



CITY COUNCIL

AGENDA

Monday, November 29, 2010 – Council Chambers, City Hall

Call to Order:	3:00 PM
Recess:	5:00 PM to 6:00 PM
Public Hearing(s):	6:00 PM

I. MINUTES

- I.1. Confirmation of the Minutes of the Regular Meeting of Council on November 15, 2010.

(Agenda Pages 1 – 10)

2. POINT OF INTEREST

3. UNFINISHED BUSINESS

- 3.1. Tax Prepayment Bylaw Amendment (Bylaw 3208/98)
Consideration of Third Reading
Division: Corporate Services
Department: Revenue and Assessment Services

(Agenda Pages 11 – 13)

4. REPORTS

- 4.1. Expropriation of property from Pact Production Services for North Highway Connector
Consideration of Inquiry Report
Division: Planning Services
Department: Land & Economic Development

(Agenda Pages 14 – 36)

- 4.2. Capital Budget Policies re: Revised - Capital Budget Policy 5320-C; New - Capital Budget Contingency Policy 5320.02-C; New - Capital Budget Funding

Policy 5320.03-C
Division: Corporate Services
Department: Corporate Services

(Agenda Pages 37 – 54)

- 4.3. Crime Prevention Advisory Committee Annual Report
Division: Community Services
Department: Community Services

(Agenda Pages 55 – 59)

- 4.4. Council Retreat
Division: City Manager
Department: Legislative & Governance Services

(Agenda Pages 60 – 61)

- 4.5. Municipal Reserve Over Dedication in Clearview North
Division: Planning Services
Department: Land & Economic Development

(Agenda Pages 62 – 63)

- 4.6. IBEW Negotiations
Division: City Manager
Department: Human Resources

(Agenda Pages 64 – 65)

5. BYLAWS

- 5.1. Electric Utility Bylaw Amendment 3273/D-2010
Consideration of Three Readings
Division: Development Services
Department: Electric, Light & Power

(Agenda Pages 66 – 90)

- 5.2. Short Term Borrowing Bylaw 3458/2010
Consideration of Three Readings
Division: Corporate Services
Department: Financial Services

(Agenda Pages 91 – 94)

- 5.3. Road Closure Bylaw 3462/2010 - Allan Street
Consideration of First Reading
Division: Planning Services
Department: Land & Economic Development

(Agenda Pages 95 – 98)

6. PUBLIC HEARINGS

7. CORRESPONDENCE

- 7.1. Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering Committee
Division: City Manager
Department: Legislative & Governance Services
(Agenda Pages 99 – 100)
- 7.2. Ratification of Downtown Business Association Appointments
Division: City Manager
Department: Legislative & Governance Services
(Agenda Pages 101 – 102)

8. PETITIONS AND DELEGATIONS

9. NOTICES OF MOTION

10. ADMINISTRATIVE INQUIRIES

11. IN CAMERA MEETING

- 11.1. Human Resources Matter
Division: City Manager
Department: Human Resources
- 11.2. Land Matter
Division: Planning Services
Department: Land & Economic Development
- 11.3. Legal Matter
Division: Planning Services
Department: Land & Economic Development
- 11.4. Committee Appointment
Division: City Manager
Department: Legislative & Governance Services
- 11.5. Committee Appointments
Division: City Manager
Department: Legislative & Governance Services

12. ADJOURNMENT



UNAPPROVED - M I N U T E S
of the REGULAR MEETING of RED DEER CITY COUNCIL
held on Monday, November 15, 2010
in the Council Chambers of City Hall,
commenced at 3:00 p.m.

Present:

Mayor Morris Flewwelling
Councillor Buck Buchanan
Councillor Paul Harris
Councillor Cindy Jefferies
Councillor Lynne Mulder
Councillor Chris Stephan
Councillor Tara Veer
Councillor Frank Wong
Councillor Dianne Wyntjes
City Manager, Craig Curtis
Director of Community Services, Colleen Jensen
Director of Corporate Services, Lorraine Poth
Director of Development Services, Paul Goranson
Acting Director of Planning Services, Joyce Boon
Legislative & Governance Services Manager (City Clerk), Elaine Vincent
Deputy City Clerk, Frieda McDougall
Financial Services Manager, Dean Krejci
Planning Department Acting Manager, Angus Schaffenburg
Revenue & Assessment Services Manager, Joanne Parkin
Social Planning Manager, Scott Cameron
Community Researcher, Franklin Kutuadu
Controller – Property Taxation, Deb Stott
Social Planning Supervisor – Community Development, Linda Healing
City Solicitor, Don Simpson
Planner, Jordan Furness
Planner, Brandon Silver



MINUTES

Moved by Councillor Tara Veer seconded by Councillor Dianne Wyntjes

“Resolved that the Monday, November 1, 2010, Organizational Council meeting minutes be approved with the following amendment:

Page 9 Correct the spelling of ‘meeting’ as it appears following Arun Mishra, Citizen Representative.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Moved by Councillor Lynne Mulder, seconded by Councillor Paul Harris

“Resolved that the Monday, November 1, 2010, Regular Council meeting minutes be approved as transcribed.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

POINTS OF INTEREST

On a Point of Interest, Councillor Chris Stephan recognized Red Deer Tourism as the recent recipient of the Alto Award for service excellence.

On a Point of Interest, Councillor Lynne Mulder commented on the new Veterans’ Park and what an asset this new park is to our community.

On a Point of Interest, Mayor Morris Flewwelling thanked the Legion for their work organizing the annual Remembrance Day Ceremony.

On a Point of Interest, Councillor Buck Buchanan shared that he had the pleasure of attending the Women of Excellence dinner, and indicated that Doris Towers, wife of



former Lieutenant Governor Gordon Towers, was awarded the Lifetime Achievement Award.

On a point of interest, Councillor Buck Buchanan indicated that he had the pleasure of attending the Lindsey Thurber Composite High School Remembrance Day ceremony at which the Lieutenant Governor Donald S. Ethell was in attendance.

REPORTS

Appropriate Seniors' Housing

Division: Community Services

Department: Social Planning

Moved by Councillor Dianne Wyntjes, seconded by Councillor Paul Harris

“Resolved that Council of The City of Red Deer having considered the report from the Supervisor Community Development and the Community Researcher dated November 3, 2010 re: Appropriate Seniors' Housing, hereby accepts the Appropriate Seniors' Housing Executive Report as a tool to be used for advocacy, planning and influencing the decision making regarding seniors' housing in Red Deer in the future and that The City's role be further identified through Council's prioritization process.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

UNFINISHED BUSINESS

Land Use Bylaw Amendment 3357/Y-2010 – Non-Conforming Dynamic Signs – Location of dynamic signs on building located at 48 Street and 51 Avenue (AEI Sign)

Division: Planning Services

Department: Planning Services

Moved by Councillor Frank Wong, seconded by Councillor Tara Veer

“Resolved that Council of the City of Red Deer hereby agrees to lift from the table consideration of the report dated November 5, 2010 from Planning



Services re: Non-conforming Dynamic Signs, Land Use Bylaw Amendment 3357/Y-2010.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO LIFT FROM THE TABLE CARRIED

Moved by Councillor Buck Buchanan, seconded by Councillor Tara Veer

That Bylaw 3357/Y-2010 be read a first time (Land Use Bylaw Amendment – provides for an exception for an existing digital dynamic sign. The proposed exception would allow for the relocation of the non-conforming AEI sign.

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Moved by Councillor Lynne Mulder, seconded by Councillor Dianne Wyntjes

“**Resolved** that Council of The City of Red Deer having considered the report from the Planner for the Planning Services department dated November 5, 2010 re: Non-conforming Dynamic Signs, LUB Amendment 3357/Y-2010 hereby agrees to table consideration of the development of an inventory of dynamic signs to provide for a comprehensive study on dynamic signage be undertaken, in conjunction with the Gaetz Avenue Redevelopment Study.

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO TABLE CARRIED

REPORT

Land Use Bylaw Amendment 3357/T-2010 – 4419 55 Street to expand non-residential uses



Division: Planning Services
Department: Planning Services

Moved by Councillor Chris Stephan, seconded by Councillor Dianne Wyntjes

That Bylaw 3357/T-2010 be read a first time (Land Use Bylaw Amendment – a bylaw that provides for expansion of the non-residential uses allowed on the property in the existing building.)

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

OPPOSED Councillor Paul Harris

MOTION CARRIED

Action: Councillor Chris Stephan requested that a review of the Land Use Bylaw relative to commercial versus office uses be undertaken. Administration will bring back a report in due course.

CORRESPONDENCE

Ivan Simon request for penalty cancellation

Division: Corporate Services
Department: Revenue & Assessment Services

Moved by Councillor Lynne Mulder, seconded by Councillor Buck Buchanan

“Resolved that Council of the City of Red Deer having considered the correspondence from Mr. Ivan Simon dated September 27, 2010 Re: 30 Dalton Close and the report from the Controller – Property Taxation dated November 2, 2010 Re: Request for Penalty Cancellation – Roll #1422790 hereby denies the request that the tax penalty to this roll be waived.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris Councillor, Councillor Cindy Jefferies, Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong



OPPOSED

Councillor Chris Stephan, Councillor Dianne Wyntjes

MOTION CARRIED

BYLAW

Tax Prepayment Bylaw Amendment (Bylaw 3208/98)

Division: Corporate Services

Department: Revenue & Assessment Services

Moved by Councillor Cindy Jefferies, seconded by Councillor Chris Stephan

That Tax Prepayment Bylaw Amendment 3208/98 be read a first time (Tax Prepayment Bylaw – That prepayment interest/discount incentive plan be cancelled effective January 1, 2011)

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Dianne Wyntjes

OPPOSED: Councillor Frank Wong

MOTION CARRIED

Moved by Councillor Cindy Jefferies, seconded by Councillor Chris Stephan

That Tax Prepayment Bylaw Amendment 3208/98 be read a second time.

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Dianne Wyntjes

OPPOSED: Councillor Frank Wong

MOTION CARRIED

Moved by Councillor Buck Buchanan, seconded by Councillor Cindy Jefferies

“Resolved that with the unanimous consent of the Council members present, Organizational Bylaw 3208/98 be presented for third reading.”



IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Frank Wong, Councillor Dianne Wyntjes

OPPOSED: Councillor Tara Veer

MOTION FAILED

UNFINISHED BUSINESS

Organization Bylaw 3457/2010

Division: City Manager

Department: Legislative & Governance Services

Moved by Councillor Tara Veer, seconded by Councillor Paul Harris

“Resolved that Council of The City of Red Deer hereby agrees to lift from the table consideration the report dated October 26, 2010 re: New Organizational Bylaw No. 3457/2010.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO LIFT FROM THE TABLE CARRIED

Moved by Councillor Paul Harris, seconded by Councillor Lynne Mulder

“Resolved that Council of The City of Red Deer hereby agrees to amend Organizational Bylaw 3457/2010 with the following grammatical changes:

- (i) Page 4, (e), numbering change to (i), (ii) and (iii);
- (ii) Page 6, 13.(b) (ii) change give to giving;
- (iii) Page 6, 13.(b) (d) change to (iv)
- (iv) Page 6, 13.(b) (d) change certify to certifying;
- (v) Page 6, 13.(c) change certify to certifying.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes



MOTION CARRIED

Moved by Councillor Tara Veer, seconded by Councillor Frank Wong

That Organizational Bylaw 3457/2010, as amended, be read a third time.

IN FAVOUR: Mayor Morris Flewwelling, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Tara Veer, Councillor Dianne Wyntjes

OPPOSED: Councillor Buck Buchanan, Councillor Chris Stephan, Councillor Frank Wong

MOTION CARRIED

REPORTS

2010 Returning Officer Post Election Activities

Division: City Manager

Department: Legislative & Governance Services

The Legislative and Governance Services Manager submitted the Returning Officer Post Election report to Council. Council received the report as information.

December 1, 2010 – Capital Budget Meeting – Change of Time

Division: City Manager

Department: Legislative & Governance Services

Moved by Councillor Buck Buchanan, seconded by Councillor Lynne Mulder

“Resolved that Council of the City of Red Deer having considered the report from the Legislative & Governance Services Manager dated November 5, 2010 Re: December 1, 2010 Capital Budget Meeting agrees to change the start time of the December 1, 2010 Capital Budget Meeting from 1:15 p.m. to 10:30 a.m.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED



UNFINISHED BUSINESS

Land Use Bylaw Amendment – Secondary Suites

Division: Planning Services

Department: Inspections & Licensing

Moved by Councillor Lynne Mulder, seconded by Councillor Cindy Jefferies

“**Resolved** that Council of the City of Red Deer hereby agrees to lift from the table consideration of the report dated August 13, 2010 re: Land Use Bylaw Amendment – Secondary Suites.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO LIFT FROM THE TABLE CARRIED

Moved by Councillor Lynne Mulder, seconded by Councillor Buck Buchanan

“**Resolved** that Council of the City of Red Deer agrees to table consideration of the Land Use Bylaw Amendment – Secondary Suites to the December 13, 2010 Council Meeting to provide Administration with the opportunity to meet with members of the Secondary Suite Ad Hoc Committee and Members of the Municipal Planning Commission before bringing forth a recommendation.”

