



Regular Council Meeting
Council Chambers
November 5, 2018
6:00 p.m.

1. **Call to Order**
Moment of Reflection
2. **Public Hearing**
3. **Agenda – Amendments and Adoption**
 - 3.1 November 5, 2018 Regular Council Meeting
4. **Adoption of Previous Minutes**
 - 4.1 October 22, 2018 Organizational Council Meeting - Page 1
 - 4.2 October 22, 2018 Regular Council Meeting - Page 4
5. **Delegation**
6. **Bylaws**
7. **Old Business**
 - 7.1 RFD 2018 Meeting Calendar Changes - Page 7
 - 7.2 RFD Multi-Year Business Planning and Budgeting Policy (B-012-01 POL) - Page 9
 - 7.3 RFD Capital Financing and Debt Management Policy (B-022-00 POL) - Page 19
 - 7.4 RFD Restricted Surplus Account Policy (B-023-00 POL) - Page 29
 - 7.5 RFD Fleet Services – Sander System Purchase - Page 52
8. **New Business**
 - 8.1 RFD CAO Performance Review Process - Page 54
 - 8.2 RFD Intermunicipal Subdivision and Development Appeal Board – Member Appointments - Page 69
 - 8.3 RFD Town of Didsbury / Town of Carstairs Correspondence
Re: Mountain View Regional Waste Commission - Page 70
 - 8.4 RFD Campus Alberta Central Agreement - Page 73
 - 8.5 RFD Municipal Health and Safety Policy (C-031-00 POL) - Page 76
 - 8.6 RFD PWC 2018 Audit Correspondence - Page 82
 - 8.7 RFD Alberta Community Partnership Grant – GIS Assessment Study - Page 121
9. **Administration**
10. **Municipal Area Partnership (MAP)**



Regular Council Meeting
Council Chambers
November 5, 2018
6:00 p.m.

- 11. Council Committee Reports**
- 12. Inquiries Between Councillors or to Administration**
- 13. Council Invitations / Correspondence**
- 14. In Camera – Notice to Public**
- 15. In Camera**
 - 15.1 Local Public Body Confidences – FOIPP Section 23
 - 15.2 Local Public Body Confidences – FOIPP Section 23
 - 15.3 Local Public Body Confidences – FOIPP Section 23
- 16. Adjournment**

Personal information heard in this meeting is being collected under the authority of Section 33 of the *Freedom of Information and Protection of Privacy Act*. Public meeting of the Town of Sundre, including presentations made by speakers, are recorded in Minutes and posted on the Town of Sundre website. If you have any questions about the collection of information, please contact the FOIP Coordinator at 403-638-3551 ext. 114.



Organizational Council Meeting
Minutes
October 22, 2018
5:30 p.m.

The organizational meeting of Council of the Municipality of Sundre was held in Council Chambers in the Municipal Office on Monday, October 22, 2018, commencing at 5:30 p.m.

IN ATTENDANCE

Mayor Terry Leslie
Councillor Cheri Funke
Councillor Charlene Preston
Councillor Todd Dalke
Councillor Richard Warnock
Councillor Rob Wolfe

Staff:

Chief Administrative Officer, L. Nelson
Director of Planning and Economic Development, M. Marko
Acting Director of Corporate Services, C. Albert
Manager of Community Services, S. Nelson
Legislative Executive Assistant, C. Robey

Absent:

Councillor Paul Isaac
Manager of Operations, J. Hall

Public:

6 Members

MEETING TO ORDER

Mayor Leslie called the meeting to Order at 5:30 p.m.

ASSIGNMENT OF SEATING

No change to seating.

DEPUTY MAYOR APPOINTMENT

Res. No. 428-18-10-22

MOVED by Councillor Warnock that the Town of Sundre Council appoints Councillors Isaac, Warnock, Funke, Dalke, Preston and Wolfe to each serve a six month Term as Deputy Mayor, effective immediately.

Voted For: Mayor Leslie, Councillors: Warnock, Preston, Dalke

Voted Against: Councillors: Funke, Wolfe

CARRIED

Res. No. 429-18-10-22

MOVED by Councillor Warnock that the Town of Sundre Council appoints Councillors Isaac, Warnock, Funke, Dalke, Preston and Wolfe to each serve a six month Term as Deputy Mayor, effective immediately, with the rotation schedule to be re-evaluated at the 2019 Organizational Meeting.

Voted For: Mayor Leslie, Councillors: Warnock, Wolfe, Preston, Dalke

Voted Against: Councillor Funke

CARRIED

SIGNING AUTHORITY**Res. No. 430-18-10-22**

MOVED by Councillor Funke that the Town of Sundre Council appoint Mayor Terry Leslie and Deputy Mayor Isaac, along with the Chief Administrative Officer, Linda Nelson, and the Acting Director of Corporate Services, Chris Albert, as signing authorities for the Town of Sundre and furthermore;

That the Town of Sundre Council moves to remove Vic Pirie, former Director of Finance and Administration, as signing authority. **CARRIED**

SCHEDULE OF MEETINGS**2019 Regular Meeting Calendar****Res. No. 431-18-10-22**

MOVED by Councillor Warnock that the Town of Sundre Council provide and approve the Council Meeting dates for the 2019 Meeting Calendar. **CARRIED**

COUNCIL COMMITTEE APPOINTMENTS**2018 – 2019 Council Committee Listing****Res. No. 432-18-10-22**

MOVED by Councillor Funke that the Town of Sundre Council, during the Organizational Meeting of October 22, 2018, moves to appoint Council Members to the Committees and Boards identified on the 2018 - 2019 Council Committees and Boards Listing for a one-year term, or as otherwise stated. **CARRIED**

Res. No. 433-18-10-22

MOVED by Councillor Funke that the Town of Sundre Council appoint Ms. Patricia Toone to the Parkland Regional Library Board. **CARRIED**

2018 – 2019 Council Committees and Boards Listing

Name of Committee / Board	Members
Alberta Rural Health Profession Action Plan	Isaac, Preston alternate
Central Alberta Economic Partnership	Dalke
Central Alberta Mayor's Meetings	Leslie, Isaac alternate
Citizens on Patrol	Funke
Council Policies and Bylaw Review Committee	Funke, Preston, Wolfe, CAO
Downtown Area Revitalization	Wolfe
Fire Advisory	Warnock, Funke, CAO
Greenwood Neighbourhood Place / FCSS	Dalke, alternate Wolfe
Hospital Liaison	Leslie, Warnock, alternate Wolfe
ICF / IDP Committee	Leslie, Funke, Warnock
Intermunicipal Planning Commission	Leslie, Wolfe, CAO

Mountain View Regional Waste Management Commission	Warnock, Funke alternate
Mountain View Senior's Housing	Leslie, Preston alternate
Municipal Area Partnership	Leslie, CAO
Municipal Library Board	Dalke, Warnock alternate
RCMP Liaison	Leslie, CAO
Red Deer River Municipal Users Group	Leslie, Warnock alternate
Red Deer River Watershed Alliance	Funke, Warnock alternate
Sundre and District Aquatic Society	Preston, Funke alternate
Sundre and District Chamber of Commerce	Wolfe, Warnock alternate
Sundre and District Historical Society	Wolfe, Funke alternate
Sundre Coordinated Community Response	Preston, Warnock alternate
Sundre Forest Products/West Fraser	Isaac, Dalke alternate
Sundre Schools Liaison	Funke, Dalke alternate
Sundre Municipal Emergency Management	Preston, Funke alternate, CAO
Sundre Petroleum Operators Group	Preston, Funke alternate
Sustainability / Vision for Sundre	Dalke, Funke, Wolfe, CAO

REVERT TO REGULAR COUNCIL MEETING

Res. No. 434-18-10-22 MOVED by Councillor Warnock to adjourn the October 22, 2018 Organizational Meeting of Council, and revert to a Regular Council Meeting at 6:14 p.m.

CARRIED

These Minutes approved this 5th day of November, 2018.

Mayor

Chief Administrative Officer



Regular Council Meeting
Minutes
October 22, 2018
6:15 p.m.

The regular meeting of Council of the Municipality of Sundre was held in Council Chambers in the Municipal Office on Monday, October 22, 2018, commencing at 6:15 p.m.

IN ATTENDANCE

Mayor Terry Leslie
Councillor Cheri Funke
Councillor Charlene Preston
Councillor Todd Dalke
Councillor Richard Warnock
Councillor Rob Wolfe

Staff:

Chief Administrative Officer, L. Nelson
Director of Planning and Economic Development, M. Marko
Acting Director of Corporate Services, C. Albert
Manager of Community Services, S. Nelson
Legislative Executive Assistant, C. Robey

Absent:

Councillor Paul Isaac
Manager of Operations, J. Hall

Public:

2 Members
Ms. Shoshannah Brechtel, Sundre Coordinated Community Response
Mr. Todd MacDonald, Chair of Sundre Ministerial, CCR Member
Ms. Lisa Nicholson, Hope 4 MVC Kids Society
Mr. Simon Ducatel, Sundre Round Up

CALL TO ORDER

The meeting was called to order at 6:15 p.m., with a moment of reflection on the business of the evening.

PUBLIC HEARING

AGENDA – AMENDMENTS AND ADOPTION

Res. No. 435-18-10-22 MOVED by Councillor Wolfe that the Agenda be approved, as presented.

CARRIED

ADOPTION OF THE PREVIOUS MINUTES

Res. No. 436-18-10-22 MOVED by Councillor Preston that the Minutes of the Regular Meeting of Council held on October 15, 2018, be approved as presented. **CARRIED**

DELEGATION***Res. No. 437-18-10-22*****Sundre Coordinated Community Response**

MOVED by Councillor Preston that the Town of Sundre Council accept the presentation from Sundre Coordinated Community Response, as information.

CARRIED

Mayor Leslie called at Recess at 6:48 p.m.

Council Meeting resumed at 6:56 p.m.

Res. No. 438-18-10-22**Hope 4 MVC Kids Society**

MOVED by Councillor Warnock that the Town of Sundre Council accept the presentation from Hope 4 MVC Kids Society, as information.

CARRIED**BYLAWS****OLD BUSINESS*****Res. No. 439-18-10-22*****RFD CAO Review / Ad Hoc Committee**

MOVED by Councillor Funke that the Town of Sundre Council appoint Councilor Warnock to the CAO Review / Ad Hoc Committee.

CARRIED**NEW BUSINESS*****Res. No. 440-18-10-22*****RFD Hope 4 MVC Kids Society**

MOVED by Councillor Funke that the Town of Sundre Council approves of the purchase of a table for the Town of Sundre for the Hope 4 MVC Kids Society, "Raise the Roof" Charity Fundraiser in the amount of \$500.00, with funds to come from the Community Events Donation account.

CARRIED***Res. No. 441-18-10-22*****RFD Sundre Hills Subdivision Update**

MOVED by Councillor Funke that the Town of Sundre Council receive the Sundre Hills Subdivision Update Report, for information.

CARRIED***Res. No. 442-18-10-22*****RFD Central Alberta Falls Prevention Coalition Proclamation**

MOVED by Councillor Funke that the Town of Sundre Council proclaim the month of November 2018 as "Seniors' Falls Prevention Month in Sundre," on behalf of the citizens of Sundre.

CARRIED***Res. No. 443-18-10-22***

MOVED by Councillor Wolfe that the Town of Sundre Council supports the Mayor's attendance to the 2018 Walk with the Mayors event on November 1, 2018, in Innisfail, Alberta.

CARRIED**ADMINISTRATION*****Res. No. 444-18-10-22*****RFD Departmental Reports**

MOVED by Councillor Dalke that the Town of Sundre Council accept the September 2018 Departmental Reports, as information.

CARRIED

MUNICIPAL AREA PARTNERSHIP

COUNCIL REPORTS

1. Report to Council, Mayor Leslie

Res. No. 445-18-10-22

MOVED by Councillor Warnock to accept the Council Report(s), as information.

CARRIED

INQUIRIES BETWEEN COUNCILLORS OR TO ADMINISTRATION

COUNCIL INVITATIONS / CORRESPONDENCE

IN CAMERA – Notice to Public

IN CAMERA

ADJOURNMENT

Res. No. 446-18-10-22

MOVED by Councillor Wolfe being that the Agenda matters have been concluded the meeting adjourned at 7:24 p.m.

CARRIED

These Minutes approved this 5th day of November, 2018.

Mayor

Chief Administrative Officer



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: 2018 Meeting Calendar Changes

ORIGINATING DEPARTMENT: Legislative Services

AGENDA ITEM: 7.1

BACKGROUND/PROPOSAL:

At Council's request, Legislative Services is presenting the amended 2018 November and December Meeting Calendars for approval.

ADMINISTRATION RECOMMENDATIONS:

At Council's discretion.

COSTS/SOURCE OF FUNDING:

None.

MOTION:

That the Town of Sundre Council approve of the amended November and December 2018 Meeting Calendars showing the removal of the November 26, 2018, and December 10, 2018, Regular Council Meeting dates.

ATTACHMENTS:

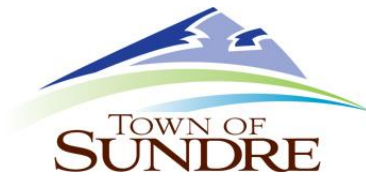
2018 Meeting Calendars – November & December

Date Reviewed: October 26, 2018 CAO: Linda Nelson

Town of Sundre Meeting Calendar 2018

November						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Multi-Year Business Planning and Budgeting Policy (B-012-01 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 7.2

BACKGROUND/PROPOSAL:

See enclosed October 1, 2018 Report to Council for further details. Following discussions with Council. The Chief Administrative Officer's adjustment limits have been reduced to \$50,000 for Capital and \$25,000 for Operating.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

See enclosed October 1, 2018 Report to Council for further details

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Multi-Year Business Planning and Budgeting Policy aligns with Council strategic priorities of sustainable governance and financial stability.

ADMINISTRATION RECOMMENDATIONS:

Administration recommends that Council adopt the attached Multi-Year Business Planning and Budgeting Policy.

COSTS/SOURCE OF FUNDING:

See enclosed October 1, 2018 Report to Council for further details

MOTION:

The Town of Sundre Council adopt the Multi-Year Business Planning and Budgeting Policy (B-012-01 POL) as presented.

Date Reviewed: _____ CAO: _____



COUNCIL DATE: October 1, 2018 / November 5, 2018

SUBJECT: Multi-Year Business Planning and Budgeting Policy (B-012-01 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 8.1 / 7.2

BACKGROUND/PROPOSAL:

To ensure prudent and responsible financial transactions are undertaken by the Town of Sundre, best practice is to establish financial policies which outline the objectives, reporting requirements and authorities for those transactions.

The Multi-Year Business Planning and Budgeting Policy is a revision to the existing policy which establishes a multi-year budget and business-planning process. The policy will also establish authorized budget and capital expenditure overrun approval limits for the CAO, which would not require further approval by Council. Other revisions to the existing policy include establishing the budget timeframe as four years, the Capital Plan timeframe as ten years and revising the dates in which the annual process will be undertaken.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Highlights of the policy include:

- 4-Year Operating Budget
- 10-Year Capital Plan, with emphasis on first five years
- CAO Capital Project Adjustment limit of \$100,000
- CAO Operating Budget Adjustment limit of \$50,000
- Director and Manager Operating Budget Adjustment limit of \$5,000
- Quarterly reporting of project updates, budget to actual comparisons with variance analysis and a Statement of Financial Position
- Capital project amendments and Business Plans will be reviewed semi-annually
- Strategic priorities and Operating budgets will be reviewed annually, adhering to the intent of minimal adjustments
- The adoption of a Tax Rate Bylaw in May is not intended to be an opportunity to revisit the approved budget
- Carry forward of positive and negative budget variances is acceptable in defined circumstances

ADMINISTRATION RECOMMENDATIONS:

Council adopt the attached Multi-Year Business Planning and Budgeting Policy.

COSTS/SOURCE OF FUNDING:

N/A

ATTACHMENTS:

- Multi-Year Business Planning and Budgeting Policy (B-012-01 POL)

Policy Name:	Multi-Year Business Planning and Budgeting
Policy Number:	B-012-01 POL
Date of Approval by Council:	TBD
Resolution Number:	TBD
Department of Responsibility:	Corporate Services
Last Review Date:	August 2018
Next Review Date:	January 2022

Purpose

The purpose of this policy is to establish a multi-year budget and business-planning process that incorporates all legal obligations required of municipalities in the Province of Alberta and that directs the effective management of the Town of Sundre financial resources.

Policy Statement

The Town of Sundre will establish a multi-year approach to planning and budgeting. Benefits expected include the following:

- Provide a longer-term funding plan so that strategic goals can be identified and achieved.
- Provide residents and businesses with more certainty about the direction of Council, Town services, finances, and tax levels.
- Create the opportunity for Council and Administration to be more strategically focused during the budget process.
- Ensure spending plan changes are adequately identified and managed.

The scope of the multi-year planning and operating and capital budgeting extends to all Town departments and municipal partners whose budget requests are included in the corporate business plan and budget document including FCSS, the Sundre Municipal Library, the Sundre Historical Society, the Sundre Aquaplex and the Visitor Information Centre.

1. Definitions

Operating

Revenues and expenses that are incurred in the daily operations of a Town.

Capital

Expenses that fall under the Tangible Capital Asset policy.

Emergency

A situation where the health, welfare and safety of the community is endangered or where the failure to incur an expenditure by the Town would represent significant monetary loss to the Town

2. Operating and Capital Budgets, Business Plans

- 2.1 Administration prepares long-term project plans as background information to Council for its preparation of priorities and guidelines for four-year business plans and operating and capital budgets.
- 2.2 Council prepares a Strategic Plan which outlines its priorities for a four-year period and provides budget guidelines to Administration that frame the preparation of the four-year departmental business plans and corresponding budgets.
- 2.3 Administration prepares departmental business plans that reflect Council's priorities and guidelines, and that are achievable within the limits of the budgeting guidelines.
- 2.4 The CAO approves the departmental business plans, including measures of performance.
- 2.5 Based on the approved business plans, Administration prepares detailed four-year operating and capital budget projections for Council approval that include both a base amount and the following growth-related components:
 - 2.5.1 Operating costs related to serving an increasing population and service area.
 - 2.5.2 Verifiable-operating costs related to approved and anticipated capital programs.
 - 2.5.3 Verifiable operating costs related to new and approved business plan activities.
 - 2.5.4 Inflationary factors as deemed reasonable over the four year period.

