.11 Hamlet Industrial 2 "HI2"*

3.3.3 La Crete Proposed Districts

The following new Land Use Districts are proposed for La Crete:

- 8.17 La Crete General Commercial District "GC1"*
- 8.18 La Crete Highway Commercial District "HC2"*
- 8.19 La Crete Town Centre District "TC1"*

The La Crete General Commercial District is intended for commercial uses which do not require highway frontage. The Highway Commercial District is intended to represent the unique character of La Crete's major commercial street along 100 Avenue. The Town Centre District is intended to foster the development of a pedestrian friendly town centre that caters to small and medium format retail.

3.3.4 Rural Industrial Proposed Districts

To implement the Mackenzie and Footner Industrial Area Structure Plans, new Land Use Districts were required.

8.29 Rural Light Industrial District "RI1"

8.30 Rural General Industrial District "RI2"

The Rural Light Industrial District excludes uses which are expected to be incompatible with residential uses in nearby areas. The Rural General Industrial District includes a variety of heavy and light industrial uses.

3.3.5 Zama City Proposed New Districts

Zama City has four new districts:

8.32 Zama City Industrial "ZI"

8.33 Zama City Mixed Use "MU"

8.34 Zama City Residential "ZR"

8.35 Zama City Residential-Business "ZRB"

Zama City is a unique hamlet as it is closely tied to the oil and gas industry. These new districts recognize the need to support industrial and commercial activities while also striking a balance between residential and commercial needs.

3.3.6 Replaced Districts

Seven Land Use Districts are being replaced by the new Districts. These include:

8.4 Hamlet Commercial 1 "HC1"

8.5 Hamlet Commercial 2 "HC2"

8.8 Hamlet General "HG"

8.9 Hamlet Industrial 1 "HI1"

8.10 Hamlet Industrial 2 "HI2"

8.15 Highway Development "HD"

8.26 Rural Industrial "RI"

3.4 Changes to Land Use Bylaw Maps

In order to implement the changes to the Land Use Districts it is necessary to change some of the Land Use Bylaw District Maps for the hamlets and create new ones for the lands where industrial Area Structure Plans apply. These changes can be reviewed by comparing the current and proposed Land Use Bylaw District Maps for a given area of interest. Changes closely reflect the land use concepts of the Area Structure Plans.

4 Public Consultation Overview

From October 28 to October 31, 2013 Scheffer Andrew Ltd and Mackenzie County Administration held public open houses in Zama City, High Level, Fort Vermilion and La Crete from 7 to 9 pm. These were advertised in a local paper for two weeks ahead of time as well as on the County website.

4.1 Zama City Consultation Results

On October 28, 2013 an open house was held at the Cornerstone Building. There were four members of the public in attendance. With such a small group, a workshop style was used to review the materials. Comments and our proposed responses are included in the following table:

Comment	Response
Change 7.47 Sea Cans (a) to allow Sea Cans as a Principal Use in the Industrial District in Zama City.	Incorporated into proposed changes.
Change 7.47 Sea Cans (b) to allow Sea Cans as a use within the Commercial District in Zama City.	Incorporated into proposed changes.
Change 7.47 Sea Cans (d) to allow storage of hazardous materials in the Commercial and Industrial Districts when proper hazardous materials signage is applied.	Incorporated into proposed changes.
In the Zama City Mixed Use District add a liquor store/licensed facility as a Discretionary Use.	Incorporated into proposed changes.
In the Zama City Residential District add Manufactured Home – Single Wide as a permitted use.	Incorporated into proposed changes.
Remove Work Camp as a Discretionary use from proposed 8.35 Zama City Residential-Business District.	Incorporated into proposed changes.
Remove that portion of the proposed clause 8.35 Zama City Residential-Business District (D)(h) which would not allow plywood skirting around manufactured homes.	Incorporated into proposed changes.
Amend proposed clause 8.35 Zama City Residential-Business District (A)(i) to include allow for storage of bulk chemicals up to 500 litres.	Incorporated into proposed changes.
Mapping: change the public hall (Cornerstone Building site) to Recreation from Public/Institution.	No action. The Public/Institution District is an appropriate one for the property.
Allow temporary liquor sales from the clubhouse.	This would necessitate either adding a new use into the Recreation District or creating a new Land Use District to apply

	on this site. This would be best considered by the County through a separate process as this does not relate to implementation of the Area Structure Plans and was not the a topic during consultation.
Allow liquor sales in the Fort Vermilion Hamlet Commercial Centre District.	Incorporated into proposed changes.
General support for creating unique districts for each hamlet.	No action needed.
8.35 Zama City Residential-Business District (D)(h) allow Shop as a Discretionary Use, provided: accessory use only, 16 foot door maximum height, 2000 ft ² maximum gross floor area.	Incorporated into proposed changes.
Ensure shops are allowed in the Zama City Industrial and Zama City Mixed Use Districts.	Already included.

4.2 Town of High Level Consultation Results

An open house was held on October 29, 2013 at the Rural Hall, east of the Town of High Level. While there were seven members of the public in attendance, no comments were received in relation to the proposed changes to the MDP or LUB.

4.3 Fort Vermilion Consultation Results

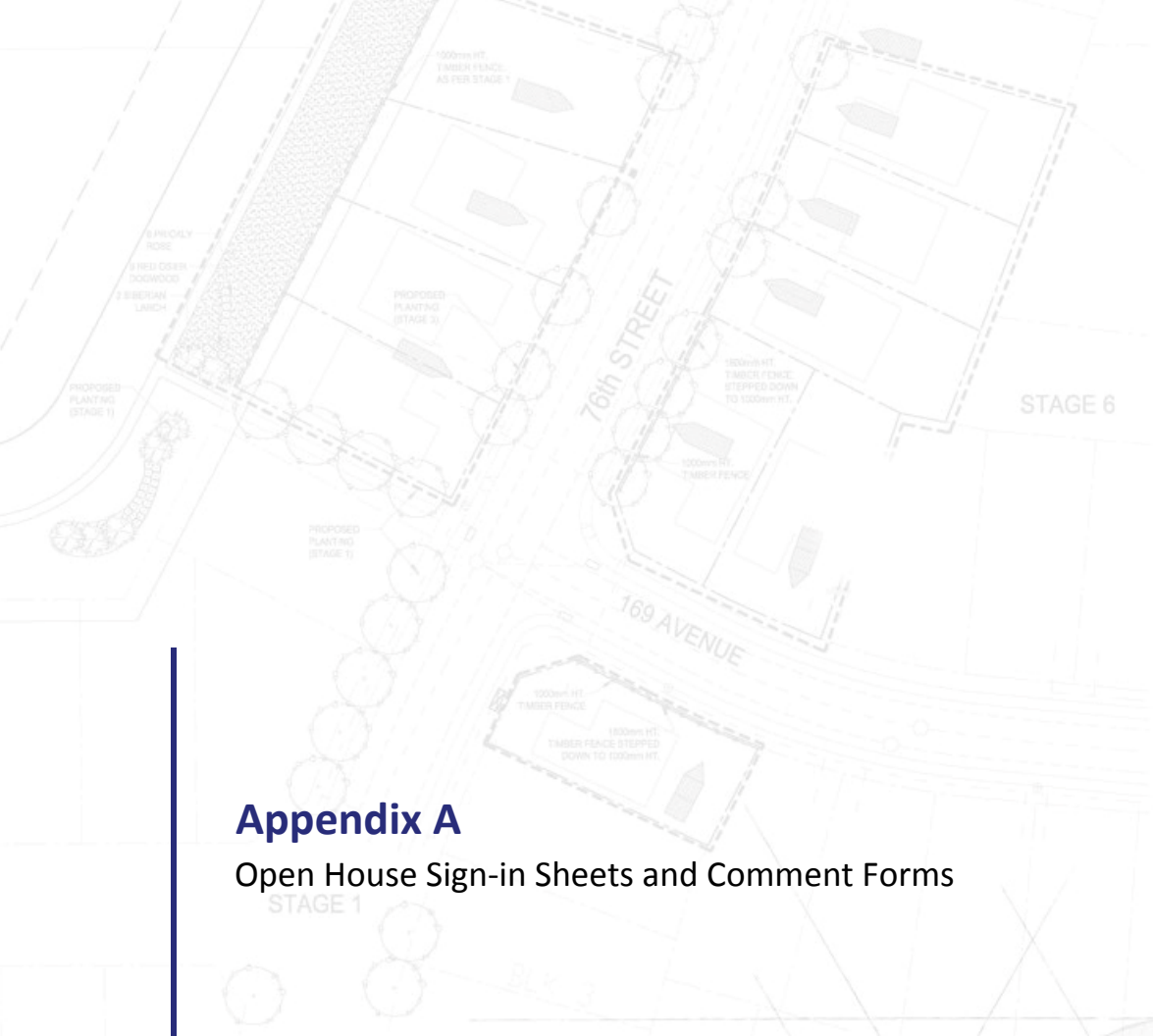
An open house was held on October 30, 2013 at the Recreation Complex in Fort Vermilion. There were 13 members of the public in attendance. There were two comments received from the public, these are outlined below.

<i>Comment</i>	<i>Response</i>
Remove Lot 3, Range 3 from the Fort Vermilion Industrial Area Structure Plan and allow it to remain agricultural.	The Fort Vermilion Industrial Area Structure Plan has been adopted by Council as a bylaw and there is a prescribed process for amending the Area Structure Plan which should apply in order for these properties to remain agricultural.
Why is the Country residential between the highway commercial and the industrial? It should be to the south of both of these uses.	By locating the country residential land uses closer to the hamlet of Fort Vermilion it is hoped that a stronger sense of community may be encouraged as these residential neighbourhoods develop over time.

4.4 La Crete Consultation Results

There were 19 members of the public and County representatives in attendance on October 31, 2013 at the La Crete Heritage Centre. Only one comment was received, addressed below:

<i>Comment</i>	<i>Response</i>
Allow Retail Garden Centre in the Highway Commercial Area for La Crete.	Incorporated into proposed changes.
Leave a portion of the existing Country Residential as Country Residential on the east of 100 Avenue towards the south end.	No change proposed as the Area Structure Plan outlines the lands in question as within the Highway Commercial Area. If the County determines that Country residential is a more appropriate use then the La Crete Hamlet Area Structure Plan should be amended to reflect this decision.



Appendix A

Open House Sign-in Sheets and Comment Forms

STAGE 1

Comment Form: Municipal Development Plan and Land Use Bylaw Update

Name Group Workshop

Address _____

Email _____ Phone _____

Please don't forget to tell us which section(s) of the Municipal Development Plan or Land Use Bylaw you are commenting on.

Comments:

7.47 (a) accessory to principal except in Ind land use district.

7.47 (d) --- Allowed in Ind/com so long as proper hazard labels applied.

Mixed used. - add Discretionary Liquor store / licensed facility

Zoned Res - add Single wide manholes permitted.

Delete work camp pg 153.

Z.C. - road weight restrictions.

ZRB - error in numbering in regulations.

Plywood skirting - delete clause.

(D, a, i) - --- bulk. (500 l) --- exempt heating of buildings.

Change public hall / admin to R from P.

Please return this form tonight. If you need more time please email comments to a.lucas@schefferandrew.com or fax to 403-228-9656 before November 08, 2013.

Thank you for your help in this process!



**Comment Form:
Municipal Development Plan and Land Use Bylaw Update**

Name GROUP WORKSHOP

Address /

Email / Phone /

Please don't forget to tell us which section(s) of the Municipal Development Plan or Land Use Bylaw you are commenting on.

Comments:

- F.V. add liquor store to HCU
- Support for different zoning
- Garage - detached heights
- ZBR - Shop as discretionary use
 - ~~height change to 17' and 20'~~
 - Accessory use only.
 - ~~16'~~ door height; remove other heights
 - GFA to 2500 ft²
 - no building height.
- Check to see shops allowed in Zm, Z1

Please return this form tonight. If you need more time please email comments to a.lucas@schefferandrew.com or fax to 403-228-9656 before November 08, 2013.

Thank you for your help in this process!





OPEN HOUSE SIGN IN SHEET

PROJECT Mackenzie County Municipal Development Plan and Land Use Bylaw Update
 FACILITATOR Ben Petch DATE 30 Nov 13
 PLACE/ROOM Rec hall, Fort Vermilion TIME 7-9 pm

PRINT NAME	ADDRESS	PHONE	EMAIL
Vionna Mitchell	Box 232 Fort Vermilion	780-927-4200	vionnam@rusd.ab.ca
Amanda Paul	Box 846 Fort Vermilion	780-841-3709	amandapaul77@hotmail.com
Ricky Paul	Box 846 Fort Vermilion	780-841-3709	rickyp@mackenzie.com
Peter Bresbrecht	Box 487 LaCrete	780-927-5443	
Irvine Charles	Box 97 Ft. Verm	780-927-4245	irvine98@hotmail.com
Deane [unclear]	Box 83 " "	780-927-4630	
Genny McLean	Box 261 F.V.	927-3367	
Debbie Bueckert	Box 66 F.V.	780-841-9380	d-c-b64@yahoo.ca
Margit Bueckert	Box 66 F.V.	780-927-3256	
Stony Bueckert	Box 66 F.V.	780-927-3258	
George Schmidt	Box 220, F.V.	780-927-3816	schmidt.george@gmail.com
Jack Eccles	Box 823, La Crete	780-926-6317	
Wally Schroeder	Box 1166 La Crete	928-2055	wallysch@telus.net



Reginald & Genevieve McLean
Box 261
Fort Vermilion, AB
T0H 1N0
Phone: (780) 927-3367
Fax: (780) 927-3167

October 30, 2013

Mackenzie County
Box 640
Fort Vermilion, Alberta
T0H 1N0

Re: Industrial Area Structure Plan
Lot 3, Range 3 and Lot 5, Range 3

We,(including our children and grandchildren), discussed the above Plan and oppose the Plan for Lot 3 Range 3; Lot 3 Range 5 to be left in the Plan.