IN FAVOUR: Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO TABLE CARRIED

ADJOURNMENT

Moved by Councillor Chris Stephan, seconded by Councillor Buck Buchanan

“Resolved that the Monday, November 15, 2010, regular meeting of the City of Red Deer Council be adjourned at 5:27 p.m.”



10

UNAPPROVED - Council Minutes
November 15, 2010

IN FAVOUR:

Mayor Morris Flewwelling, Councillor Buck Buchanan, Councillor Paul Harris, Councillor Cindy Jefferies, Councillor Lynne Mulder, Councillor Chris Stephan, Councillor Tara Veer, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

MAYOR

CITY CLERK



DATE: November 16, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Tax Prepayment Bylaw Amendment (Bylaw 3208/98)

History

At the November 1, 2010 Meeting of Council, Tax Prepayment Bylaw Amendment 3208/A-2010, was given first and second reading.

Discussion

This Bylaw will come back to the November 29, 2010 Meeting of Council for consideration of third reading.

Recommendation

That Council consider third reading of Tax Prepayment Bylaw Amendment 3208/A-2010.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager

BYLAW NO 3208/A-2010

Being a bylaw to amend Bylaw 3208/98, The Tax Prepayment Bylaw of the City of Red Deer.

COUNCIL OF THE CITY OF RED DEER, ALBERTA, ENACTS AS FOLLOWS:

That Bylaw 3208/98 is hereby amended as follows:

1. Section 7 (2) is deleted and replaced with the following new section 7 (2):

7 (2) "A discount shall not be given for prepaid amounts of taxes."
2. In all other respects, Bylaw 3208/98 is hereby ratified and confirmed.

READ A FIRST TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A SECOND TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A THIRD TIME IN OPEN COUNCIL this day of 2010.

AND SIGNED BY THE MAYOR AND CITY CLERK this day of 2010.

MAYOR

CITY CLERK

Comments:

I support the recommendation of Administration to proceed with third reading of this Bylaw.

"Craig Curtis"
City Manager

Corrected copy

DATE: November 30, 2010
TO: Deb Stott, Controller – Property Taxation
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Tax Prepayment Bylaw Amendment 3208/A-2010

Reference Report:

Legislative & Governance Services, dated November 16, 2010, and the Controller – Property Taxation, dated November 1, 2010.

Bylaw Readings:

Tax Prepayment Bylaw Amendment 3208/A-2010 received third reading at the November 29, 2010 regular Council Meeting. A copy of the Bylaw is attached.

Report Back to Council: No

Comments/Further Action:

Tax Prepayment Bylaw Amendment 3208/A-2010 authorizes the prepayment interest/discount incentive plan be cancelled effective January 1, 2011. This office will amend the Consolidated version of the Tax Prepayment Bylaw 3208/ 98 and distribute copies of the bylaw in due course.



Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Lorraine Poth, Director of Corporate Services
Joanne Parkin, Revenue & Assessment Services
Dean Krejci, Financial Services Manager
Corporate Meeting Coordinator

DATE: November 30, 2010
TO: Deb Stott, Controller – Property Taxation
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Tax Prepayment Bylaw Amendment 3208/A-2010

Reference Report:

Legislative & Governance Services, dated November 16, 2010, and the Controller – Property Taxation, dated November 1, 2010.

Bylaw Readings:

Tax Prepayment Bylaw Amendment 3208/A-2010 received third reading at the November 29, 2010 regular Council Meeting. A copy of the Bylaw is attached.

Report Back to Council: No

Comments/Further Action:

Tax Prepayment Bylaw Amendment 3208/A-2010 authorizes the borrowing of funds for short term operating purposes until taxes are collected. Tax Prepayment Borrowing Bylaw Amendment 3208/A-2010. This office will amend the Consolidated version of the Tax Prepayment Bylaw 3208/ 98 and distribute copies of the bylaw in due course.



Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Lorraine Poth, Director of Corporate Services
Joanne Parkin, Revenue & Assessment Services
Dean Krejci, Financial Services Manager
Corporate Meeting Coordinator

BYLAW NO 3208/A-2010

Being a bylaw to amend Bylaw 3208/98, The Tax Prepayment Bylaw of the City of Red Deer.

COUNCIL OF THE CITY OF RED DEER, ALBERTA, ENACTS AS FOLLOWS:

That Bylaw 3208/98 is hereby amended as follows:

1. Section 7 (2) is deleted and replaced with the following new section 7 (2):

7 (2) "A discount shall not be given for prepaid amounts of taxes."

2. In all other respects, Bylaw 3208/98 is hereby ratified and confirmed.

READ A FIRST TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A SECOND TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A THIRD TIME IN OPEN COUNCIL this 29 day of November 2010.

AND SIGNED BY THE MAYOR AND CITY CLERK this 29 day of November 2010.


MAYOR


CITY CLERK

FILE COPY



Council Decision – November 15, 2010

DATE: November 16, 2010
TO: Debra Stott, Controller – Property Taxation
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Tax Prepayment Bylaw Amendment (Bylaw 3208/98)

Reference Report:

Controller – Property Taxation, dated November 1, 2010

Bylaw Readings:

At the Monday, November 15, 2010 Regular Council Meeting Bylaw Amendment 3208/A-2010 received first and second reading. A copy of the Bylaw is attached.

Report Back to Council: Yes

Comments/Further Action:

This item will be brought back to Council on November 29, 2010 for consideration of third reading.

A handwritten signature in black ink, appearing to read 'Elaine Vincent', written in a cursive style.

Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Corporate Services Director
Joanne Parkin, Revenue & Taxation Manager
Corporate Meeting Coordinator

BYLAW NO 3208/A-2010

Being a bylaw to amend Bylaw 3208/98, The Tax Prepayment Bylaw of the City of Red Deer.

COUNCIL OF THE CITY OF RED DEER, ALBERTA, ENACTS AS FOLLOWS:

That Bylaw 3208/98 is hereby amended as follows:

1. Section 7 (2) is deleted and replaced with the following new section 7 (2):

7 (2) "A discount shall not be given for prepaid amounts of taxes."
2. In all other respects, Bylaw 3208/98 is hereby ratified and confirmed.

READ A FIRST TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A SECOND TIME IN OPEN COUNCIL this 15 day of November 2010.

READ A THIRD TIME IN OPEN COUNCIL this day of November 2010.

AND SIGNED BY THE MAYOR AND CITY CLERK this day of November 2010.

MAYOR

CITY CLERK

ORIGINAL



DATE: November 16, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Tax Prepayment Bylaw Amendment (Bylaw 3208/98)

History

At the November 1, 2010 Meeting of Council, Tax Prepayment Bylaw Amendment 3208/A-2010, was given first and second reading.

Discussion

This Bylaw will come back to the November 29, 2010 Meeting of Council for consideration of third reading.

Recommendation

That Council consider third reading of Tax Prepayment Bylaw Amendment 3208/A-2010.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager

Yes, no problem at all. If we indicate it on the schedule Morris usually picks up that there is someone there to speak to the item. I'll make sure to slot you in for 10 minutes (the time allowed to present).

Bev

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Deb Stott
Sent: Thursday, November 18, 2010 9:06 AM
To: Bev Greter
Cc: Trista Mowat; Joanne Parkin
Subject: RE: Package for November 15 Council Meeting

Bev

Joanne has suggested that I speak to Council for a few minutes (3 - 5 minutes) before Council is asked to consider 3rd reading of the Tax Prepayment Bylaw. Could you please work that into the timetable for the Nov 29 Council meeting and make it clear on the agenda (so that Morris gives me the opportunity to speak).

Thanks

Deb Stott

From: Bev Greter
Sent: November 17, 2010 10:48 AM
To: Trista Mowat
Cc: Deb Stott
Subject: RE: Package for November 15 Council Meeting

Hi Trista,

I've had a chance to speak with Frieda about this and yes, it will come to Council on the 29th for third reading. Not sure if you knew the reasoning, but there has to be unanimous consent for third reading which there wasn't on Monday evening.

You won't have to submit any further documentation, we do that here. It should be a very quick process on the 29 but I'm sure one of you should be available to speak to it in case there are any questions from Council.

Let me know if you have any further questions.

Thanks,
Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Bev Greter
Sent: Tuesday, November 16, 2010 5:29 PM
To: Trista Mowat
Cc: Deb Stott
Subject: RE: Package for November 15 Council Meeting

Hi Trista,

I will first confirm the follow up with Frieda before I say for sure.

Typically, if it didn't get third reading that might mean there is further follow up. If no follow up is required, then it will just be put on the November 29 meeting for third reading.

I will check first thing in the morning with Frieda.

Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Trista Mowat
Sent: Tuesday, November 16, 2010 2:39 PM
To: Bev Greter
Cc: Deb Stott
Subject: RE: Package for November 15 Council Meeting

Hi Bev,

As you are aware our proposed bylaw amendment did not get the necessary three readings in last night's council meeting. Would you kindly outline what this means and how we should proceed. Your advice is greatly appreciated!

Thank you,

Trista Mowat

Tax Collections Officer
The City of Red Deer
Ph: 403-356-8941
Fx: 403-342-8199

From: Bev Greter
Sent: November 02, 2010 11:26 AM
To: Trista Mowat
Cc: Deb Stott
Subject: RE: Package for November 15 Council Meeting

Thanks Trista. I will follow up if I require anything further.

Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Trista Mowat
Sent: Tuesday, November 02, 2010 11:06 AM
To: Bev Greter
Cc: Deb Stott
Subject: Package for November 15 Council Meeting

Good morning Bev,

We would like to be included in the November 15 Council agenda to bring forth an amendment to Bylaw 3208/98. I am attaching the required reports. Please let me know if you would like another format, have any questions or require anything else.

<< File: Report for Submission to Council.pdf >> << File: Submission Request for Inclusion on Council Agenda.pdf >> << File: 2010 BYLAW NO 3208 revision draft.doc >>

Have a Great Day!

Trista Mowat
Tax Collections Officer
The City of Red Deer
Ph: 403-356-8941
Fx: 403-342-8199



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Expropriation of property from Pact Production Services for North Highway Connector

History

At the Monday, July 26, 2010 Council Meeting, council gave approval to the following resolution:

“Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer as expropriating authority resolves to take by way of expropriation, for road purposes, an interest in fee simple in all the lands legally described as:

Plan 8922940, Block 2, Lot 5

Excepting there out all mines and minerals

City Administration is authorized to issue the appropriate Notice of Intention to Expropriate and to comply with all necessary steps required under the *Municipal Government Act* and the *Expropriation Act*.”

Discussion

We have now received a letter dated November 17, 2010 from the City Solicitor regarding Approval of Proposed Expropriation and a submission from the Inquiry Officer, Mr. Graham McLennan, Q.C. dated November 5, 2010, both of which are attached.

Recommendation

That Council consider passing a resolution authorizing the expropriation as recommended in the report of the Inquiry Officer dated November 5, 2010.

Elaine Vincent
Manager

CHAPMAN RIEBEEK LLP

Barristers & Solicitors

NICK P. W. RIEBEEK*
LORNE E. GODDARD, Q.C.
SUZANNE M. ALEXANDER-SMITH

DONALD J. SIMPSON*
NANCY A. BERGSTROM*
MICHELLE A. BAER
ELIZABETH L. TURNER

GARY W. WANLESS*
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JENNIFER L. CARVER

*Denotes Professional Corporation

Your file:
Our file: 5389NPR
Direct Email: mbaer@chapmanriebeek.com

November 17, 2010

VIA EMAIL

City of Red Deer
Box 5008
Red Deer, AB T4N 3T4

Attention: Craig Curtis, City Manager

Dear Mr. Curtis:

RE: Approval of Proposed Expropriation

Background

The construction of the North Highway Connector ("NHC") and related roadwork and allowances has necessitated acquisition by the City of numerous parcels (or portions thereof) of privately owned land. To date, two of those acquisitions have had to be effected through expropriation. This report concerns the third such expropriation.

By resolution dated July 26, 2010, Council resolved to commence the expropriation of lands owned by Pact Production Services Ltd. ("Pact"). In accordance with the provisions of the *Expropriation Act*, the registered owner of the land and parties known to have an interest in the land were served with Notice of the City's Intent to Expropriate.