2.5.5 Operating costs related to donated/contributed assets.

2.6 The budget will include four years of proposed property tax rates and fees.

2.7 The Capital Plan continues to include projects over a ten-year timeframe but will place emphasis on the initial 5 years of the plan.

2.8 An annual report card will be prepared to track the progress of the four-year Strategic Plan priorities and update on the year's successes and outline any issues.

3. Budget Projections

The Town must ensure the correlation between capital project approvals and their operating budget impacts is consistent with the thorough planning and enhanced forecasts of costs and revenues that goes into multi-year planning and budgeting.

4. Linking Plans, Budgets and Measures

4.1 Business plans, budgets and performance measures must all be integrated and linked, and Council must be informed of their status and progress through regular reporting and adjustments.

4.2 The Town's integrated planning, budgeting and management process provides a number of benefits as follows:

4.2.1 The multi-year budget supports the business plans by ensuring that all projects and programs outlined in the plans are funded for the full four years making plans credible and achievable.

4.2.2 The business plans support the budgets by providing Council and the public with commitments to projects and programs for public services based on the funding provided in the budget.

4.2.3 The integrated multi-year process ensures alignment among planning, budgeting, and managing, so that budget guidelines provide the funding to develop business plans, provide performance measures for accountability, and performance reporting demonstrates what has been achieved in relation to the business plans.

4.2.4 Monthly monitoring of financial performance will be performed by the CAO.

4.2.5 Council will be provided with quarterly financial reporting which will include:

- capital and operating project updates, including budget to actual report and any variances in project timelines.
- budget to actual profit and loss report, with variance analysis.
- statement of financial position.

5. Timing/Budget Adoption

5.1 Municipalities are required by the Municipal Government Act (MGA) to prepare balanced operating budgets for each calendar year, however; it is possible to approve more than one year of budgets at the same time. Sections 283.1(2) and 283.1(3) require municipalities to adopt, as a minimum standard, a written three-year financial plan and five-year capital plan in addition to the annual budget.

5.2 If required, an interim operating budget for the next budget year shall be presented to Council for approval no later than the month of December in the current budget year. If circumstances arise such that a budget is unable to be expediently adopted, an interim budget shall be based on the previous year's approved budget.

5.3 Annual Review Process

Council must review and update financial and capital plans annually (s.283.1(6)).

5.3.1 In January/February of each year, Council will review their Strategic Plan and update priorities as required.

5.3.2 In March of each year, Departments working with the Director of Corporate Services and CAO will review the current year portion of business plans and related budgets to determine if adjustments are required.

5.3.2.1 There are defined mechanisms to adjust the business plan, performance measures and targets, and operating and capital budgets after they are approved. 'Adjustment' does not mean opening up the plans or budgets for a full-scale review. The intent is to adhere to the four-year business plans and the budgets that support them, but to provide the opportunity to fine-tune them only when circumstances warrant. The annual report card will provide an explanation if Council priorities shifted and a project shifted within the Strategic Plan.

- 5.3.3 In April, Capital projects will be outlined in detail to Council via a Capital Planning meeting. Administration will provide Council with detail for projects that fall within the current year; other capital projects will simply be listed and discussed only with Council direction.
- 5.3.4 In May, Council will adopt a Tax Rate Bylaw based on the previously-approved budget.
- 5.3.5 In October, Departments working in cooperation with the CAO, Director of Corporate Services and Council will review the remaining years of their business plans
- 5.3.6 In November, any approved priority changes, new information relevant to the operating budget or capital projects and the current year property assessment data will be considered for making adjustments to the Operating and Capital Budgets for the following year. The adjusted budget will be approved by Council.
- 5.4 Business plan and budget adjustments will be limited to respond to the following circumstances only:
 - 5.5.1 External factors such as provincial or federal budget adjustments, or changes imposed by legislation or external boards (Water Acts, Gas Alberta, etc.) and on pension plan or benefit contributions or WCB payments for example.
 - 5.5.2 Adjustments to reflect the operating impacts related to the implementation and completion of capital projects.
 - 5.5.3 Unforeseen changes to economic forecasts affecting costs, staffing requirements, service demand volumes, or revenue projections.
 - 5.5.4 Council-directed changes to priorities, policies, programs or results shown in performance reporting that cause:
 - 5.5.4.1 Requests to carry over operating variances, and/or
 - 5.5.4.2 Business plan amendments that require budget changes
- 5.5 Proposed changes to future years' business plans and operating budgets should only be brought forward and approved once per year, during the November budget review and approval process, so that all requests can be considered together.

- 5.6 Capital budget adjustments, being more time-sensitive due to the construction season, should not be restricted to adjustments once per year. Therefore, capital budget adjustments may be brought forward with the April capital projects review or the November budget review, with Council approval required for any adjustment exceeding \$50,000. The Chief Administrative Officer may approve adjustments and purchases below this limit when prudent to do so and must notify Council within a reasonable timeframe.

6. Budget Inclusions

- 6.1 The multi-year budget will include the following items:

- Council Strategic Plan
- Four-year departmental business plans
- Four-year summary budgets
- Adjustments list by department and summary for the current year
- Debt Summary – Four-year projection of debt limit and debt servicing
- Restricted Surplus Account Summary – Four-year projection of restricted surplus account additions, deletions and balances
- Capital Plan/Capital Budget – Five-year Capital Plan including funding source

7. Budget Authority

- 7.1 The approved operating budget will be deemed to be the Town of Sundre budget statement for purposes of complying with the Municipal Government Act and for the purpose of complying with the Town of Sundre budget requirements.
- 7.2 Council approval of the operating budget will provide Administration the authority to operate within the budgeted figures without having to seek out additional Council approval. This includes the opportunity to move funds that are allocated to a particular line item in the budget to another line item, and this will include all interest, grant and restricted surplus account entries. However, if a department budget is showing a budget overrun after grants and restricted surplus account budgeted entries are taken into account, then any further department purchases will have to be approved by the Director of Corporate Services and the Chief Administrative Officer. For larger purchases that are extraordinary to the operating budget exceeding \$5,000, the CAO will be required to approve the extra expenditures and exceeding \$25,000, Council will be required to approve the extra expenditures. In the event that a non-budgeted restricted surplus account entry is required, Council will be notified and will be required to approve such entries.

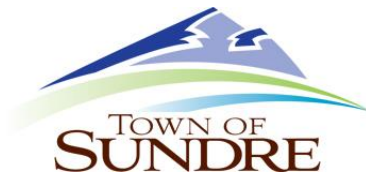
- 7.3 The approved Capital Plan will be deemed to be the Town of Sundre capital budget statement for purposes of complying with the Municipal Government Act and for the purpose of complying with the Town of Sundre capital budget requirements.
- 7.4 Council approval of the capital budget will provide Administration the authority to operate within the budgeted figures without having to seek out additional Council approval. However, if a project is going to exceed the approved budget by more than the CAO's approved adjustment limit, the additional amount must be approved by Council. All changes to the capital budget must identify the sources of funding.
- 7.5 Any operating or capital over-expenditure may be incurred by the Town without approval from Council in cases of emergency. Administration must make every effort to contact Council prior to an unbudgeted emergency operating expense. If Council cannot be contacted prior to the required emergency expense, then Council must be immediately notified and the expense must be brought forward to the next Council meeting.

8. Budget Carry Forwards

- 8.1 The practice of carrying forward positive or negative departmental operating budget variances supports the view that Council has approved a spending plan covering more than an annual period, so that departments should be able to manage their spending in the context of more than one year. But the practice must be used sparingly, and for closely defined circumstances only.
- 8.1.1 There will be no corporate negative variance in any year of the multi-year plan.
- 8.1.2 Any positive variances will be transferred in accordance with the Restricted Surplus Account Policy.
- 8.1.4 Negative departmental variances in the operating budget must be carried over from years 1, 2 and 3, with the department supplying a plan for Council approval as to how such negative variances will be mitigated in the following year(s).

MAYOR

CAO



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Capital Financing and Debt Management Policy (B-022-00 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 7.3

BACKGROUND/PROPOSAL:

See enclosed October 1, 2018 Report to Council for further details

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

See enclosed October 1, 2018 Report to Council for further details

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Capital Financing and Debt Management Policy aligns with Council strategic priorities of sustainable governance and financial stability.

ADMINISTRATION RECOMMENDATIONS:

Administration recommends that Council adopt the attached Capital Financing and Debt Management Policy.

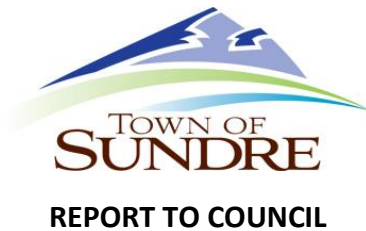
COSTS/SOURCE OF FUNDING:

See enclosed October 1, 2018 Report to Council for further details

MOTION:

That the Town of Sundre Council adopt the Capital Financing and Debt Management Policy (B-022-00 POL) as presented.

Date Reviewed: _____ CAO: _____



COUNCIL DATE: October 1, 2018 / November 5, 2018

SUBJECT: Capital Financing and Debt Management Policy (B-022-00 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 8.2 / 7.3

BACKGROUND/PROPOSAL:

To ensure prudent and responsible financial transactions are undertaken by the Town of Sundre, best practice is to establish financial policies which outline the objectives, reporting requirements and authorities for those transactions.

The Capital Financing and Debt Management Policy is a new policy which defines the use and issuance of both short-term and long-term debt. The policy will also establish acceptable debt limits and minimum project requirements.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Highlights of the policy include:

- MGA Regulation 255/2000 establishes a total debt limit of 150% of operating revenue and maximum annual debt service costs equal to 25% of operating revenue
- The Town will further restrict our maximums to 75% of the above requirements
- Financing and debenture practices will be responsive and fair to the needs of both current and future ratepayers
- The term of financing will not exceed the useful life of the purchase
- Long-term debt will be restricted to capital projects exceeding \$500,000
- Sources of funding may include internal borrowings, loans from financial institutions or debentures from Alberta Capital Finance Authority

ADMINISTRATION RECOMMENDATIONS:

Council adopt the attached Capital and Debt Management Policy.

COSTS/SOURCE OF FUNDING:

N/A

ATTACHMENTS:

- Capital Financing and Debt Management Policy (B-022-00 POL)

Policy Name:	Capital Financing and Debt Management
Policy Number:	B-022-00 POL
Date of Approval by Council:	TBD
Resolution Number:	TBD
Department of Responsibility:	Corporate Services
Last Review Date:	N/A
Next Review Date:	January 2022

Purpose

This policy establishes objectives, standards of care, authorized financing instruments, reporting requirements and responsibilities for the prudent financing of the Municipality's operating and infrastructure needs. The intention of the Capital Financing and Debt Management practices of the Town is to obtain the best value possible with regards to the cost of financing of the Town's projects and asset acquisitions, using internal or external financing resources.

Policy Statement

The Town of Sundre will establish a comprehensive and long-term approach to capital financing and debt management.

Financing may only be undertaken if and when it is in compliance with the relevant sections of the Municipal Government Act.

Council may, where it is deemed to be in the best interest of its taxpayers, approve the issuance of debt for its own purposes, or those of its municipal entities.

Financing and debenture practices will be responsive and fair to the needs of both current and future ratepayers and will be reflective of the underlying life cycle and nature of the expenditure.

The requirements include, but are not limited to:

- The term of temporary or short-term debt for operating purposes will not exceed the current fiscal year;

- The term of capital financing will not exceed the probable lifetime of the capital property, and will be equal to or less than the specific asset useful life stated in the financial statement;
- Long-term debt will not be issued for operating projects;
- Debt financing will not be incurred if the borrowing will cause the municipality to exceed its debt limit as determined in accordance with the regulations under section 271 of the Municipal Government Act;
- The total annual financing charges cannot exceed the Annual Debt Service Limit;
- Prior to entering into a lease financing agreement, an analysis will be prepared that assesses the costs as well as the financial and other risks associated with the proposed lease compared to other methods of financing;
- Prior to passing a debenture by-law which is consistent with construction financing, Council will have considered all financial and other risks related to the proposal;
- The awarding of any contract under this Policy will, unless otherwise authorized by Council, follow the procedures and authorities set out in the Municipality's approved Procurement Policy.

1. Definitions

Capital Expenditures

Expenditures incurred to acquire, develop, renovate, or replace capital assets as defined by the Public Sector Accounting Board, section 3150.

Capital Financing

A generic term for the financing of capital assets using debt, financing leases, swaps and other derivatives.

Construction Financing

A form of debt financing in which the issuer does not pay any principal or interest for a period of up to 5 years during the construction or rehabilitation of the facility from which a revenue stream is expected to be generated.

Debenture

A formal written obligation to repay specific sums on certain dates. In the case of the Municipality they are typically unsecured.

Debt

Any obligation for the payment of money. For Alberta municipalities, debt would typically consist of debentures as well as either notes or cash loans from financial institutions. Could also include loans from restricted surplus funds.

Debt Service Cost

Debt repayments, including interest and principal.

Emergency

A situation where the health, welfare and safety of the community is endangered or where the failure to incur an expenditure by the Town would represent significant monetary loss to the Town.

Infrastructure

Large-scale public systems, services, and facilities of the Town that are necessary for economic activity in the community.

Lease Financing Agreements

A lease allowing for the provision of Municipal Capital Facilities if the lease may or will require payment by the Corporation beyond the current term of Council.

Long-term Bank Loan

Long term debt provided by a bank, or syndicate of banks.

Long-term Debt

Any debt for which the repayment of any portion of the principal is due beyond one year.

Mortgage

The charging of real property by a debtor to a creditor as security for a debt (especially one incurred by the purchase of the property), on the condition that it shall be returned on payment of the debt within a certain period.

Municipality

The Town of Sundre.

Restricted Surplus Account

Account created when funds are set aside (designated) for a future purpose. Funds within a Restricted Surplus Account are restricted and will be applied as outlined in the approved Restricted Surplus Account Policy.

Short-term Debt

Any debt for which repayment of the entire principal is due within one year.

Statutory Annual Debt Limit

The total debt and financial obligation limit for municipalities as described under Alberta regulation 255/2000. The regulation provides a formula which limits total debt for the municipality to an amount equal to 150% of operating revenue.

Statutory Annual Debt Repayment Limit

The annual debt and financial obligation limit for municipalities as described under Alberta regulation 255/2000. The regulation provides a formula which limits annual debt service costs to an amount equal to 25% of operating revenue.

2. Purposes for which long-term debt may be issued

The Town may borrow by debenture, mortgage or other acceptable debt instrument to finance the construction, purchase or major restoration of infrastructure with an individual project value exceeding \$500,000. The projects will appear in the approved Capital Plan or as approved by Council. Long-term debt will not be used to finance operating expenditures or routine infrastructure maintenance.

3. Debt Limits

3.1 The Town cannot exceed the debt limits as determined in accordance with the regulations under section 271 of the *Municipal Government Act*.

3.2 The Town further restricts the debt level of the municipality to 75% of the maximum level established by the Provincial regulation, unless the capital expenditure is required for one or more of the following purposes:

3.2.1 Environmental or safety related regulatory standard upgrades/new development;

3.2.2 Unexpected emergency or disaster, requiring a significant capital expenditure to replace damaged infrastructure.

4. Short-term debt

4.1 The Town has an operating line of credit of \$750,000 in place which may be used to manage cashflow;

4.2 The use of the line of credit or other form of short-term debt could be incurred for projects with a cost under \$500,000 or for capital projects where long-term debt has not yet been determined

to be a primary source of financing (ie: where grant funding or developer contributions are anticipated but timing is not aligned with project financing requirements).

5. Approved source of long-term debt

5.1 Acceptable sources of long-term debt include:

5.1.1 Restricted Surplus Funds (internal borrowing)

5.1.2 Loan from a financial institution

5.1.3 Debenture from Alberta Capital Finance Authority

5.2 When sufficient funds are available in the Town's eligible restricted surplus funds and it is determined that the use of these funds will not adversely affect the intended purpose of the restricted surplus fund, the Town's restricted surplus funds may be used as a source of financing for short- to long-term purposes.

5.3 It will further be the intention of the Town to provide the best value for taxpayers and therefore, internal borrowing will only be undertaken if there is determined to be an advantage to the Town for doing so and the internal borrowing plus external borrowing will not exceed the Town's debt limit as determined in accordance with the regulations under section 271 of the *Municipal Government Act*.

5.3.1 The restricted surplus funds that are used for projects identified in the Offsite Levy Bylaw will be repaid with interest, at the **greater of** the ACFA rate **or** the average earnings of the investment account at the time the project is approved. To calculate the average earnings, take a weighted average for each investment. For the investments that are market linked, use the 10 year average return of a common market index that does or is closely represented for each specific market investment and apply the factor or include the portion which is charged by the investment organization.

5.4 Each such loan is to be authorized by a specific by-law passed by Council which sets out the loan amount, interest rate, term of the loan, repayment terms, loan amortization period and the specific restricted surplus fund from which the loan is made.

5.4.1 Borrowing in this manner offers several advantages over traditional debenture financing which may include the following:

- Increased flexibility in setting loan terms,
- Equal or lower interest cost, and

- Avoidance of fees related to financing arrangements.

5.5 If sufficient funds are not available in restricted surplus to provide long-term financing or it is deemed more appropriate to seek another source, the ACFA or another acceptable lender will be used based on the most attractive lending terms for the project.

6. Early repayment of debt

6.1 Borrowings will only be repaid before the scheduled repayment date if it appears to be financially beneficial to do so. In considering whether it is financially beneficial, any additional external costs involved will be considered.

7. Integration of the Five Year Capital Plan Budget and debt issues

7.1 When reviewing the Five Year Capital Plan, Administration will present for the consideration by Council, the need for any long-term financing.

7.2 It is the intention of this policy to have the Five Year Capital Plan use appropriate funding sources including long-term debt to finance major capital expenditures. Should any long-term borrowing be required in the Five Year Capital Plan, Council will be specifically advised.

8. Use of debt borrowing proceeds

8.1 Investment interest earned on funds borrowed, until required to offset expenditures, will normally be credited to the project which is being financed. Exceptions may be made for large borrowings or where regulations require specific procedures to be followed.

9. Reporting

9.1 The annual municipal financial statements will provide the statutory reporting on the municipality's short and long term debt, debt limit and other financing transactions, as required.

9.2 Quarterly, or more often, if requested, the Restricted Surplus Account Summary will be provided to Council which will outline the status of any internal financing that has occurred with Restricted Surplus Funds providing the funding source for financing of municipal projects.