We trust you will consider our request.

Sincerely,


Reg & Genny McLean



OPEN HOUSE SIGN IN SHEET

PROJECT Mackenzie County Municipal Development Plan and Land Use Bylaw Update
 FACILITATOR Ben Petch DATE 31 Oct 13
 PLACE/ROOM La Crete TIME 7-9

PRINT NAME	ADDRESS	PHONE	EMAIL
hanehambert	F.V.	6-0905	lessyl01@telus.net
Helena Peters	LC	6-0928	
Peter Keefe	LC	6-1159	
George Janzen	LC	6-6024	
Maria Lang	L.C.	841-2480	
Randy Rodgers	L.S.	926-1591	
John Martens	LC PO box 1225	841 1628	
Josh Knelsen	LC	926-7405	
ANDREW O'ROURKE	LC	502-2227	
David Zacharias	LC	841-1130	





OPEN HOUSE SIGN IN SHEET

PROJECT Mackenzie County Municipal Development Plan and Land Use Bylaw Update
 FACILITATOR Ben Petch DATE 31 Oct 13
 PLACE/ROOM La Crete TIME 7-9 pm

PRINT NAME	ADDRESS	PHONE	EMAIL
Wally Schroeder	Box 1166 La Crete	928-2055	wallysch@telus.net
JACK A. ECCLES	Box 823, La Crete	926-6317	
Peter Braun	B-817 LC	926-6238	
Carrick Krader		928-2156	
Bill Neuffer		928-2447	
Elm Derler		926-0451	
John W. Dwyer	Box 335	928-2131	
Bill Dwyer	Box 512	928-2654	



**Comment Form:
Municipal Development Plan and Land Use Bylaw Update**

Name Mary Janzen

Address Home Hardware 100-100 St.

Email _____ Phone _____

Please don't forget to tell us which section(s) of the Municipal Development Plan or Land Use Bylaw you are commenting on.

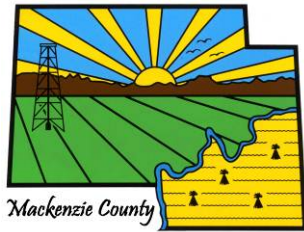
Comments:
Retail Garden Centre should be allowed
in the Hamlets in the Highway Commercial area.

Leave Portion of Country Residence as
Country Residence on east side of 100 Ave. South
End.

Please return this form tonight. If you need more time please email comments to a.lucas@schefferandrew.com or fax to 403-228-9656 before November 08, 2013.

Thank you for your help in this process!





MACKENZIE COUNTY

REQUEST FOR DECISION

Meeting:	Special Council Meeting
Meeting Date:	November 19, 2013
Presented By:	Alison Kilpatrick, Director of Corporate Services
Title:	Policy ADM046, Hiring Policy

BACKGROUND / PROPOSAL:

Each year, Mackenzie County faces considerable competition in the labour market for attracting and retaining seasonal and summer employees.

The County's hiring policy is silent on the treatment of R.A.P. (Registered Apprenticeship Program) students.

OPTIONS & BENEFITS:

Please review the attached Policy ADM046, Hiring Policy, with recommended revisions.

COSTS & SOURCE OF FUNDING:

Operating Budget.

COMMUNICATION:

N/A

RECOMMENDED ACTION:

For discussion.

Author: Alison Kilpatrick **Reviewed by:** _____ **CAO** _____

Mackenzie County

Title	Hiring Policy	Policy No:	ADM046
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Legislation Reference	MGA, Part 5, Division 6 and Part 6
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Purpose

Mackenzie County believes it is necessary to have a policy in place to govern and regulate hiring procedures, including the hiring of relatives of Members of Council, Committees and Municipal Employees, and the provision of opportunities for students participating in work experience and registered apprenticeship programmes (R.A.P.).

Policy Statement and Guidelines

Mackenzie County is an equal employment opportunity employer committed to hiring practices that will provide the municipality with the best combination of training, experience and cost.

The municipality supports and practices a policy of non-discrimination in all human resource practices related to recruitment, hiring, compensation, training, transfers or promotions, benefits and all other terms of employment, and to student participation in work experience and R.A.P. programmes. We support the intent of all related federal and provincial legislation regarding non-discrimination related to race, religion, gender, sexual orientation, age, handicap, ~~sex~~ colour or national origin.

Guidelines:

1. All union positions must be posted internally for 10 calendar days. External advertising (i.e. local papers, professional organizations, and the County website) can be concurrent with internal posting. External advertising should be for a period of at least two weeks.
2. Human Resources (further referred to as "HR") will be responsible for all job postings with input from the appropriate party i.e. Department Supervisors/Directors/CAO/Council.
3. All resumes and application forms are to be submitted to HR.
4. All resumes and applications will be reviewed by HR, a Director or Manager and one member of the department and a short-list will be made.
5. HR, a Director or Manager and one member of the department shall conduct interviews and hire for all unionized position. In accordance with the AUPE Collective Agreement, Article 10.01, if all qualifications are the same, preference

may be given to present Employees over external applicants.

6. Council shall conduct interviews and hire for the position of Chief Administrative Officer. HR may assist as required.
7. The Chief Administrative Officer shall conduct interviews and hire for all Executive positions. HR may assist as required.
8. Compensation for unionized positions at initial hiring will be at Level 1 unless deemed otherwise by the CAO.
9. Compensation for seasonal or summer staff shall be established as follows:
 - Seasonal or summer staff will be hired for a period of less than 4 months;
 - Preference will be given to applicants with a valid driver's license;
 - During the hiring process, preference will be given to the university/college students;
 - The pay grid for all Seasonal Staff is as follows:
 - 1st year – ~~MW plus \$3.00~~ GML rate, 1st step on pay grid, less \$2.00
 - 2nd year – ~~MW plus \$4.00~~ GML rate, 1st step less \$1.00
 - 3rd year – ~~MW plus \$5.00~~ GML rate, equal to 1st step
 - 4th year – ~~MW plus \$6.00~~ GML rate, 2nd step on pay grid

(GML – General Maintenance Labourer hourly rate as established by the Collective Agreement)

10. R.A.P. students will earn the prevailing minimum wage rate, as set by the Government of Alberta.

11. Work experience students will not earn salaries or wages.

Employment of Family Members

Family member means an Employee's, R.A.P. or Work Experience Student's spouse (including common-in-law spouse), parents, guardian, parent-in-law, grandparent, grandchild, son, daughter, brother, sister, or the husband or wife of any of them. Article 2(g) of the AUPE Collective Agreement.

- (a) The County will not show preference nor will it discriminate either in favour for or against any relatives of employees, elected representatives or appointed representatives who wish to apply for employment.
- (b) Any member of the hiring team will declare a familial relationship as defined under the definition of Family Members as soon as he/she becomes aware that a relative has applied for the position. He/she will exclude him/herself from the selection process. Another individual will be selected to fill the vacancy.

- (c) A familial relationship that has been reported will have no bearing on the hiring decision as long as they will not be reporting directly to a family member.
- (d) Recommendations are permissible, under no circumstances shall employees, elected or appointed representatives' place any undue pressure or interference in the selection process.

Reporting Relationship

A person shall not hire or directly supervise one of their relatives. A direct reporting relationship is one where an employee has responsibility for and authority over another employee to assign and schedule duties and conduct performance evaluations.

Any familial direct reporting relationships that may exist at the time this policy is adopted by Council and those which come into being by means other than initial hiring will be allowed to continue. However, in the event that a direct reporting relationship between relatives is the result of a personal decision (e.g. marriage) or job change, every effort will be made to transfer one of the affected employees, to a comparable position within the organization.

	Date	Resolution Number
Approved	25-Jul-07	07-07-683
Amended	23-Apr-08	08-04-282
Amended	28-Apr-10	10-04-316
Amended	15-Mar-12	12-03-188
Amended		

2014 Operating Budget

November 19, 2013 – Special Council Meeting

2014 Operating Budget Draft

A. Statements of Operations:

- i. 2014 Operating Budget by Object (including depreciation of assets)
- ii. 2014 Operating Budget by Function (including depreciation of assets)
- iii. 2014 Operating Budget by Function (excluding depreciation of assets)

REVIEW OF STATEMENT OF OPERATIONS (comparison of prior years to 2014 budget):

Mackenzie County's management team has drafted the 2014 operating budget for Council's consideration, using various assumptions including maintenance of current levels of service (status quo), and recalculation of the water and sewer rate, in order to reach 100% recovery rate of operating expenses excluding TCA amortization and including long-term debt principal and interest payments.

OPERATING EXPENSES – VARIANCE HIGHLIGHTS (excluding amortization of assets):

The County's 2014 operating budget draft projects an increase in expenditures of approximately 15%. A summary of the major changes in the operating budget draft follows:

Description	2013 Budget	2014 Budget	\$ Difference	% Difference
534-Gravel (apply: supply and apply)	\$840,130	\$3,203,600	\$2,363,470	281%
11X-Salaries & Benefits, & Honorariums	\$8,233,025	\$8,924,211	\$691,186	8%
995-Depreciation of TCA	\$7,376,914	\$8,241,398	\$864,484	12%
994-Change in inventory	(\$550,648)	(\$979,509)	(\$428,861)	78%
831-Interest - long term debt	\$469,490	\$748,784	\$279,294	59%
251-Repair & maintenance - bridges	\$181,100	\$406,500	\$225,400	124%
235-Professional fee	\$1,364,204	\$1,486,610	\$122,406	9%
521-Fuel and oil	\$732,650	\$820,550	\$87,900	12%
532-Dust control	\$419,800	\$485,000	\$65,200	16%
266-Communications	\$68,706	\$114,872	\$46,166	67%
236-Enhanced policing fee	\$347,500	\$142,000	(\$205,500)	-59%

In brief, these changes are attributable to:

- The supply and application of gravel (534), and the change in inventory (994) represents a three-year crushing programme.
- Depreciation (995) reflects a growing stock of tangible capital assets; although depreciation is a non-cash expense, government financial experts advise setting aside some portion of that expense into municipal reserves in order to fund future acquisition, expansion or replacement of those assets. The County's current annual contribution of \$1,535,000 to reserves represents 19% of Depreciation; this amount is often used in the same year that the contribution is made for current year capital projects.
- Salaries & Benefits (11X) includes a 3.25% increase in accordance with the collective agreement, up-grid salary increases, and changes in the organization chart as approved by Council.

- Interest expense (831) is based on a projected balance for long-term debt of \$23,059,186 at December 31, 2013 (December 31, 2014 projection is \$20,805,153, after semi-annual payments). This estimate is based on no additional borrowing.
- Repairs & Maintenance to Bridges (251) include County-wide assessments \$5,000, inspections \$12,000, maintenance \$375,000, and warranty inspections \$3,000.
- Professional Fees (235) include increases in the Water Department for liming rural water points \$5,750, iron bacteria testing \$2,020, meter installations \$1,720, Atco meter reading \$1,200; in the Fire Department, for added fire investigations (contracted services) for all four departments \$17,500, and added estimated emergency calls, including water truck and heavy equipment assistance \$16,380; and, in the Enforcement Department, a contracted peace officer in Rainbow Lake \$70,000 (an estimate), and an increase for implementing the clean-up orders bylaw \$10,000.
- Fuel and oil (521) is based on trends in StatsCan's Consumer Price Indices for fuel prices for Edmonton.
- Dust control (532) reflects an increase in applicants in 2013 due to the change in fees charged; dust control expenses will be offset, in part, by those fees.
- Communications (266) includes for the Fire Department, added satellite phones rentals, monthly fees, and tower rental for response to Highway 88 Connector and other incidents \$54,319, and for additional dispatch radios and increased monthly fees \$8,447; and for the Planning and Development Department, \$15,000 for promoting economic development within the County.

These budget increases are offset, in part, by a -\$205,500 reduction to the Enhanced Policing Fee (236). The 2014 budget estimate includes one position, versus 2.5 positions in the 2013 budget.

Department-specific budgetary notes are repeated in the following summary of budget highlights by department.

DEPARTMENTAL BUDGET HIGHLIGHTS:**Council:**

There is a slight projected increase of 3.9% in operating expenses for Council, consisting of an increase in Honoraria of \$33,400. This increase is offset, in part, by reductions to Travel and Subsistence -\$7,500, and Election Cost -\$3,000.

Administration:

The Administration department budget includes an increase in operating expenses of \$297,252, or 8.7%. The increase is due to:

- Assessor fees \$27,100, due to general increases in charges levied.
- Travel and subsistence \$26,230, as a result of ongoing demands for regional collaboration and strategic/economic development.
- Insurance premiums \$25,750, reflecting a reallocation/correction of charges between departments.
- Audit fee \$18,500 to include corrected amount for auditors' travel, accommodation and meal costs.

Grants to Other Governments:

Grants to Other Governments are estimated to increase by \$46,024, or 2.6%. This change reflects a projected increase in the shared municipal revenues payable to Town of High Level, as a result of increased assessment. As part of this 2014 Operating Budget Draft package, Administration presents a Request for Decision (RFD) on this subject, for Council's review and consideration.

Protective Services:

The projected decrease for these departments (Fire, Ambulance & Municipal Emergency, and Enforcement) is -\$71,008 or -4.5%.