The Owner and a tenant both filed Objections to the expropriation, which triggered an inquiry as to the reasonableness of the proposed taking. The inquiry was held on Wednesday October 27, 2010, and a copy of the Report of the Inquiry Officer is attached to this report for your review.

The *Expropriation Act* requires that Council, as the approving authority, consider the report of the Inquiry Officer and either approve or disapprove the proposed expropriation, or approve with any modifications Council considers proper. Council's decision along with its reasons must be served on all parties within 30 days of our receipt of the Inquiry Officer's report (i.e. by no later than December 5, 2010). Accordingly, a decision in respect of this expropriation must be made by Council at its meeting on November 29, 2010.

300, 4808 Ross Street Red Deer, Alberta T4N 1X5

Telephone: (403) 346-6603

Fax: (403) 340-1280

Email: info@chapmanriebeek.com

Page 2
November 17, 2010
City of Red Deer

Attention: Craig Curtis, City Manager

Should Council approve the taking, a Certificate of Approval will be registered at Land Titles which has the effect of transferring ownership of the property to the City.

Report of the Inquiry Officer

Over the course of a one-day Inquiry, the Objectors challenged the design of the NHC and questioned the City's need for the Pact property at this time. A comprehensive review of the City's objectives, the planning process and the proposed design of the Highway was undertaken. In his report, the Inquiry Officer determined that:

- a) The NHC as presently designed, is the most reasonable and economic manner of proceeding with the required upgrades to Northland Drive; and
- b) Because the NHC is necessary to meet the City's present and future transportation needs, and because of the design of the interchange at 40th Ave., the acquisition of the Pact parcel is required as part of the first phase of the project.

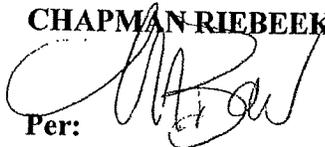
He concludes that the intended expropriation to be fair, sound and reasonably necessary in the achievement of the objectives of the City to facilitate better transportation within the City by construction of the Project.

Recommendation

It is our recommendation that Council, having considered the Report of the Inquiry Officer, approve the expropriation of the Pact property as proposed, and that administration be given instructions to proceed with the next steps required under the Act.

Yours truly,

CHAPMAN RIEBEEK LLP


Per: **MICHELLE A. BAER**

Encl.

Form 4

**Expropriation Act
(Section 18)**

CERTIFICATE OF APPROVAL

The City of Red Deer of 4914 – 48 Avenue, P.O. Box 5008, Red Deer, Alberta T4N 3T4, hereby approves the expropriation of the following land:

**PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS**

1. The nature of the interest in the land expropriated is fee simple.
2. The work or purpose for which the interest in the land is required is for road in connection with the construction of the extension of Northlands Drive.
3. The expropriating authority is: **The City of Red Deer**
4914 – 48 Avenue,
P. O. Box 5008,
Red Deer, Alberta T4N 3T4
4. The land stand in the Register of the North Alberta Land Registration District in the name of **Pact Production Services Ltd.** in Certificate of Title Number 902 035 735.

Dated this ____ day of November, 2010.

City Clerk (c/s)
City of Red Deer
4914 – 48 Avenue
P. O. Box 5008,
Red Deer, Alberta T4N 3T4



MCLENNAN ROSS LLP
LEGAL COUNSEL

Our File Reference: 103035
Your File References: 5389NPR, 4410032, 4410034

Graham McLennan, Q.C.
Direct Line: (780) 482-9221
e-mail: gmclennan@mross.com

Gabriele Wilkinson, Assistant
Direct Line: (780) 482-9255

Fax: (780) 482-9100

PLEASE REPLY TO EDMONTON OFFICE

November 5, 2010

VIA E-MAIL and COURIER

Chapman Riebeek LLP
300, 4808 Ross Street
Red Deer AB T4N 1X5

Langford Law Office
#303, 5008 – 50th Street
Red Deer AB T4N 1Y3

Att: Mr. Nicolaas Riebeek

Att: Ms. Gayle Langford

Dear Sirs:

**Re: Expropriation – City of Red Deer v. Pact Production
Services Ltd. and Rite-Way Fencing (2000) Inc.**

Please find enclosed my Report. A hard copy of the Report will be delivered to you as well.

Yours truly,

GRAHAM McLENNAN

gw
Encl.
H:\WDocs\103035\00056208.DOC

cc: Ms. Clara Cerminara (encl.)

Edmonton Office
600 West Chambers
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
p. 780.482.9200
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Calgary Office
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Calgary, AB T2P 3C4
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802 Precambrian Building
4920 – 52nd Street
Yellowknife, NT X1A 3T1
p. 867.766.7677
f. 867.766.7678
tf. 1.888.836.6684

IN THE MATTER OF the *Expropriation Act*, being Chapter E-13 of the *Revised Statutes of Alberta*, 2000, and amendments thereto (“**Act**”);

AND IN THE MATTER OF the intended expropriation by the City of Red Deer of a fee simple estate described as:

Plan 8922940

Block 2

Lot 5

Excepting thereout all mines and minerals (the “**Lands**”);

AND IN THE MATTER OF the Notices of Objection to the said intended expropriations filed by Pact Production Services Ltd. (“**Pact**”) and Rite-Way Fencing (2000) Inc. (“**Rite-Way**”) by their solicitor, Gayle A. Langford;

AND IN THE MATTER OF an Inquiry in respect thereof pursuant to the provisions of the said *Act* by Graham McLennan as Inquiry Officer appointed by Clara Cerminara to conduct the said Inquiry;

**REPORT OF THE INQUIRY OFFICER
GRAHAM McLENNAN, Q.C.**

November 5, 2010

COUNSEL

Mr. Nicolaas Riebeek/
Ms. Michelle A. Baer/
Ms. Jennifer Carver
Counsel for the City of Red Deer
300, 4808 Ross Street
Red Deer AB T4N 1X5

Ms. Gayle A. Langford
Counsel for Pact Production Services Ltd.
and Rite-Way Fencing (2000) Inc.
303, 5008 – 50th Street
Red Deer AB T4N 1Y3

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INTRODUCTION

The Expropriation Inquiry was held on Wednesday, October 27, 2010, at the Black Knight Inn, 2929 – 50 Avenue, Red Deer, Alberta. The expropriating authority, the City of Red Deer (“**Expropriating Authority**”), was represented by Nicolaas Riebeek, Michelle Baer, and Jennifer Carver of Chapman Riebeek LLP. The Objectors, Pact and Rite-Way (the “**Objectors**”), were represented by Gayle A. Langford of Red Deer, Alberta.

This Inquiry concerns the intended expropriation of a fee simple estate described as:

Plan 8922940
Block 2
Lot 5
Excepting thereout all mines and minerals (the “**Lands**”);

for the construction of the extension of Northland Drive and related interchanges at the intersection of 40 Avenue, aka Riverside Drive (the “**Project**”).

Counsel for the Expropriating Authority and counsel for the Objectors agreed that all appointments, notices, filings and registrations with respect to the intended expropriation, the objections and this Inquiry have been properly performed. Further, all such documents, by agreement, need not be made exhibits of this Inquiry.

Evidence was given under oath.

SUMMARY OF EVIDENCE

Exhibits

All exhibits entered in evidence were entered without objection from counsel. A list of the exhibits is attached to this report as Appendix 1.

All of the exhibits are attached to the Inquiry Officer’s Report provided to the Expropriating Authority. With the consent of all parties, the exhibits are not attached to copies of this Report provided to the Objectors.

EVIDENCE OF THE EXPROPRIATING AUTHORITY

Mr. Ken Hislop

Mr. Hislop advised that he has been a professional engineer since 1971. He has employment experience with Alberta Transportation, the City of Red Deer, and ISL Consulting between 1971 and the present.

Mr. Hislop identified Exhibit 1 and referred to the Project's history. He indicated that numerous studies were done over the years with respect to the Project. He noted that there were three phases to the Project: the first involving a two-lane roadway; the second involving a four-lane roadway; and the third phase involving a possible six-lane roadway on Northland Drive.

Mr. Hislop noted on Exhibit 1 the proposed route for the Northland Drive ring road. He advised that the objectives of Phase 1 of the development were to extend the City's roadway network, improve internal City transportation, improve internal to external transportation, and improve external to external transportation (for example, trips from Joffre to Edmonton).

Mr. Hislop identified the Lands which are the subject of these expropriation proceedings. He explained that the taking of the Lands is necessary for the construction of the intersection between 40 Avenue and Northland Drive.

Cross-Examination of Mr. Hislop

Ms. Langford discussed many things with Mr. Hislop in the course of the cross-examination.

Mr. Hislop explained the City of Red Deer Council approval process of various phases. Further, he discussed with Ms. Langford a budgeting process which is typically done only a year or two in advance, although planning is done much farther in advance.

Mr. Hislop indicated that the functional plan has been approved by City Council. Further, Council has a 10-year major capital plan which includes completion of Phase 1 of the

Project. Mr. Hislop indicated that there are funds allocated to purchase land this year and next year and to start the grading process for the Project.

Mr. Hislop also discussed provincial funding with Ms. Langford. There was contemplated to be provincial, as well as federal, government funding for parts of this Project, in particular the movement and installation of utilities.

Mr. Hislop indicated that, in his experience, provincial funding varies from year to year if one is speaking of the general per capita funding. He recalls it going from \$60 to \$75 to \$25 over the years.

Mr. Hislop believes that funding has been secured for the utilities portion of the Project in a total amount of \$36 million: one third from the Province, one third from the Federal Government, and one third from the City of Red Deer.

Mr. Hislop discussed Phase 1, the two-lane development. He discussed the high volumes and high speeds associated with the Northland Drive upgrade, and the related requirements for acceleration and deceleration lanes.

Redirect of Mr. Hislop

Mr. Hislop was asked to describe the 78 Street Crescent ingress and egress to Northland Drive. Although Mr. Hislop deferred to the Stantec engineering people on specifics, he generally indicated that the use of the intersection at Northland Drive and 78 Street Crescent would not be a suitable location to enter and exit Northland Drive as an upgraded two-lane, high-volume, high-speed roadway.

Further Cross-Examination of Mr. Hislop

Mr. Hislop discussed with Ms. Langford the immediate need for the Phase 1 development of the Project. He indicated it is anticipated that, upon opening of Phase 1, the Northland Drive roadway will be at at least 75% of its capacity. Part of the objective of the Project is to alleviate immediate traffic problems in Red Deer.

Mr. Russ Wlad

Mr. Wlad is an engineer with Stantec Consulting Ltd. (“**Stantec**”). He indicated that he has over 20 years’ experience as an engineer in the transportation field. He is presently the Vice President for the Central Northern Alberta area for Stantec.

Mr. Wlad has had considerable experience with respect to design and implementation of transportation projects over the years.

Mr. Wlad explained the various stages of a typical major transportation project such as: functional plans, consideration of route options, detailed transportation design work, final design and construction oversight. In all of these stages, Stantec has been involved and anticipated being involved with respect to this Project.

Mr. Wlad indicated that the Project is in the detailed design stage and that they anticipate that grading will begin with respect to Phase 1 of the Project in the spring of 2011.

Mr. Wlad outlined the public consultation that has taken place with respect to the proposed Project.

Mr. Wlad stated that the City of Red Deer’s general objective is to develop a ring road which meets existing and future internal and external transportation requirements of the City of Red Deer.

Mr. Wlad indicated that it is anticipated that there will be residential development in north Red Deer and future commercial development in the Queens industrial area. These developments will increase traffic, and this increased traffic is intended to be addressed by the Project.

Mr. Wlad noted that it was anticipated that Phase 1 of the Project would be required when the population of Red Deer was 85,000. The population of Red Deer is over 90,000 at the present time.

Mr. Wlad discussed the existing and anticipated vehicles per day on the Northland Drive portion of the Project.

Mr. Wlad outlined the several individuals at Stantec who have been involved in various aspects of this Project. In addition, he identified other professional advisors who had input to the Project, including: ISL Engineering, Opus Hamilton (for safety review/planning), and geotechnical consultants.

Mr. Wlad then reviewed the Project in more detail. He reviewed the volume of traffic presently travelling on 40 Avenue and Northland Drive. He described that the 40 Avenue interchange portion of the Project is required to deal with existing traffic volume and advised that this interchange would also accommodate all future planned development of Phases 2 and 3 and associated traffic volume.

Mr. Wlad indicated that the design for Northland Drive and the 40 Avenue interchange is geographically constrained by: the Red Deer River, the waste treatment plant facilities, and the present industrial park, in which the Objectors' land is situated.

Mr. Wlad described the minimum standards used with respect to the design of the ramps. He indicated that one could not reduce the size of these ramps, as the turning radius would be too small. In reference to Exhibit 1, Map 5., Mr. Wlad indicated that the 40 Avenue/Riverside Drive intersection portion of the Project is as close to the Red Deer River as can be reasonably designed.