9.3 Other performance measures of debt levels for the Town could include: debt/capita; debt to taxable property value; debt service payments as a percentage of general fund revenues or expenditures; debt to Restricted Surplus Fund ratio.

Direct Debt to Taxable Property Value

This ratio compares direct debt to the total taxable property value. This measure provides a ratio that can be compared to other municipalities.

Debt Service Cost to Net Revenue

This ratio is a measure of the principal and interest payable annually as a proportion of revenue as defined in section 271 of the *Municipal Government Act*. It should not exceed a target of 20%.

Direct Debt to Restricted Surplus Fund Ratio

This ratio compares direct debt to the total of all restricted surplus funds. A generally accepted target ratio for municipalities is considered to be 1:1.

- 9.4 As part of the budgeting process, the Director of Corporate Services will provide a Debt Financing overview which will outline the details of the debt currently held by the municipality along with any outstanding debentures, mortgages or other loans that will mature during the budgeting timeframe. Administration will provide recommendations to Council for the funds that will be available as a result of such maturity.

10. Roles and Responsibilities

10.1 The personnel of the municipality complying with this Policy shall have the necessary authority to carry out the responsibilities and duties identified within the Policy.

10.1.1 Departments

The Town's Capital Plan along with Departmental Business plans will identify the need for debt financing. Directors will advise the Director of Corporate Services of any plans to incur debt financing through the budgeting process and then, well in advance (at least 60 days) of the project commencement for which debt will need to be incurred, the Director will advise the Director of Corporate Services of the timing of financing requirements.

10.1.2 Corporate Services

- i. The Director of Corporate Services has overall responsibility for the advice and reporting relating to the financing program of the Municipality and for overseeing the implementation of this Policy.
- ii. The Director of Corporate Services shall establish a system of controls to regulate the activities related to debt financing for the municipality.

- iii. The Director of Corporate Services shall calculate the financial debt and obligation limit for the municipality as prescribed by the *Municipal Government Act Regulations*.
- iv. The Director of Corporate Services shall provide the reporting as outlined in this Policy.
- v. The Director of Corporate Services shall coordinate the preparation of Borrowing Bylaws for presentation to Council for any municipal borrowing that is requested.

10.1.3 External Advisors

- i. The Municipal staff will be expected to have sufficient knowledge to prudently navigate standard financing transactions. However, should in their opinion the appropriate level of knowledge not exist for unusual or non-standard transactions, or otherwise directed by Council, outside financial and/or legal advice will be obtained.

Related Documents

Restricted Surplus Policy

Proposed Procurement Policy

MAYOR

CAO



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Restricted Surplus Account Policy (B-023-00 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 7.4

BACKGROUND/PROPOSAL:

To ensure prudent and responsible financial transactions are undertaken by the Town of Sundre, best practice is to establish financial policies which outline the objectives, reporting requirements and authorities for those transactions.

The Restricted Surplus Account Policy is a new policy which defines the creation and use of Restricted Surplus funds. The policy will also establish acceptable purposes, sources of funding, minimum and maximum balances, and applications for each account.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Highlights of the policy include:

- The creation of 4 “roll-up” categories which will be used for consolidated reporting
- The creation of Stabilization Accounts for individual departments
- Establishing a system which allows departments to utilize a portion of their budget surpluses for stabilization purposes

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Restricted Surplus Account Policy supports Council’s strategic priorities of sustainable governance and financial stability

ADMINISTRATION RECOMMENDATIONS:

Administration recommends Council adopt the attached Restricted Surplus Account Policy.

COSTS/SOURCE OF FUNDING:

N/A

MOTION:

That the Town of Sundre Council adopt the Restricted Surplus Account Policy (B-023-00 POL) as presented.

Date Reviewed: _____ CAO: _____

Policy Name:	Restricted Surplus Account Policy
Policy Number:	B-023-00 POL
Date of Approval by Council:	TBD
Resolution Number:	TBD
Department of Responsibility:	Corporate Services
Last Review Date:	n/a
Next Review Date:	January 2022

Purpose

The purpose of this policy is to establish guidelines and the approach for the management of existing Restricted Surplus accounts and the establishment of new Restricted Surplus accounts.

Policy Statement

The adoption of a Restricted Surplus Account Policy is a prudent business practice that will enhance the Town of Sundre's financial strength, flexibility and cash flow management.

A Restricted Surplus Account Policy is required to establish, maintain and manage Restricted Surplus Account funds that:

- maintain and improve Town of Sundre's working capital requirements;
- provide for future operating and capital requirements;
- address the overall current and future initiatives of the Town of Sundre; and
- provide for offsetting unanticipated fluctuations in operating and capital activities.

1. Definitions

Carry Over Project

A project that has been approved by Council either through an operating or capital budget or by Council resolution, that is not completed within the fiscal year in which it was approved to be completed.

Committed Balance

Funding approved as per approved budget or Restricted Surplus Account Policy to be applied towards specific expenditures.

Designated Balance

Funding designated to Restricted Surplus for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.

Infrastructure Lifecycle, Maintenance and Replacement Restricted Surplus Accounts

A Restricted Surplus roll up category for reporting which captures all Restricted Surplus Accounts that tie to infrastructure lifecycle, maintenance and replacement of Town of Sundre's tangible capital assets.

Minimum/Maximum Balances

Where applicable, Restricted Surplus Account descriptions will indicate the minimum and maximum recommended balance for the Restricted Surplus Accounts. These recommendations will be based on adequate levels to maintain services as determined by departments and approved by the Senior Leadership Team.

Projects Restricted Surplus Accounts

A Restricted Surplus roll up category for reporting which captures all Restricted Surplus Funds that tie to the non-cyclical Restricted Surplus needs of departments including tangible capital assets projects.

Re-designation of Restricted Surplus Accounts

The process to change the specific purpose of restricted funds from one Restricted Surplus Account to another.

Restricted Surplus Account

Restricted Surplus Accounts are created when funds are set aside (designated) for a future purpose. Funds within a Restricted Surplus Account are restricted and will be applied as outlined in the approved Restricted Surplus Account Policy.

Restricted Surplus Account Description

A listing of Restricted Surplus Account Descriptions is found in this policy. Each Restricted Surplus Account Description contains the following:

- the overall purpose of the Restricted Surplus Account;
- the source of funds for the Restricted Surplus Account;
- when the Restricted Surplus Account can be accessed (the application);
- the minimum and maximum balance, if applicable;
- the duration; and
- interest entitlement.

Restricted Surplus Account Transaction

The following activity is considered a Restricted Surplus Account Transaction:

- contributions to the Restricted Surplus Account from internal or external sources;
- withdrawals from the Restricted Surplus Account to fund expenditures;
- re-designation of the Restricted Surplus Account funds;
- release of the Restricted Surplus Account funds.

Stabilization Restricted Surplus Account

A Restricted Surplus Account roll up category for reporting which captures all Restricted Surplus Accounts that maintain funds to aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

2. Approach and Procedure

- 2.1 All Restricted Surplus Account transactions, re-designations, revisions and new Restricted Surplus Account requests must be ratified by Council. These approvals will be comprehensively reviewed by the external auditor at the close of the fiscal year. Approvals may be in the form of:
 - a. The multi-year operating or capital budget approval;
 - b. An approved carryover project; or
 - c. A Council resolution.
- 2.2 All Restricted Surplus Accounts must be fully described and must include a purpose, application, and approval. Unless otherwise stated, all funds are considered committed for the specific purpose as outlined by the Restricted Surplus Account.
- 2.3 All Restricted Surplus Accounts will be administered by the CAO or his/her designate in accordance with current municipal policies and the Public Sector Accounting Standards.
- 2.4 All Restricted Surplus Accounts must be reviewed annually by the CAO, Director of Corporate

Services and Council to determine if the Restricted Surplus Accounts are still required. When the original intent of the Restricted Surplus Account has been met or changed, any remaining amounts in the Restricted Surplus Account shall, through an appropriate review process by the CAO and Council resolution, be either returned to surplus or re-designated.

2.5 Restricted Surplus Accounts can be funded from either internal or external sources.

Examples of internal sources of funds:

- approved budget contributions;
- carryover of current year's budget funds which were approved for a specific purpose but were not expended during the year; and
- annual surplus contributions.

Examples of external sources of funds:

- offsite levies;
- sale of assets;
- cash in lieu of municipal reserve;
- other contributions and donations.

2.6 Funding to and from the Restricted Surplus Accounts will be approved through Council via:

- existing municipal policies;
- through the multi-year budget process;
- the year-end Restricted Surplus Account request and approval process;
- the approved Restricted Surplus Account Description for contributions; or
- Council Resolution.

2.7 Restricted Surplus Accounts created for carryover projects and approved by Council may be drawn by the Departments after the actual expenditure has been incurred with no further approval required, provided the expenditure occurs in the fiscal year following the year in which the project was originally budgeted.

2.8 Interest earned on the investments representing the Restricted Surplus Accounts will be allocated to each Restricted Surplus Account approved for interest allocation and based on the balance at December 31st each year. Interest will be calculated at a rate equal to the previous year's average rate of return on investments as reported by the investment portfolio manager. Any Restricted Surplus Account that has reached its maximum balance as stated in

the Description will not receive an interest allocation until such time the balance falls below the stated maximum.

2.10 All expenditures from Restricted Surplus Accounts must have prior approval. Approval will be obtained:

- through existing Municipal Policies, where applicable; or
- from multi-year operating or capital budget approval; or
- from approved carryover project; or
- by Council resolution.

2.11 Expenditures from Restricted Surplus Accounts must not exceed the Restricted Surplus Account balance unless it can be demonstrated to Council through financial cash flow projections that future sources of revenues will provide adequate funding to return the Restricted Surplus Account to a positive balance.

2.12 Restricted Surplus Account transactions will not be processed until actual expenditures are incurred. Departments must notify Financial Services when Restricted Surplus Account funding for these expenditures is required.

3. Reporting

3.1 Regular reporting on the Restricted Surplus Accounts will occur through the quarterly management report. The quarterly reporting will indicate the total of Restricted Surplus Accounts as grouped in the four Restricted Surplus Account roll up categories, and will include current balance segregated between Committed Balance and Designated Balance.

3.2 Reporting for Restricted Surplus Accounts will include identification of any projects for which Restricted Surplus Account funds will be used to fund the project in a future year.

3.3 The Consolidated Financial Statements of the Town report Restricted Surplus Accounts within accumulated surplus, along with equity in tangible capital assets and unrestricted surplus (deficit).

4. Roles and Responsibilities

4.1 Departments

It is the responsibility of departments to be in compliance with the Restricted Surplus Account Policy and the related Restricted Surplus Account Administrative Procedures. Departments will need to partner with Corporate Services annually to confirm Restricted Surplus Account structure and minimum and maximum balances.

4.2 Corporate Services

It is the responsibility of Corporate Services to administer the Town of Sundre's Restricted Surplus Accounts, and to partner with departments to ensure on-going compliance with the Restricted Surplus Account Policy. Corporate Services will provide guidance to departments in complying with the intent of the policy by developing administrative procedure guidelines to support the Restricted Surplus Account Policy.

Restricted Surplus Account Descriptions Index

Restricted Surplus Accounts

A. Stabilization Restricted Surplus Accounts

- A.1) General Corporate Restricted Surplus Account
- A.2) Corporate Services Restricted Surplus Account
- A.3) Protective Services Restricted Surplus Account (Sundre)
- A.4) Municipal Operations Restricted Surplus Account
- A.5) Utilities (Water, Wastewater, Storm Drainage, Gas, Solid Waste)
Restricted Surplus Account
- A.6) Development Services Restricted Surplus Account
- A.7) Community Services Restricted Surplus Account

B. Projects Restricted Surplus Accounts

- B.1) Municipal "New" Projects Restricted Surplus Account
- B.2) Utility "New" Projects Restricted Surplus Account

C. Infrastructure Lifecycle, Maintenance and Replacement Restricted Surplus Account

- C.1) Municipal Infrastructure Lifecycle and Replacement Restricted Surplus Account
- C.2) Utility Infrastructure Lifecycle and Replacement Restricted Surplus Account

D. Special Purpose Restricted Surplus Account

- D.1) Cash In Lieu of Municipal Reserve Fund Restricted Surplus Account
- D.2) Shared Fire (MVC) Restricted Surplus Account
- D.3) Shared Fire Operating Restricted Surplus Account
- D.4) Sundre Golf Restricted Surplus Account
- D.5) Transportation Offsite Levies Restricted Surplus Account
- D.6) Water Offsite Levies Restricted Surplus Account
- D.7) Wastewater Offsite Levies Restricted Surplus Account
- D.8) Storm Drainage Offsite Levies Restricted Surplus Account

Financial Restricted Surplus Account – Description A.1	
Type:	Municipal
Roll up Category:	Stabilization Restricted Surplus Accounts
Name:	General Corporate Stabilization Restricted Surplus Account
Purpose:	To provide funds to stabilize fluctuations in operating and capital activity and to address the risk of revenue and expenditure volatility. This account will also provide funds to stabilize the temporary impact of unforeseen, non-recurring, emergent, new operating initiatives without a funding source; one-time expenditures or losses of revenue; and to ensure the orderly provision of services to citizens.
Source of Funding:	<ul style="list-style-type: none"> a. Budgeted transfers or other sources as approved by Council. b. Allocation of 50% of the Year-End Functional Operating surpluses as approved by Council in accordance with Multi-year Budgeting Policy B01-12. c. Other sources as approved by Council.
Maximum/Minimum Balance:	<p>Minimum – 10% of annual operating expenses Maximum – 25% of annual operating expenses (a benchmark of 3 months operating expenses)</p> <p>If balance falls below minimum balance, funds will be budgeted to replenish the Restricted Surplus Account to the minimum balance over the next multi-year budgeting cycle.</p>
Application:	Funds from this Restricted Surplus Account will be used for stabilizing surplus and deficits over the multi-year budget cycle (such as periods of high inflation or other items that would result in volatility of future property tax dollar requirements). Funds from this Restricted Surplus Account will also be used to stabilize unbudgeted impacts resulting from unanticipated events with Council approval.

	Examples are unforeseen increases in emergency response costs, unforeseen climatic conditions, reductions in the carrying cost of investments, extraordinary events, insurance premiums and/or deductible payment fluctuations, or other items that would result in an overall deficit to the municipal functions.
Duration:	Ongoing
Interest Bearing:	N/A
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description A.2-A.7			
Type:	Municipal		
Roll up Category:	Stabilization Restricted Surplus Accounts		
Name:	Functional Stabilization Restricted Surplus Accounts [Corporate Services, Protective Services, Municipal Operations, Utilities, Development Services, Community Services]		
Purpose:	To provide funds to lessen the impact of budget variances within the Functional budgets and to carry over tax funding dedicated to specific projects or purposes that are incomplete or underspent at each year end of the Multi-year Budget.		
Source of Funding:	50% of the annual surplus within each Function will be transferred to the respective Functional Stabilization Restricted Surplus Account, except for Utilities which surplus will flow 100% into the Utilities Functional Stabilization Restricted Surplus Account.		
Maximum/Minimum Balance:	Function	Min	Max
	Corporate Services	-0-	25% of annual expenses
	Protective Services	-0-	25% of annual expenses
	Municipal Operations	-0-	25% of annual expenses
	Utilities	-0-	25% of annual expenses
	Development Services	-0-	25% of annual expenses
	Community Services	-0-	25% of annual expenses
Application:	<p>Funds from this Restricted Surplus Account will be used for stabilizing the operational needs of the primary municipal functions. Enabling the Functions to retain any surplus generated in the multi-year budget cycle will reduce the risk of deficit within the Function.</p> <p>This Restricted Surplus Account will also be used in cases where an operating initiative, program or project with a tax funding source has not been completed by year end or is underspent. Funds intended for the initiative will be added to the account and drawn out in the immediately following year.</p>		

	<p>Any funds in excess of the maximum balance (with the exception of the Utilities Stabilization Restricted Surplus Account) will be transferred to the General Corporate Stabilization Restricted Surplus Account.</p> <p>Any funds in excess of the maximum for the Utilities Stabilization Restricted Surplus Account will be transferred to the Utility Lifecycle Restricted Surplus Account.</p>
Duration:	Ongoing
Interest Bearing:	N/A
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description B.1	
Type:	Municipal
Roll up Category:	Projects Restricted Surplus Accounts
Name:	Municipal “New” Capital Projects Restricted Surplus Account
Purpose:	To provide funding for capital projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects.
Source of Funding:	a. Annual budget transfers as approved by Council. b. Other sources as approved by Council.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used to fund expenditures relating to the specific new capital projects, excluding utility projects, as originally presented to Council, or approved through the Capital Plan.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	Up to 50% for a maximum 5 year term

Financial Restricted Surplus Account – Description B.2	
Type:	Municipal
Roll up Category:	Projects Restricted Surplus Accounts
Name:	Utility “New” Capital Projects Restricted Surplus Account
Purpose:	To provide funding for capital projects that will be undertaken in the future, to build funding for non-annual programs, and to assist in meeting future funding requirements for projects.
Source of Funding:	a. Annual budget transfers as approved by Council. b. Other sources as approved by Council.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used to fund expenditures relating to the specific new utility capital projects as originally presented to Council, or approved through the Capital Plan.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	Up to 50% for a maximum 5 year term

Financial Restricted Surplus Account – Description C.1	
Type:	Municipal
Roll up Category:	Infrastructure Lifecycle, Maintenance and Replacement Restricted Surplus Accounts
Name:	Municipal Infrastructure Lifecycle and Replacement Restricted Surplus Account
Purpose:	To provide funds for Infrastructure Lifecycle and Replacement projects including but not limited to: <ul style="list-style-type: none"> a. Meeting future municipal replacement requirements for existing assets; b. The overlay and construction of municipal roads; c. Major lifecycle projects for existing municipal assets; d. And excluding utility assets
Source of Funding:	<ul style="list-style-type: none"> a. Annual budget transfers as approved by Council. b. Any funding in excess of the maximum General Corporate Stabilization Restricted Surplus Account balance. c. Proceeds received from the sale of disposed municipal assets (other than utility assets). d. Other sources as approved by Council.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used to fund the replacement and major refurbishment projects of the Town of Sundre's municipal infrastructure assets as approved through the budget, or as presented to Council to lessen the volatility in annual costs.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	Up to 50% for a maximum 5 year term