The major changes in the operating budget for Protective Services include:

- Enhanced Policing Fee reduced by -\$205,500, to reflect 1 position, versus 2.5 positions in the 2013 budget.
- Professional Fees include additions for fire investigations (contracted services) for all four departments \$17,500, added estimated emergency calls, including water truck and heavy equipment assistance \$16,380, and a contracted peace officer

in Rainbow Lake \$70,000, and an increase for implementing the clean-up orders bylaw \$10,000.

- Communications adds satellite phones rentals, monthly fees, and tower rental for response to Highway 88 Connector and other incidents \$54,319, and for additional dispatch radios and increased monthly fees \$8,447.
- Fuel and oil increases by \$39,750 based on trends in StatsCan's Consumer Price Indices for fuel prices for Edmonton, and a higher estimate for responses to emergencies on the Highway 88 Connector.
- Goods and Supplies includes increases in self-contained breathing apparatus and tanks \$7,550, bunker gear \$4,800, voice amplifiers for SCBA masks \$3,000, foam \$2400, and safety gear and apparel.

Transportation Department

This department includes transportation and airport functions.

Transportation operating expenses are projected to increase overall by \$3,471,888 or 28%. The primary component of this increase is the three-year gravel crushing programme, costing \$3,203,600, which is an increase of \$2,363,470 over the 2013 budget of \$840,130.

Other changes in the operating budget for the Transportation Budget include:

- Repairs & Maintenance to Bridges increases by \$225,400, including County-wide assessments (\$5,000), inspections (\$12,000), maintenance (\$375,000), and warranty inspections \$3,000. This increase is offset, in part, by a reduction of -\$175,378 to Structural Repairs & Maintenance.
- Depreciation expense increases by \$840,786 and an increase of \$300,258 interest expense reflect increased investment in tangible capital assets and the use of long-term borrowing to finance the Highway 88 Connector project when government resource funding was cancelled in 2013.
- Fuel and oil increases by \$78,000 based on trends in StatsCan's Consumer Price Indices for fuel prices for Edmonton.
- Dust control increases by \$65,000 to reflect an increase in demand from applicants in 2013 due to the change in fee. The increase in this expense will be offset, in part, by corresponding revenue.

The Airport operating budget increase is \$32,722 or 10%. These increases occur in Rental \$13,771, with the addition of a contract offset by the expiration of another, and in Depreciation of tangible capital assets \$11,931.

Utilities Departments: (water, sewer, solid waste)

The Utilities departments include water, sewer, and solid waste programmes. In total, the operating budget for these departments increases by \$208,366 or 4.4%, broken down as follows:

- Water – increase of \$216,548, or 7%;
- Sewer – increase of \$21,156, or 2%; and,
- Waste – decrease of -\$29,338, or -4%.

The major changes in the Water Department's operating budget include:

- Structural Repairs & Maintenance increase by \$59,000 for clearing brush at rural water points \$35,500, and clearwell cleaning \$28,500.
- Repairs & Maintenance of Equipment increases by \$13,500 or 48% by adding ClearPAC scale installation \$2500, replacement of a turb meter \$6,500, and the addition of water pump at \$5,500; these increases are offset, in part, by a reduction of \$1,000 for electrical repairs.
- Freight costs increase by \$9,320 or 21%, primarily due to shipment of more salt which is required to treat higher volumes of water as demand increases, plus use of a new type of water sample for testing of iron bacteria.
- Depreciation of tangible capital assets increases by \$13,223.

These increases are offset, in part, by reductions in purchases of Goods & Supplies -\$12,585, and -\$12,116 in interest on long-term debt.

The major changes in the Sewer Department's operating budget include:

- Structural Repairs & Maintenance increases include additional \$46,000 for manhole repairs, \$8,400 for vacuum sewage at the experimental farm, \$6,700 for hydrovac lift stations, \$4,400 for hydrovac manholes.

These increases are offset by decreases in Depreciation of tangible capital assets - \$90,518 or -20%, and in Insurance -\$9,700 or -32%.

In the Waste Department, less operating funds are required for freight -\$3,000, electrical power -\$1,675, depreciation -\$1,655, travel & subsistence -\$1,400, and vehicle and equipment rental -\$1,200.

Public Health & Welfare:

There is no change in this department currently. Administration used 2013 figures as the grants to other organizations have not been reviewed and approved by Council yet.

Planning & Development:

The operating budget for the Planning & Development department, which includes Subdivisions, includes increases of \$117,559, or 11.4%, including the following highlights:

- Computer programming includes upgrades and updates for Altalis such as an additional \$27,400 for annual map updates, cadastral updates to purchase the rest of the ATS grid for the County, disposition data of all the leases, MLLs, etc., and views data or aerial photography, two AutoCad map user seats \$15,000 to allow three users within the County, thereby allowing every department to make their own basic maps, and software updates \$5,000.
- Communications is a new budget line of \$15,000, for promoting economic development within the County. The goal is to put the money from the business license fees back into the community. Planned objectives include: sponsoring speakers; hosting events and lunches; advertising both locally and out of region; work with DMO, REDI, RABC, etc., to ensure that we promote business growth in Mackenzie County; basic research costs; and, annual ABL stickers, ABL certificates, etc.

Agriculture and Veterinary:

The costs of operating County's agricultural and veterinary programmes are estimated to increase by \$47,379, or 3.4%. The major changes in this budget are as follows:

- Engineering and consulting add \$12,500 for Blue Hills Water Management Control, as recommended by motion of the Agriculture Service Board (ASB).
- Promotional expense has been increased to \$35,000 or by \$7,000, which is the estimate for the County's 2nd Agricultural Fair & Trade Show. These expenses will be offset, in part, by trade show revenues, estimated at \$28,345.

Recreation & Culture:

This category includes grants to the recreation boards and the library, and operating budgets for the parks & playgrounds, and tourism departments.

Please note that no changes have been made to the grants to the recreation and library boards. Administration used 2013 figures as the grants to these organizations have not been reviewed and approved by Council yet.

The operating budget for the Recreation department includes an increase of \$88,392 for the depreciation of tangible capital assets.

The Parks & Playground budget increases by \$145,134, or 20%, for salaries and benefits, and for purchases of Goods and Supplies, including trees for Knelsen Park \$1,675, updated signage for Hutch Lake \$4,500, Wadlin Lake \$4,500 and Machesis Lake \$4,500, feature power pole beautification \$1,500, and additional hanging flower baskets \$720.

These increases are offset, in part, by reductions to depreciation -\$25,378, professional fees -\$7,420, telephone -\$2,350, freight -\$2,000, and repairs & maintenance for equipment -\$2,000.

MACKENZIE COUNTY
STATEMENT OF OPERATIONS - 2014 BUDGET (including depreciation of capital assets)

	2011 Actual	2012 Actual	2013 Actual to Nov. 9, 2013	2013 Budget	2014 Budget	\$ Budget Change	% Budget Change
OPERATING REVENUES							
100-Taxation	29,249,181	29,859,344	30,861,007	30,880,043	-		TBD
124-Frontage	247,129	255,668	234,684	272,552	267,599	(4,953)	-2%
747-School requisition	6,295,112	6,157,364	4,662,002	6,222,152	-		TBD
750-Lodge requisition	719,088	291,715	392,262	392,262	-		TBD
Net property taxes	22,482,110	23,665,933	26,041,426	24,538,181	267,599	(24,270,582)	
420-Sales of goods and services	303,843	641,482	319,089	322,405	347,635	25,230	8%
421-Sale of water - metered	1,522,444	2,097,610	1,826,876	2,397,080	2,295,480	(101,600)	-4%
422-Sale of water - bulk	500,878	700,271	585,543	802,987	745,810	(57,177)	-7%
424-Sale of land	13,922	63,764	46,859	-	-	-	
510-Penalties on taxes	115,552	140,171	241,941	115,000	140,000	25,000	22%
511-Penalties of AR and utilities	35,870	41,251	34,304	35,000	40,000	5,000	14%
520-Licenses and permits	11,704	19,911	20,184	15,600	33,000	17,400	112%
521-Offsite levy	10,437	61,302	156,593	-	-	-	
522-Municipal reserve revenue	24,601	44,578	102,766	-	50,000	50,000	
526-Safety code permits	263,848	330,815	264,128	250,000	250,000	-	0%
525-Subdivision fees	37,586	48,899	40,624	25,000	25,000	-	0%
530-Fines	29,836	16,270	14,093	28,000	20,000	(8,000)	-29%
531-Safety code fees	11,168	13,074	11,070	10,000	10,000	-	0%
550-Interest revenue	422,701	430,269	324,738	326,000	326,000	-	0%
551-Market value changes	-	23,771	(136,263)	-	-	-	
560-Rental and lease revenue	74,858	77,847	82,474	80,128	77,591	(2,537)	-3%
570-Insurance proceeds	8,729	673	16,236	-	-	-	
592-Well drilling revenue	22,903	250,945	129,592	25,000	75,000	50,000	200%
597-Other revenue	182,468	184,802	177,773	206,875	212,875	6,000	3%
598-Community aggregate levy	90,189	109,231	30,690	67,750	50,000	(17,750)	
630-Sale of non-TCA equipment	1,500	3,454	-	-	-	-	
790-Tradeshaw Revenues	-	-	1,475	-	28,345	-	
830-Federal grants	-	1,874	-	-	-	-	
840-Provincial grants	1,296,307	3,240,086	867,792	1,223,479	1,228,000	4,521	0%
990-Over/under tax collections	12,750	(28,460)	-	(23,243)	-	23,243	TBD
TOTAL REVENUE	27,476,202	32,179,823	31,200,001	30,445,242	6,222,335	(24,251,252)	
OPERATING EXPENSES							
110-Wages and salaries	4,436,777	5,140,205	4,303,594	6,323,484	6,816,981	493,497	8%
132-Benefits	803,760	880,574	851,034	1,249,650	1,419,748	170,098	14%
136-WCB contributions	46,075	42,059	40,664	61,391	55,434	(5,957)	-10%
142-Recruiting	17,653	18,716	-	20,000	20,000	-	0%
150-Isolation cost	57,009	35,642	40,400	66,000	66,000	-	0%
151-Honoraria	548,907	473,231	387,586	532,500	566,050	33,550	6%
211-Travel and subsistence	292,020	412,881	248,949	335,100	369,240	34,140	10%
212-Promotional expense	15,163	34,222	88,635	72,500	77,500	5,000	7%
214-Memberships & conference fees	94,517	111,370	67,147	125,480	127,280	1,800	1%
215-Freight	94,534	97,306	83,932	113,260	123,980	10,720	9%
216-Postage	22,130	29,193	35,823	33,450	42,500	9,050	27%
217-Telephone	165,370	136,459	115,095	160,709	142,839	(17,870)	-11%
221-Advertising	61,461	61,978	36,633	71,940	59,500	(12,440)	-17%
223-Subscriptions and publications	3,932	4,777	4,990	8,222	11,512	3,290	40%
231-Audit fee	54,690	68,965	42,625	57,500	76,000	18,500	32%
232-Legal fee	124,423	74,488	42,437	95,000	95,000	-	0%
233-Engineering consulting	88,981	153,245	48,961	91,000	98,500	7,500	8%
235-Professional fee	1,317,904	2,660,001	1,086,720	1,364,204	1,486,610	122,406	9%
236-Enhanced policing fee	282,846	237,840	118,714	347,500	142,000	(205,500)	-59%
239-Training and education	50,008	42,147	42,672	175,405	173,456	(1,949)	-1%
242-Computer programming	41,992	52,746	46,278	61,119	106,328	45,209	74%
251-Repair & maintenance - bridges	174,036	59,312	19,054	181,100	406,500	225,400	124%
252-Repair & maintenance - buildings	151,369	181,060	80,136	172,716	184,150	11,434	7%
253-Repair & maintenance - equipment	244,211	256,390	235,309	300,300	332,400	32,100	11%
255-Repair & maintenance - vehicles	100,413	100,884	50,806	94,200	92,800	(1,400)	-1%
258-Contract graders	105,911	93,290	108,680	150,000	150,000	-	0%
259-Repair & maintenance - structural	948,792	989,490	1,230,426	1,855,908	1,795,605	(60,303)	-3%
261-Ice bridge construction	83,365	76,692	70,212	120,000	120,000	-	0%
262-Rental - building and land	36,933	15,133	17,625	17,029	31,850	14,821	87%