Mr. Wlad indicated that the proposed acceleration and deceleration lanes are required to meet TAC standards. Further, the design criteria must accommodate "WB36" vehicles, which is a designation for large trucks.

Mr. Wlad confirmed that other options were considered for the 40 Avenue interchange but none of them was acceptable. In particular, Mr. Wlad described the various problems associated with trying to use the 78 Street Crescent as a connector with Northland Drive, which included:

- (a) Difficulties with the ingress/egress at Northland Drive.
- (b) The requirement to upgrade the entire 78 Street Crescent to an arterial connection standard roadway.

- (c) The expropriation of considerable additional lands throughout the industrial park area.
- (d) Having to design an intersection with 40 Avenue and 78 Street, which would be very difficult.
- (e) Still having to design some sort of connection between 40 Avenue and Northland Drive.

Cross-Examination of Mr. Wlad

Ms. Langford conducted a lengthy cross-examination of Mr. Wlad, although it was more in the nature of a discussion.

Ms. Langford discussed with Mr. Wlad the anticipated population increase of the City of Red Deer and the timing for the Phase 1 two-lane, and Phase 2 four-lane upgrades to Northland Drive. Ms. Langford suggested that the growth projections of the City of Red Deer for Phases 2 and 3 may not be achieved for decades. Mr. Wlad indicated that the growth of the City of Red Deer tended to be, on average, 3% over the years.

Mr. Wlad indicated that it typically takes three to four years for completion of final planning, engineering and construction of a phase of a project such as this Project.

Ms. Langford discussed various options for two lanes versus four lanes, budgets and costs with respect to the same, and various timing options with respect to the same.

Ms. Langford discussed with Mr. Wlad the areas of Red Deer which are likely to be developed for residential and industrial uses in the foreseeable future. Further, Mr. Wlad identified areas adjacent to 40 Avenue which are already in the process of being developed and which will increase traffic flow on both 40 Avenue and Northland Drive.

Ms. Langford discussed with Mr. Wlad the various reasons why having an intersection with Northland Drive and the 78 Street Crescent would not be desirable and, in fact, not practically doable. Ms. Langford suggested that perhaps a stop light could be placed at the 78 Street Crescent and Northland Drive intersection.

Ms. Langford discussed with Mr. Wlad why the entire interchange between 40 Avenue and Northland Drive could not be moved closer to the river, such that it would not impinge upon the Lands, or at least not to such a significant degree. Mr. Wlad simply indicated that the design for the interchange could not be moved any closer to the Red Deer River.

Redirect of Mr. Wlad

Mr. Wlad confirmed that the interchange design is in compliance with TAC, which is the basic minimum design standard for roadways such as those planned for the Project.

Further Cross-Examination of Mr. Hislop

Ms. Langford requested further cross-examination of Mr. Hislop, which was not objected to by Mr. Riebeek. Mr. Hislop reviewed the history of studying this Project. He indicated that there was a transportation study done in 1976. There were further updates done in 1982, 1990, 1996 and 2004. He noted that all of these studies proposed an upgrade to Northland Drive.

Mr. Hislop was asked about the recent additions to the waste treatment plant. He was further asked about building the initial bridge across the Red Deer River to the north versus the building of the initial proposed bridge/expressway to the south. Mr. Hislop could not offer any further information with respect to that issue.

EVIDENCE OF THE OBJECTORS

Mr. Leoppky

Mr. Leoppky indicated that he was the owner, president and director of Pact and was therefore familiar with the Lands. He indicated that Pact purchased the Lands from the City in 1989. The general industrial park at that time was mostly developed, but there were some empty lots. In 1991, Mr. Leoppky built the existing warehouse structure on the Lands.

Mr. Leoppky indicated that the Lands comprise approximately 1.1 acres and that the warehouse building is approximately 30 feet x 75 feet. Further, there is plenty of storage available in the large yard. Mr. Leoppky indicated that the Lands are leased out to Rite-Way.

Mr. Leoppky reviewed photographs of the Lands and adjacent lands, which were attached to the brief filed on his behalf by Ms. Langford. He indicated that he was not sure what recent expansion was done to the waste treatment plant.

Mr. Leoppky stated that Pact objected to the intended expropriation because he does not believe the 40 Avenue interchange is required at this time. Further, an expropriation of his Lands would put an end to the income-generating capacity of the Lands, which he was depending on during his retirement.

Mr. Leoppky further indicated that the lifespan of the warehouse that he constructed in 1991 was approximately 50 years. Therefore, there is approximately 30 years' useful life remaining in the buildings.

Cross-Examination of Mr. Leoppky

Mr. Riebeek advised that he had no cross-examination of Mr. Leoppky.

Mr. Scott Ruzesky

Mr. Ruzesky stated that his company, Rite-Way, had been leasing the Lands from Pact since 2003. Rite-Way is in the business of providing chain-link fencing. The lease between Rite-Way and Pact has another two and a half years before expiration.

Mr. Ruzesky indicated that he needs a location in Red Deer from which to operate his business and that the expropriation would prevent his business from operating on the Lands.

Mr. Ruzesky indicated that he is not at the Lands on a regular basis. However, his perception is that there is not much traffic flow at the present time.

Cross-Examination of Mr. Ruzesky

Mr. Riebeek indicated that he had no cross-examination of Mr. Ruzesky.

SUMMARY OF ARGUMENT

Expropriating Authority

Mr. Riebeek submitted that the City of Red Deer had provided extensive detailed evidence from qualified engineers. That evidence establishes that the Project was necessary to be developed for the City's present and future transportation needs. Indeed, the Project is behind schedule at the present time, in terms of meeting the existing transportation requirements.

Mr. Riebeek made reference to Exhibit 1, Map 4, which depicted the interchange between Northland Drive and 40 Avenue. He indicated that the interchange was a necessary component to the Project. Further, various options were considered but none of them was found to be acceptable by the engineers who looked at these various options.

After a very thorough study over a number of years, the present design has been proposed for the final detailed plan and construction by the City of Phase 1 of the Project. He submitted that the evidence is overwhelming that the Project is required to handle existing and future traffic flow within the City of Red Deer. The Lands need to be expropriated to construct the Project and therefore the proposed taking is necessary, sound and fair.

Mr. Riebeek highlighted some of the evidence of Mr. Wlad, including:

- (a) The upgraded Northland Drive and intersection with 40 Avenue is needed now for internal, as well as external, traffic.
- (b) There is a nearby development which is ongoing and further development is anticipated within the foreseeable future, which will undoubtedly increase traffic flow in the area, which necessitates construction of the Project.
- (c) Historical growth in the City of Red Deer has been approximately 3% per annum.
- (d) The Project is needed for immediate transportation problems in the City of Red Deer. All of the debate with respect to Phases 2 and 3 and when they

may become necessary is irrelevant because Phase 1 has the same impact on the Objectors' Lands as the proposed future developments in Phases 2 and 3.

- (e) As the proposed taking seriously impacts the Objectors' Land, the City of Red Deer proposes an expropriation of the entire parcel owned by Pact.
- (f) Most of the concerns raised by the Objectors relate to compensation and the forum for dealing with those concerns is elsewhere.
- (g) The Project is clearly the best design of a number which were considered over the years by the City of Red Deer and its consultants.

Objectors

Ms. Langford submitted that the *Expropriation Act* clearly contemplates a balancing of various interests, the interests of the landowners, the interests of the expropriating authority, and the greater public interest.

She described the population projections for each of the phases of the Project. It was submitted that it is unknown how many years in the future it may be that the City of Red Deer reaches a population of 188,000.

Ms. Langford submitted that the Expropriating Authority witnesses could not provide any explanation why there could not be a development of the crossing of the Red Deer River to the south first and the subsequent crossing to the north at a later date. This may or may not have to do with the potential cost saving to the City of Red Deer.

Ms. Langford argued that the City of Red Deer benefited from the final design for the Project as the City yard adjacent to the Red Deer River would be less impacted by the development and construction of the Project.

Ms. Langford indicated that Mr. Leopky had no notice when he purchased the land in 1989 of the potential Project but acknowledged that various City plans always showed the development of the Project as a possibility.

Ms. Langford submitted that the evidence showed that funding to complete the Project, especially Phases 2 and 3, is far into the future and is therefore uncertain.

Ms. Langford submitted that the objective of constructing a ring road (of which the Project is a part) is reasonably necessary, but that the interchange between Northland Drive and 40 Avenue could be delayed for many years into the future.

Ms. Langford submitted that some of the options which are depicted in Exhibit 3 have less impact on the Objectors' Lands. Ms. Langford submitted that design options which would take less of the Lands were not properly considered.

In conclusion, Ms. Langford submitted that the proposed taking was not reasonable, as there were other alternatives available for upgrades to Northland Drive and the intersection with 40 Avenue which would have had less impact on the Lands.

Rebuttal of Expropriating Authority

Mr. Riebeek submitted that there was no evidence from qualified witnesses to support many of Ms. Langford's assertions. For example, there was no qualified witness called to put forth an alternate design, which met the City of Red Deer's objectives, yet had no impact or a lesser impact on the Lands.

The Expropriation Officer asked Ms Langford and Mr. Riebeek whether they intended to enter any further documents as exhibits at the Inquiry. After some discussion, it was agreed between counsel that the Objectors' brief and attachments (Exhibit 4), the Functional Planning Study dated March 2009 (Exhibit 5), and the Red Deer Transportation Study dated 1976 (Exhibit 6), would be entered as exhibits by agreement.

FINDINGS OF FACT

After considering the evidence received at the Hearing, the Inquiry Officer makes the following findings of fact.

The objective of the Expropriating Authority is to make improvements to Northland Drive, and create an interchange with 40 Avenue so as to alleviate existing traffic

problems and to facilitate future anticipated increases in traffic, both internal to the City of Red Deer and external trips requiring travel through the City of Red Deer.

The evidence of Mr. Hislop and Mr. Wlad amply supports the fact that there is a need to accommodate existing traffic problems within the City of Red Deer, as well as to accommodate reasonably anticipated increases in traffic in the Northland Drive/40 Avenue vicinity. In addition, the Project is also part of a long-term objective of providing a ring-road system that will enable traffic to bypass the busier parts of central Red Deer.

The Project was developed after many years of planning. In addition, consultants working for the City of Red Deer considered a number of options for interchanges in the vicinity of 40 Avenue and Northland Drive. None of these options was acceptable and the only reasonable design proposal going forward was that set forth in Exhibit 1 and described by Mr. Hislop and Mr. Wlad.

The owner of the Lands is Pact. The Lands were purchased by Pact in 1989 and the existing warehouse was constructed in 1991. I find as a fact that the Project will require the expropriation of the entire parcel of land owned by Pact and, further, that no feasible design alternative could be developed without very serious impact on the Lands.

The Expropriating Authority has recognized the serious impact on Pact's lands, and the operation of Rite-Way's business, and therefore has indicated an intention to expropriate the entire parcel owned by Pact.

I accept as a fact that the proposed taking will make it impossible for Rite-Way to continue to carry on business at its present location. There was no evidence that Rite-Way could not find a suitable location elsewhere in the Red Deer vicinity.

The proposed design for the Project and, specifically, the 40 Avenue interchange, needs to be designed to meet standards that would be required for large tandem truck vehicles. To meet the necessary design standards for such vehicles, the interchange cannot reasonably be made smaller, nor relocated elsewhere within the immediate vicinity, at least not for an economic cost.

**OPINION ON THE MERITS
OF THE INTENDED EXPROPRIATION
AND REASONS THEREFOR**

The scope of this Inquiry is set out in section 15(8) of the Act, which states:

The Inquiry Officer shall inquire into whether the intended expropriation is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority.

In my opinion, the intended expropriation is fair, sound and reasonably necessary for the achievement of the objectives of the Expropriating Authority. The Inquiry Officer, absent extraordinary circumstances, does not have a mandate to inquire into the objectives of the Expropriating Authority. In this Inquiry, the general objective of the need for an improvement to Northland Drive and the interchange with 40 Avenue was not seriously challenged by the Objectors. In any event, there was abundant evidence from the Expropriating Authority's witnesses of the reasonableness of the objective and the requirement for the Project to meet this objective.

The Expropriating Authority's evidence, through Mr. Hislop and Mr. Wlad, established that the Project, as presently designed, is the most reasonable and economic manner of proceeding with the required upgrades to Northland Drive and the intersection with 40 Avenue.

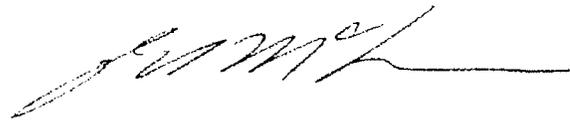
The alternative designs proposed in cross-examination by the Objectors were either not feasible or not reasonable alternatives. The major connector with Northland Drive, being the 78 Street Crescent, was unworkable for many reasons. The suggestion that an additional bridge across the Red Deer River be built for the purposes of one-way access to Northland Drive would be cost prohibitive, even if approved by environmental/regulatory authorities, which was unlikely.