Financial Restricted Surplus Account – Description C.2	
Type:	Municipal
Roll up Category:	Infrastructure Lifecycle, Maintenance and Replacement Restricted Surplus Accounts
Name:	Utility Infrastructure Lifecycle and Replacement Restricted Surplus Account
Purpose:	To provide funds for Utility Infrastructure Lifecycle and Replacement projects including but not limited to: <ul style="list-style-type: none"> a. Meeting future municipal replacement requirements for existing utility assets; b. Major lifecycle projects for existing utility assets
Source of Funding:	<ul style="list-style-type: none"> a. Annual budget transfers as approved by Council. b. Any funding in excess of the maximum Utility Functional Restricted Surplus Account balance. c. Proceeds received from the sale of disposed utility assets. d. Other sources as approved by Council.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used to fund the replacement and major refurbishment projects of the Town of Sundre's utility infrastructure assets as approved through the budget, or as presented to Council to lessen the volatility in annual costs.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	Up to 50% for a maximum 5 year term

Financial Restricted Surplus Account – Description D.1	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Cash In Lieu of Municipal Reserve Restricted Surplus Account
Purpose:	To set aside funds received in accordance with Development Agreements where the developer has negotiated a cash settlement in lieu of contributing land for municipal reserve.
Source of Funding:	Cash paid in lieu of municipal reserve land
Maximum/Minimum Balance:	Not applicable.
Application:	The funds from this Restricted Surplus Account may be used for approved purposes in accordance with section 671 of the <i>Municipal Government Act</i> .
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.2	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Shared Fire (MVC) Restricted Surplus Account
Purpose:	To set aside funds for shared equipment life-cycling.
Source of Funding:	Transfers from the Town/Mountain View County shared use fire operating surplus in accordance with the Intermunicipal Fire Services agreement.
Maximum/Minimum Balance:	As determined within the Intermunicipal Fire Services agreement
Application:	The funds from this Restricted Surplus Account may be used for approved purposes in accordance with Intermunicipal Fire Services agreement.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.3	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Shared Fire Operating Restricted Surplus Account
Purpose:	To set aside funds for operating budget stabilization.
Source of Funding:	Transfers from the Town/Mountain View County shared use fire operating surplus in accordance with the Intermunicipal Fire Services agreement.
Maximum/Minimum Balance:	As determined within the Intermunicipal Fire Services agreement
Application:	The funds from this Restricted Surplus Account may be used for approved purposes in accordance with Intermunicipal Fire Services agreement.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.4	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Sundre Golf Restricted Surplus Account
Purpose:	The Town of Sundre administers the payout of funds on behalf of the dissolved Sundre Golf Club in regards to the Friends' of Sundre Debentures
Source of Funding:	N/A
Maximum/Minimum Balance:	N/A
Application:	Payout of debenture funds
Duration:	Unknown (documentation indicates expiration of commitment Aug 31, 2011)
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.5	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Transportation Offsite Levies Restricted Surplus Account
Purpose:	To set aside funds collected in accordance with Bylaw 04.15 - The Town of Sundre Offsite Levy Bylaw and dedicated for transportation infrastructure development.
Source of Funding:	a. Transportation (Road) portion of the offsite levies collected from developers in accordance with Bylaw 04.15.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used for development of new or expanded roads required for or impacted by a subdivision or development or land required for or in connection with new or expanded roads.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.6	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Water Offsite Levies Restricted Surplus Account
Purpose:	To set aside funds collected in accordance with Bylaw 04.15 - The Town of Sundre Offsite Levy Bylaw and dedicated for water infrastructure development.
Source of Funding:	a. Water portion of the offsite levies collected from developers in accordance with Bylaw 04.15.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used for development of new or expanded water infrastructure required for or impacted by a subdivision or development or land required for or in connection with new or expanded water infrastructure.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.7	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Wastewater Offsite Levies Restricted Surplus Account
Purpose:	To set aside funds collected in accordance with Bylaw 04.15 - The Town of Sundre Offsite Levy Bylaw and dedicated for wastewater infrastructure development.
Source of Funding:	a. Wastewater portion of the offsite levies collected from developers in accordance with Bylaw 04.15.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used for development of new or expanded wastewater infrastructure required for or impacted by a subdivision or development or land required for or in connection with new or expanded wastewater infrastructure.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

Financial Restricted Surplus Account – Description D.8	
Type:	Municipal
Roll up Category:	Special Purpose Restricted Surplus Accounts
Name:	Storm Drainage Offsite Levies Restricted Surplus Account
Purpose:	To set aside funds collected in accordance with Bylaw 04.15 - The Town of Sundre Offsite Levy Bylaw and dedicated for storm drainage infrastructure development.
Source of Funding:	a. Storm drainage portion of the offsite levies collected from developers in accordance with Bylaw 04.15.
Maximum/Minimum Balance:	N/A
Application:	This Restricted Surplus Account will be used for development of new or expanded storm drainage infrastructure required for or impacted by a subdivision or development or land required for or in connection with new or expanded storm drainage infrastructure.
Duration:	Ongoing
Interest Bearing:	Yes
Eligibility for Internal Borrowing:	N/A

MAYOR

CAO



REQUEST FOR DECISION

COUNCIL DATE: October 15, 2018 / November 5, 2018

SUBJECT: Fleet Services – Sander System purchase

ORIGINATING DEPARTMENT: Fleet Services / Corporate Services

AGENDA ITEM: 8.1 & 7.5

BACKGROUND/PROPOSAL:

The current sander is past its life cycle and it was noted during the 2017/2018 snow season that the entire unit was showing signs of rust and metal fatigue. The sander equipment is a critical piece of the snow management system and has been subject to breakdowns, as well as the hopper storage is in poor condition. An e-mail quote was received from Commercial Truck Equipment Co. with four potential options ranging in price from \$6,875 to \$11,200

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Based on service requirements, it was determined the SaltDogg 1400465SS was the best option. As the units generally sell-out and the snow season has begun early, Administration has determined it is advisable to purchase the replacement now rather than wait for the 2019 budget cycle to begin.

ALIGNMENT WITH STRATEGIC PLAN:

This supports Council's Strategic Priority of continued service delivery

ADMINISTRATION RECOMMENDATIONS:

Administration recommends purchasing the SaltDogg 1400465SS as per the emailed quote

COSTS/SOURCE OF FUNDING:

\$9,313.05 plus GST to be withdrawn from the Roads Reserves

MOTION:

That the Town of Sundre Council approve the purchase of a SaltDogg 1400465SS Sand Spreader System at a cost of \$9,313.05 plus GST from Commercial Truck Equipment Co, with the funds to be transferred from the Roads Reserves.

ATTACHMENTS:

E-mail quote from Commercial Truck Equipment Co.

Date Reviewed: _____ CAO: _____

From: **Derek Frost** <DFrost@comtruck.ca>
Date: Fri, Sep 21, 2018 at 9:12 AM
Subject: Spreader Quote
To: ken.j@sundre.com <ken.j@sundre.com>

Hello Ken –

As per our conversation yesterday on self-contained Sand Spreaders we offer the following quotation.

Meyer Polyhawk M63898 \$ 7800.00 in stock
2 yard, c/w radio remote, 10.5HP gas engine

Meyer M67066 \$ 11,200.00 4 – 5 months ARO
3.5 yard Stainless Steel w/radio remote

Meyer M67090 \$ 6875.00 in stock
2 yard, Stainless Steel, hard wired

SaltDogg 1400465SS \$ 9313.05 2- 3 weeks ARO
3 yard, Stainless Steel, hard wired

I think this was all we discussed, if there is something else you wanted me to quote, please advise me at your convenience.

All prices do not include GST

Thank you & kind regards – also please let me know as soon as you can if you want me to hold on of these stock units.

Derek Frost

Technical Sales Representative

Commercial Truck Equipment Co.

O: 403-253-6421 T 800-352-8291

E: dfrost@comtruck.ca

W: www.comtruck.ca

PROVIDING EXPERT TRUCK EQUIPMENT SOLUTIONS ACROSS CANADA



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: CAO Performance Review Process

ORIGINATING DEPARTMENT: Legislative Services

AGENDA ITEM: 8.1

BACKGROUND/PROPOSAL:

Section 205.1 of the Municipal Government Act requires a council to provide the chief administrative officer with an annual written report detailing the performance results the chief administrative officer has achieved with respect to fulfilling the chief administrative officer's responsibilities under section 207.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Section 207 sets out the Chief administrative officer's responsibilities, as follows:

The chief administrative officer:

- (a) is the administrative head of the municipality;
- (b) ensures that the policies and programs of the municipality are implemented;
- (c) advises and informs the council on the operation and affairs of the municipality;
- (d) performs the duties and functions and exercises the powers assigned to a chief administrative officer by this and other enactments or assigned by council.

MOTION:

That the Town of Sundre Council moves to approve the process for the Chief Administrative Officer Performance Review.

Date Reviewed: _____ CAO: _____

Chief Administrative Officer Performance Evaluation

To be completed by Council and the CAO.

1	Falls Short of Requirements
2	Meets Requirements
3	Preforming Beyond Requirements
4	Exceptional

Rate each of the following according to your perception of the performance of the CAO in the past year. Please provide comments or examples to illustrate the rating.

Management and Leadership Effectiveness

_____ Obtains and allocates resources consistent with Council’s strategic priorities.

_____ Demonstrates a good understanding of the major issues facing the Council and the Municipality.

_____ Exercises good judgement in dealing with major issues.

_____ Demonstrates consistent values of high ethical awareness, honesty and fairness.

_____ Demonstrates a clear understanding of the local, regional, provincial, national and global issues impacting the municipality.

_____ Provides positive leadership to staff and elected officials.

_____ Identifies, assesses and manages the principal risks to the Municipality.

Relationship with Council

_____ Presents matters to Council within appropriate timelines.

_____ Acts on Council's resolutions/motions and direction in a timely manner.

_____ Facilitates Council's governance, decision-making and committee work.

_____ Facilitates the orientation and training of Councillors.

_____ Keeps Council fully informed on all important aspects of the status and development of the Municipality.

_____ Respects the division of authority between Council and CAO.

_____ Maintains a positive working relationship with Mayor and Councillors.

Relationship with Staff

_____ Effectively attracts, retains, motivates and leads a team capable of achieving municipal objectives.

_____ Ensures staff succession, including long-term development of candidates for the CAO positions.

_____ Promotes clear understanding between staff and elected officials.

_____ Ensures an effective participative process of strategic planning to achieve the vision a mission such that Council and staff feel ownership of the final product.

Relationship with the Public and the Media

_____ Serves as Chief Administrative spokesperson, communicating effectively with all stakeholders.

_____ Appropriately represents Council’s direction.

_____ Appropriately represents the Municipality and Council in the Community.

_____ Ensures that the public perceives the Council and the Municipality in a positive light.

_____ Ensures that the Municipality maintains appropriate public engagement.

Objectives and Accomplishments

_____ Leads the operations of the Municipality and communicates a clear plan that reflects Council’s vision, mission, and strategic plan, and that is well understood, widely supported, consistently applied and effectively implemented.

_____ Establishes objectives, operating, and financial plans for the municipality that meet the needs of the public, staff, and the broader community in accordance with legislation and Council policy.

_____ Continuously monitors and evaluates priorities and plans to ensure they are being achieved and take action as needed.

_____ Ensures the Municipality meets or exceeds the financial and operating goals as set out in the annual plans.

_____ Reviews and where appropriate, adjusts the long-term strategies and priorities of the Municipality in consultation with Council.

_____ Effectively manages both the short- and long-term growth of the Municipality in a manner consistent with the strategic direction adopted by Council.

Briefing Note to Council – CAO Performance Review Option

October 31, 2019

Purpose

Council is responsible for developing a process for a CAO Review once per year. Council has determined that the CAO Review should be completed prior to the end of December to match the Performance Review cycle of all Town of Sundre staff, so that incremental salary increases can be applied in January to coincide with the budget cycle.

Council has tasked a committee to bring forward a model for a CAO Performance Review. The CAO Performance Review Template attached is intended to support the work done by the committee by allowing the flexibility for each Council member to outline and address issues important to us individually.

The “expectations” section of the template allows each Council member to rate the performance of the CAO.

The “commendations” section allows for individual Council members to outline accomplishments that are appreciated by each of us. Attached, you will find the “Recent Department Success Stories” that were outlined at our recent Fall Workshop for you to review and use as a reference to complete this section.

The next section of the template allows for each Council member to outline expectations of the CAO for the upcoming year, complete with performance measures that would indicate to you whether the CAO has met your expectations, or not. This process is similar to what is expected of all our departments, where goals, and measures of success are outlined. Attached is a copy of our Strategic Plan for your reference for this section as well. You may wish to reaffirm a focus you believe should be a high priority, or you may wish to outline your expectation that the CAO address an emergent issue that was not part of our Strategic Plan work. You might also wish to refer to the matrix of election platform goals that we received at the Fall Workshop. Please refer also to the documents prepared by the committee as well, as you outline your personal expectations, and performance measures, of the CAO in the upcoming year.

The comments section provides the opportunity for each of us to write a narrative to the CAO, allowing each Council member the flexibility to “personalize” the review.

I present this template as an option for Council to consider to move toward completion of the CAO Review. To complete the template, you have the flexibility to make each section as detailed as you wish. Should you decide to support this template option, I would suggest that each of us meet with our CAO to go over our individual review. I would take the responsibility of summarizing the reviews and provide our CAO with that document. At an upcoming Council meeting there could then be an “in camera” sessions where our CAO could outline plans and comments regarding expectations set by Council.

I look forward to the upcoming discussion at our meeting.

Terry Leslie, Mayor

Town of Sundre

CAO Performance Review – November 2018

Please indicate your assessment of the performance of the CAO for the October 2017 through October 2018 time frame using the following scale:

_____ **Does not meet expectations**

_____ **Meets expectations**

_____ **Exceeds expectations**

Please cite areas that you believe the CAO should be commended on, for performance in the past year:

- 1.
- 2.
- 3.
- 4.
- 5.

Please outline areas you believe the CAO should focus on in the upcoming year, and the performance measures that will indicate success in those areas:

- 1.
- 2.
- 3.
- 4.
- 5.

Other comments:

Date _____

Signature of Council Member _____

Recent Department Success Stories

Trails

- Improved moral with staff
- Collaboration with operations and community
- Positive focus on events for the community
- Trail users happy with maintenance of trails

Outdoor Recreation

- Ball Diamonds

Dugout upgrades have been done over the past couple years. Dugouts were fenced in to reduce vandalism and graffiti, and it has worked. Staff was regularly scheduled to mow and drag the diamonds.

- Soccer Field(s)

Sundre Youth Soccer started using the Bergen Soccer Field this year again after 3 years of absence from using this field. They have seen and seen an increase in registration and used both the school field and Bergen Field.

- Outdoor Rink

Outdoor rink up and running for the 2017-18 season. Area has been leveled and staff anticipate a smooth installation/prep for the outdoor rink this season. Feedback from the public – would like a bigger rink but appreciate that there was an outdoor rink available.

Campground

- 2017 and 2018 seasons have seen an increase of bookings/revenue from the past years.
- Camp Host the past 2 years have done an exceptional job.
- Comment card feedback has been very positive.
- 2019 Camp Host has been secured and plans on returning next year.

Arena

- Improved proper communication with the user groups.
- Out of Town requests for tournament ice.
- Provided opportunities to enhance the well being of our community.
- Signature/Large events that used the Arena.
 - 2018 Canadian Indoor 3D Archery Championship - April
 - Explore Sundre Adventure & Home Expo - May
 - Sundre Bergen 4H Show & Sale - May
 - Sundre Rodeo Cowboy Cabaret - June
 - Sundre High School 2018 Grad Celebration - June
 - Indoor Movie in conjunction with 100th School Fair - September
 - SPOG Neighbours Day – September

Community Centre

Maintenance Contracts:

- Plumbing, Heating, Ventilation, and Air Conditioning (HVAC)
- May 2018 to April 2020

Electrical Services

- April 2018 to April 2020
- Contract for maintenance services for Semi-Annual and Annual, as well we have established a working relationship to mitigate reoccurring problems, and proactive scheduling repairs.
- Roof upgrades: July 2018 first phase of roof upgrade work done.
- Community Centre lettering on the building revised and secured on plating.
- April – painted Conference Room and Lobby
- GNP had an information display case that used to be in Aquaplex entrance, it is now installed in our Community Centre Lobby providing space for GNP and the Library to showcase their programs.

Signature/Large events using Community Centre.

- Sundre Trappers Banquet/Fundraiser
- Minor Hockey Fundraiser “Dueling Piano’s”
- Community Fundraiser for Debbie Scott featuring “Tim Hus”
- Sundre Fish and Game Banquet/Fundraiser
- 2018 Canadian Indoor 3D Archery Championship - April
- Tri Services Regimental Spring Ball and Fundraiser - May
- Wedding events: May, July, September
- Funeral Celebrations – March, May, July
- Canada Day Celebrations
- Summer Camps: Jamani Hands On, Girls & Boys Basketball, and Flyin’ Bob Circus
- Family Reunion: July (they also booked the ball diamonds)
- Sundre Chamber Business Awards – October
- 2 Christmas Farmers Markets - November & December
- Sundown in Sundre – Market and Picture w/Santa November
- Sundre Hospital Futures Gala
- West Fraser Christmas Party
- Summer Camps: Jamani Hands On, Girls & Boys Basketball, and Flyin’ Bob Circus

Corporate Services

- Compliance with Municipal Government Act
- Initiating new budgeting process
- 2017 Audited Financial Statements completed, although delayed, with a good relationship established with auditing team
- New Windows based server installed with minor disruptions to staff
- Questica Budgeting Software will be implemented
- Policy review and revision in progress
- Financial Framework documentation under development

Economic Development

- 2014: Visitor Friendly Project completed in partnership with Town of Olds, Mountain View County and Town of Sundre.
- VFP created action plan of improvements to develop Sundre into a destination friendly to visitors.
- 2014: Installation of downtown streetscape furniture at Main Avenue and Centre Street, in partnership with Community Services Department.
- 2015: Vision 2030 Economic Development department strategy consultation process. This process helped guide goals and strategies moving forward.
- 2015: Development of new Visitor Information Centre sign structure.
- 2016: Completion of Local Communications Planning Toolkit to assist departments with their communications with stakeholders.
- 2015-2017: Visit. Live. Explore. #ExploreSundre Tourism marketing campaign conducted in partnership with local partners. This campaign saw an increase in visitors to the Visitor Information Centre of 111% during the three-year period vs. the previous three-year period. It was also a finalist for several awards, including two Alto Awards. The campaign has also led to increased national publicity.
- 2014-2018: Ongoing grants issued to businesses and event organizers.
- 2015-2018: Broadband business case and consultation process, particularly including the 2017 three-pronged public survey completed together with Banister Research.
- 2018: Development of Local Intel economic development website.
- 2018: Development of next stage of the successful #ExploreSundrecampaign.
- 2018: Development of new municipal website, mobile app and tourism website.
- 2018: Successful recruitment of post-secondary presence into Town, via satellite campus of Red Deer College* (MOU received but still to be signed).
- 2015-Present: Deployment of way-finding signage
- 2015-Present: Creation of a first-of-its-kind project-based learning partnership with Olds College School of Business, to provide business management consulting for local businesses.