	2011 Actual	2012 Actual	2013 Actual to Nov. 9, 2013	2013 Budget	2014 Budget	\$ Budget Change	% Budget Change
263-Rental - vehicle and equipment	98,143	69,940	39,785	64,228	61,556	(2,672)	-4%
266-Communications	68,041	73,785	62,415	68,706	114,872	46,166	67%
271-Licenses and permits	8,753	10,704	10,062	12,829	20,100	7,271	57%
272-Damage claims	1,000	1,500	31,234	5,000	5,000	-	0%
273-Taxes	13,382	990	727	15,000	15,000	-	0%
274-Insurance	241,106	272,043	109	284,800	313,000	28,200	10%
342-Assessor fees	252,483	257,865	188,577	235,000	262,100	27,100	12%
290-Election cost	-	-	13,401	8,000	5,000	(3,000)	-38%
511-Goods and supplies	723,152	1,041,571	522,207	878,561	916,136	37,575	4%
521-Fuel and oil	719,646	821,066	631,472	732,650	820,550	87,900	12%
531-Chemicals and salt	215,575	195,479	191,494	280,950	295,600	14,650	5%
532-Dust control	328,956	365,815	458,750	419,800	485,000	65,200	16%
533-Grader blades	153,301	133,451	92,644	150,000	140,000	(10,000)	-7%
534-Gravel (apply: supply and apply)	1,957,622	1,017,661	599,643	840,130	3,203,600	2,363,470	281%
535-Gravel reclamation cost	621,903	12,109	-	-	-	-	-
543-Natural gas	102,962	84,170	88,106	98,464	117,500	19,036	19%
544-Electrical power	549,748	571,607	583,443	657,587	716,645	59,058	9%
710-Grants to local governments	1,598,790	1,371,120	1,295,787	1,765,786	1,811,810	46,024	3%
735-Grants to other organizations	1,498,132	1,690,701	1,676,315	1,825,925	1,825,925	-	0%
810-Interest and service charges	32,418	39,202	12,255	36,000	36,000	-	0%
831-Interest - long term debt	484,236	426,418	259,959	469,490	748,784	279,294	59%
921-Bad debt expense	(1,119)	3,475	69	8,000	7,500	(500)	-6%
922-Tax cancellation/write-off	11,732	202,181	4,242	60,000	50,000	(10,000)	-17%
992-Cost of land sold	7,286	4,429	-	-	-	-	-
993-NBV value of disposed TCA	1,094,979	854,138	-	13,492	-	(13,492)	-100%
994-Change in inventory	(956,123)	713,078	-	(550,648)	(979,509)	(428,861)	78%
995-Depreciation of TCA	6,401,174	6,769,738	-	7,376,914	8,241,398	864,484	12%
TOTAL	26,694,521	29,544,532	16,307,831	30,013,331	34,423,330	4,409,999	15%
Non-TCA projects	341,735	204,592	486,478	1,142,690	-	(1,142,690)	TBD
TOTAL EXPENSES	27,036,256	29,749,124	16,794,309	31,156,021	34,423,330	3,267,309	10%
EXCESS (DEFICIENCY)	439,946	2,430,698	14,405,692	(710,779)	(28,200,995)	(27,518,561)	
OTHER							
125-Connection fees	103,235	-	275	-	-	-	TBD
830-Federal transfers for capital	103,235	5,103,229	-	-	-	-	TBD
840-Provincial transfers for capital	2,090,211	-	3,334,713	14,553,894	-	(14,553,894)	TBD
550-Interest revenue	31,000	-	-	-	-	-	TBD
570-Insurance proceeds	31,000	-	-	-	-	-	TBD
575-Contributed TCA	1,442,832	-	-	325,000	-	(325,000)	TBD
597-Other capital revenue	24,800	156,682	64,175	380,103	-	(380,103)	TBD
630-Proceeds from sale of TCA assets	1,003,616	663,235	1,523	1,500	-	(1,500)	TBD
631-Proceeds of traded-in TCA assets	-	-	-	-	-	-	TBD
	4,829,929	5,923,146	3,400,686	15,260,497	-	(15,260,497)	
EXCESS (DEFICIENCY) - PS MODEL	5,269,875	8,353,844	17,806,378	14,549,718	(28,200,995)	(42,779,058)	

TBD = To be determined during subsequent presentations of the budget.

MACKENZIE COUNTY
STATEMENT OF OPERATIONS - 2014 BUDGET (including depreciation of capital assets)

	2011 Actual	2012 Actual	2013 Actual	2013 Budget	2014 Budget	\$ Variance	% Variance
OPERATIONAL REVENUES							
Property taxes	29,509,060	30,086,554	31,095,690	31,129,352	267,599	(30,861,753)	TBD
School requisitions	6,295,112	6,157,364	4,662,002	6,222,152	-	(6,222,152)	TBD
Lodge requisitions	719,088	291,715	392,262	392,262	-	(392,262)	TBD
Net property taxes	22,494,860	23,637,475	26,041,426	24,514,938	267,599	(24,247,339)	
User fees and sales of goods	2,327,164	3,439,363	2,731,507	3,522,472	3,388,925	(133,547)	-3.8%
Government transfers	1,296,307	3,241,960	867,792	1,223,479	1,228,000	4,521	0.4%
Investment income (operating)	422,701	454,041	188,476	326,000	326,000	-	0.0%
Penalties and costs on taxes	115,552	140,171	241,941	115,000	140,000	25,000	21.7%
Licenses, permits and fines	354,142	428,969	350,098	328,600	343,000	14,400	4.4%
Rentals	74,858	77,847	82,474	80,128	77,591	(2,537)	-3.2%
Insurance proceeds	8,729	673	16,236	-	-	-	
Development levies	10,437	61,302	156,593	-	-	-	
Municipal reserve revenue	24,601	44,578	102,766	-	50,000	50,000	
Sale of non-TCA equipment	1,500	3,454	-	-	-	-	TBD
Other	345,352	649,993	420,692	334,625	401,220	66,595	19.9%
Total operating revenues	27,476,203	32,179,824	31,200,001	30,445,242	6,222,335	(24,222,907)	
OPERATIONAL EXPENSES							
Legislative	669,581	594,063	444,378	735,150	763,481	28,331	3.9%
Administration	2,992,174	3,379,386	2,178,253	3,415,061	3,712,313	297,252	8.7%
Grants to other governments	1,598,790	1,371,120	1,295,787	1,765,786	1,811,810	46,024	2.6%
Protective services	960,786	2,729,063	748,566	1,566,071	1,495,063	(71,008)	-4.5%
Transportation	12,881,821	13,181,067	5,895,276	12,686,567	16,191,177	3,504,610	27.6%
Water, sewer, solid waste disposal	3,933,057	4,211,295	2,285,369	4,754,579	4,962,945	208,366	4.4%
Public health and welfare (FCSS)	622,969	728,839	576,362	693,241	693,341	100	0.0%
Planning, development	532,589	785,546	642,956	1,030,661	1,148,220	117,559	11.4%
Agriculture and Veterinary	1,032,041	945,293	904,246	1,385,366	1,432,745	47,379	3.4%
Recreation and culture	1,470,713	1,618,859	1,336,638	1,980,849	2,212,235	231,386	11.7%
Non-TCA projects	341,735	204,592	486,478	1,142,690	-	(1,142,690)	TBD
Total operating expenses	27,036,256	29,749,124	16,794,309	31,156,021	34,423,330	3,267,309	10%
Excess (deficiency) before other	439,947	2,430,700	14,405,692	(710,779)	(28,200,995)	(27,490,216)	
CAPITAL REVENUES							
Government transfers for capital	2,193,446	5,103,229	3,334,713	14,553,894	-	(14,553,894)	TBD
Other revenue for capital	1,498,632	156,682	64,450	705,103	-	(705,103)	TBD
Proceeds from sale of TCA assets	1,003,616	663,234	1,523	1,500	-	(1,500)	TBD
	4,695,694	5,923,145	3,400,686	15,260,497	-	(15,260,497)	
EXCESS (DEFICIENCY) - PSAB Model	5,135,641	8,353,845	17,806,378	14,549,718	(28,200,995)	(42,750,713)	
Convert to local government model							
Remove non-cash transactions	6,540,031	8,336,955	-	6,839,758	7,261,889	422,131	6.2%
Remove revenue for capital projects	(4,695,694)	(5,923,145)	(3,400,686)	(15,260,497)	-	15,260,497	TBD
Long term debt principal	2,032,234	2,275,059	1,143,008	1,928,507	2,254,032	325,525	16.9%
Transfers to/from reserves	4,897,743	8,442,596	-	4,200,472	-	(4,200,472)	TBD
EXCESS (DEFICIENCY) - LG Model	50,000	50,000	13,262,685	-	(23,193,138)	(23,193,138)	

MACKENZIE COUNTY
STATEMENT OF OPERATIONS - 2014 BUDGET (excluding depreciation of capital assets)

	2011 Actual	2012 Actual	2013 Actual	2013 Budget	2014 Budget	\$ Budget Change	% Budget Change
OPERATIONAL REVENUES							
Property taxes	30,562,572	29,509,060	30,086,554	30,093,261	267,599	(29,825,662)	TBD
School requisitions	6,559,007	6,295,112	6,157,364	6,157,364	-	(6,157,364)	TBD
Lodge requisitions	720,470	719,088	291,715	291,715	-	(291,715)	TBD
Net property taxes	23,283,095	22,494,860	23,637,475	23,644,182	267,599	(23,376,583)	
User fees and sales of goods	1,969,856	2,327,164	3,439,363	3,270,453	3,388,925	118,472	4%
Government transfers	1,711,897	1,296,307	3,424,403	1,414,325	1,228,000	(186,325)	-13%
Investment income (operating)	288,412	422,701	454,041	346,500	326,000	(20,500)	-6%
Penalties and costs on taxes	141,654	115,552	140,171	115,000	140,000	25,000	22%
Licenses, permits and fines	313,221	354,142	428,969	255,880	343,000	87,120	34%
Rentals	64,542	74,858	77,847	61,211	77,591	16,380	27%
Insurance proceeds	4,129	8,729	673	-	-	-	
Development levies	175,572	10,437	61,302	-	-	-	
Municipal reserve revenue	105,063	24,601	44,578	-	50,000	50,000	
Sale of non-TCA equipment	6,056	1,500	3,454	-	-	-	TBD
Other	313,690	345,352	649,993	220,000	401,220	181,220	82%
Total operating revenues	28,377,188	27,476,201	32,362,266	29,327,550	6,222,335	(23,105,217)	
OPERATIONAL EXPENSES							
Legislative	532,989	669,581	594,063	675,209	763,481	88,272	13%
Administration	2,612,419	2,896,550	3,123,507	3,038,341	3,417,063	378,722	12%
Grants to Other Governments	1,948,168	1,598,790	1,371,120	1,816,600	1,811,810	(4,790)	0%
Protective services	1,100,310	838,851	2,601,963	1,417,565	1,333,312	(84,253)	-6%
Transportation	8,499,765	8,473,234	8,666,414	9,418,205	10,525,344	1,107,139	12%
Water, sewer, solid waste disposal	2,488,794	2,449,703	2,706,823	3,343,003	3,387,172	44,169	1%
Public health and welfare (FCSS)	594,579	622,969	728,839	696,041	693,341	(2,700)	0%
Planning & development	515,592	435,049	782,444	790,214	1,145,117	354,903	45%
Agriculture and Veterinary	1,250,686	1,032,041	847,740	1,345,991	1,323,211	(22,780)	-2%
Recreation and culture	1,258,783	1,276,579	1,351,883	1,567,646	1,782,081	214,435	14%
Total operating expenses	20,802,085	20,293,347	22,774,796	24,108,815	26,181,932	2,073,117	9%
Non-TCA projects	531,942	341,735	204,592	766,114	-	(766,114)	TBD
Excess (deficiency) before other	7,043,161	6,841,120	9,382,879	4,452,622	(19,959,597)	(24,412,219)	
CAPITAL REVENUES							
Government transfers for capital	6,337,196	2,193,446	5,103,229	12,116,720	-	(12,116,720)	TBD
Other revenue for capital	409,699	1,498,632	156,682	625,000	-	(625,000)	TBD
Proceeds from sale of TCA assets	1,160,660	1,003,616	663,234	634,001	-	(634,001)	TBD
	7,907,555	4,695,694	5,923,145	13,375,721	-	(13,375,721)	
EXCESS (DEFICIENCY) - PSAB Model*	14,950,716	11,536,814	15,306,024	17,828,343	(19,959,597)	(37,787,940)	
Convert to local government model**							
Remove non-cash transactions	906,361	138,857	1,567,218	896,010	(979,509)	(1,875,519)	-209%
Remove revenue for capital projects	(7,907,555)	(4,695,694)	(5,923,145)	(13,375,721)	-	13,375,723	TBD
Long term debt principal	1,709,972	2,032,234	2,275,059	2,421,974	2,254,032	(167,942)	-7%
Transfers to/from reserves or to fund capital projects	6,189,549	4,897,743	8,625,039	2,926,658	-	(2,926,658)	TBD
EXCESS (DEFICIENCY) - LG Model	50,000	50,000	50,000	0	(23,193,138)	(23,193,137)	

*Public Sector Accounting Board

TBD = To be determined during subsequent presentations of the budget.

Cash Flow Requirement

Cash Flow Requirement:

The Cash Flow Requirement schedule summarizes all of the County's cash requirements for the 2014 year, including operating, capital, borrowing, and municipal reserve transactions.

For this presentation of the operating budget draft, this schedule includes only the following financial objectives:

- cash flow needs for the draft operating budget, including the projected operating costs offset by estimated operating revenues;
- capital debt interest expense and principal repayments; and,
- annual transfers to municipal reserves as mandated by Council.

One of the key figures in this schedule is the amount of revenue that will be required to be raised by municipal levy, or property taxes, in order to fund the County's operating expenses.

At this time, the cash requirement for municipal levy, or property taxes, in order to meet the above-noted financial objectives is estimated at \$24,728,138.

In a subsequent section of this budget package, we show that the property tax revenues for 2014 – estimated conservatively – are forecast at \$24,028,651.

The offset of projected municipal levy against the cash requirement represents a shortfall of -\$699,487.

Administration has identified the following means, for Council's consideration, for addressing this shortfall:

1. Increasing the minimum and variable rates for the County's water and sewer utility programmes, in order to achieve 100% cost recovery, would result in additional utility revenues of \$486,645;
2. Implementing a minimum farm land tax rate of \$25, \$50 or \$75, and/or increasing the tax rate by 1, 2, or 3 mils for this property tax group would yield an additional \$42,183 - \$489,924 in municipal property tax revenue, depending on the combination of minimum tax and tax rate considered; and,
3. Short-term borrowing, as permitted by County policy FIN030, Debt Management, in the amount of \$1,000,000, to finance the second and third years of the three-year gravel crushing programme.
4. Discuss service levels.

Later sections of this 2014 operating budget package present the analyses of revenues and costs for (1) and (2).