Given that it is anticipated that Northland Drive will be at at least 75% capacity upon completion of Phase 1 of the Project, it is clear that this Project is required to meet the transportation objectives of the City of Red Deer.

In conclusion, I find that the intended expropriation of the Lands is fair, sound and reasonably necessary in the achievement of the objectives of the Expropriating Authority to facilitate better transportation within the City of Red Deer by construction of the Project, as depicted in Exhibit 1.

Pursuant to section 15(10) of the *Act*, the reasonable costs of the Objectors incurred in connection with this Inquiry shall be paid by the Expropriating Authority.

DATED at the City of Edmonton, in the Province of Alberta, this 5th day of November, 2010.



GRAHAM McLENNAN, Q.C.
Inquiry Officer
#600, 12220 Stony Plain Road
Edmonton AB T5N 3Y4
Phone: (780) 482-9221
Fax: (780) 482-9100

TO: Mr. Nicolaas Riebeek/Ms. Michelle A. Baer/Ms. Jennifer Carver
Counsel for the City of Red Deer
Chapman Riebeek LLP
300, 4808 Ross Street
Red Deer AB T4N 1X5

AND TO: Ms. Gayle A. Langford
Counsel for Pact Production Services Ltd.
and Rite-Way Fencing (2000) Inc.
303, 5008 – 50th Street
Red Deer AB T4N 1Y3

APPENDIX 1 – LIST OF EXHIBITS

Exhibit

1. Collection of aerial photographs with overlays numbered 1 to 6.
2. Northland Drive Functional Design Plan.
3. Collection of 5 drawings for 78 Street Crescent & 40 Avenue Intersection of Northland Drive.
4. Objector's brief and attachments.
5. Functional Planning Study dated March 2009.
6. Red Deer Transportation Study dated November 1976.

Comments:

I support the recommendation of Administration to proceed with expropriation of the Pact Property.

“Craig Curtis”
City Manager

FILE

DATE: November 30, 2010
TO: Frieda McDougall, Deputy City Clerk
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Expropriation of property from PACT Production Services for North Highway Connector

Reference Report:

Legislative & Governance Services, dated November 24, 2010

Resolutions:

“Resolved that Council of The City of Red Deer having considered the report from Chapman Riebeek, LLP, re: Approval of Proposed Expropriation dated November 17, 2010 hereby approves the following: Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer, as approving authority, having considered the Report of the Inquiry Officer, Graham McLennan, as well as the recommendations of City administration including the City Solicitor, and for the reasons identified in the report of the Inquiry Officer, which are accepted by Council, Council hereby approves the expropriation of the following land for road purposes:

**PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS**

City Administration is hereby authorized to issue the appropriate Certificate of Approval and to comply with all necessary steps required under the *Municipal Government Act* and the *Expropriation Act*.”

Report Back to Council: No

Comments/Further Action: A signed copy of the resolution and Certificate of Approval are attached for your information.



Elaine Vincent
Legislative & Governance Services Manager
/attach.

c City Manager
Director of Corporate Services
Director of Development Services
Director of Planning Services

Engineering Services Manager
Financial Services Manager
Land & Economic Development Manager
Liz Soley, Land Services Specialist

THE EXPROPRIATION ACT
R.S.A. 2000, CHAPTER E-13
(Section 8)

“Resolved that Council of the City of Red Deer having considered the report from Chapman Riebeek, LLP, re: Approval of Proposed Expropriation dated November 17, 2010 hereby approves the following: Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer, as approving authority, having considered the Report of the Inquiry Officer, Graham McLennan, as well as the recommendations of City administration including the City Solicitor, and for the reasons identified in the report of the Inquiry Officer, which are accepted by Council, Council hereby approves the expropriation of the following land for road purposes:

**PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS**

City Administration is hereby authorized to issue the appropriate Certificate of Approval and to comply with all necessary steps required under the *Municipal Government Act* and the *Expropriation Act*.”

Motion Carried

The City of Red Deer

Per: 
City Clerk (c/s)

Form 4

Expropriation Act
(Section 18)

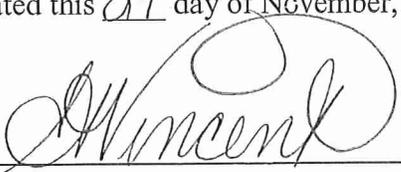
CERTIFICATE OF APPROVAL

The City of Red Deer of 4914 – 48 Avenue, P.O. Box 5008, Red Deer, Alberta T4N 3T4,
hereby approves the expropriation of the following land:

PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

1. The nature of the interest in the land expropriated is fee simple.
2. The work or purpose for which the interest in the land is required is for road in connection with the construction of the extension of Northlands Drive.
3. The expropriating authority is: **The City of Red Deer**
4914 – 48 Avenue,
P. O. Box 5008,
Red Deer, Alberta T4N 3T4
4. The land stand in the Register of the North Alberta Land Registration District in the name of **Pact Production Services Ltd.** in Certificate of Title Number 902 035 735.

Dated this 29th day of November, 2010.



City Clerk (c/s)
City of Red Deer
4914 – 48 Avenue
P. O. Box 5008,
Red Deer, Alberta T4N 3T4

DATE: November 30, 2010

TO: Michelle Baer, Chapman Riebeek

FROM: Elaine Vincent, Legislative & Governance Services Manager

SUBJECT: Expropriation of property from PACT Production Services for North Highway Connector

Reference Report:

Legislative & Governance Services, dated November 24, 2010

Resolutions:

“Resolved that Council of The City of Red Deer having considered the report from Chapman Riebeek, LLP, re: Approval of Proposed Expropriation dated November 17, 2010 hereby approves the following: Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer, as approving authority, having considered the Report of the Inquiry Officer, Graham McLennan, as well as the recommendations of City administration including the City Solicitor, and for the reasons identified in the report of the Inquiry Officer, which are accepted by Council, Council hereby approves the expropriation of the following land for road purposes:

**PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS**

City Administration is hereby authorized to issue the appropriate Certificate of Approval and to comply with all necessary steps required under the *Municipal Government Act* and the *Expropriation Act.*”

Report Back to Council: Yes

Comments/Further Action: The original signed and sealed copy of the Resolution and Certificate of Approval are attached for your information.



Elaine Vincent
Legislative & Governance Services Manager
/attach.

c Nick Riebeek
Jennifer Carver

Form 4

Expropriation Act
(Section 18)

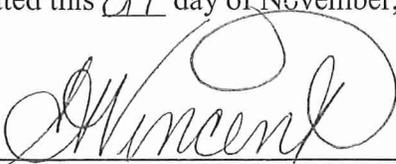
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hereby approves the expropriation of the following land:

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Red Deer, Alberta T4N 3T4
4. The land stand in the Register of the North Alberta Land Registration District in the name of **Pact Production Services Ltd.** in Certificate of Title Number 902 035 735.

Dated this 29th day of November, 2010.



City Clerk (c/s)
City of Red Deer
4914 – 48 Avenue
P. O. Box 5008,
Red Deer, Alberta T4N 3T4

THE EXPROPRIATION ACT
R.S.A. 2000, CHAPTER E-13
(Section 8)

“Resolved that Council of the City of Red Deer having considered the report from Chapman Riebeek, LLP, re: Approval of Proposed Expropriation dated November 17, 2010 hereby approves the following: Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer, as approving authority, having considered the Report of the Inquiry Officer, Graham McLennan, as well as the recommendations of City administration including the City Solicitor, and for the reasons identified in the report of the Inquiry Officer, which are accepted by Council, Council hereby approves the expropriation of the following land for road purposes:

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Motion Carried

The City of Red Deer

Per: 
City Clerk (c/s)



Submission Request For Inclusion on a Council Agenda

ORIGINAL

Requests to include a report on a Council Agenda must be received by 4:30pm on Monday (5 business days) prior to the scheduled meeting.

PLEASE NOTE: If reports are not received by Monday (5 business days) prior to the scheduled meeting/hearing the report may be moved to the next Agenda.

CONTACT INFORMATION			
Name of Report Writer:	Nick Riebeek / Michelle Baer, Chapman Riebeek,		
Department & Telephone Number:	403.346.6603		
REPORT INFORMATION			
Preferred Date of Agenda:	November 29, 2010		
Subject of the Report (provide a brief description)	Expropriation of property from Pact Production Services for North Highway Connector		
Is this Time Sensitive? Why?	Yes, as we have received a decision from the Inquiry Officer, we need council approval to proceed.		
What is the Decision/Action required from Council?	Council approval to continue		
Please describe Internal/ External Consultation, if any.	Legal, done		
Is this an In-Camera item?	No – but CLT will be apprised of situation in the coming weeks		
How does the Report link to the Strategic Plan and other existing Plans & Policies? By complying with Engineering Services request to acquire land for the completion of the North Highway Connector			
Has Legal Counsel been consulted? Are there any outstanding issues? Please describe. Yes, no outstanding issues – but informing Council			
Are there any financial/budget implications? Please describe. Are there other organizational implications? Please describe. Yes, financial implications related with expropriation. All report information will be circulated to Finance			
Presentation: (10 Min Max.)	<input type="checkbox"/> NO	Presenter Name and Contact Information: Only if required, Michelle Baer and/or Nick Riebeek or Liz	
COMMUNITY IMPACT			
Should External Stakeholder(s) be advised of the Agenda item? (e.i. Community Groups, Businesses, Community Associations) If Yes, please provide the Contact Information for the External Stakeholder(s)		<input type="checkbox"/> NO	
External Stakeholder(s) Contact Information: (please provide, name, mailing address, telephone number and e-mail address) Pact Production Services - will forward if required Riteway Fencing – will forward if required			
FOR LEGISLATIVE & GOVERNANCE SERVICES USE ONLY			
Has this been to CLT / City Manager Briefings/ Committees: MPC, EAC, CPAC (Please circle those that apply)			
CLT	City Manager Briefings	Board(s) / Committee(s)	
When/describe: _____	When/Describe: _____	When/Describe: _____	
Do we need Communications Support?		<input type="checkbox"/> YES	<input type="checkbox"/> NO

ORIGINAL



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Expropriation of property from Pact Production Services for North Highway Connector

History

At the Monday, July 26, 2010 Council Meeting, council gave approval to the following resolution:

"Pursuant to its authority under the *Municipal Government Act* and the *Expropriation Act*, Council for the City of Red Deer as expropriating authority resolves to take by way of expropriation, for road purposes, an interest in fee simple in all the lands legally described as:

Plan 8922940, Block 2, Lot 5

Excepting there out all mines and minerals

City Administration is authorized to issue the appropriate Notice of Intention to Expropriate and to comply with all necessary steps required under the *Municipal Government Act* and the *Expropriation Act*."

Discussion

We have now received a letter dated November 17, 2010 from the City Solicitor regarding Approval of Proposed Expropriation and a submission from the Inquiry Officer, Mr. Graham McLennan, Q.C. dated November 5, 2010, both of which are attached.

Recommendation

That Council consider passing a resolution authorizing the expropriation as recommended in the report of the Inquiry Officer dated November 5, 2010.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager

CHAPMAN RIEBEEK LLP ORIGINAL
Barristers & Solicitors

NICK P. W. RIEBEEK*
LORNE E. GODDARD, Q.C.
SUZANNE M. ALEXANDER-SMITH

DONALD J. SIMPSON*
NANCY A. BERGSTROM*
MICHELLE A. BAER
ELIZABETH L. TURNER

GARY W. WANLESS*
GAYLENE D. BOBB*
JENNIFER L. CARVER

*Denotes Professional Corporation

Your file:
Our file: 5389NPR
Direct Email: mbaer@chapmanriebeek.com

November 17, 2010

VIA EMAIL

City of Red Deer
Box 5008
Red Deer, AB T4N 3T4

Attention: Craig Curtis, City Manager

Dear Mr. Curtis:

RE: Approval of Proposed Expropriation

Background

The construction of the North Highway Connector ("NHC") and related roadwork and allowances has necessitated acquisition by the City of numerous parcels (or portions thereof) of privately owned land. To date, two of those acquisitions have had to be effected through expropriation. This report concerns the third such expropriation.

By resolution dated July 26, 2010, Council resolved to commence the expropriation of lands owned by Pact Production Services Ltd. ("Pact"). In accordance with the provisions of the *Expropriation Act*, the registered owner of the land and parties known to have an interest in the land were served with Notice of the City's Intent to Expropriate.