Fire

- The gym is a definite success in that it is being used on a regular basis and building relationships and improving fitness levels.
- Continuing Education is ongoing in that we are training in house to be able to alleviate Third party training.
- Station Check is a newly incorporated online service that will allow us to streamline equipment and apparatus checks as well as general inventory.
- The Training Facility, even though was purchased a while ago has proven to be a great success in keeping skill levels up for all.
- Although retention has been fluctuating we are currently at 90% .

Roads

- Reduction in contracted costs for winter snow removal
- Reduction in Vehicle and equipment repairs
- Increased level of positive concern forms
- Receipt of residential and business gratitude's
- Introduction of several department tracking systems resulting in operating cost reductions
- Zero lost time due to work related injuries
- Introduction of several environmental projects such as asphalt reuse

Water wastewater

- Secured the full operation of water treatment plant by Town staff from contracted service
- Major repairs to infiltration and leaks increasing capacity and protection of water resources
- Near perfect annual audits by AE&P
- Increased maintenance scheduling providing better treatment values
- Fully trained compliment level 2 operators

Gas

- Completion and excellent audit performances by Fed Gas Inspector
- Meeting of all measurement Canada data reporting and meter certifications
- Collaboration with the Fire department and emergency services

Solid Waste

- Implemented a curbside recycling service for residents
- Developed a temporary recycling site with minimal start up funding
- Developed a new location design with security procedures
- Provision of additional free drop off for branches and grass clippings

Community Peace Officer

- February 2017, the matter of the Dog Attack in 2012 was concluded with no contribution by the town.
- Attended the Olds ceremony naming "Memorial Way" in honor of Veterans and Emergency Responders. Alberta Peace Officers were one of the agencies specifically named and a flag posted representing them.
- Part of the working Trails group
- An executive member of the AACPO (Alberta Association of Community Peace Officers)
- Provided animal encounter training for all outside staff
- Took part in interviews for the new town website
- Working with Facilities to improve building security
- Member of the town Health and Safety Committee

Emergency Management

- 2018 – Flood Preparedness Grant complete. A number of useful items were purchased under this grant including an Emergency Information Flip Book for the public.
- Logo for MVREMA digitized and shoulder patches made. Members can now get MVREMA logoed clothing.
- Lots of training has been taken by staff now in ICS, role specific training and Support team training. More and more is becoming available.
- The town's secondary EOC now has excellent wifi and cell coverage because of a cell booster installed at the Golf Course. Thank you to SPOG members for funding.
- Unified Command table top with SPOG partners was very successful.

Planning & Development

- Implementation of new streamlined Planning and Development Processes
- Implementation of new Development Authority
- Re-write and implementation of new Land Use Bylaw
- Development of new streamlined Development Application forms and checklists
- Development of new streamlined Building Permit forms and checklists
- Development of new streamlined report and decision documents for subdivision and development
- New QMP
- Department reorganization due to staff reduction
- Cannabis Production Facility; 3 phases, phase 1 underway with development approval
- Subdivision of 56 unit Bareland Condominium approved
- New Commercial Developments in process
- Resolution of Intermunicipal Dispute with MVC – Gravel Extraction
- Completion of 6th Avenue Greenway Project
- Preparation of updated Master Servicing Study underway

CAO

- Bylaw Review Project Nearing Completion
- Created File Management System for Bylaws
- Qualified Compliance with Municipal Government Act
- Council Code of Conduct Bylaw
- New Procedural Bylaw (Revised Edition Forthcoming)
- New Quality Management Plan with Safety Codes Council
- Streamlined Development Processes
- New Land Use Bylaw Complete
- Initiating New Budgeting Process
- Completion of Strategic Plan
- First Steps in Policy Review Project Initiated
- Secured Cannabis Grow Facility; 3 Phases, Phase 1 Underway
- Approved 56 Unit Bareland Condominium
- World Class Archery Tournament
- New Commercial Developments in Process
- ICF Process Initiated
 - Master Agreement Near Completion
 - Shared Facility Agreement Near Completion
- Recruited Professional Planner
- Recruited Professional Development Officer
- Recruited Director of Corporate Services Position
- Recruited Community Services Manager Position
- Created Council Orientation Program
- Great Results from OH&S review
- Numerous Innovative Alternative Solutions from Staff
- Successful 2017 Election
- Successful negotiations in MVC Gravel Pit Redesignation
- Initiate Separate Budgets for Individual Councillors
- Successfully Completed MAP Review
- Completed Public Participation Policy Through Community Involvement
- AUMA Cannabis Resolution (still optimistic that we will see positive results)
- **Continuous Work on Improving Staff/Management Collaboration and Respect!**

TOWN OF SUNDRE | STRATEGIC PLAN

VISION

*Live, work, play and prosper,
Sundre is your destination of choice.*

MISSION

*To serve our community and future generations with transparent and respectful leadership
through governance to promote prosperity, economic growth, and tourism.*

STRATEGIC PRIORITIES

1. Sustainable Governance

- 1.1 Improve communication and transparency with our stakeholders.
- 1.2 Promote water-smart conservation.

3. Community Well-being

- 3.1 Enable broadband service in the community.
- 3.2 Facilitate affordable housing options.
- 3.3 Continue to work with and value community groups.

5. Infrastructure

- 5.1 Explore options for tri-services building.
- 5.2 Continue to work with Alberta Transportation on the ultimate design of Highway 22/27 through Sundre.
- 5.3 Complete the Master Infrastructure Study and develop a long-range capital plan.

2. Service Delivery

- 2.1 Continue to promote recreational opportunities.

4. Financial Stability

- 4.1 Diversify Sundre's tax base by supporting commercial and industrial development.
- 4.2 Continue to promote and encourage year-round tourism opportunities for Sundre & District.

6. Regional Cooperation

- 6.1 Build upon and improve our relationships with our regional partners.

Risk Management

- 7.1 Develop community response and recovery plan.

VALUES

Engaged

Collaboration

Integrity

Sustainability

Communication

Accountability

Innovation

Transparency

Continuous Improvement

Leadership



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Intermunicipal Subdivision and Development Appeal Board – Member Appointments

ORIGINATING DEPARTMENT: Legislative Services

AGENDA ITEM: 8.2

BACKGROUND/PROPOSAL:

On October 15, 2018, Council approved a Bylaw to establish an Intermunicipal Subdivision & Development Appeal Board (ISDB) in accordance with Section 627 of the *Municipal Government Act* and related Regulations (the "Act"). Additionally, Council approved an Intermunicipal Subdivision & Development Appeal Board Agreement between Cremona, Carstairs, Didsbury and Sundre.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

The ISDB was established for the purposes of hearing appeals related to decisions made by the development authority and subdivision authority pertaining to applications relating to lands located within each Municipality; in accordance with the Act.

The ISDAB agreement requires eight Members. The Town of Sundre is responsible to appoint two public members, who will form part of a list of appeal board members eligible to hear appeals on behalf of the Towns or the Village.

MOTION:

That the Town of Sundre Council moves to appoint Mr. Mike Beukeboom, to the Intermunicipal Subdivision and Development Appeal Board for a one (1) year Term.

AND

That the Town of Sundre Council moves to appoint Mr. William Logan to the Intermunicipal Subdivision and Development Appeal Board for a one (1) year Term.

Date Reviewed: October 31, 2018 CAO: Linda Nelson



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Town of Didsbury / Town of Carstairs Correspondence
Re: Mountain View Regional Waste Management Commission

ORIGINATING DEPARTMENT: Legislative Services

AGENDA ITEM: 8.3

BACKGROUND/PROPOSAL:

As per Mayor Leslie's request, this topic is brought to the November 5, 2018 Regular Council Meeting for discussion.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

See attached correspondence from the Town of Didsbury, and the Town of Carstairs.

ADMINISTRATION RECOMMENDATIONS:

That the Town of Sundre Council support and approve the directives as indicated.

COSTS/SOURCE OF FUNDING:

MOTION:

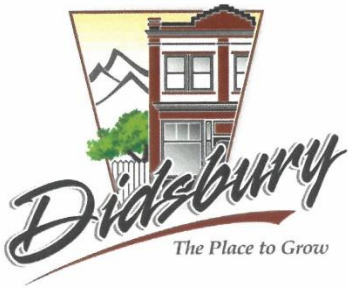
That the Town of Sundre Council supports the directive to be given to the Mountain View Regional Waste Management Commission (MVRWMC) that was summarized at the Mayors/Reeve meeting in Red Deer on September 27, 2018:

1. To provide options for disposal of MVRWMC assets;
2. To provide options for the successful financial and operational management of the MVRWMC landfill and transfer stations;
3. Information outlined in item 1 and 2 above, will be due for presentation by MVRWMC in six (6) months to member municipalities of the Mountain View Regional Waste Management Commission.

ATTACHMENTS:

10.18.18 Town of Didsbury letter
10.23.18 Town of Carstairs Letter

Date Reviewed: October 31, 2018 CAO: Andre Nebe



Town of Didsbury

PO Box 790 | 1606 - 14 STREET DIDSBURY, ALBERTA T0M 0W0
T. 403.335.3391 | F. 403.335.9794 | www.didsbury.ca

October 18, 2018

His Worship Lance Colby, Mayor
PO Box 370,
Carstairs AB T0M 0N0

Delivered by Email: lancec@carstairs.ca

Dear Mayor Colby:

Town of Didsbury Council supports the directive to be given to the Mountain View Regional Waste Commission (MVRWC) that was summarized at the Mayors/Reeve meeting in Red Deer on September 27 meeting:

1. To provide options for disposal of MVRWC assets;
2. To provide options for the successful financial and operational management of the MVRWC landfill and transfer stations.
3. Information outlined in item 1 and 2 above, will be due for presentation by the MVRWC in 6 months to member municipalities of the Mountain View Regional Waste Commission.

Yours truly,
On behalf of Town of Didsbury Council,

Rhonda Hunter, Mayor
Town of Didsbury

TOWN OF CARSTAIRS

AN AUTHENTIC SMALL TOWN

October 23, 2018

Attention: Mary Anne Overwater, Chair
Mountain View Regional Waste Management Commission
Box 2130
Didsbury AB, T0M 0W0

Email: mvrwmc@airnet.com

Dear Ms. Overwater:

Re: Letter of Support

The Town of Carstairs is pleased to inform you the following motion was passed at the Council meeting on Monday, October 22, 2018.

Motion 399/18

Motion by Councilor Allan to send a letter of support from the Town of Carstairs to the Mountain View Regional Waste Commission (MVRWC); stating that:

The Town of Carstairs Council supports the directive to be given to the Mountain View Regional Waste Commission (MVRWC) that was summarized at the Mayors/Reeve meeting in Red Deer on September 27, 2018 meeting:

1. To provide options for disposal of MVRWC assets;
2. To provide options for the successful financial and operational management of the MVRWC landfill and transfer stations.
3. Information outlined in item 1 and 2 above, will be due for presentation by the MVRWC in 6 months to member municipalities of the Mountain View Regional Waste Commission.

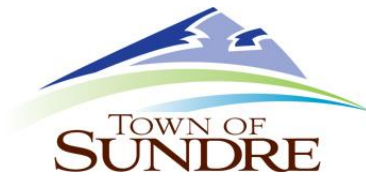
CARRIED

Please contact me directly if you have any questions at 403-337-3341.

Sincerely,


Carl McDonnell
CAO Town of Carstairs

Administrative Office Box 370 844 Centre St Carstairs, AB T0M 0N0 P: 403.337.3341 F: 403.337.3343	Operations Building Box 370 229 – 9 Ave Carstairs, AB T0M 0N0 P: 403.337.3446 F: 403.337.3343	Parks Building Box 370 139 – 9 Ave Carstairs, AB T0M 0N0 P: 403.337.3341 F: 403.337.3343	FCSS Office Box 370 844 Centre St Carstairs, AB T0M 0N0 P: 403.337.3341 F: 403.337.3343	Bylaw Office Box 370 315 – 10 Ave Carstairs, AB T0M 0N0 P: 403.337.2633 F: 403.337.3343	Memorial Complex Box 370 2100 Hwy 581 Carstairs, AB T0M 0N0 P: 403.337.3391 F: 403.337.3343	Fire Department Box 1150 1450 Gough Rd Carstairs, AB T0M 0N0 P: 403.337.3633 F: 403.337.3343
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REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Campus Alberta Central Agreement

ORIGINATING DEPARTMENT: Economic Development

AGENDA ITEM: 8.4

BACKGROUND/SUMMARY:

Administration has been in discussions with regional post-secondary institutions for over a year in support of development of a post-secondary presence within Town. Following meetings with Red Deer College and Olds College, and after creating a business case for Campus Alberta Central (CAC; the rural education agency of both colleges), an agreement has been arrived at.

Through the agreement, Campus Alberta Central will work with the Town of Sundre to help promote courses being offered by either college, or by CAC directly. The promotion of courses will involve working with industry partners to determine where workforce development and training is required, along with public communications of available courses via the distribution of brochures, posters and online postings.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

See attached staff report.

Pursuant to the agreement with Campus Alberta Central, economic development staff would help promote post-secondary course training, in support of workforce development in Sundre.

ADMINISTRATION RECOMMENDATIONS:

Administration recommends that Council direct Administration to sign the agreement with Campus Alberta Central, to help promote post-secondary learning within Town.

COSTS/SOURCE OF FUNDING:

N/A

MOTION:

The Town of Sundre Council moves to direct Administration to sign the agreement with Campus Alberta Central, to help promote post-secondary learning within Town.

ATTACHMENTS:

Staff Report to Council

Date Reviewed: _____ CAO: _____



REPORT TO COUNCIL

COUNCIL DATE: November 5, 2018

SUBJECT: Campus Alberta Central Agreement

ORIGINATING DEPARTMENT: Economic Development

AGENDA ITEM: 8.4

BACKGROUND/SUMMARY:

In late 2017, the department of economic development began conversations with regional post-secondary institutions, such as Bow Valley College, Red Deer College (RDC) and Olds College (OC), to seek interest in the establishment of a local post-secondary learning centre. This led to discussions with Campus Alberta Central (CAC), which is the regional rural education service partnership between Red Deer College and Olds College.

After Administration submitted a regional economic analysis and business case to CAC, they agreed to begin offering courses out of the Sundre Community Centre's Community Board Room. The Town's contribution to their new presence in Town will consist of helping to promote courses on behalf of CAC, and meeting with industry partners when possible to determine where demand lies for courses. CAC will also pay to the Town \$500 per year as an honorarium, likely to be received as revenue into the department of economic development for helping spread awareness about their post-secondary offerings.

When courses are offered, the Town will also benefit by receiving a percentage of revenues earned by the teaching institution, which will be taught either by CAC, RDC or OC (depending on the course). This will pay for the use of the Community Centre Board Room at market rates, and provide financial compensation for other support.

A new small sign will be placed on the front of the Community Centre to indicate the new CAC partnership service location in Sundre.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

Having a quality workforce is one of the primary factors necessary to garnering inward direct investment; therefore, workforce development is a key component to economic development. Pursuant to the agreement with Campus Alberta Central, economic development staff would help promote post-secondary course training, in support of workforce development in Sundre.

The Community Services office will also provide a small workspace for instructors' use when and if necessary.

Finally having a multi-year commitment to the Town of Sundre by a post-secondary institution will help lead to a more permanent and larger post-secondary presence in the community.

The agreement will also lead to revenue generation for the municipality.

Greenwood Neighbourhood Place will continue to operate as a learning site for CAC providing student counselling about available programs.

ADMINISTRATION RECOMMENDATIONS:

Administration recommends that Council direct Administration to sign the agreement with Campus Alberta Central, to help promote post-secondary learning within Town.



Jonathan Allan
Economic Development Officer



REQUEST FOR DECISION

COUNCIL DATE: November 5, 2018

SUBJECT: Municipal Health & Safety Policy (C-031-01 POL)

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 8.5

BACKGROUND/PROPOSAL:

The Municipal Health & Safety Policy is a revision to the existing policy which re-confirms the Town's commitment to the safety and protection of all employees and contractors. The policy also defines the safety responsibilities and accountabilities of each group of workers within the organization.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

The updated policy has not changed significantly from the preceding version, requiring all employees and managers to actively participate in achieving safety excellence. The policy also outlines potential disciplinary actions should an employee or manager violate any safety procedures. A new Joint Worksite Health & Safety Committee has been established in accordance with legislation for the purpose of facilitating improved coordination and communication regarding safety matters.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Municipal Health & Safety Policy supports Council's strategic priority of community well-being.

ADMINISTRATION RECOMMENDATIONS:

Administration recommends Council adopt the attached Municipal Health & Safety Policy.

COSTS/SOURCE OF FUNDING:

N/A

MOTION:

That the Town of Sundre Council adopt the Municipal Health & Safety Policy (C-031-01 POL) as presented.

Date Reviewed: _____ CAO: _____

Policy Name:	Municipal Health & Safety Policy
Policy Number:	C-031-01 POL
Date of Approval by Council:	TBD
Resolution No:	TBD
Department of Responsibility:	Legislative Services
Last Review Date:	September 2018
Next Review Date:	December 2021

Purpose

The Town of Sundre is committed to the protection and maintenance of the health and safety (physical, psychological, and social well-being) of employees, fire fighters, contractors and the general public who enter onto our property.

Policy Statement

An injury and accident free workplace is our goal through continuous safety and loss control effort. By working together in all parts of this program, we can achieve this goal.

Employees at every level are responsible and accountable for the municipality's health and safety performance. Active participation by everyone, every day, in every job is necessary for the safety excellence this municipality expects.

Management will set an example and provide leadership in the health and safety program. They will provide proper equipment and training. Employees are responsible for following all procedures, working with an awareness of health and safety, and cooperating in working towards improved health and safety conditions at work.