Resolution of these questions about financing the County's operating services is a key step in budget deliberations prior to, and in tandem with, review and consideration of a capital spending programme for 2014. Under these circumstances, the cash flow requirement for capital spending will depend on a combination of increased municipal revenues from property taxes, borrowing, municipal reserves, and/or realignment of the County's operating services.

Mackenzie County
2014 BUDGET - Cash Requirement

	2013 Budget	% change	2014 Budget	
Operating Cash Requirements:				
Operating Cost (excluding non-cash items and capital debt interest expense)	\$22,704,083	16%	\$26,412,657	Schedule A-2
Non-TCA - Operating Costs (Non-TCA Projects List)	\$1,142,690	-100%	\$0	
Less: Other Operating Revenue (excluding municipal tax levy)	(\$6,202,856)	0%	(\$6,222,335)	Schedule A-1
Anticipated draw on short-term borrowing for 2015 & 2016 portions of 2014 gravel-crushing programme	\$0	0%	\$0	
Anticipated draw from prior year accumulated surplus - restricted (for Non-TCA projects)	(\$792,020)	-100%	\$0	(1)
Anticipated draw from prior year accumulated surplus - restricted (for operating purposes)	(\$89,270)		\$0	(1)
Tax levy for operations	\$16,762,627	20%	\$20,190,322	
Capital Cash Requirements:				
Capital costs	\$45,021,407	-100%	\$0	
Capital debt interest	\$469,490	59%	\$748,784	Schedule E
Capital debt principal	\$1,928,508	17%	\$2,254,033	Schedule E
Less:				
Capital revenue - grants	(\$14,549,112)	-100%	\$0	Schedule B
Other capital revenue (community, developers' contributions; contributed assets)	(\$705,103)	-100%	\$0	
Proceeds on disposal of assets	(\$1,500)	-100%	\$0	Schedule D
Proceeds from new debentures	(\$15,286,018)	-100%	\$0	Schedule E
Anticipated draw from prior year accumulated surplus - restricted	(\$10,932,912)	-100%	\$0	(2)
Anticipated draw from prior year accumulated surplus - unrestricted	\$0		\$0	
Tax levy for capital	\$5,944,759	-49%	\$3,002,816	
Minimum Tax Levy	\$22,707,387	2%	\$23,193,138	
Future Financial Plans:				
Contributions to Reserves as per Policies	\$1,535,000		\$1,535,000	Schedule C
Tax levy for future financial plans	\$1,535,000	0%	\$1,535,000	(3)
Total Tax Levy	\$24,242,387	2%	\$24,728,138	
Net budgeted cash draw on accumulated surplus accounts	(\$10,279,202)	-115%	\$1,535,000	(1) + (2) + (3)
OTHER:				
Restricted surplus (reserves), beginning of year	\$19,529,272		\$9,250,069	
Restricted surplus (reserves), ending of year	\$9,250,070		\$10,785,069	
Total budgeted operating and capital costs (excluding non-cash items)	\$71,266,178		\$29,415,473	

Long Term Debt

1. Schedule of ending balances for long term debt as of December 31, 2014

		2014	2013
Debentures -		\$	\$
From Alberta Capital Finance Authority:			
9	4.875%, due 2013 (for La Crete Sewer Main Extension)	-	-
10	4.23%, due 2014 (for La Crete Water Treatment Plant)	0	479,437
11	3.77% due 2015 (for La Crete 94th Avenue)	58,254	114,373
12	4.453% due 2016 (for La Crete Gravity Sewer Line)	87,574	128,552
13	4.311% due 2017 (for La Crete 98th Ave, Curb, Gutter, Sidewalk)	42,941	58,876
14	4.501% due for 2027 (for Zama Tower Road Sewer)	134,087	141,929
15	4.311% due for 2017 (for FV 46th Street Sewer Line Extension)	22,158	30,380
16	4.012% due for 2018 (for Zama Water Treatment Plant)	712,160	873,210
17	4.012% due for 2018 (for Zama Wastewater System)	349,200	428,169
18	3.046% due for 2013 (for Zama Groundwater Supply and Supply Line Project)	-	-
19	3.718% due for 2019 (for Zama Water Treatment Plant)	410,095	492,358
20	3.718% due for 2019 (for Zama Wastewater System)	121,158	145,462
21	3.334% due for 2019 (for La Crete Office Building)	598,202	706,394
22	3.334% due for 2019 (for Zama Multi-Use Cultural Building)	812,039	958,906
23	3.334% due for 2019 (for Zama Water Treatment Plant)	412,444	487,038
24	2.439% due on Dec 15, 2015 (La Crete Sewer Trunk Main)	88,205	174,298
25	3.377% due on Dec 15, 2020 (Fort Vermilion Corporate Office Expansion)	479,736	550,733
27	4.124% due on Dec 15, 2030 (La Crete Sewer Lift Station)	187,498	195,636
26	3.5635% due on Mar 15, 2021 (Rural Water Line)	1,502,953	1,705,058
28	2.85600% due on Dec 15, 2032 (Highway 88 connector)	1,848,372	1,925,293
29	3.728% due on Dec 15, 2033 (Highway 88 connector)	10,042,066	10,400,000
30	2.022% due on March 15, 2019 (La Crete lagoon upgrades)	1,142,417	1,263,085
31	3.424% due on Mar 15, 2029 (High Level rural water line)	1,753,594	1,800,000
		20,805,153	23,059,186

Note: For the year ended December 31, 2014, the County's projected total cash payment for interest is \$748,784 (2013 projected interest - \$388,490; 2012 actual interest - \$426,418; 2012 debt = \$11,422,673).

2. Principal and interest repayment requirements on long-term debt over the next five years

	Principal	Interest	Total
	\$	\$	\$
To be paid in 2014	2,254,033	748,784	3,002,816
To be paid in 2015	2,005,854	712,923	2,718,776
To be paid in 2016	1,923,524	645,524	2,569,048
To be paid in 2017	1,929,299	579,624	2,508,923
To be paid in 2018	1,981,200	513,849	2,495,049
To be paid in 2019 to maturity	12,965,276	3,394,911	16,360,187
	23,059,186	6,595,614	29,654,800

Note: For the year ended December 31, 2013, the County's projected total cash payment for principal is \$1,826,572, and for interest \$388,490.

3. Debt limit calculation

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by *Alberta Regulation 255/00* for the County be disclosed as follows:

	2013 projected	2012
	\$	\$
Total debt limit, on December 31	45,667,863	48,269,735
Total debt (principal on loans and loan guarantees), on December 31	-23,059,186	-11,422,673
Amount by which debt limit exceeds debt	22,608,677	36,847,062
Limit on debt service, in fiscal year	7,611,311	8,044,956
Service on debt in fiscal year (are interest & principal payments)	-3,002,816	-2,215,062
Amount by which debt servicing limit exceeds debt servicing	4,608,494	5,829,894

The debt limit is calculated at 1.5 times the revenue of the County (as defined in *Alberta Regulation 255/00*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

Local Government Finances

Local Government Finances:

Municipalities are continuing to face problems associated with the fact that their expenditures are growing faster than their revenues, although municipalities do not have a complete control over all of the factors contributing to cost increases.

Some of the reasons for increased expenses are provincial or federal regulations. Others are associated with growing demands due to urbanization, leading to requests for higher investment in infrastructure such as roads, libraries, arenas, water & sewer facilities, solid waste, etc.

There are additional pressures associated with the competitive pressures of our economy. In order to attract and retain businesses and knowledgeable people, various amenities that enhance quality of life may be required other than the traditional hard services.

Some of the pressures are due to the fact that municipalities are “at the bottom of the fiscal food chain” meaning that some of the challenges are the result of “services off-loading” by provincial governments. In 2013, municipal governments saw key provincial funding deferred or eliminated altogether. In these circumstances, municipalities face hard choices: do they defer or cancel economic initiatives and capital projects that could have a positive impact on the local economy? If they elect to proceed, they have to decide between raising municipal taxes, undertaking more borrowing, reducing or eliminating operating services (which may undermine the goals of the economic initiative or capital project), and/or raising fees for services and programs.

Meanwhile, there are limited sources of revenues available to the municipalities. Municipal revenue sources are limited to:

- Municipal property taxes
- Self-generating revenues
- Provincial/federal grants
- Debentures

In order to deal with increased demand for services while being urged to “hold the tax rate”, one way for a municipality to address its revenue shortage is to maximize its available options for self-generating revenues. This may start from a discussion regarding Council’s support in establishing the user-pay fees for various services or fees that are subsidized at a lesser degree.

These services are water and sewer, dust control, fees for development, various administrative fees (maps, tax certificate, etc.), airport fees, snow plow flags, solid waste

fees, etc. In reviewing the alternatives, it must also be recognized that implementing break-even user fees may lead to some problems. For example, the user fees may appeal to the ratepayers with middle to higher earnings, while those whose incomes are lower may find it difficult to pay new or increased fees.

Although a substantial move in this direction has been already made, our municipality may need to consider tightening-up its policies and bylaws (and associated fees) for new developments so that the rest of the municipality is not subsidizing these private ventures.

There are many services that Mackenzie County provides which deserve a thorough discussion and consideration of Council for a review of fees for these services. Today, as requested by Council, we will concentrate on water and sewer rates, and also on farm tax rates. Before we address these two sources of municipal revenue, we will review our assessment history and our projected 2014 assessment.

Assessment History and Estimated Tax Revenues

What is property assessment?

“Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta, property is taxed based on the *ad valorem* principle. *Ad valorem* means ‘according to value.’ This means that the amount of tax paid is based on the value of the property.

“Property taxes are a primary source of revenue for municipalities. Property taxes are used to finance local programs and services. ...

“The assessment and taxation system begins with the laws outlined in the *Municipal Government Act*. All activities that are associated with property assessment and taxation are governed by this legislation and its regulations.”

Source: *Guide to Property Assessment and Taxation in Alberta*, published by Alberta Municipal Affairs.

How is the tax rate calculated?

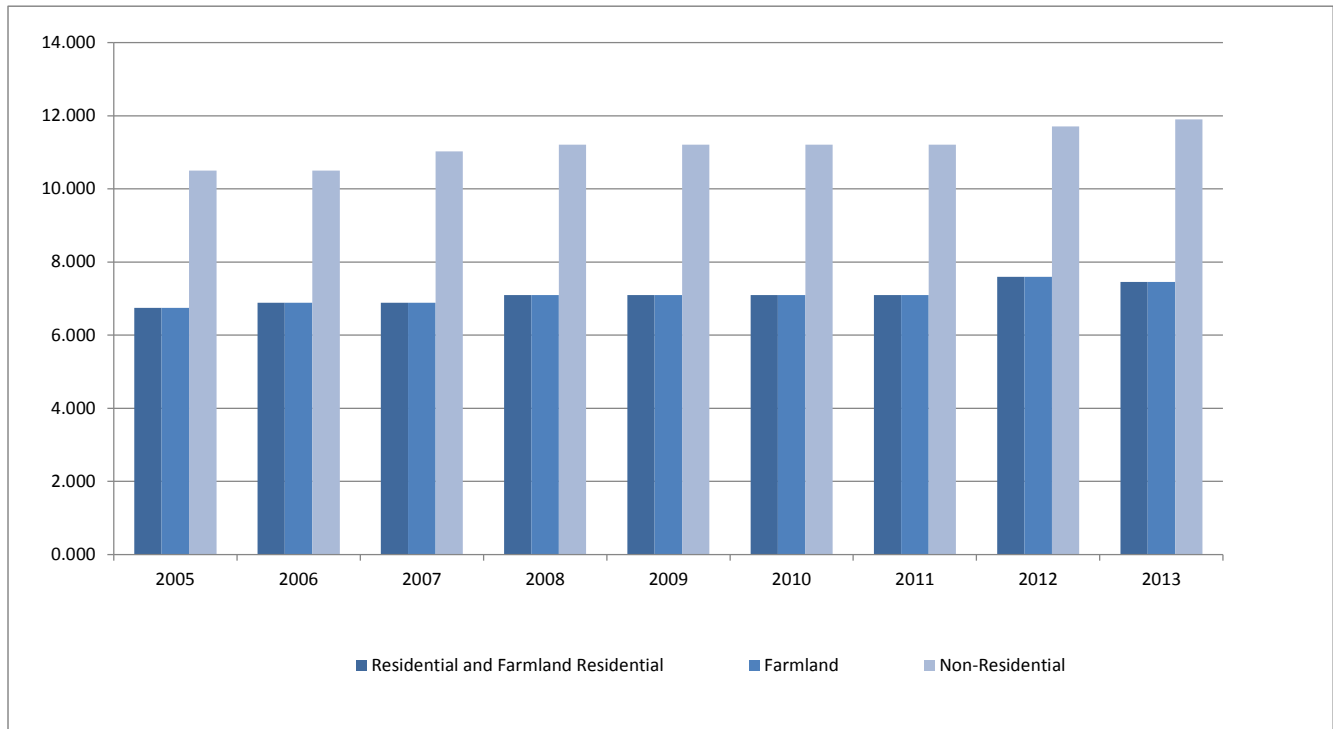
Revenue requirement / Assessment base = Tax rate.

What is the County’s revenue requirement?

The County’s cash requirement decision worksheet identifies revenue requirements for operating, capital, and restricted surplus contributions.