The Owner and a tenant both filed Objections to the expropriation, which triggered an inquiry as to the reasonableness of the proposed taking. The inquiry was held on Wednesday October 27, 2010, and a copy of the Report of the Inquiry Officer is attached to this report for your review.

The *Expropriation Act* requires that Council, as the approving authority, consider the report of the Inquiry Officer and either approve or disapprove the proposed expropriation, or approve with any modifications Council considers proper. Council's decision along with its reasons must be served on all parties within 30 days of our receipt of the Inquiry Officer's report (i.e. by no later than December 5, 2010). Accordingly, a decision in respect of this expropriation must be made by Council at its meeting on November 29, 2010.

300, 4808 Ross Street Red Deer, Alberta T4N 1X5

Telephone: (403) 346-6603

Fax: (403) 340-1280

Email: info@chapmanriebeek.com

Attention: Craig Curtis, City Manager

Should Council approve the taking, a Certificate of Approval will be registered at Land Titles which has the effect of transferring ownership of the property to the City.

Report of the Inquiry Officer

Over the course of a one-day Inquiry, the Objectors challenged the design of the NHC and questioned the City's need for the Pact property at this time. A comprehensive review of the City's objectives, the planning process and the proposed design of the Highway was undertaken. In his report, the Inquiry Officer determined that:

- a) The NHC as presently designed, is the most reasonable and economic manner of proceeding with the required upgrades to Northland Drive; and
- b) Because the NHC is necessary to meet the City's present and future transportation needs, and because of the design of the interchange at 40th Ave., the acquisition of the Pact parcel is required as part of the first phase of the project.

He concludes that the intended expropriation to be fair, sound and reasonably necessary in the achievement of the objectives of the City to facilitate better transportation within the City by construction of the Project.

Recommendation

It is our recommendation that Council, having considered the Report of the Inquiry Officer, approve the expropriation of the Pact property as proposed, and that administration be given instructions to proceed with the next steps required under the Act.

Yours truly,

CHAPMAN RIEBEEK LLP


Per: **MICHELLE A. BAER**

Encl.

Attention: Craig Curtis, City Manager

Should Council approve the taking, a Certificate of Approval will be registered at Land Titles which has the effect of transferring ownership of the property to the City.

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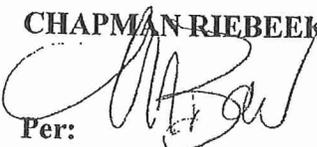
He concludes that the intended expropriation to be fair, sound and reasonably necessary in the achievement of the objectives of the City to facilitate better transportation within the City by construction of the Project.

Recommendation

It is our recommendation that Council, having considered the Report of the Inquiry Officer, approve the expropriation of the Pact property as proposed, and that administration be given instructions to proceed with the next steps required under the Act.

Yours truly,

CHAPMAN RIEBEEK LLP

Per: 

MICHELLE A. BAER

Encl.



Form 4

Expropriation Act
(Section 18)

CERTIFICATE OF APPROVAL

The City of Red Deer of 4914 – 48 Avenue, P.O. Box 5008, Red Deer, Alberta T4N 3T4, hereby approves the expropriation of the following land:

**PLAN 8922940
BLOCK 2
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS**

1. The nature of the interest in the land expropriated is fee simple.
2. The work or purpose for which the interest in the land is required is for road in connection with the construction of the extension of Northlands Drive.
3. The expropriating authority is: **The City of Red Deer**
4914 – 48 Avenue,
P. O. Box 5008,
Red Deer, Alberta T4N 3T4
4. The land stand in the Register of the North Alberta Land Registration District in the name of **Pact Production Services Ltd.** in Certificate of Title Number 902 035 735.

Dated this ____ day of November, 2010.

City Clerk (c/s)
City of Red Deer
4914 – 48 Avenue
P. O. Box 5008,
Red Deer, Alberta T4N 3T4



MCLENNAN ROSS LLP
LEGAL COUNSEL

ORIGINAL

Our File Reference: 103035
Your File References: 5389NPR, 4410032, 4410034

Graham McLennan, Q.C.
Direct Line: (780) 482-9221
e-mail: gmclennan@mross.com

Gabriele Wilkinson, Assistant
Direct Line: (780) 482-9255

Fax: (780) 482-9100

PLEASE REPLY TO EDMONTON OFFICE

November 5, 2010

VIA E-MAIL and COURIER

Chapman Riebeek LLP
300, 4808 Ross Street
Red Deer AB T4N 1X5

Langford Law Office
#303, 5008 – 50th Street
Red Deer AB T4N 1Y3

Att: Mr. Nicolaas Riebeek

Att: Ms. Gayle Langford

Dear Sirs:

Re: *Expropriation – City of Red Deer v. Pact Production
Services Ltd. and Rite-Way Fencing (2000) Inc.*

Please find enclosed my Report. A hard copy of the Report will be delivered to you as well.

Yours truly,

GRAHAM McLENNAN

gw
Encl.
H:\WDocs\103035\00056208.DOC

cc: Ms. Clara Cerminara (encl.)

Edmonton Office
600 West Chambers
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
p. 780.482.9200
f. 780.482.9100
tf. 1.800-567-9200

Calgary Office
1600 Stock Exchange Tower
300 – 5th Avenue S.W.
Calgary, AB T2P 3C4
p. 403.543.9120
f. 403.543.9150
tf. 1.888.543.9120

Yellowknife Office
802 Precambrian Building
4920 – 52nd Street
Yellowknife, NT X1A 3T1
p. 867.766.7677
f. 867.766.7678
tf. 1.888.836.6684

Visit our website at www.mross.com

IN THE MATTER OF the *Expropriation Act*, being Chapter E-13 of the *Revised Statutes of Alberta*, 2000, and amendments thereto ("*Act*");

AND IN THE MATTER OF the intended expropriation by the City of Red Deer of a fee simple estate described as:

Plan 8922940
Block 2
Lot 5
Excepting thereout all mines and minerals (the "*Lands*");

AND IN THE MATTER OF the Notices of Objection to the said intended expropriations filed by Pact Production Services Ltd. ("*Pact*") and Rite-Way Fencing (2000) Inc. ("*Rite-Way*") by their solicitor, Gayle A. Langford;

AND IN THE MATTER OF an Inquiry in respect thereof pursuant to the provisions of the said *Act* by Graham McLennan as Inquiry Officer appointed by Clara Cerminara to conduct the said Inquiry;

**REPORT OF THE INQUIRY OFFICER
GRAHAM McLENNAN, Q.C.**

November 5, 2010

COUNSEL

Mr. Nicolaas Riebeck/
Ms. Michelle A. Baer/
Ms. Jennifer Carver
Counsel for the City of Red Deer
300, 4808 Ross Street
Red Deer AB T4N 1X5

Ms. Gayle A. Langford
Counsel for Pact Production Services Ltd.
and Rite-Way Fencing (2000) Inc.
303, 5008 – 50th Street
Red Deer AB T4N 1Y3

ORIGINAL

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INTRODUCTION

The Expropriation Inquiry was held on Wednesday, October 27, 2010, at the Black Knight Inn, 2929 – 50 Avenue, Red Deer, Alberta. The expropriating authority, the City of Red Deer (“**Expropriating Authority**”), was represented by Nicolaas Riebeek, Michelle Baer, and Jennifer Carver of Chapman Riebeek LLP. The Objectors, Pact and Rite-Way (the “**Objectors**”), were represented by Gayle A. Langford of Red Deer, Alberta.

This Inquiry concerns the intended expropriation of a fee simple estate described as:

Plan 8922940
Block 2
Lot 5
Excepting thereout all mines and minerals (the “**Lands**”);

for the construction of the extension of Northland Drive and related interchanges at the intersection of 40 Avenue, aka Riverside Drive (the “**Project**”).

Counsel for the Expropriating Authority and counsel for the Objectors agreed that all appointments, notices, filings and registrations with respect to the intended expropriation, the objections and this Inquiry have been properly performed. Further, all such documents, by agreement, need not be made exhibits of this Inquiry.

Evidence was given under oath.

SUMMARY OF EVIDENCE

Exhibits

All exhibits entered in evidence were entered without objection from counsel. A list of the exhibits is attached to this report as Appendix 1.

All of the exhibits are attached to the Inquiry Officer’s Report provided to the Expropriating Authority. With the consent of all parties, the exhibits are not attached to copies of this Report provided to the Objectors.

EVIDENCE OF THE EXPROPRIATING AUTHORITY

Mr. Ken Hislop

Mr. Hislop advised that he has been a professional engineer since 1971. He has employment experience with Alberta Transportation, the City of Red Deer, and ISL Consulting between 1971 and the present.

Mr. Hislop identified Exhibit 1 and referred to the Project's history. He indicated that numerous studies were done over the years with respect to the Project. He noted that there were three phases to the Project: the first involving a two-lane roadway; the second involving a four-lane roadway; and the third phase involving a possible six-lane roadway on Northland Drive.

Mr. Hislop noted on Exhibit 1 the proposed route for the Northland Drive ring road. He advised that the objectives of Phase 1 of the development were to extend the City's roadway network, improve internal City transportation, improve internal to external transportation, and improve external to external transportation (for example, trips from Joffre to Edmonton).

Mr. Hislop identified the Lands which are the subject of these expropriation proceedings. He explained that the taking of the Lands is necessary for the construction of the intersection between 40 Avenue and Northland Drive.

Cross-Examination of Mr. Hislop

Ms. Langford discussed many things with Mr. Hislop in the course of the cross-examination.

Mr. Hislop explained the City of Red Deer Council approval process of various phases. Further, he discussed with Ms. Langford a budgeting process which is typically done only a year or two in advance, although planning is done much farther in advance.

Mr. Hislop indicated that the functional plan has been approved by City Council. Further, Council has a 10-year major capital plan which includes completion of Phase 1 of the

Project. Mr. Hislop indicated that there are funds allocated to purchase land this year and next year and to start the grading process for the Project.

Mr. Hislop also discussed provincial funding with Ms. Langford. There was contemplated to be provincial, as well as federal, government funding for parts of this Project, in particular the movement and installation of utilities.

Mr. Hislop indicated that, in his experience, provincial funding varies from year to year if one is speaking of the general per capita funding. He recalls it going from \$60 to \$75 to \$25 over the years.

Mr. Hislop believes that funding has been secured for the utilities portion of the Project in a total amount of \$36 million: one third from the Province, one third from the Federal Government, and one third from the City of Red Deer.

Mr. Hislop discussed Phase 1, the two-lane development. He discussed the high volumes and high speeds associated with the Northland Drive upgrade, and the related requirements for acceleration and deceleration lanes.

Redirect of Mr. Hislop

Mr. Hislop was asked to describe the 78 Street Crescent ingress and egress to Northland Drive. Although Mr. Hislop deferred to the Stantec engineering people on specifics, he generally indicated that the use of the intersection at Northland Drive and 78 Street Crescent would not be a suitable location to enter and exit Northland Drive as an upgraded two-lane, high-volume, high-speed roadway.

Further Cross-Examination of Mr. Hislop

Mr. Hislop discussed with Ms. Langford the immediate need for the Phase 1 development of the Project. He indicated it is anticipated that, upon opening of Phase 1, the Northland Drive roadway will be at at least 75% of its capacity. Part of the objective of the Project is to alleviate immediate traffic problems in Red Deer.

Mr. Russ Wlad

Mr. Wlad is an engineer with Stantec Consulting Ltd. ("Stantec"). He indicated that he has over 20 years' experience as an engineer in the transportation field. He is presently the Vice President for the Central Northern Alberta area for Stantec.

Mr. Wlad has had considerable experience with respect to design and implementation of transportation projects over the years.

Mr. Wlad explained the various stages of a typical major transportation project such as: functional plans, consideration of route options, detailed transportation design work, final design and construction oversight. In all of these stages, Stantec has been involved and anticipated being involved with respect to this Project.

Mr. Wlad indicated that the Project is in the detailed design stage and that they anticipate that grading will begin with respect to Phase 1 of the Project in the spring of 2011.

Mr. Wlad outlined the public consultation that has taken place with respect to the proposed Project.

Mr. Wlad stated that the City of Red Deer's general objective is to develop a ring road which meets existing and future internal and external transportation requirements of the City of Red Deer.

Mr. Wlad indicated that it is anticipated that there will be residential development in north Red Deer and future commercial development in the Queens industrial area. These developments will increase traffic, and this increased traffic is intended to be addressed by the Project.

Mr. Wlad noted that it was anticipated that Phase 1 of the Project would be required when the population of Red Deer was 85,000. The population of Red Deer is over 90,000 at the present time.

Mr. Wlad discussed the existing and anticipated vehicles per day on the Northland Drive portion of the Project.

Mr. Wlad outlined the several individuals at Stantec who have been involved in various aspects of this Project. In addition, he identified other professional advisors who had input to the Project, including: ISL Engineering, Opus Hamilton (for safety review/planning), and geotechnical consultants.