All employees at every level are expected to be familiar and comply with the Alberta Occupational Health and Safety Legislation as it relates to their work processes.

Contractors and their employees are expected, in addition to observing the Alberta Occupational Health and Safety Legislation to familiarize and comply with the Town of Sundre's Health and Safety Policies, Directives and Safe Work Procedures.



Disciplinary Action

Any Town of Sundre employee or fire fighter who violates any of the Safety Policies or Procedures will receive a written warning and may be subject to dismissal.

“Safety information in this Policy does not take precedence over Occupational Health & Safety Legislation. All employees shall be familiar with Occupational Health & Safety Legislation”

ASSIGNMENT OF RESPONSIBILITY AND ACCOUNTABILITY FOR SAFETY

CAO / DIRECTOR RESPONSIBILITIES

- Establish a health and safety policy
- Set a good example
- Shall wear PPE as required by worksite environment
- Provide and maintain a safe and healthy workplace
- Ensure PPE is available
- Promote health and safety awareness
- Review serious and any incident reports deemed necessary by JWHSC
- Report injuries to WCB
- Ensure compliance with regulations
- Ensure unsafe conditions are corrected
- Provide first aid supplies and services
- Ensure workers are not subject to or participate in harassment or violence at the worksite
- Hold Manager(s)/workers accountable for their individual safety activities

Accountability – The safety performance of the CAO/Director(s) will be addressed in their performance review.

MANAGER RESPONSIBILITIES

- Set a good example
- Promote health and safety awareness
- Enforce health and safety rules
- Instruct workers in safe work practices
- Inspect for hazards
- Investigate all incidents
- Correct unsafe practices
- Ensure proper maintenance on equipment, vehicles, PPE, Facilities etc.
- Participate in their department's hazard assessments
- Comply with regulations
- Ensure workers under their supervision are not subject to harassment or violence at the worksite
- Hold worker accountable for their individual safety activities

Accountability – The safety performance of the Manager(s) will be addressed in their performance review.

WORKER RESPONSIBILITIES

- Set a good example
- Use safe work practices
- Correct unsafe practices
- Report unsafe conditions
- Report unsafe acts
- Report any injury, damage and/or near misses
- Ensure proper maintenance on equipment, vehicles, PPE, Facilities etc.
- Participate in their department's hazard assessments
- Comply with rules and regulations
- Make safety suggestions
- Cooperate with the employer through involvement in all aspects of the health and safety program
- Refrain from causing or participating in harassment or violence
- Promote health and safety awareness

Accountability – The safety performance of a worker will be addressed in their performance review.

JOINT WORKSITE HEALTH & SAFETY COMMITTEE

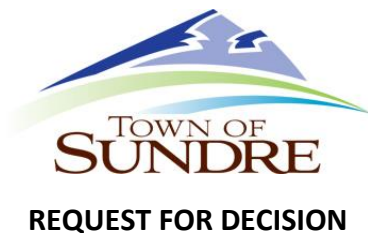
- Provide a way to share information & employee concerns
- Participate in inspections, investigations and inquiries as provided by legislation
- Review serious incident reports
- Receive and address concerns and complaints about the health and safety of workers
- Develop and promote ways to protect workers, and to check that the steps taken were effective
- Increase employee familiarity with health and safety
- Make recommendations to the Senior Leadership Team

CONTRACTORS

- Expected to understand and follow Occupational Health & Safety Legislation
- Familiarize & comply with the Town of Sundre's Health and Safety Policies, Directives and Safe Work Procedures
- Use safe work practices
- Do regular inspections
- Provide the municipality with a copy of the contractors/contract services Health and Safety Program as applicable to the job
- To use the proper safety equipment and PPE required by OH&S Regulations and the Town of Sundre

MAYOR

CAO



COUNCIL DATE: November 5, 2018

SUBJECT: PWC 2018 Audit Correspondence

ORIGINATING DEPARTMENT: Corporate Services

AGENDA ITEM: 8.6

BACKGROUND/PROPOSAL:

Correspondence received by Corporate Services from PWC in regards to the audit of the 2018 financial reporting

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

The audit plan outlines the roles and responsibilities of both the Town and the audit firm when conducting the 2018 audit, as well as a tentative timeline for when the audit field work will occur and the assessment of potential risks for Council to be aware of.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Providing an audit plan and engagement letter are requirements of Canadian Auditing Standards

ADMINISTRATION RECOMMENDATIONS:

Administration recommends Council accept the 2018 Audit Plan for information and authorize the Mayor and CAO to sign the attached 2018 Engagement Letter.

COSTS/SOURCE OF FUNDING:

As per the enclosed engagement letter, the estimated fees for audit services are \$33,564 which has been budgeted for in the approved 2018 Operating Budget

ATTACHMENTS:

PWC Correspondence – Town of Sundre Audit Plan

PWC Correspondence – Town of Sundre Engagement Letter 2018

MOTION:

That the Town of Sundre Council accept the correspondence received from PWC concerning the 2018 Audit Plan as information.

That the Town of Sundre Council authorize the Mayor and CAO to sign the PWC 2018 Engagement Letter.

Date Reviewed: _____ CAO: _____

Town of Sundre

Audit Plan

December 31, 2018

Town of Sundre

*Prepared as of
October 18, 2018*





October 18, 2018

Mayor and Town Council
Town of Sundre

Dear Mayor and Town Council:

We are pleased to present an overview of our audit plan for the audit of the financial statements of the Town of Sundre for the year ending December 31, 2018 prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) (referred to as the "financial statements" from now on).

This overview includes our view on audit risks; the nature, extent and timing of our audit work; as well as our proposed fees and the terms of our engagement. We remain committed to ongoing dialogue with you, enabling us to deliver the highest level of service and audit quality, as well as provide an independent point of view.

We value your feedback and would be glad to meet with you at any time. We welcome any suggestions and observations you may have.

Yours very truly,

PricewaterhouseCoopers LLP

Laura J. Daniels, CPA, CA
Partner
Assurance

c.c.: Ms. Linda Nelson, Chief Administrative Officer
Mr. Chris Albert, Acting Director of Corporate Services

PricewaterhouseCoopers LLP
111 – 5th Avenue SW, Suite 3100, East Tower, Calgary, AB, Canada T2P 5L3
T: 403 509 7500, F: 403 781 1825, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Communications to the Mayor and Town Council

<i>Key matters for discussion</i>	<i>Comments</i>
Client service team	<ul style="list-style-type: none"> • Laura Daniels is your engagement leader and Jill Dysievick is your engagement manager.
Service deliverables	<ul style="list-style-type: none"> • The services we will provide: <ul style="list-style-type: none"> - We will audit the Town's financial statements as of December 31, 2018 and for the year then ending prepared in accordance with PSAS. - We will audit the Town's Financial Information Return ("FIR") as of December 31, 2018 and for the year then ending prepared in accordance with the basis of accounting described in the notes to the FIR. • Our engagement letter (included in Appendix A) sets out the terms and conditions for the audit and outlines the responsibilities of the auditors, management and those charged with governance. • As the auditor, we are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Audit timeline	<ul style="list-style-type: none"> • We worked with management to develop this project timeline: <ul style="list-style-type: none"> - Interim visit: December 10 - 14, 2018 - Year-end visit: March 18 - 27, 2019 . - Year-end Town Council meeting: April 2019
Audit approach	<ul style="list-style-type: none"> • Our audit approach is a mixture of tests of internal controls and substantive testing. • Significant risks are risks of material misstatement that we think need special audit consideration. We identified significant audit risks and plan to address them as follows. Please let us know if you agree that these are the most significant risks from your point of view and if you have any other areas of concern.

<i>Key matters for discussion</i>	<i>Comments</i>
<i>Significant risks to discuss</i>	<i>Management's response and our audit approach</i>
1. Fraud risk – management override of controls	<p>There is an inherent risk of fraud in all entities as a result of potential senior management override of controls over financial reporting. This is a required significant risk under auditing standards.</p> <p>Management's response</p> <ul style="list-style-type: none"> • Communication of code of conduct and strong tone at the top including effective entity level controls in place to address this risk. <p>Our audit approach</p> <ul style="list-style-type: none"> • Understand management's assessment of the risk and the overall control environment in place. This includes understanding the tone of the business and controls in place. • Obtain a list of journal entries and confirm its completeness. A sample of journal entries will be tested, focusing on riskier journals and periods. • Perform unpredictable testing of certain balances; for example, those that are immaterial or would not normally be included in our testing. • Focus detailed audit work on areas where fraud could be committed and where there is lack of segregation of duties.
2. Fraud risk in revenue recognition	<p>Auditing standards assume a rebuttable presumption that there is a significant risk of fraud in revenue recognition in all businesses. For the Town, we consider the risk of fraud in revenue recognition to be limited to the occurrence assertion in regards to the potential to record fictitious journal entries.</p> <p>Management's response</p> <ul style="list-style-type: none"> • Management has policies and procedures in place for revenues and continues to follow these policies. <p>Our audit approach</p> <ul style="list-style-type: none"> • Understand the potential risks of fraud and error related to revenue recognition. • Understand and evaluate the internal controls over revenue recognition and deferred revenue. • Perform testing of journal entries related to revenue recognition.
Materiality	<ul style="list-style-type: none"> • Misstatements are considered to be material if they could reasonably be expected to influence the economic decisions of users of the financial statements. • We have set a preliminary materiality of \$280,000. • We'll report unadjusted items over \$28,000 to the Mayor and Town Council on completion of the audit.

Key matters for discussion	Comments
Fraud risk	<ul style="list-style-type: none"> • We discuss fraud risk annually with the Mayor and Town Council. Through our planning process (and prior years' audits), we developed an understanding of your oversight processes including: <ul style="list-style-type: none"> - Code of conduct - Mayor and Town Council roles - Discussion at Town Council meetings and our attendance at those meetings - Presentations by management, including business performance reviews - Review of related party transactions - Consideration of tone at the top <p>We encourage you contact us if any of the following are applicable:</p> <ul style="list-style-type: none"> • If there are any new processes or changes to the items above; • If you are aware of instances of any actual, suspected or alleged fraud affecting the Town.
Enhanced auditor reporting standards effective for years ending on or after December 15, 2018	<ul style="list-style-type: none"> • Revised Canadian auditor's reporting standards will be effective for the 2018 year-end audit, and will include the following changes: <ul style="list-style-type: none"> - Different format, opinion will be presented first. - Enhanced descriptions for responsibilities of the auditor, management and those charged with governance. - New requirements and reporting related to other information. - Requirement to include name of audit partner for listed entities. - Enhanced requirements relating to going concern. - Communication of key audit matters (KAMs) is voluntary at this time with the expectation that these will be mandatory in 2020 for TSX listed entities. <p>A draft auditor's report for the Town is included in Appendix B.</p> <p>A final draft of our new auditor's report will be shared ahead of the year-end Town Council meeting for your review.</p>
2018 audit fees	<ul style="list-style-type: none"> • The proposed audit fee for 2018 is \$33,564 which is consistent with the fees outlined in our proposal document dated September 5, 2017. • We'll advise management if we incur more costs due to changes in the level of audit effort or scope changes.

Appendix A: Engagement letter



October 18, 2018

Mayor Terry Leslie
Town of Sundre
Box 420, 717 Main Avenue West
Sundre, Alberta T0M 1X0

Dear Mayor Leslie:

PricewaterhouseCoopers LLP (we, us or our), a limited liability partnership organized under the laws of the Province of Ontario, is pleased to provide services to Town of Sundre (you, your or the Town). Laura Daniels will be responsible for the services we perform. This engagement letter confirms our mutual understanding of the specific terms of our engagement, which are supplemented by the standard terms of business attached to this engagement letter. Our fee estimate and billing schedule are outlined in Schedule A. If there is any difference between our standard terms of business and the specific terms included in this letter, the specific terms in this letter shall apply.

Services and related report

We will provide the following services (the services):

Financial statements audit

We will audit your financial statements as at December 31, 2018 and for the year then ending (the financial statements). These financial statements will be prepared in accordance with Canadian public sector accounting standards.

We will also audit the Financial Information Return (FIR) as at December 31, 2018 and for the year then ending. The FIR will be prepared in accordance with the basis of accounting described in its notes to assist the Town in meeting the requirements of the financial reporting requirements of the Municipal Government Act between the Minister of Alberta Municipal Affairs and the Town of Sundre.

Auditor's report

Once we complete our audit, we will provide you with our auditor's report. The form and content of our auditor's report on the financial statements will be in accordance with Canadian Auditing Standards (CAS) 700, Forming an Opinion and Reporting on Financial Statements.

The form and content of our auditor's report on the FIR will be in accordance with Canadian Auditing Standards (CAS) 805, Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. There may be circumstances where our auditor's report may differ from the expected form and content. In such cases, we will discuss with you in advance of finalizing our auditor's report and seek to resolve any differences of view that may exist.

*PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue SW, Suite 3100, East Tower, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825, www.pwc.com/ca*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



If, for any reasons caused by or relating to the affairs of you or your management, we are unable to complete our services or unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue our auditor's report.

Our responsibilities

Financial statements audit

The purpose of a financial statements audit is to express an opinion on the financial statements and FIR. We will be responsible for performing the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements, which include independence and professional competence, and plan and perform the audit to obtain reasonable assurance, but not absolute assurance, whether the financial statements and FIR are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and FIR. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall presentation of the financial statements and FIR.

Risk assessment

In making our risk assessment, we will obtain an understanding of internal control relevant to the preparation of the financial statements and FIR in order to design audit procedures that are appropriate in the circumstances, and to determine the nature, timing and extent of audit procedures to be performed, but not for the purpose of expressing an opinion on the effectiveness of your internal control. But, we will let your management and the Mayor and Town Council know, as appropriate, in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and FIR that we have identified during the audit.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that a material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards. In addition, the audit is not designed to detect error or fraud that is immaterial to the financial statements and FIR. Because of the characteristics of fraud, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material misstatement due to fraud. Characteristics of fraud include (i) concealment through collusion among management, employees, or third parties (ii) withheld, misrepresented, or falsified documentation; and (iii) the ability of management to override or instruct others to override what otherwise appears to be effective controls. Further, while effective internal control over financial reporting reduces the likelihood that errors or fraud will occur and remain undetected, it does not eliminate that possibility. For these reasons



we cannot ensure that errors or fraud, if present, will be detected. However, we will communicate to the Mayor and Town Council and your management, as appropriate, any such matters identified during our audit.

**Informing the
Mayor and Town
Council**

We are also responsible for ensuring that the Mayor and Town Council is informed about certain other matters related to the performance of our audit, including but not limited to:

- i. our views about significant qualitative aspects of your accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In certain circumstances, we may be required to explain to the Mayor and Town Council why we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate to your particular circumstances;
- ii. significant difficulties, if any, encountered during our audit;
- iii. where the Mayor and Town Council is not involved in managing the entity we are also required to communicate:
 - significant matters, if any, arising from our audit that were discussed, or subject to correspondence with your management; and
 - written representations we are requesting; and
- iv. other significant matters, if any, arising during our audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.

**Reliance by third
parties**

The services will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly, in connection with a specific transaction.

**Distribution and use
of our auditor's
report**

Our auditor's report on the FIR is intended solely for the Town of Sundre and the Minister of Alberta Municipal affairs (the specified users) and is not intended to be and should not be distributed and used by anyone other than the specified users.



Your responsibilities

Financial statements and FIR

Your management is responsible for the preparation and fair presentation of the financial statements and FIR, including disclosures and the other information referred to above. In preparing the financial statements and FIR, your management is responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable matters relating to going concern and using the going concern basis of accounting unless your management either intends to liquidate the entity or to cease operations, or has no realistic alternative to do so. The Mayor and Town Council is responsible for overseeing the financial reporting process.

Internal control

Your management is also responsible for establishing and maintaining an effective system of internal control over financial reporting to enable the preparation of financial statements and FIR that are free from material misstatement, whether due to fraud or error. In this regard, you are responsible for establishing policies and procedures that ensure financial information is prepared in accordance with the requirements of Canadian public sector accounting standards and the FIR is prepared in accordance with the basis of accounting described in its notes.

Correction of errors

You are responsible for adjusting the financial statements and FIR to correct material misstatements and for confirming to us that all uncorrected misstatements identified by us during our audit are immaterial, both individually and in aggregate, to the financial statements and FIR taken as a whole. In addition, we expect your management will correct all known non-trivial errors.

Prevention and detection of fraud

You are also responsible for the design, implementation and maintenance of programs and controls to prevent and detect fraud, and for informing us:

- i. of the results of your management's assessment of the risk that the financial statements and FIR may be materially misstated as a result of fraud;
- ii. about all known or suspected fraud affecting the entity involving (a) your management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a material effect on the financial statements and FIR; and
- iii. of your knowledge of any allegations of fraud or suspected fraud affecting your financial statements and FIR received in communications from employees, former employees, analysts, regulators, investors or others.

Related party

You are responsible for disclosing to us the identity of each related party as defined in Canadian Auditing Standard 550 and all the related party relationships and transactions of which you are aware, and for providing to us any updates that occur during the course of this engagement.

**Subsequent events**

You are responsible for informing us of subsequent events that may affect the financial statements and FIR of which you may become aware up to the date the financial statements and FIR are issued.

Laws and regulations

You are responsible for identifying and ensuring that you comply with the laws and regulations applicable to your activities, including those pertaining to the services. You will provide information to us relating to any known instances of non-compliance or suspected non-compliance with laws and regulations, including financial reporting requirements, whose effects should be considered when preparing your financial statements and FIR.

Providing information on a timely basis

You are responsible for making available to us, on a timely basis, all of your original accounting records and related information relevant to the preparation of the financial statements and FIR, additional information that we may request from you for the purposes of our services and unrestricted access to your personnel whom we may determine necessary to obtain evidence necessary to perform our services.

Management representation letter

You will provide us with written representations concerning representations made to us during the audit covering the financial statements and FIR.

Other information

You are responsible for the other information and agree to provide us with final draft copies of those documents in a timely manner, and if possible, prior to the date of our auditor's report.

Written consent

You agree to seek and obtain our written consent before including our auditor's report or referring to us in any document that is filed or distributed in connection with (i) a sale of securities; (ii) facilitating investment decisions by third parties; or (iii) periodic or continuous reporting obligations under any applicable securities laws.

Any agreement to provide consent will be a separate engagement. Written consent must be given by a specific written instrument signed by us and referencing the particular use that is to be made of our auditor's report. You acknowledge that neither the terms of this engagement letter, nor the issuance of our auditor's report, nor any other document, constitutes such written consent. We may, in our own discretion, waive the requirement to obtain our written consent.