Mackenzie County
Municipal Mill Rate History

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential and Farmland Residential	6.750	6.885	6.885	7.098	7.098	7.098	7.098	7.598	7.454
Farmland	6.750	6.885	6.885	7.098	7.098	7.098	7.098	7.598	7.454
Non-Residential	10.500	10.500	11.025	11.211	11.211	11.211	11.211	11.711	11.903



2013

	Municipal	School	Seniors	Total	change
Residential	7.454	2.5191	0.176	10.1490	0.00%
Farmland	7.454	2.5191	0.176	10.1490	0.00%
Non-residential	11.903	3.7531	0.176	15.8320	0.00%

2012

	Municipal	School	Seniors	Total	change
Residential	7.598	2.4160	0.135	10.1490	4.14%
Farmland	7.598	2.4160	0.135	10.1490	4.14%
Non-residential	11.711	3.9860	0.135	15.8320	0.79%

2011

	Municipal	School	Seniors	Total	change
Residential	7.098	2.3150	0.333	9.7460	-0.75%
Farmland	7.098	2.3150	0.333	9.7460	-0.75%
Non-residential	11.211	4.1640	0.333	15.7080	0.01%

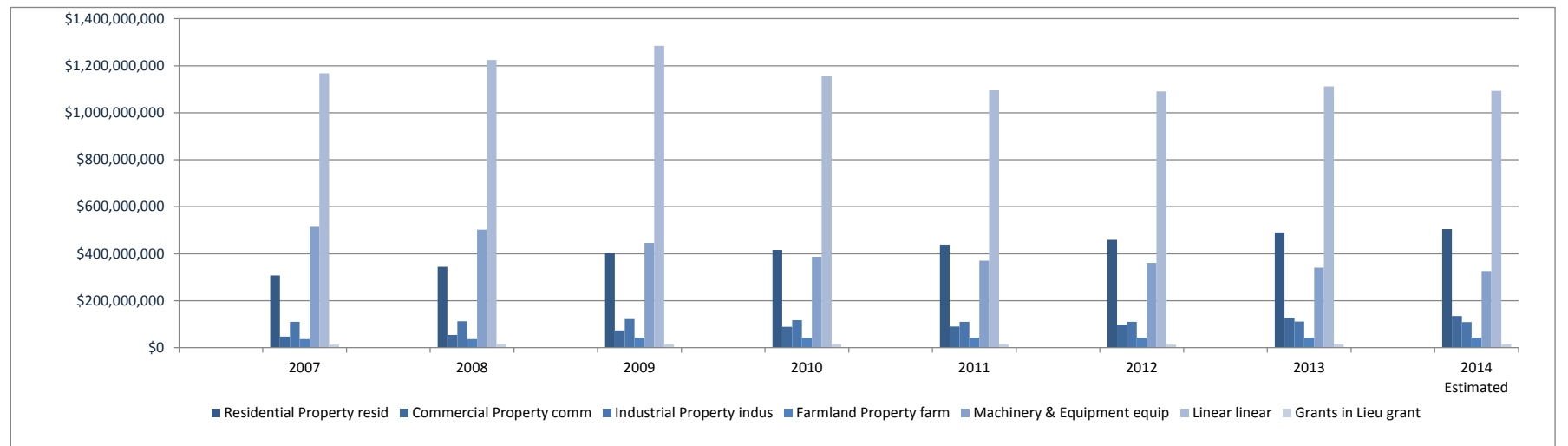
2010

	Municipal	School	Seniors	Total	change
Residential	7.098	2.3980	0.324	9.8200	-0.04%
Farmland	7.098	2.3980	0.324	9.8200	-0.04%
Non-residential	11.211	4.1720	0.324	15.7070	1.85%

Mackenzie County

Assessment Comparison 2007-2014

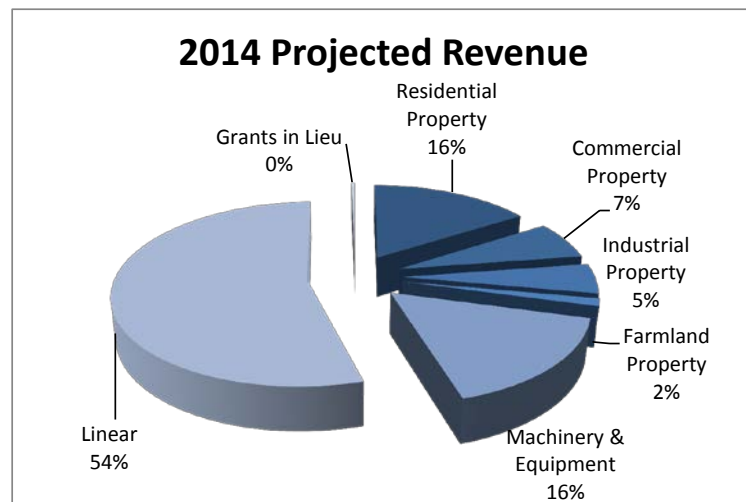
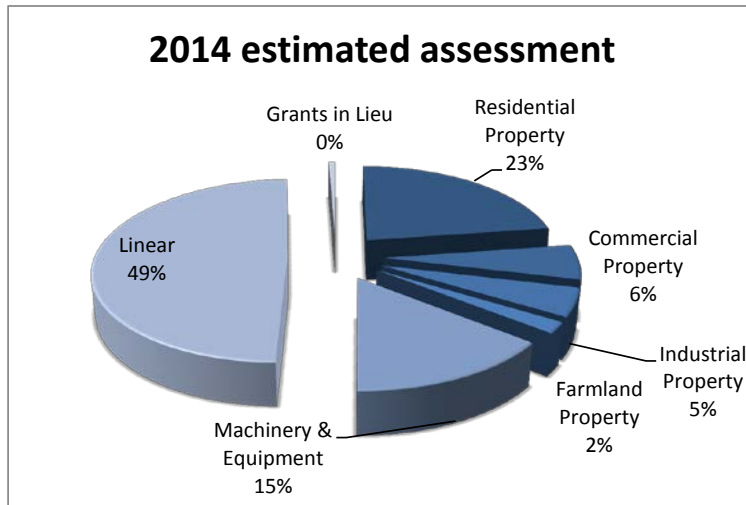
		2007		2008		2009		2010		2011		2012		2013		2014 Estimated
Residential Property	18%	307,792,140	12%	344,609,670	17%	404,203,570	3%	416,404,270	5%	438,646,070	4%	458,106,700	7%	490,095,270	3%	505,149,472
Commercial Property	19%	48,031,270	14%	54,809,000	34%	73,404,730	22%	89,282,600	1%	90,433,710	8%	97,896,550	29%	126,299,360	7%	135,047,783
Industrial Property	10%	110,252,520	2%	112,071,700	9%	121,716,750	-4%	116,678,870	-5%	110,627,830	-1%	109,768,690	2%	111,735,770	-2%	109,421,111
Farmland Property	0%	36,313,340	0%	36,282,890	16%	42,220,990	0%	42,199,740	0%	42,204,140	2%	42,889,820	0%	43,060,180	0%	43,042,639
Machinery & Equipment	15%	513,940,570	-2%	502,607,200	-11%	445,515,770	-13%	386,249,960	-4%	369,546,680	-2%	360,493,640	-6%	340,209,990	-4%	326,601,590
Linear	24%	1,167,371,340	5%	1,224,960,920	5%	1,284,629,630	-10%	1,155,158,020	-5%	1,095,984,390	0%	1,091,272,460	2%	1,112,090,020	-2%	1,092,984,994
Grants in Lieu	25%	12,679,080	22%	15,410,530	-10%	13,858,510	5%	14,620,300	-2%	14,290,050	-4%	13,704,460	1%	13,878,820	0%	13,878,820
Total Taxable Assessment	19%	2,196,380,260	4%	2,290,751,910	4%	2,385,549,950	-7%	2,220,593,760	-3%	2,161,732,870	1%	2,174,132,320	3%	2,237,369,410	-1%	2,226,126,410
Tax exempt assessment		140,172,820		134,422,470		149,775,690		153,464,730		161,902,930		157,220,040		158,627,010		158,627,010
Total Assessment	18%	2,336,553,080	4%	2,425,174,380	5%	2,535,325,640	-6%	2,374,058,490	-2%	2,323,635,800	0%	2,331,352,360	3%	2,395,996,420	0%	2,384,753,420



	2013 assessment	% change estimated	Estimated 2014 assessment	2014 projected revenue
Residential Property	490,095,270	3.07%	505,149,472	3,829,886
Commercial Property	126,299,360	6.93%	135,047,783	1,607,729
Industrial Property	111,735,770	-2.07%	109,421,111	1,261,623
Farmland Property	43,060,180	-0.04%	43,042,639	320,840
Machinery & Equipment	340,209,990	-4.00%	326,601,590	3,887,539
Linear	1,112,090,020	-1.72%	1,092,984,994	13,050,655
Grants in Lieu	13,878,820	0.00%	13,878,820	70,379
Total Taxable Assessment	\$2,237,369,410	-0.50%	\$2,226,126,410	\$24,028,651
Tax exempt assessment	158,627,010	0.00%	158,627,010	0
Total Assessment	\$2,395,996,420	-0.47%	\$2,384,753,420	\$24,028,651

2013 Municipal Tax Revenue	<u>24,242,387</u>
Decrease	<u><u>-213,735</u></u>

Please note that 2013 tax bylaw rates were used in the calculation of projected 2014 tax revenue.



Review of Farm Tax Rates

Farm Land Tax Rates:

Authority - The Municipal Government Act sets out the terms and means by which municipalities may assess property and set tax rates. The Act also permits municipalities to set different rates for each assessment class (i.e., residential, non-residential, farm land, and machinery & equipment).

Farm land tax rates – Council directed Administration to research farm land tax rates as part of the 2014 operating budget development process.

As a first step, a survey of the 2013 farm land tax rates for neighbouring, rural counties was conducted. Results were obtained from twelve respondents, as outlined on the next page. The results of this survey may be interpreted as follows:

- Of the thirteen counties, including Mackenzie County, six charge minimum tax rates ranging between \$20 and \$75.
- The farm tax rates for the six counties, which charge a minimum tax, range from a low of 2.4585 to a high of 13.0420.
- The farm tax rates for the seven counties, which do not charge a minimum tax, range from a low of 2.5585 to a high of 13.0000. Mackenzie County's farm tax rate of 7.4540 is fourth in this group, or at the median point of those counties which do not charge a minimum tax.
- Nine of the thirteen counties charge a higher farm land tax rate than for the residential tax rate. This premium ranges from a low of 0.0803 to a high of 5.6684.

Next, different farm land tax revenues were estimated, using various minimum tax amounts and tax rates. Mackenzie County's current farm land assessment base (2013) is \$42,183,150, with tax revenues of \$314,433. The second table, on the following page, shows the increase in farm land tax revenues that would result by charging an extra 1, 2, or 3 mils for farm land, and then by charging those different mil rates together with minimum taxes of \$25, \$50, or \$75.

Finally, different tax bills were estimated for the average farm land taxpayer in Mackenzie County. The average farm land assessment is \$9,700 (which also approximates the median or mid-point of this assessment group), and the average farm tax bill is \$72. The third table, on the following page, shows the increase in the average farm tax bill that would result by charging an extra 1, 2,

or 3 mils for farm land, and then by charging those different mil rates together with minimum taxes of \$25, \$50, or \$75.

Farm exemptions – The following table summarizes municipal revenue from farm classes during the past five years, including farm exemptions (buildings and residential):

Year	Farm Residential	Farm Exemptions	Farm land	Total
2009	\$1,009,935	-\$229,203	\$299,685	\$1,080,416
2010	\$1,033,715	-\$235,563	\$299,534	\$1,097,686
2011	\$1,049,429	-\$241,203	\$299,565	\$1,107,791
2012	\$1,142,543	-\$251,224	\$325,877	\$1,217,196
2013	\$1,167,244	-\$251,193	\$327,219	\$1,243,270
Total	\$5,402,865	-\$1,208,385	\$1,551,879	\$5,746,360

Comparison of 2013 Municipal Tax Rates (without requisitions):

Municipality	Minimum	(A)	(B)	(A) - (B)	
		Farm	Residential	Difference	% difference
County of Northern Lights	\$75.00	6.2455	6.1230	0.1225	2.00%
Birch Hills County	\$50.00	13.0420	9.6360	3.4060	35.35%
Saddle Hills County	\$50.00	8.4525	3.8672	4.5853	118.57%
M.D. of Spirit River #133	\$25.00	11.2000	7.2000	4.0000	55.56%
Yellowhead County	\$25.00	2.4585	2.4585	0.0000	0.00%
M.D. of Greenview No. 16	\$20.00	2.5693	2.4890	0.0803	3.23%
M.D. of Fairview	\$0.00	13.0000	8.0000	5.0000	62.50%
County of Grande Prairie	\$0.00	8.0741	3.7201	4.3540	117.04%
Northern Sunrise County	\$0.00	7.6000	5.3000	2.3000	43.40%
Mackenzie County	\$0.00	7.4540	7.4540	0.0000	0.00%
Clear Hills County	\$0.00	6.9706	1.3022	5.6684	435.29%
M.D. of Big Lakes	\$0.00	3.5000	3.5000	0.0000	0.00%
Woodlands County	\$0.00	2.5585	2.5585	0.0000	0.00%
Average	\$18.85	7.1635	4.8930	2.2705	46.40%

Mackenzie County's current farmland tax revenue scenario:

Assessment: \$42,183,150 Revenue: \$314,433

Incremental Farm land tax revenues with various minimum and tax rate scenarios:

Mil rate	Minimum fixed rates			
	\$0.00	\$25.00	\$50.00	\$75.00
Plus 1 mil = 0.00845	\$356,616	\$477,741	\$598,866	\$719,991
<i>Increase in revenue</i>	\$42,183	\$163,308	\$284,433	\$405,558
Plus 2 mils = 0.00945	\$398,800	\$519,925	\$641,050	\$762,175
<i>Increase in revenue</i>	\$84,366	\$205,491	\$326,616	\$447,741
Plus 3 mils = 0.01045	\$440,983	\$562,108	\$683,233	\$804,358
<i>Increase in revenue</i>	\$126,549	\$247,674	\$368,799	\$489,924

Mackenzie County's current average farm land assessment = \$9,700 Taxes: \$72

Average farm land tax bill with various minimum and tax rate scenarios:

Mil rate	Minimum rates			
	\$0.00	\$25.00	\$50.00	\$75.00
Plus 1 mil = 0.00845	\$82	\$107	\$132	\$157
<i>Increase in tax bill</i>	\$10	\$35	\$60	\$85
Plus 2 mils = 0.00945	\$92	\$117	\$142	\$167
<i>Increase in tax bill</i>	\$19	\$44	\$69	\$94
Plus 3 mils = 0.01045	\$101	\$126	\$151	\$176
<i>Increase in tax bill</i>	\$29	\$54	\$79	\$104

Review of Water & Sewer Rates

The first component used in the water rate calculation is consumption (in m³):

Metered, m ³	385,350
Cardlock, m ³	226,000
Raw, m ³	9,500
Total	620,850

The following cost groups used for calculations and are based on the projected 2014 budget:

Cost	Water distribution system costs	Water treatment and production cost	Total 2014 budget
Fixed	\$519,162	\$427,663	\$946,825
Variable	\$244,282	\$585,690	\$829,972
Long term debt (interest + principal)	\$59,907	\$1,217,559	\$1,277,466
Total	\$823,351	\$2,230,912	\$3,054,263

(A)

(B)

The number of meters that are currently installed:

La Crete	1,261
Fort Vermillion	347
Zama	98
Total	1,706

The water rate structure includes the following components:

Water Distribution Cost Recovery (WDCR) Rate

The WDCR rate is applicable to metered users, and the revenue will cover costs of maintaining the water distribution systems. The total amount to be recovered through this rate is equal to \$823,351 as shown in the cost groups table (A). The WDCR rate is calculated by dividing \$823,351 by 1,706 meters.