Mr. Wlad then reviewed the Project in more detail. He reviewed the volume of traffic presently travelling on 40 Avenue and Northland Drive. He described that the 40 Avenue interchange portion of the Project is required to deal with existing traffic volume and advised that this interchange would also accommodate all future planned development of Phases 2 and 3 and associated traffic volume.

Mr. Wlad indicated that the design for Northland Drive and the 40 Avenue interchange is geographically constrained by: the Red Deer River, the waste treatment plant facilities, and the present industrial park, in which the Objectors' land is situated.

Mr. Wlad described the minimum standards used with respect to the design of the ramps. He indicated that one could not reduce the size of these ramps, as the turning radius would be too small. In reference to Exhibit 1, Map 5., Mr. Wlad indicated that the 40 Avenue/Riverside Drive intersection portion of the Project is as close to the Red Deer River as can be reasonably designed.

Mr. Wlad indicated that the proposed acceleration and deceleration lanes are required to meet TAC standards. Further, the design criteria must accommodate "WB36" vehicles, which is a designation for large trucks.

Mr. Wlad confirmed that other options were considered for the 40 Avenue interchange but none of them was acceptable. In particular, Mr. Wlad described the various problems associated with trying to use the 78 Street Crescent as a connector with Northland Drive, which included:

- (a) Difficulties with the ingress/egress at Northland Drive.
- (b) The requirement to upgrade the entire 78 Street Crescent to an arterial connection standard roadway.

- (c) The expropriation of considerable additional lands throughout the industrial park area.
- (d) Having to design an intersection with 40 Avenue and 78 Street, which would be very difficult.
- (e) Still having to design some sort of connection between 40 Avenue and Northland Drive.

Cross-Examination of Mr. Wlad

Ms. Langford conducted a lengthy cross-examination of Mr. Wlad, although it was more in the nature of a discussion.

Ms. Langford discussed with Mr. Wlad the anticipated population increase of the City of Red Deer and the timing for the Phase 1 two-lane, and Phase 2 four-lane upgrades to Northland Drive. Ms. Langford suggested that the growth projections of the City of Red Deer for Phases 2 and 3 may not be achieved for decades. Mr. Wlad indicated that the growth of the City of Red Deer tended to be, on average, 3% over the years.

Mr. Wlad indicated that it typically takes three to four years for completion of final planning, engineering and construction of a phase of a project such as this Project.

Ms. Langford discussed various options for two lanes versus four lanes, budgets and costs with respect to the same, and various timing options with respect to the same.

Ms. Langford discussed with Mr. Wlad the areas of Red Deer which are likely to be developed for residential and industrial uses in the foreseeable future. Further, Mr. Wlad identified areas adjacent to 40 Avenue which are already in the process of being developed and which will increase traffic flow on both 40 Avenue and Northland Drive.

Ms. Langford discussed with Mr. Wlad the various reasons why having an intersection with Northland Drive and the 78 Street Crescent would not be desirable and, in fact, not practically doable. Ms. Langford suggested that perhaps a stop light could be placed at the 78 Street Crescent and Northland Drive intersection.

Ms. Langford discussed with Mr. Wlad why the entire interchange between 40 Avenue and Northland Drive could not be moved closer to the river, such that it would not impinge upon the Lands, or at least not to such a significant degree. Mr. Wlad simply indicated that the design for the interchange could not be moved any closer to the Red Deer River.

Redirect of Mr. Wlad

Mr. Wlad confirmed that the interchange design is in compliance with TAC, which is the basic minimum design standard for roadways such as those planned for the Project.

Further Cross-Examination of Mr. Hislop

Ms. Langford requested further cross-examination of Mr. Hislop, which was not objected to by Mr. Riebeek. Mr. Hislop reviewed the history of studying this Project. He indicated that there was a transportation study done in 1976. There were further updates done in 1982, 1990, 1996 and 2004. He noted that all of these studies proposed an upgrade to Northland Drive.

Mr. Hislop was asked about the recent additions to the waste treatment plant. He was further asked about building the initial bridge across the Red Deer River to the north versus the building of the initial proposed bridge/expressway to the south. Mr. Hislop could not offer any further information with respect to that issue.

EVIDENCE OF THE OBJECTORS

Mr. Leoppky

Mr. Leoppky indicated that he was the owner, president and director of Pact and was therefore familiar with the Lands. He indicated that Pact purchased the Lands from the City in 1989. The general industrial park at that time was mostly developed, but there were some empty lots. In 1991, Mr. Leoppky built the existing warehouse structure on the Lands.

Mr. Leoppky indicated that the Lands comprise approximately 1.1 acres and that the warehouse building is approximately 30 feet x 75 feet. Further, there is plenty of storage available in the large yard. Mr. Leoppky indicated that the Lands are leased out to Rite-Way.

Mr. Leoppky reviewed photographs of the Lands and adjacent lands, which were attached to the brief filed on his behalf by Ms. Langford. He indicated that he was not sure what recent expansion was done to the waste treatment plant.

Mr. Leoppky stated that Pact objected to the intended expropriation because he does not believe the 40 Avenue interchange is required at this time. Further, an expropriation of his Lands would put an end to the income-generating capacity of the Lands, which he was depending on during his retirement.

Mr. Leoppky further indicated that the lifespan of the warehouse that he constructed in 1991 was approximately 50 years. Therefore, there is approximately 30 years' useful life remaining in the buildings.

Cross-Examination of Mr. Leoppky

Mr. Riebeek advised that he had no cross-examination of Mr. Leoppky.

Mr. Scott Ruzesky

Mr. Ruzesky stated that his company, Rite-Way, had been leasing the Lands from Pact since 2003. Rite-Way is in the business of providing chain-link fencing. The lease between Rite-Way and Pact has another two and a half years before expiration.

Mr. Ruzesky indicated that he needs a location in Red Deer from which to operate his business and that the expropriation would prevent his business from operating on the Lands.

Mr. Ruzesky indicated that he is not at the Lands on a regular basis. However, his perception is that there is not much traffic flow at the present time.

Cross-Examination of Mr. Ruzesky

Mr. Riebeek indicated that he had no cross-examination of Mr. Ruzesky.

SUMMARY OF ARGUMENT

Expropriating Authority

Mr. Riebeek submitted that the City of Red Deer had provided extensive detailed evidence from qualified engineers. That evidence establishes that the Project was necessary to be developed for the City's present and future transportation needs. Indeed, the Project is behind schedule at the present time, in terms of meeting the existing transportation requirements.

Mr. Riebeek made reference to Exhibit 1, Map 4, which depicted the interchange between Northland Drive and 40 Avenue. He indicated that the interchange was a necessary component to the Project. Further, various options were considered but none of them was found to be acceptable by the engineers who looked at these various options.

After a very thorough study over a number of years, the present design has been proposed for the final detailed plan and construction by the City of Phase 1 of the Project. He submitted that the evidence is overwhelming that the Project is required to handle existing and future traffic flow within the City of Red Deer. The Lands need to be expropriated to construct the Project and therefore the proposed taking is necessary, sound and fair.

Mr. Riebeek highlighted some of the evidence of Mr. Wlad, including:

- (a) The upgraded Northland Drive and intersection with 40 Avenue is needed now for internal, as well as external, traffic.
- (b) There is a nearby development which is ongoing and further development is anticipated within the foreseeable future, which will undoubtedly increase traffic flow in the area, which necessitates construction of the Project.
- (c) Historical growth in the City of Red Deer has been approximately 3% per annum.
- (d) The Project is needed for immediate transportation problems in the City of Red Deer. All of the debate with respect to Phases 2 and 3 and when they

may become necessary is irrelevant because Phase I has the same impact on the Objectors' Lands as the proposed future developments in Phases 2 and 3.

- (e) As the proposed taking seriously impacts the Objectors' Land, the City of Red Deer proposes an expropriation of the entire parcel owned by Pact.
- (f) Most of the concerns raised by the Objectors relate to compensation and the forum for dealing with those concerns is elsewhere.
- (g) The Project is clearly the best design of a number which were considered over the years by the City of Red Deer and its consultants.

Objectors

Ms. Langford submitted that the *Expropriation Act* clearly contemplates a balancing of various interests, the interests of the landowners, the interests of the expropriating authority, and the greater public interest.

She described the population projections for each of the phases of the Project. It was submitted that it is unknown how many years in the future it may be that the City of Red Deer reaches a population of 188,000.

Ms. Langford submitted that the Expropriating Authority witnesses could not provide any explanation why there could not be a development of the crossing of the Red Deer River to the south first and the subsequent crossing to the north at a later date. This may or may not have to do with the potential cost saving to the City of Red Deer.

Ms. Langford argued that the City of Red Deer benefited from the final design for the Project as the City yard adjacent to the Red Deer River would be less impacted by the development and construction of the Project.

Ms. Langford indicated that Mr. Leoppky had no notice when he purchased the land in 1989 of the potential Project but acknowledged that various City plans always showed the development of the Project as a possibility.

Ms. Langford submitted that the evidence showed that funding to complete the Project, especially Phases 2 and 3, is far into the future and is therefore uncertain.

Ms. Langford submitted that the objective of constructing a ring road (of which the Project is a part) is reasonably necessary, but that the interchange between Northland Drive and 40 Avenue could be delayed for many years into the future.

Ms. Langford submitted that some of the options which are depicted in Exhibit 3 have less impact on the Objectors' Lands. Ms. Langford submitted that design options which would take less of the Lands were not properly considered.

In conclusion, Ms. Langford submitted that the proposed taking was not reasonable, as there were other alternatives available for upgrades to Northland Drive and the intersection with 40 Avenue which would have had less impact on the Lands.

Rebuttal of Expropriating Authority

Mr. Riebeek submitted that there was no evidence from qualified witnesses to support many of Ms. Langford's assertions. For example, there was no qualified witness called to put forth an alternate design, which met the City of Red Deer's objectives, yet had no impact or a lesser impact on the Lands.

The Expropriation Officer asked Ms Langford and Mr. Riebeek whether they intended to enter any further documents as exhibits at the Inquiry. After some discussion, it was agreed between counsel that the Objectors' brief and attachments (Exhibit 4), the Functional Planning Study dated March 2009 (Exhibit 5), and the Red Deer Transportation Study dated 1976 (Exhibit 6), would be entered as exhibits by agreement.

FINDINGS OF FACT

After considering the evidence received at the Hearing, the Inquiry Officer makes the following findings of fact.

The objective of the Expropriating Authority is to make improvements to Northland Drive, and create an interchange with 40 Avenue so as to alleviate existing traffic

problems and to facilitate future anticipated increases in traffic, both internal to the City of Red Deer and external trips requiring travel through the City of Red Deer.

The evidence of Mr. Hislop and Mr. Wlad amply supports the fact that there is a need to accommodate existing traffic problems within the City of Red Deer, as well as to accommodate reasonably anticipated increases in traffic in the Northland Drive/40 Avenue vicinity. In addition, the Project is also part of a long-term objective of providing a ring-road system that will enable traffic to bypass the busier parts of central Red Deer.

The Project was developed after many years of planning. In addition, consultants working for the City of Red Deer considered a number of options for interchanges in the vicinity of 40 Avenue and Northland Drive. None of these options was acceptable and the only reasonable design proposal going forward was that set forth in Exhibit 1 and described by Mr. Hislop and Mr. Wlad.

The owner of the Lands is Pact. The Lands were purchased by Pact in 1989 and the existing warehouse was constructed in 1991. I find as a fact that the Project will require the expropriation of the entire parcel of land owned by Pact and, further, that no feasible design alternative could be developed without very serious impact on the Lands.

The Expropriating Authority has recognized the serious impact on Pact's lands, and the operation of Rite-Way's business, and therefore has indicated an intention to expropriate the entire parcel owned by Pact.

I accept as a fact that the proposed taking will make it impossible for Rite-Way to continue to carry on business at its present location. There was no evidence that Rite-Way could not find a suitable location elsewhere in the Red Deer vicinity.

The proposed design for the Project and, specifically, the 40 Avenue interchange, needs to be designed to meet standards that would be required for large tandem truck vehicles. To meet the necessary design standards for such vehicles, the interchange cannot reasonably be made smaller, nor relocated elsewhere within the immediate vicinity, at least not for an economic cost.

**OPINION ON THE MERITS
OF THE INTENDED EXPROPRIATION
AND REASONS THEREFOR**

The scope of this Inquiry is set out in section 15(8) of the Act, which states:

The Inquiry Officer shall inquire into whether the intended expropriation is fair, sound and reasonably necessary in the achievement of the objectives of the expropriating authority.