Other matters**Term – agreement continues in force**

It is understood that an engagement letter outlining our services will be entered into each year, including any update to the fee estimate and billing schedule. If neither we nor you exercise our respective right to terminate the services as outlined in the attached terms of business, this engagement letter will continue until we execute a new engagement letter.



As part of our process of assessing the quality of our services, you may receive questionnaires from us and visits from senior partners not directly involved in providing services to you. We appreciate the attention given to these questionnaires and visits and value your feedback.

If the services outlined herein are in accordance with your requirements and, if the above terms are acceptable, please have one copy of this letter executed in the spaces provided below and return it to us.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Professional Accountants



The services and terms as set forth in this letter, including the provisions of the attached schedule and the standard terms of business, are agreed to.

Town by and through its Mayor and Town Council

By:

Terry Leslie, Mayor

Date

By signing below, the services and terms as set forth in this letter, including the provisions of the attached schedule and the standard terms of business, are agreed to, and I acknowledge and agree to my obligation to ensure that the responsibilities of Town of Sundre and its management as set forth herein are properly discharged:

By:

Linda Nelson, Chief Administrative Officer

Date

Schedule A

Fees and billing schedule

Our fee estimate

Our fees for the services are estimated to be \$33,564 plus applicable taxes.

We will bill for all reasonable expenses incurred in the performance of our services. These costs may include direct costs such as travel, meals and accommodation. A technology and administrative support fee of 5% of professional fees (plus applicable taxes) will be charged to cover our hardware and software information technology infrastructure costs as well as costs such as telecommunications including cellular, technical reference material, courier, photocopying and other client support services.

Billing schedule

We will address our invoices to Linda Nelson. Our fees, plus additional charges for out-of-pocket expenses, will be billed as follows:

Date	Fee amount
December 10, 2018	\$12,500
March 11, 2019	\$20,000
On completion	\$1,064 and Out-of-Pocket expenses

All invoices are due for payment on receipt. Interest will be charged on overdue accounts at 6% per annum.

Conditions impacting our time and fee estimates

Our time and fee estimates take into account the agreed level of preparation and assistance from you. We will let you know promptly when and if for any reason the schedules, information and assistance provided, as outlined in this engagement letter, are not sufficient for our services. We will provide you with a separate listing of required schedules, information requests and the dates such items are needed. We will also discuss with you and the Mayor and Town Council any other issues that will require extra time and effort to resolve in order to revise the fee estimate to reflect additional services, if any, required for us to complete our work.

Terms of business

1	Introduction
2	PwC Firms, service providers and subcontractors
3	Your responsibilities
4	Information protection
5	Professional and regulatory oversight
6	Working papers
7	Liability
8	Termination
9	Governing law
10	General

1 Introduction

- 1.1 **Interpretation** – In this agreement, the following words and expressions have the meaning given to them below:
services – the services set out in the engagement letter
the agreement – these terms and the engagement letter to which they relate (including any schedules)
we, us or our – refer to PricewaterhouseCoopers LLP, a limited liability partnership organized under the laws of the Province of Ontario, or such affiliated legal entity that has signed the engagement letter
you, your – the party or parties, including their management, to the agreement (excluding us)
- 1.2 **Changes** – Either we or you may request a change to the services, deliverables or this agreement. Any change will be effective only when agreed in writing.
- 1.3 **Purpose** – You acknowledge that our report is intended for the purpose of the oversight of management and the affairs of the legal entity that is the subject of the services.

2 PwC Firms, service providers and subcontractors

- 2.1 **Our relationship with you** – We are a member of the global network of PricewaterhouseCoopers firms (PwC Firms), each of which is a separate and distinct legal entity.
- 2.2 **Subcontractors and service providers** – We may use other PwC Firms, service providers and subcontractors to provide the services and support service delivery. For administrative purposes, services provided by subcontractors that are owned by PricewaterhouseCoopers LLP and provide services outside of Canada may be invoiced separately by those subcontractors. We remain solely responsible for the services and deliverables.
- 2.3 **Restriction on claims** – You agree that claims or actions relating to the services, deliverables and this

agreement shall be brought against us alone, and not against (i) any individual, (ii) another PwC Firm (or its partners, members, directors or employees), or (iii) our subcontractors.

- 2.4 **Group members** – You will ensure that no subsidiary, affiliate, associated entity or holding company (unless a party to the agreement), brings any claim or action against us.

3 Your responsibilities

- 3.1 **Your obligations** – The performance of our services and provision of the deliverables depends on you performing your obligations under the agreement. We are not responsible for any consequences arising from you not fulfilling your obligations.
- 3.2 **Solicitation and hiring of PwC personnel** – Our independence related to assurance engagements may be impaired if you solicit or hire certain PwC personnel. This may either delay the provision of the services or cause us to resign from the engagement. You agree not to offer or permit your related parties to offer employment to or hire the lead engagement partner, the quality review partner or any other PwC partner, employee and/or independent contractor who has provided more than ten (10) hours of audit or review services until a period of twelve (12) months has passed from the date of our report on the applicable financial statements without first consulting with and obtaining the approval of the lead engagement partner on any proposed offer of employment.
- 3.3 **Oral advice and draft deliverables** – You may rely on our final written deliverables, but should not rely on oral advice or draft deliverables provided during the term of this agreement. If you wish to rely on something we have said to you, please let us know and, if practical, we will prepare a written deliverable on which you may rely.

4 Information protection

- 4.1 **Confidential information** – We and you will use the other's confidential information, only in relation to the services or for internal and administrative purposes and the receiving party will not disclose confidential information except where required by law or professional obligation. You agree that we may give confidential information to third party service providers, subcontractors and other PwC Firms as long as they are bound by reasonable confidentiality obligations.
- 4.2 **Personal information** – We may collect, use, disclose, transfer, store or otherwise process information about identified individuals ("personal information") as required to provide the services and deliverables. We may process such personal information in various jurisdictions in which we or

applicable PwC Firms, service providers and subcontractors operate, and, as such, personal information may be subject to the laws of such jurisdictions. Such personal information will be at all times processed in accordance with the applicable laws and professional regulation. In addition, we will require any service providers that process personal information on our behalf to adhere to such requirements. You confirm that you have the authority to provide the personal information to us in connection with the performance of services and that the personal information provided to us has been provided in accordance with applicable law. Unless expressly agreed to and set out in this agreement, you shall not provide us with access to, and PwC will not process, personal information relating to individuals in the European Economic Area or Switzerland ("EEA Personal Information").

- 4.3 **Restricted data** – As certain jurisdictions have strict laws around exporting restricted classes of data, you agree to advise us in writing immediately if any software, information, or other materials that may be disclosed to, or accessed by, us in performing the services is subject to export control restrictions under applicable law.
- 4.4 **Benchmarking and analytics** – From time to time we may offer our clients, like you, benchmarking or analytics services by comparing client information to aggregated and anonymized data sets. You agree that we may anonymize and aggregate information you disclose to us or that we develop during the course of this engagement (collectively, "exempt information"). We confirm exempt information will be anonymized and aggregated so as to prevent anyone from identifying or reverse engineering any of your information. Exempt information is excluded from the definitions of confidential or personal information hereunder. For greater certainty, you acknowledge we are permitted to use or disclose exempt information without restriction.
- 4.5 **Working with competitors** – You agree that we may work with your competitors or other parties whose interests may conflict with yours, as long as we do not disclose your confidential information and we comply with our ethical obligations.

5 Professional and regulatory oversight

- 5.1 **Reviews of us** – We are required to meet certain professional standards in the performance of our services. As such, we are regulated or overseen by various professional and regulatory bodies both in Canada and abroad (which bodies will depend on the nature of the services performed under this agreement). These professional and regulatory bodies have the right to inspect our files, including working papers and other work product(s) relating to these services or the services provided in prior years to determine whether professional standards have been met. We may, from time to time, receive requests or orders from such bodies to provide them with information and copies of such working

papers. We intend to provide such information and working papers in response to such requests without further notice to you. Where the laws of the jurisdiction require us to disclose information and working papers including your privileged materials, notwithstanding any other agreement or representation between us, you provide your consent to the disclosure of such information and materials to the extent required by law. We acknowledge that your consent does not negate nor waive the privilege, which you intend shall continue for all other purposes. Except where providing privileged information is required by the laws of any jurisdiction that you or we are governed by, we will use all reasonable efforts to refuse access to any document over which you have expressly informed us that you assert privilege. To ensure we can identify and withhold privileged documents from disclosure, documents provided to us that are privileged must be marked "PRIVILEGED".

- 5.2 **Information request** – In the event we receive a request from a third party (including a demand from a government agency or a regulatory authority, subpoena or summons) for information, we will promptly notify you, where not prohibited by law.
- 5.3 **Reimbursement of costs incurred** – You agree to reimburse us for our professional time and expenses, as well as reasonable fees and expenses of our legal counsel, incurred by us in responding to any investigation that is requested or authorized by you or of you required by government regulation, subpoena or other legal process.

6 Working papers

- 6.1 **Ownership** – Any documents prepared by us or for us in connection with this agreement belong to us.

7 Liability

- 7.1 **Limitation of liability** – Our aggregate liability for all claims, losses, liabilities or damages in connection with this agreement or the services or deliverables, whether as a result of breach of contract, tort (including negligence) or otherwise, regardless of the theory of liability asserted, is limited to \$2 million. Our liability to you shall be several and not joint and several, and we shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
- 7.2 **Misrepresentation by you** – You agree to release and indemnify us and our personnel from and against all claims, losses, costs, liabilities and damages arising in circumstances where there has been a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest.

8 Termination

- 8.1 **By either party** – Either party may terminate this agreement, for any reason, upon written notice to the other party. We will not be liable for any loss, cost or expense arising from such termination.
- 8.2 **Fees payable on termination** – You agree to pay us for all services we perform and deliverables we provide up to the date of termination, including services performed, work-in-progress and expenses incurred.

9 Governing law

- 9.1 **Law and jurisdiction** – The agreement and any dispute arising from it, whether contractual or non-contractual, will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and are subject to the exclusive jurisdiction of the courts of the Province of Ontario.

10 General

- 10.1 **Matters beyond reasonable control** – No party will be liable (other than payment obligations) to the other if it fails to meet its obligations due to matters beyond its reasonable control.
- 10.2 **Entire agreement** – The agreement, once executed by both parties, forms the entire agreement between the parties in relation to the services and deliverables. It replaces any earlier agreements, representations or discussions, including non-disclosure agreements entered into in advance of this agreement.
- 10.3 **Your actions** – Where you consist of more than one party, an act or omission of one party will be regarded as an act or omission of all.
- 10.4 **Assignment** – Without written consent, neither of us may assign any of our rights, obligations or claims under this agreement.
- 10.5 **Survival** – Any clause that is meant to continue to apply after termination of this agreement will do so.
- 10.6 **Severability** – If a court or regulator with proper jurisdiction determines that a provision of this agreement is invalid, then that provision will be interpreted in a way that is valid under applicable law

or regulation. If any provision is invalid, the rest of this agreement will remain effective.

Appendix B: Draft auditor's report



Independent auditor's report

To the Mayor and Town Council of The Town of Sundre

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Town of Sundre (the Town) as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

What we have audited

The Town's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue SW, Suite 3100, East Tower, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825, www.pwc.com/ca

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Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Calgary, Alberta
April 22, 2019

Appendix C: Closing the GAAP

Closing the GAAP: New Public Sector Accounting Standards (“PSAS”)

(includes developments to March 31, 2018)

Contents

2 Developments related to 2017

3 Developments related to 2018

4 Developments related to 2019

The following summarizes pronouncements that must be applied, if applicable, by an entity preparing financial statements in accordance with the CPA Canada Public Sector Accounting Handbook.

This ACS newsletter, which supersedes the information in previous [Newsletter 2017-074](#), sets out new requirements by the year in which they are first effective, each year commencing April 1, and will be updated twice a year as at March 31 and September 30. Developments since the issue of the previous newsletter, if any, are highlighted in yellow.

While we have attempted to make this newsletter as complete as possible, it may not include all changes or modifications to existing authoritative literature that may affect a particular enterprise.



Developments related to 2017

Reference	Pronouncement and Effective Date Impacting 2017
Section PS 4250	<p><u>Reporting controlled and related entities by NPOs</u></p> <p>Amended to conform definitions of “control” and “shared control” to those in Section PS 2200, <i>Related Party Disclosures</i>.</p> <p>Effective for years beginning on/after April 1, 2017.</p>
Section PS 3210	<p><u>Assets</u></p> <p>New section provides guidance for applying the definition of assets set out in <i>Section PS 1000, Financial Statement Concepts</i>, and establishes general disclosure standards for assets.</p> <p>Effective for years beginning on/after April 1, 2017.</p>
Section PS 3320	<p><u>Contingent assets</u></p> <p>New section defines and establishes disclosure standards on contingent assets.</p> <p>Effective for years beginning on/after April 1, 2017.</p>
Section PS 3380	<p><u>Contractual rights</u></p> <p>New section defines and establishes disclosure standards on contractual rights.</p> <p>Effective for years beginning on/after April 1, 2017.</p>
Section PS 2200	<p><u>Related party disclosures</u></p> <p>New section defines a related party and establishes disclosures required for related party transactions.</p> <p>Effective for years beginning on/after April 1, 2017.</p>
Section PS 3420	<p><u>Inter-entity transactions</u></p> <p>New section establishes standards on how to account for and report transactions between public sector entities that comprise a government’s reporting entity from both a provider and recipient perspective.</p> <p>Effective for years beginning on/after April 1, 2017.</p>

Developments related to 2018

Reference	Pronouncement and Effective Date Impacting 2018
Section 3430	<u>Restructuring transactions</u> New section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. Applies to restructuring transactions occurring in years beginning on/after April 1, 2018.

Developments related to 2019

Reference	Pronouncement and Effective Date Impacting 2019
Section PS 3450 Section PS 1201 Section PS 2601	<p><u>Financial instruments</u></p> <p>Transitional provisions amended in September 2015 to extend the effective date by three years to years beginning on/after April 1, 2019 (except for those government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of CPA Canada Public Sector Accounting Handbook in which case these sections apply for years beginning on/after April 1, 2012).</p> <p>These sections establish new recognition, measurement and disclosure requirements for financial instruments and the presentation of associated gains and losses, as well as related consequential amendments.</p>
Section PS 3041	<p><u>Portfolio investments</u></p> <p>Revises and replaces Section PS 3040. Expands scope to include interests in pooled investment funds. Conforms requirements with Section PS 3450. Section PS 3030 is also withdrawn.</p> <p>Effective in the period Section PS 3450 is adopted.</p>
Section PS 3050	<p><u>Loans Receivable</u></p> <p>Amended to specify use of the effective interest method when amortizing a loan discount.</p> <p>Effective in the period Section PS 3450 is adopted.</p>
Section PS 3390	<p><u>Contractual obligations</u></p> <p>Amended to clarify the interaction between Section PS 3390 and Section PS 3450.</p> <p>Effective in the period Section PS 3450 is adopted.</p>
Section PS 3230	<p><u>Long-term debt</u></p> <p>Amended to clarify the interaction between requirements that apply to derecognized assets in Section PS 3230 and Section PS 3450.</p> <p>Effective in the period Section PS 3450 is adopted.</p>

Developments related to 2019

Reference	Pronouncement and Effective Date Impacting 2019
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Section PS 2500	
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<u>Consolidation</u>	
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Amended to clarify that any unrealized gain or loss attributable to the derecognition of financial assets and liabilities in the fair value category due to inter-governmental sales or transfers would be eliminated from the consolidated statement of operations.

Effective in the period Section PS 3450 is adopted.

Section PS 3070	
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<u>Investments in government business enterprises</u>	
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Amended to delete paragraph PS 3070.39 as the constructive retirement of a debt obligation in situations outlined in PS 3070.35-.38 is consistent with requirements to eliminate intergovernmental unit transactions and balances and derecognize liabilities.

Effective in the period Section PS 3450 is adopted.

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The matters raised in this and other reports that will flow from the audit are only those that have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising and, in particular, we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. Comments and conclusions should only be taken in the context of the financial statements as a whole, as we do not mean to express an opinion on any individual item or accounting estimate. This report has been prepared solely for your use. It was not prepared for, and is not intended for, any other purpose. No other person or entity shall place any reliance upon the accuracy or completeness of statements made herein. PwC does not assume responsibility to any third party, and, in no event, shall PwC have any liability for damages, costs or losses suffered by reason of any reliance upon the contents of this report by any person or entity other than you.

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October 18, 2018

Mayor Terry Leslie
Town of Sundre
Box 420, 717 Main Avenue West
Sundre, Alberta T0M 1X0

Dear Mayor Leslie:

PricewaterhouseCoopers LLP (we, us or our), a limited liability partnership organized under the laws of the Province of Ontario, is pleased to provide services to Town of Sundre (you, your or the Town). Laura Daniels will be responsible for the services we perform. This engagement letter confirms our mutual understanding of the specific terms of our engagement, which are supplemented by the standard terms of business attached to this engagement letter. Our fee estimate and billing schedule are outlined in Schedule A. If there is any difference between our standard terms of business and the specific terms included in this letter, the specific terms in this letter shall apply.

Services and related report

We will provide the following services (the services):

Financial statements audit

We will audit your financial statements as at December 31, 2018 and for the year then ending (the financial statements). These financial statements will be prepared in accordance with Canadian public sector accounting standards.

We will also audit the Financial Information Return (FIR) as at December 31, 2018 and for the year then ending. The FIR will be prepared in accordance with the basis of accounting described in its notes to assist the Town in meeting the requirements of the financial reporting requirements of the Municipal Government Act between the Minister of Alberta Municipal Affairs and the Town of Sundre.

Auditor's report

Once we complete our audit, we will provide you with our auditor's report. The form and content of our auditor's report on the financial statements will be in accordance with Canadian Auditing Standards (CAS) 700, Forming an Opinion and Reporting on Financial Statements.

The form and content of our auditor's report on the FIR will be in accordance with Canadian Auditing Standards (CAS) 805, Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. There may be circumstances where our auditor's report may differ from the expected form and content. In such cases, we will discuss with you in advance of finalizing our auditor's report and seek to resolve any differences of view that may exist.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue SW, Suite 3100, East Tower, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825, www.pwc.com/ca

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If, for any reasons caused by or relating to the affairs of you or your management, we are unable to complete our services or unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue our auditor's report.