Fixed Cost Recovery (FCR) Rate

The FCR rate is applicable to all users (treated and raw water). The revenue collected will cover fixed costs associated with general operations of the water treatment plants and associated infrastructure. The total fixed cost is \$427,663 + \$1,217,559 = \$1,645,223 as shown in the cost groups table (B) (fixed cost plus long term debt). The FCR rate is calculated by dividing the sum of the fixed water treatment & production and long term debt costs by the total estimated consumption of 620,850 m³.

Variable Cost Recovery (VCR) Rate

The VCR rate is applicable to treated water users. The revenue collected will cover variable costs associated with water treatment plant and associated infrastructure costs that increase in proportion to the water consumption levels. The VCR rate is calculated by dividing the variable water treatment & production cost of \$ 585,690 by the treated water consumption of 611,350 m³.

Rate comparison

	WDCR (per user per month)	FCR per m ³	VCR per m ³	Combined rate + VCR), (FCR m ³
To what user group this rate is applicable?	Treated water metered users (not applicable to cardlock and raw water users)	All users (treated and raw)	Treated water users (not applicable to raw water users)	Treated water users
What is the break-even rate?	\$40.22	\$2.65	\$0.96	\$3.61
What is our current rate?	\$28.76	\$2.38	\$0.82	\$3.20
By what percent would the current rate have to be increased in order to reach the break-even point?	40%	11%	17%	13%
FORMULA: WDCR + ((FCR + VCR) x Monthly Consumption) = Monthly Water Bill				

How is the sewer cost charged out?

The monthly sewer charge is calculated as percentage of the monthly water bill. The current percentage is 26%.

What percentage of the sewer cost would have to be charged out in order to recover 100% while using the break-even water rate?	40%
What percentage of the sewer cost would have to be charged out in order to recover 84% while using the break-even water rate?	34%
What percentage of the sewer cost would have to be charged out in order to recover 84% while using the 84% recovery water rate?	40%
What percentage of the sewer cost would have to be charged out in order to recover 75% while using the break-even recovery water rate?	30%
What percentage of the sewer cost would have to be charged out in order to recover 75% while using the 84% recovery water rate?	36%

Based on the current percentage of sewer cost charged out (26%), approximately 74% of sewer costs are recovered.

Example

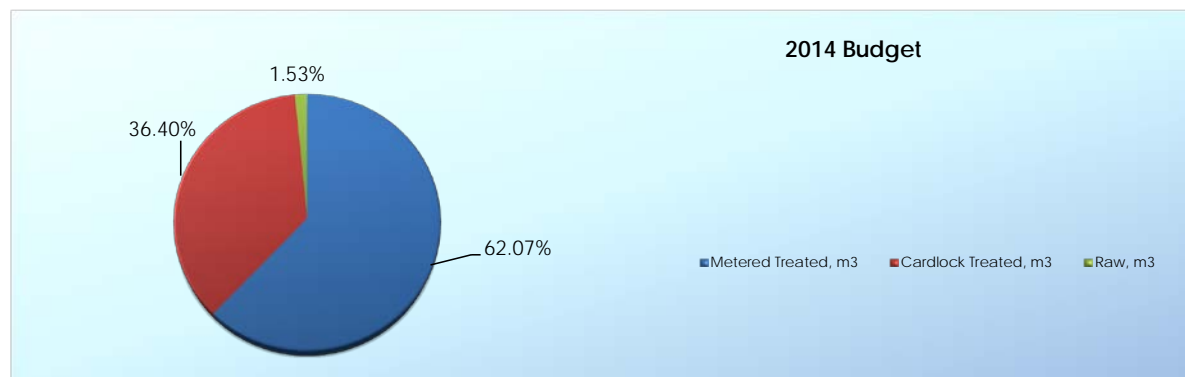
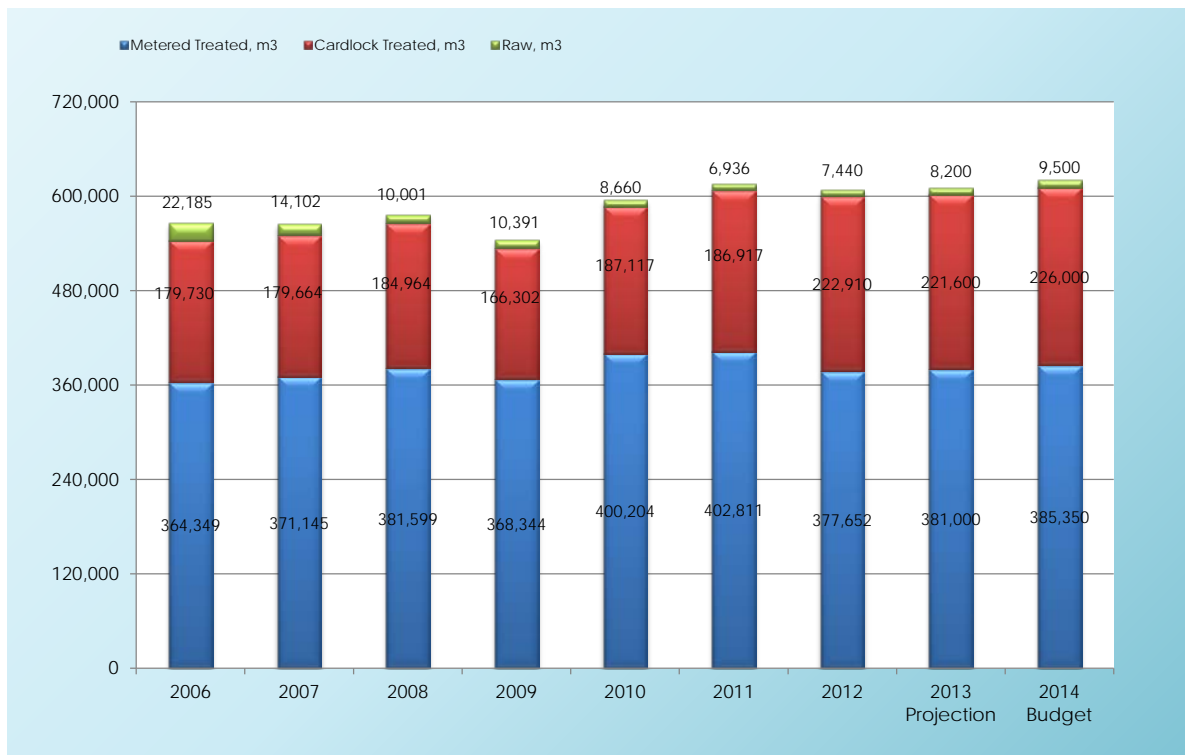
A metered user with 18m³ consumption (an average residential monthly consumption):

	WATER	SEWER	TOTAL	
Water & sewer bill at current rate	\$86.36	\$22.45	\$108.81	
Break-even rate water & sewer bill	\$105.17	\$42.40	\$147.56	or 35.6% overall increase
Total projected water revenue at break-even rate			\$3,054,263	100%
Total projected water revenue at current rate			\$2,567,618	84%
Difference			\$486,645	

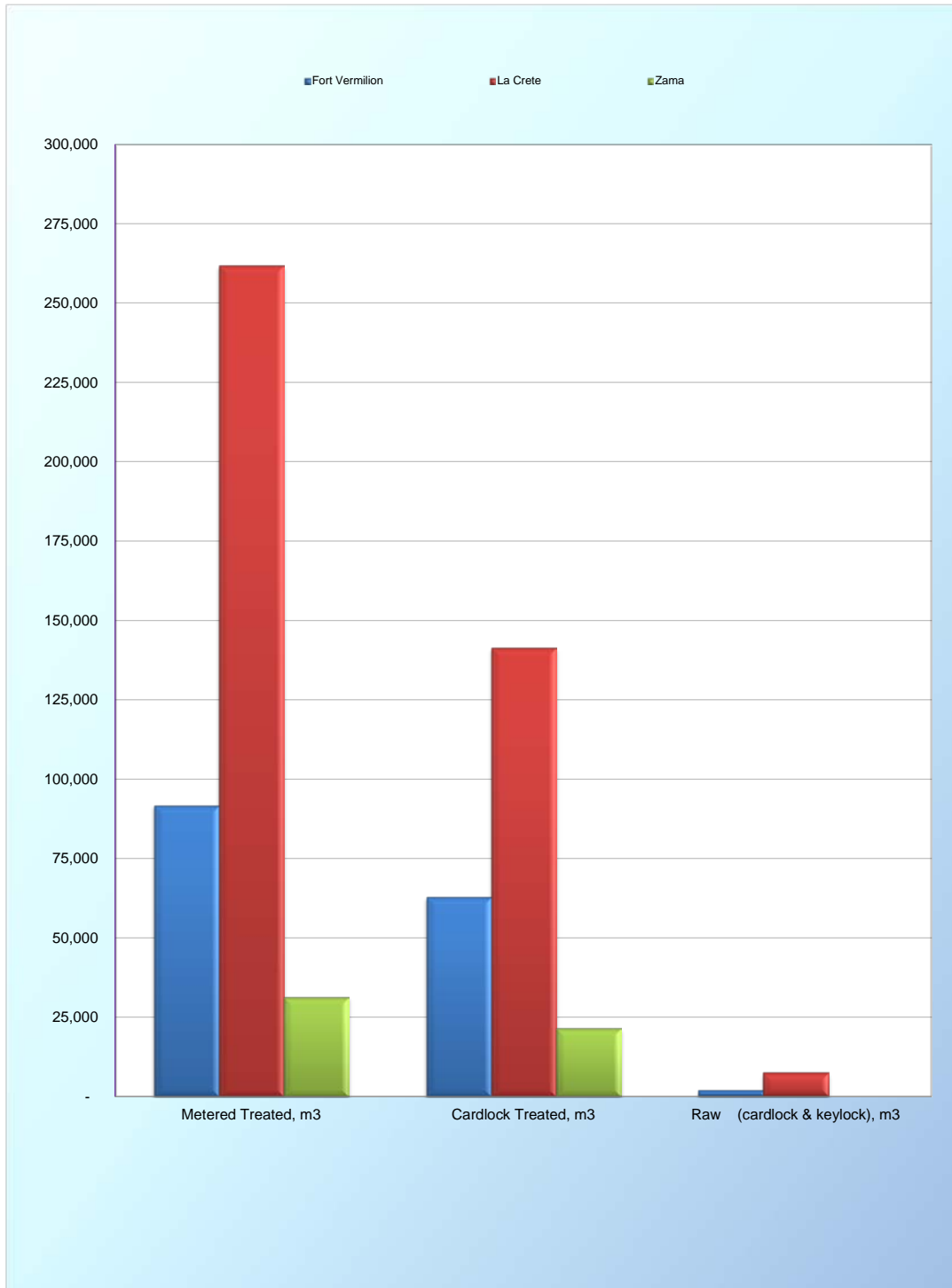
Metered Treated, Cardlock Treated & Raw Consumption