Our responsibilities

Financial statements audit

The purpose of a financial statements audit is to express an opinion on the financial statements and FIR. We will be responsible for performing the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements, which include independence and professional competence, and plan and perform the audit to obtain reasonable assurance, but not absolute assurance, whether the financial statements and FIR are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and FIR. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall presentation of the financial statements and FIR.

Risk assessment

In making our risk assessment, we will obtain an understanding of internal control relevant to the preparation of the financial statements and FIR in order to design audit procedures that are appropriate in the circumstances, and to determine the nature, timing and extent of audit procedures to be performed, but not for the purpose of expressing an opinion on the effectiveness of your internal control. But, we will let your management and the Mayor and Town Council know, as appropriate, in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and FIR that we have identified during the audit.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that a material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards. In addition, the audit is not designed to detect error or fraud that is immaterial to the financial statements and FIR. Because of the characteristics of fraud, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material misstatement due to fraud. Characteristics of fraud include (i) concealment through collusion among management, employees, or third parties (ii) withheld, misrepresented, or falsified documentation; and (iii) the ability of management to override or instruct others to override what otherwise appears to be effective controls. Further, while effective internal control over financial reporting reduces the likelihood that errors or fraud will occur and remain undetected, it does not eliminate that possibility. For these reasons



we cannot ensure that errors or fraud, if present, will be detected. However, we will communicate to the Mayor and Town Council and your management, as appropriate, any such matters identified during our audit.

**Informing the
Mayor and Town
Council**

We are also responsible for ensuring that the Mayor and Town Council is informed about certain other matters related to the performance of our audit, including but not limited to:

- i. our views about significant qualitative aspects of your accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In certain circumstances, we may be required to explain to the Mayor and Town Council why we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate to your particular circumstances;
- ii. significant difficulties, if any, encountered during our audit;
- iii. where the Mayor and Town Council is not involved in managing the entity we are also required to communicate:
 - significant matters, if any, arising from our audit that were discussed, or subject to correspondence with your management; and
 - written representations we are requesting; and
- iv. other significant matters, if any, arising during our audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.

**Reliance by third
parties**

The services will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly, in connection with a specific transaction.

**Distribution and use
of our auditor's
report**

Our auditor's report on the FIR is intended solely for the Town of Sundre and the Minister of Alberta Municipal affairs (the specified users) and is not intended to be and should not be distributed and used by anyone other than the specified users.



Your responsibilities

Financial statements and FIR

Your management is responsible for the preparation and fair presentation of the financial statements and FIR, including disclosures and the other information referred to above. In preparing the financial statements and FIR, your management is responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable matters relating to going concern and using the going concern basis of accounting unless your management either intends to liquidate the entity or to cease operations, or has no realistic alternative to do so. The Mayor and Town Council is responsible for overseeing the financial reporting process.

Internal control

Your management is also responsible for establishing and maintaining an effective system of internal control over financial reporting to enable the preparation of financial statements and FIR that are free from material misstatement, whether due to fraud or error. In this regard, you are responsible for establishing policies and procedures that ensure financial information is prepared in accordance with the requirements of Canadian public sector accounting standards and the FIR is prepared in accordance with the basis of accounting described in its notes.

Correction of errors

You are responsible for adjusting the financial statements and FIR to correct material misstatements and for confirming to us that all uncorrected misstatements identified by us during our audit are immaterial, both individually and in aggregate, to the financial statements and FIR taken as a whole. In addition, we expect your management will correct all known non-trivial errors.

Prevention and detection of fraud

You are also responsible for the design, implementation and maintenance of programs and controls to prevent and detect fraud, and for informing us:

- i. of the results of your management's assessment of the risk that the financial statements and FIR may be materially misstated as a result of fraud;
- ii. about all known or suspected fraud affecting the entity involving (a) your management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a material effect on the financial statements and FIR; and
- iii. of your knowledge of any allegations of fraud or suspected fraud affecting your financial statements and FIR received in communications from employees, former employees, analysts, regulators, investors or others.

Related party

You are responsible for disclosing to us the identity of each related party as defined in Canadian Auditing Standard 550 and all the related party relationships and transactions of which you are aware, and for providing to us any updates that occur during the course of this engagement.

**Subsequent events**

You are responsible for informing us of subsequent events that may affect the financial statements and FIR of which you may become aware up to the date the financial statements and FIR are issued.

Laws and regulations

You are responsible for identifying and ensuring that you comply with the laws and regulations applicable to your activities, including those pertaining to the services. You will provide information to us relating to any known instances of non-compliance or suspected non-compliance with laws and regulations, including financial reporting requirements, whose effects should be considered when preparing your financial statements and FIR.

Providing information on a timely basis

You are responsible for making available to us, on a timely basis, all of your original accounting records and related information relevant to the preparation of the financial statements and FIR, additional information that we may request from you for the purposes of our services and unrestricted access to your personnel whom we may determine necessary to obtain evidence necessary to perform our services.

Management representation letter

You will provide us with written representations concerning representations made to us during the audit covering the financial statements and FIR.

Other information

You are responsible for the other information and agree to provide us with final draft copies of those documents in a timely manner, and if possible, prior to the date of our auditor's report.

Written consent

You agree to seek and obtain our written consent before including our auditor's report or referring to us in any document that is filed or distributed in connection with (i) a sale of securities; (ii) facilitating investment decisions by third parties; or (iii) periodic or continuous reporting obligations under any applicable securities laws.

Any agreement to provide consent will be a separate engagement. Written consent must be given by a specific written instrument signed by us and referencing the particular use that is to be made of our auditor's report. You acknowledge that neither the terms of this engagement letter, nor the issuance of our auditor's report, nor any other document, constitutes such written consent. We may, in our own discretion, waive the requirement to obtain our written consent.

Other matters**Term – agreement continues in force**

It is understood that an engagement letter outlining our services will be entered into each year, including any update to the fee estimate and billing schedule. If neither we nor you exercise our respective right to terminate the services as outlined in the attached terms of business, this engagement letter will continue until we execute a new engagement letter.



As part of our process of assessing the quality of our services, you may receive questionnaires from us and visits from senior partners not directly involved in providing services to you. We appreciate the attention given to these questionnaires and visits and value your feedback.

If the services outlined herein are in accordance with your requirements and, if the above terms are acceptable, please have one copy of this letter executed in the spaces provided below and return it to us.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Professional Accountants



The services and terms as set forth in this letter, including the provisions of the attached schedule and the standard terms of business, are agreed to.

Town by and through its Mayor and Town Council

By:

Terry Leslie, Mayor

Date

By signing below, the services and terms as set forth in this letter, including the provisions of the attached schedule and the standard terms of business, are agreed to, and I acknowledge and agree to my obligation to ensure that the responsibilities of Town of Sundre and its management as set forth herein are properly discharged:

By:

Linda Nelson, Chief Administrative Officer

Date

Schedule A ***Fees and billing schedule***

Our fee estimate

Our fees for the services are estimated to be \$33,564 plus applicable taxes.

We will bill for all reasonable expenses incurred in the performance of our services. These costs may include direct costs such as travel, meals and accommodation. A technology and administrative support fee of 5% of professional fees (plus applicable taxes) will be charged to cover our hardware and software information technology infrastructure costs as well as costs such as telecommunications including cellular, technical reference material, courier, photocopying and other client support services.

Billing schedule

We will address our invoices to Linda Nelson. Our fees, plus additional charges for out-of-pocket expenses, will be billed as follows:

Date	Fee amount
December 10, 2018	\$12,500
March 11, 2019	\$20,000
On completion	\$1,064 and Out-of-Pocket expenses

All invoices are due for payment on receipt. Interest will be charged on overdue accounts at 6% per annum.

Conditions impacting our time and fee estimates

Our time and fee estimates take into account the agreed level of preparation and assistance from you. We will let you know promptly when and if for any reason the schedules, information and assistance provided, as outlined in this engagement letter, are not sufficient for our services. We will provide you with a separate listing of required schedules, information requests and the dates such items are needed. We will also discuss with you and the Mayor and Town Council any other issues that will require extra time and effort to resolve in order to revise the fee estimate to reflect additional services, if any, required for us to complete our work.

Terms of business

1	Introduction
2	PwC Firms, service providers and subcontractors
3	Your responsibilities
4	Information protection
5	Professional and regulatory oversight
6	Working papers
7	Liability
8	Termination
9	Governing law
10	General

1 Introduction

- 1.1 **Interpretation** – In this agreement, the following words and expressions have the meaning given to them below:
services – the services set out in the engagement letter
the agreement – these terms and the engagement letter to which they relate (including any schedules)
we, us or our – refer to PricewaterhouseCoopers LLP, a limited liability partnership organized under the laws of the Province of Ontario, or such affiliated legal entity that has signed the engagement letter
you, your – the party or parties, including their management, to the agreement (excluding us)
- 1.2 **Changes** – Either we or you may request a change to the services, deliverables or this agreement. Any change will be effective only when agreed in writing.
- 1.3 **Purpose** – You acknowledge that our report is intended for the purpose of the oversight of management and the affairs of the legal entity that is the subject of the services.

2 PwC Firms, service providers and subcontractors

- 2.1 **Our relationship with you** – We are a member of the global network of PricewaterhouseCoopers firms (PwC Firms), each of which is a separate and distinct legal entity.
- 2.2 **Subcontractors and service providers** – We may use other PwC Firms, service providers and subcontractors to provide the services and support service delivery. For administrative purposes, services provided by subcontractors that are owned by PricewaterhouseCoopers LLP and provide services outside of Canada may be invoiced separately by those subcontractors. We remain solely responsible for the services and deliverables.
- 2.3 **Restriction on claims** – You agree that claims or actions relating to the services, deliverables and this

agreement shall be brought against us alone, and not against (i) any individual, (ii) another PwC Firm (or its partners, members, directors or employees), or (iii) our subcontractors.

- 2.4 **Group members** – You will ensure that no subsidiary, affiliate, associated entity or holding company (unless a party to the agreement), brings any claim or action against us.

3 Your responsibilities

- 3.1 **Your obligations** – The performance of our services and provision of the deliverables depends on you performing your obligations under the agreement. We are not responsible for any consequences arising from you not fulfilling your obligations.
- 3.2 **Solicitation and hiring of PwC personnel** – Our independence related to assurance engagements may be impaired if you solicit or hire certain PwC personnel. This may either delay the provision of the services or cause us to resign from the engagement. You agree not to offer or permit your related parties to offer employment to or hire the lead engagement partner, the quality review partner or any other PwC partner, employee and/or independent contractor who has provided more than ten (10) hours of audit or review services until a period of twelve (12) months has passed from the date of our report on the applicable financial statements without first consulting with and obtaining the approval of the lead engagement partner on any proposed offer of employment.
- 3.3 **Oral advice and draft deliverables** – You may rely on our final written deliverables, but should not rely on oral advice or draft deliverables provided during the term of this agreement. If you wish to rely on something we have said to you, please let us know and, if practical, we will prepare a written deliverable on which you may rely.

4 Information protection

- 4.1 **Confidential information** – We and you will use the other's confidential information, only in relation to the services or for internal and administrative purposes and the receiving party will not disclose confidential information except where required by law or professional obligation. You agree that we may give confidential information to third party service providers, subcontractors and other PwC Firms as long as they are bound by reasonable confidentiality obligations.
- 4.2 **Personal information** – We may collect, use, disclose, transfer, store or otherwise process information about identified individuals ("personal information") as required to provide the services and deliverables. We may process such personal information in various jurisdictions in which we or

applicable PwC Firms, service providers and subcontractors operate, and, as such, personal information may be subject to the laws of such jurisdictions. Such personal information will be at all times processed in accordance with the applicable laws and professional regulation. In addition, we will require any service providers that process personal information on our behalf to adhere to such requirements. You confirm that you have the authority to provide the personal information to us in connection with the performance of services and that the personal information provided to us has been provided in accordance with applicable law. Unless expressly agreed to and set out in this agreement, you shall not provide us with access to, and PwC will not process, personal information relating to individuals in the European Economic Area or Switzerland ("EEA Personal Information").

- 4.3 **Restricted data** – As certain jurisdictions have strict laws around exporting restricted classes of data, you agree to advise us in writing immediately if any software, information, or other materials that may be disclosed to, or accessed by, us in performing the services is subject to export control restrictions under applicable law.
- 4.4 **Benchmarking and analytics** – From time to time we may offer our clients, like you, benchmarking or analytics services by comparing client information to aggregated and anonymized data sets. You agree that we may anonymize and aggregate information you disclose to us or that we develop during the course of this engagement (collectively, "exempt information"). We confirm exempt information will be anonymized and aggregated so as to prevent anyone from identifying or reverse engineering any of your information. Exempt information is excluded from the definitions of confidential or personal information hereunder. For greater certainty, you acknowledge we are permitted to use or disclose exempt information without restriction.
- 4.5 **Working with competitors** – You agree that we may work with your competitors or other parties whose interests may conflict with yours, as long as we do not disclose your confidential information and we comply with our ethical obligations.

5 Professional and regulatory oversight

- 5.1 **Reviews of us** – We are required to meet certain professional standards in the performance of our services. As such, we are regulated or overseen by various professional and regulatory bodies both in Canada and abroad (which bodies will depend on the nature of the services performed under this agreement). These professional and regulatory bodies have the right to inspect our files, including working papers and other work product(s) relating to these services or the services provided in prior years to determine whether professional standards have been met. We may, from time to time, receive requests or orders from such bodies to provide them with information and copies of such working

papers. We intend to provide such information and working papers in response to such requests without further notice to you. Where the laws of the jurisdiction require us to disclose information and working papers including your privileged materials, notwithstanding any other agreement or representation between us, you provide your consent to the disclosure of such information and materials to the extent required by law. We acknowledge that your consent does not negate nor waive the privilege, which you intend shall continue for all other purposes. Except where providing privileged information is required by the laws of any jurisdiction that you or we are governed by, we will use all reasonable efforts to refuse access to any document over which you have expressly informed us that you assert privilege. To ensure we can identify and withhold privileged documents from disclosure, documents provided to us that are privileged must be marked "PRIVILEGED".

- 5.2 **Information request** – In the event we receive a request from a third party (including a demand from a government agency or a regulatory authority, subpoena or summons) for information, we will promptly notify you, where not prohibited by law.
- 5.3 **Reimbursement of costs incurred** – You agree to reimburse us for our professional time and expenses, as well as reasonable fees and expenses of our legal counsel, incurred by us in responding to any investigation that is requested or authorized by you or of you required by government regulation, subpoena or other legal process.

6 Working papers

- 6.1 **Ownership** – Any documents prepared by us or for us in connection with this agreement belong to us.

7 Liability

- 7.1 **Limitation of liability** – Our aggregate liability for all claims, losses, liabilities or damages in connection with this agreement or the services or deliverables, whether as a result of breach of contract, tort (including negligence) or otherwise, regardless of the theory of liability asserted, is limited to \$2 million. Our liability to you shall be several and not joint and several, and we shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
- 7.2 **Misrepresentation by you** – You agree to release and indemnify us and our personnel from and against all claims, losses, costs, liabilities and damages arising in circumstances where there has been a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest.

8 Termination

- 8.1 **By either party** – Either party may terminate this agreement, for any reason, upon written notice to the other party. We will not be liable for any loss, cost or expense arising from such termination.
- 8.2 **Fees payable on termination** – You agree to pay us for all services we perform and deliverables we provide up to the date of termination, including services performed, work-in-progress and expenses incurred.

9 Governing law

- 9.1 **Law and jurisdiction** – The agreement and any dispute arising from it, whether contractual or non-contractual, will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and are subject to the exclusive jurisdiction of the courts of the Province of Ontario.

10 General

- 10.1 **Matters beyond reasonable control** – No party will be liable (other than payment obligations) to the other if it fails to meet its obligations due to matters beyond its reasonable control.
- 10.2 **Entire agreement** – The agreement, once executed by both parties, forms the entire agreement between the parties in relation to the services and deliverables. It replaces any earlier agreements, representations or discussions, including non-disclosure agreements entered into in advance of this agreement.
- 10.3 **Your actions** – Where you consist of more than one party, an act or omission of one party will be regarded as an act or omission of all.
- 10.4 **Assignment** – Without written consent, neither of us may assign any of our rights, obligations or claims under this agreement.
- 10.5 **Survival** – Any clause that is meant to continue to apply after termination of this agreement will do so.
- 10.6 **Severability** – If a court or regulator with proper jurisdiction determines that a provision of this agreement is invalid, then that provision will be interpreted in a way that is valid under applicable law

or regulation. If any provision is invalid, the rest of this agreement will remain effective.



COUNCIL DATE: November 5, 2018

SUBJECT: Alberta Community Partnership Program – GIS Assessment Study

ORIGINATING DEPARTMENT: Planning and Development

AGENDA ITEM: 8.7

BACKGROUND/PROPOSAL:

As identified in the Planning and Development Business Plan, a review of the Town's Asset Management System (GIS) is being initiated to determine current level and future needs for GIS services. The Town has an opportunity to undertake this review at no cost through an Alberta Municipal Affairs Partnership (ACP) Grant Program, in partnership with the Town of Innisfail.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

The Town's GIS Management System is a valuable tool, providing digital information on its assets for management and analytical purposes (aerial photography, land ownership and parcel data, buildings, services, roads, infrastructure, parks, playground equipment, trails etc.). The current service provider is through Oldman River Regional Planning Services (GIS) and Parkland Community Planning Services (mapping).

This review will identify current service levels and gaps in technology, potential service upgrades and go forward options as the Town grows. Through this grant program, the study provider (MuniSight Ltd.) will provide a Regional GIS assessment, identify and analyze current spatial data, create a central database and integrated GIS system, and provide mapping for the Town at no cost. The Town will have access to this information for one year, to determine if there may be other options of service value to pursue.

ALIGNMENT WITH STRATEGIC PLAN:

This project supports Council's Strategic Plan by providing sustainability in governance by improving efficiencies, communication tools and transparency with our stakeholders.

ADMINISTRATION RECOMMENDATIONS:

By Council Motion, to direct Administration to apply for the Alberta Community Partnership Program Grant in partnership with the Town of Innisfail to undertake a Regional GIS Assessment Study.

COSTS/SOURCE OF FUNDING:

None.

MOTION:

THAT Council direct Administration to apply for a grant from the Alberta Municipal Affairs Alberta Community Partnership (ACP) Program for a Regional GIS Study in partnership with the Town of Innisfail.

Date Reviewed: _____ CAO: _____