2014 Budget

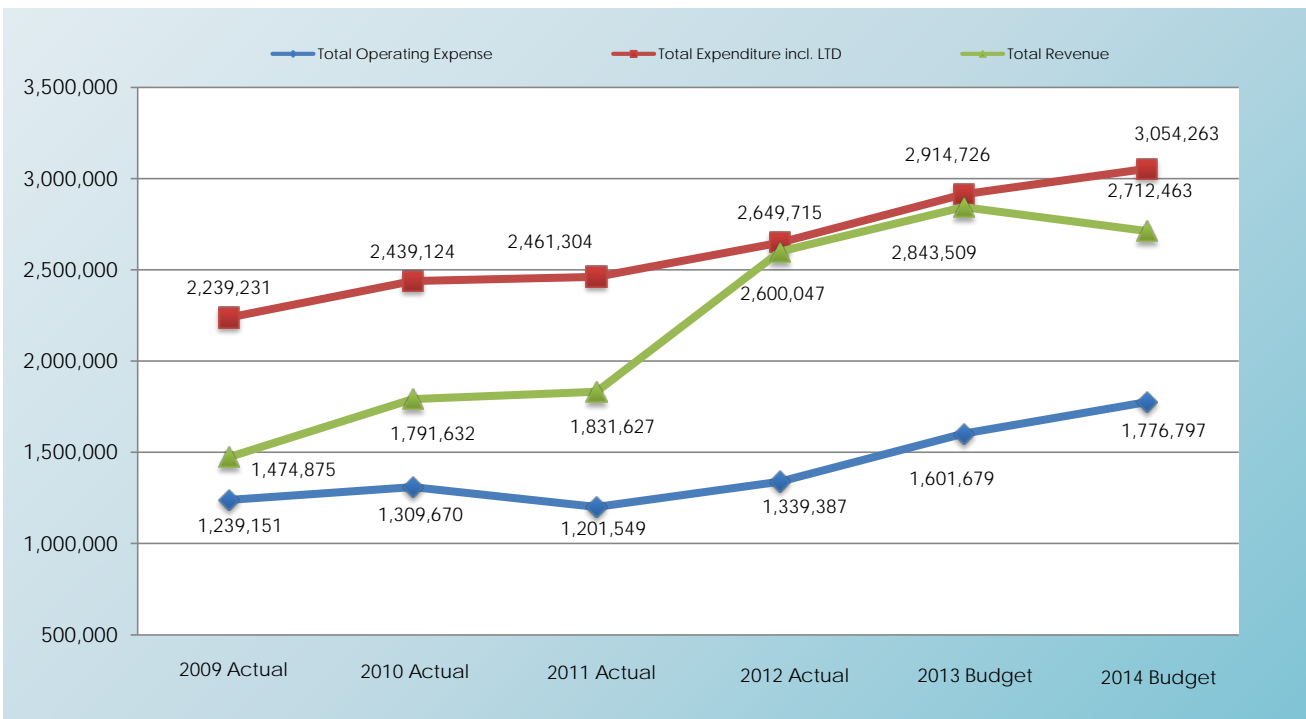
	Metered Treated, m ³	Cardlock Treated, m ³	Raw, m ³	Total, m ³
2006	364,349	179,730	22,185	566,264
2007	371,145	179,664	14,102	564,911
2008	381,599	184,964	10,001	576,564
2009	368,344	166,302	10,391	545,037
2010	400,204	187,117	8,660	595,981
2011	402,811	205,298	6,936	615,045
2012	377,652	222,910	7,440	608,001
2013 Projection	381,000	221,600	8,200	610,800
2014 Budget	385,350	226,000	9,500	620,850



	Metered Treated, m ³	Cardlock Treated, m ³	Raw (cardlock & keylock), m ³	Total, m ³	of which.....	
					Treated, m ³	Raw, m ³
Fort Vermilion	91,850	63,000	2,000	156,850	154,850	2,000
La Crete	262,000	141,500	7,500	411,000	403,500	7,500
Zama	31,500	21,500	-	53,000	53,000	-
	385,350	226,000	9,500	620,850	611,350	9,500

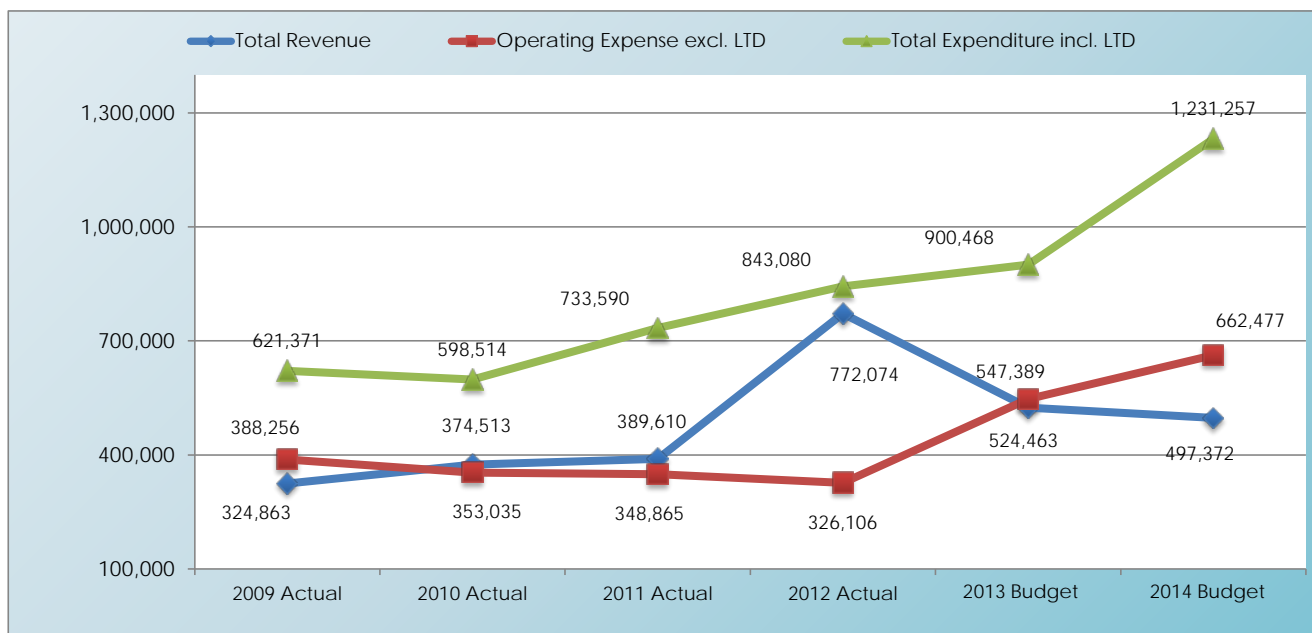


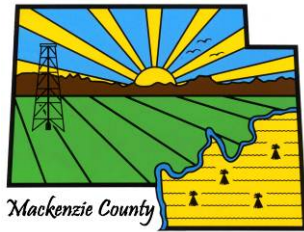
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget
Operating Revenue	1,426,861	1,724,421	1,778,549	2,549,105	2,775,431	2,642,619
Frontage Revenue	48,014	67,211	53,078	50,943	68,078	69,844
Total Revenue	1,474,875	1,791,632	1,831,627	2,600,047	2,843,509	2,712,463
Operating Expenses (excluding depreciation of TCA)	1,239,151	1,309,670	1,201,549	1,339,387	1,601,679	1,776,797
Long Term Debt Repayment	769,973	902,550	1,031,215	1,083,305	1,125,439	1,101,974
Long Term Debt Interest	230,106	226,904	228,540	227,023	187,608	175,492
Total Expenditures	2,239,231	2,439,124	2,461,304	2,649,715	2,914,726	3,054,263
Percentage of Expenses Covered	66%	73%	74%	98%	98%	89%
Dollars Collected above (#) or below the 75% Recovery Mark	204,548	37,710	14,351	-612,761	-657,465	-421,766



Financials for Dept. 42 - Sewer, from 2009 to 2014 (Budget)

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget
Operating Revenue	302,317	327,654	363,268	748,185	494,636	473,671
Frontage Revenue	22,546	46,859	26,342	23,889	29,827	23,701
Total Revenue	324,863	374,513	389,610	772,074	524,463	497,372
Operating Expenses (excluding depreciation of TCA)	388,256	353,035	348,865	326,106	547,389	662,477
Long Term Debt Repayment	162,081	179,548	279,797	437,799	295,760	498,894
Long Term Debt Interest	71,035	65,931	104,928	79,175	57,319	69,886
Total Expenditures	621,371	598,514	733,590	843,080	900,468	1,231,257
Percentage of Expenses Covered	52%	63%	53%	92%	58%	40%
Dollars Collected above (#) or below the 75% Recovery Mark	141,166	74,373	160,582	-139,764	150,888	426,071





MACKENZIE COUNTY REQUEST FOR DECISION

Meeting:	Special Council Meeting
Meeting Date:	November 19, 2013
Presented By:	Alison Kilpatrick, Director of Corporate Services
Title:	Town of High Level – 2014 Municipal Revenue Sharing and Capital Budget Requests

BACKGROUND / PROPOSAL:

Mackenzie County participates in a Regional Service Sharing Agreement with Town of High Level (THL). The County has agreed to provide two types of funding:

1. Municipal Revenue Sharing – a Shared Payment Amount equal to twenty-five percent (25%) of the Property Taxes levied by the County against the Properties in the Service Area, or \$500,000.00, whichever is larger for any given Year.
2. Capital Expenditures – a proportion of certain of THL’s proposed tangible capital asset purchases, net of any grants or revenues received by THL. The rates for cost-sharing of proposed capital expenditures are 20% for THL recreational facilities, 30% for airport, and 50% for fire capital. In addition, the County has agreed to contribute 40% for the refurbishment of THL’s Hazmat Truck.

OPTIONS & BENEFITS:

1. Municipal Revenue Sharing – The County’s 2013 property assessment will increase by the addition of increased building and machinery & equipment values for the Ainsworth/ Louisiana Pacific plant. After consulting with the County’s Assessor, administration’s preliminary forecast is for a 2014 shared payment amount of approximately \$517,000. This amount could change, depending upon the final assessment values.
2. THL has submitted its request for 2014 cost-sharing of the following capital expenditures (next page):

Author: A. Kilpatrick **Reviewed by:** _____ **CAO** _____

Description	Cost	County's share
Centennial Park	\$800,000	\$160,000
Hazmat Truck	\$325,000	\$130,000
Fire Hall Ventilation System	\$80,000	\$40,000
Phase 5 Fire Trainer	\$252,000	\$85,000
Runway Rehabilitation	\$250,000	\$75,000

Please review the attached letter from Simone Wiley, Interim CAO, THL.

COSTS & SOURCE OF FUNDING:

Operating Budget – Grants to Other Governments.

COMMUNICATION:

Town of High Level.

RECOMMENDED ACTION:

For discussion.

Author: A. Kilpatrick Reviewed by: _____ CAO _____



Town of High Level
10511 - 103rd Street
High Level, AB T0H 1Z0
Canada

Telephone: (780) 926-2201
Facsimile: (780) 926-2899
town@highlevel.ca
www.highlevel.ca

November 15, 2013

Ms. Joulia Whittleton, CAO
Mackenzie County
Box 640
Fort Vermilion AB T0H 1N0

Emailed Nov. 15/13 jwhittleton@mackenziecounty.com
Original Mailed

Re: 2014 Capital Projects

Dear Ms. Whittleton:

Pursuant to the Regional Service Sharing Agreement, the Town is forwarding the proposed 2014 capital projects for recreation, airport and fire services for Mackenzie County's consideration and response.

The proposed projects are:

1. Centennial Park

The Town has developed a plan to add several amenities to Centennial Park, including an expanded toboggan hill, paved pathways, new playground structures, gazebo and several other features. The initial phase of this project was completed in 2013 and phase two is proposed for 2014. The project cost for phase two is \$800,000 with the County portion being \$160,000.

2. Hazmat Truck

This project will remount the existing box on the hazmat truck onto a new chassis. It will also provide for repairs and refurbishment of the existing box into an almost new condition and extend the life span another 15 years. This project provides an extended life span and renewal of the existing unit. The estimated cost of completion is \$325,000 with the funding split being 50% High Level, 40% Mackenzie County and 10% Rainbow Lake, as agreed upon in the recent Hazmat Agreement. This equates to a County contribution of \$130,000.

3. Fire Hall Ventilation System

This project is to provide a source ventilation/extraction system for the fire hall bays. This will involve the installation of 7 filtration/air movement systems on the ceiling of the fire hall above the fire trucks.

Gateway To The South



After truck washing and callouts, the fire hall remains damp for a long period of time as there has been no air movement in the hall. This system will provide continuous air movement in the apparatus bay to assist with management of moisture as well as filtration of contaminants. The system is designed for fire stations and provides filtration of airborne contaminants from truck exhaust and bunker gear after a fire. Over 200 carcinogens remain on the gear after a fire and that combined with truck exhaust increases risk for the firefighters working inside the hall. The total cost of this project is \$80,000 with the County portion being \$40,000.

4. Phase 5 Fire Trainer

This project will provide a two story trainer for the training grounds and will be the last formal facility required to complete the grounds. This trainer enables firefighters to complete the required job performance requirements for the training requirements under Occupational Health and Safety requirements. This facility lets the fire department trainers provide training in second story attack, basement attack, ventilation techniques and multistory fires. The Fire department has worked hard over a number of years providing countless volunteer hours working on the training ground facility. The total project cost is \$252,000 with the County portion being \$85,000.

5. Runway Rehabilitation

This project will repair major transverse cracks that are evident in the Airport Runway. The major cracks will be milled to remove the crack full depth to the underlying granular base, re-compacting granulars and placement of new asphalt. The project cost is \$250,000 with the County portion being \$75,000.

The Town trusts the County will find the above projects in compliance to the agreement and within the definitions of capital expenditures for each respective area. If you have any questions or wish to meet and discuss the projects, please do not hesitate to call me.

The Town appreciates your continued cooperation and again appreciates the allowance given to the Town to provide this list on November 15th rather than October 15th. In light of the month extension the Town proposes that the response date be extended to January 2nd unless the County is confident that a response can be provided by the December 1st date established in the agreement.

Sincerely,

Simone Wiley
Interim Chief Administrative Officer
Town of High Level

cc: Town of High Level Council