In my opinion, the intended expropriation is fair, sound and reasonably necessary for the achievement of the objectives of the Expropriating Authority. The Inquiry Officer, absent extraordinary circumstances, does not have a mandate to inquire into the objectives of the Expropriating Authority. In this Inquiry, the general objective of the need for an improvement to Northland Drive and the interchange with 40 Avenue was not seriously challenged by the Objectors. In any event, there was abundant evidence from the Expropriating Authority's witnesses of the reasonableness of the objective and the requirement for the Project to meet this objective.

The Expropriating Authority's evidence, through Mr. Hislop and Mr. Wlad, established that the Project, as presently designed, is the most reasonable and economic manner of proceeding with the required upgrades to Northland Drive and the intersection with 40 Avenue.

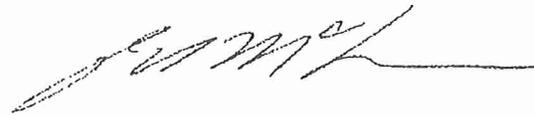
The alternative designs proposed in cross-examination by the Objectors were either not feasible or not reasonable alternatives. The major connector with Northland Drive, being the 78 Street Crescent, was unworkable for many reasons. The suggestion that an additional bridge across the Red Deer River be built for the purposes of one-way access to Northland Drive would be cost prohibitive, even if approved by environmental/regulatory authorities, which was unlikely.

Given that it is anticipated that Northland Drive will be at at least 75% capacity upon completion of Phase I of the Project, it is clear that this Project is required to meet the transportation objectives of the City of Red Deer.

In conclusion, I find that the intended expropriation of the Lands is fair, sound and reasonably necessary in the achievement of the objectives of the Expropriating Authority to facilitate better transportation within the City of Red Deer by construction of the Project, as depicted in Exhibit 1.

Pursuant to section 15(10) of the *Act*, the reasonable costs of the Objectors incurred in connection with this Inquiry shall be paid by the Expropriating Authority.

DATED at the City of Edmonton, in the Province of Alberta, this 5th day of November, 2010.



GRAHAM McLENNAN, Q.C.
Inquiry Officer
#600, 12220 Stony Plain Road
Edmonton AB T5N 3Y4
Phone: (780) 482-9221
Fax: (780) 482-9100

TO: Mr. Nicolaas Riebeek/Ms. Michelle A. Baer/Ms. Jennifer Carver
Counsel for the City of Red Deer
Chapman Riebeek LLP
300, 4808 Ross Street
Red Deer AB T4N 1X5

AND TO: Ms. Gayle A. Langford
Counsel for Pact Production Services Ltd.
and Rite-Way Fencing (2000) Inc.
303, 5008 – 50th Street
Red Deer AB T4N 1Y3

APPENDIX 1 -- LIST OF EXHIBITS

Exhibit

1. Collection of aerial photographs with overlays numbered 1 to 6.
2. Northland Drive Functional Design Plan.
3. Collection of 5 drawings for 78 Street Crescent & 40 Avenue Intersection of Northland Drive.
4. Objector's brief and attachments.
5. Functional Planning Study dated March 2009.
6. Red Deer Transportation Study dated November 1976.

CHAPMAN RIEBEEK LLP

Barristers & Solicitors

FILE COPY

NICK P. W. RIEBEEK*
LORNE E. GODDARD, Q.C.
SUZANNE M. ALEXANDER-SMITH

DONALD J. SIMPSON*
NANCY A. BERGSTROM*
MICHELLE A. BAER
ELIZABETH L. TURNER

GARY W. WANLESS*
GAYLENE D. BOBB*
JENNIFER L. CARVER

*Denotes Professional Corporation

Your file:
Our file: 5389NPR
Direct Email: mbaer@chapmanriebeek.com

November 17, 2010

VIA EMAIL

City of Red Deer
Box 5008
Red Deer, AB T4N 3T4

Attention: Craig Curtis, City Manager

Dear Mr. Curtis:

RE: Approval of Proposed Expropriation

Background

The construction of the North Highway Connector ("NHC") and related roadwork and allowances has necessitated acquisition by the City of numerous parcels (or portions thereof) of privately owned land. To date, two of those acquisitions have had to be effected through expropriation. This report concerns the third such expropriation.

By resolution dated July 26, 2010, Council resolved to commence the expropriation of lands owned by Pact Production Services Ltd. ("Pact"). In accordance with the provisions of the *Expropriation Act*, the registered owner of the land and parties known to have an interest in the land were served with Notice of the City's Intent to Expropriate.

The Owner and a tenant both filed Objections to the expropriation, which triggered an inquiry as to the reasonableness of the proposed taking. The inquiry was held on Wednesday October 27, 2010, and a copy of the Report of the Inquiry Officer is attached to this report for your review.

The *Expropriation Act* requires that Council, as the approving authority, consider the report of the Inquiry Officer and either approve or disapprove the proposed expropriation, or approve with any modifications Council considers proper. Council's decision along with its reasons must be served on all parties within 30 days of our receipt of the Inquiry Officer's report (i.e. by no later than December 5, 2010). Accordingly, a decision in respect of this expropriation must be made by Council at its meeting on November 29, 2010.

300, 4808 Ross Street Red Deer, Alberta T4N 1X5

Telephone: (403) 346-6603

Fax: (403) 340-1280

Email: info@chapmanriebeek.com

Michelle:

Attached for Open
Agenda:

- 1) Your report - Nov 17.10
Form 4 - Certificate
of approval.
- 2) Inquiry Officers
rpt - Nov. 5.10.
- 3) June 4.10 rpt from
Liz Soley.

Consideration for In
Camera →

- 1) July 19.10 'In Camera'
rpt from Liz Soley.

Nov. 24.10 - As per Michelle B's
conversation - do not include these.

Date: June 4, 2010

To: Elaine Vincent
Legislative & Governance Services Manager

From: Liz Soley, Land Services Specialist
Frank Colosimo, Engineering Services Manager

Re: Initiation of Expropriation Proceedings for Lands Required
for the North Highway Connector (NHC)

Background on Northland Drive

The proposed Northland Drive alignment has been presented to the public in planning documents such as the 1996 Transportation Plan, 2004 Growth Study, 2005 East Hill Major Area Structure Plan and The City of Red Deer 2003/2004 Transportation Update. The most recent document is the Northland Drive (NHC) – Functional Planning Study which was presented and approved by City Council in June of 2009.

The North Highway Connector (NHC) will ultimately be a six lane urban expressway linking Highways QE2, 2A and 11A west and north of the city to Highway 11 east of the city. The first phase of the NHC includes Northland Drive which will consist of a two lane road extending eastward from the intersection of Highways 2A (Gaetz Avenue) and 11A, across the Red Deer River, to the intersection of 30th Avenue and 67th Street.

Land Negotiations to Date

Since early 2008 The City has been assembling the required land needed to accommodate the NHC road project. This exercise has been undertaken with the services of City staff and external land agents and appraisers. Four of the 12 land acquisitions required for this project have been completed to date.

One of the outstanding parcels of land is owned by Pact Productions Services Ltd. and is displayed in Schedule A. The outlined red area identifies future road requirements. Since the road will require a significant portion of the property, a full purchase of the parcel has been explored.

The owner has indicated that he will only consider an offer of the complete property and that this appraisal completed by the City is not satisfactory. At last communication, he indicated that he would not move from that position.

After two years of negotiations an agreement cannot be reached with the landowner. In order for the NHC project to proceed, we request Council's approval to commence expropriation for the Pact Production Services Ltd. parcel.

Rationale For Expropriating Complete Parcel

- The amount of land needed for the road project represents a significant amount of the whole parcel (City requires 0.59 acres leaving 0.51 acres).
- Damages for injurious affection and related losses can be significant given that the parcel has a tenant and continuing use and/or development will be significantly limited by the taking.
- An inquiry officer could, given the above, recommend that the whole parcel be taken in any event.
- The Expropriation Hearing and subsequent Compensation Hearing will be significantly more complicated in the case in dealing with a partial taking as opposed to the entire parcel resulting in significantly higher legal costs that could easily equate or set off a large portion of the additional cost of acquiring the whole parcel.
- By taking the whole The City has an investment in surplus land which in due course is likely of value either on re-sale or for City purposes.
- By taking the whole it is more likely that the owner will proceed on a Sec. 30 basis thereby yet further saving significant legal costs.

Balancing the extra cost of taking the whole vs. the cost savings alluded to above and considering other factors such as the owner's position, it seems prudent for the City to move to take the whole parcel immediately.

Financial Consideration

The land acquisition budget for Phase 1 of the North Highway Connector Project is approximately \$17 million and is contained within the interim project budget of \$27.258 million approved by Council in 2007. The remainder of the budget has been allocated to Engineering Fees, Major Utility Relocations, and Permit Applications. Of the \$27.258 million, approximately \$13.0 million has been spent to date.

The funding sources were identified as \$13.343 million from roadway off sites, \$6.125 million from Basic Capital Grants, and \$7.79 million from Capital Project Reserves.

The land purchase contained within this recommendation has been included in the current project budget, and therefore no further funding approval is necessary. As with any expropriation there is the risk that the final cost could be greater than the current appraisal.

Further Landowner Discussions

City staff will continue discussions with the landowner affected by this resolution and will recommend discontinuing the expropriation process if we are able to achieve a negotiated agreement or agree on the taking through a Section 30 of the Expropriation Act.

Recommendation:

We recommend that City Council approve the following resolution:

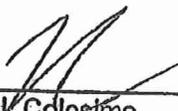
"Pursuant to its authority under the Municipal Government Act and the Expropriation Act, Council for the City of Red Deer as expropriating authority resolves to take by way of expropriation, for road purposes, an interest in fee simple in all the lands legally described as:

*Plan 8922940, Block 2, Lot 5
Excepting there out all mines and minerals*

City Administration is authorized to issue the appropriate Notice of Intention to Expropriate and to comply with all necessary steps required under the Municipal Government Act and the Expropriation Act."



Liz Soley
Land Services Specialist



Frank Colesimo
Engineering Services Manager

Attach.

- c. Craig Curtis, City Manager
Paul Goranson, Director of Development Services
Paul Meyette, Director of Planning Services
Howard Thompson, Land & Economic Development Manager

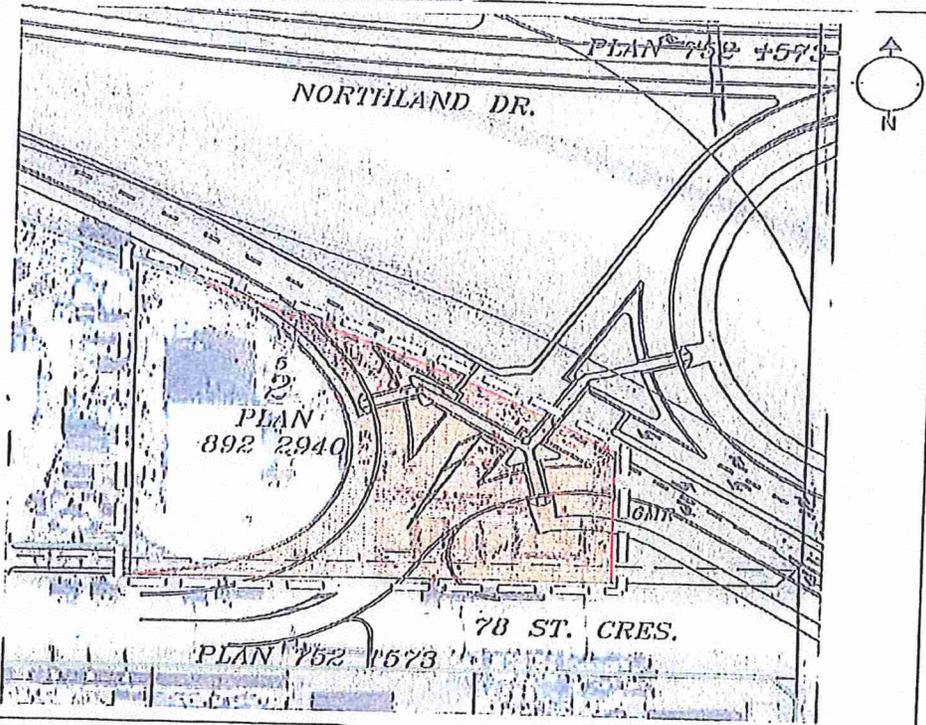
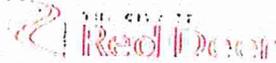


Dean Krejci, Financial Services Manager

Red Deer, Alberta
North Highway Connector

Schedule A
 Showing Proposed Road Right-of-Way
 Of part of
 Lot 5, Block 2, Plan D022040
 Within the
 S.E. SEC.30, TWP.30, RGE.27, W.411M.

Registered Owner(s):
 Pool Production Services Ltd.
Certificate of Title Number:
 902 035 735



PRELIMINARY
 FOR DISCUSSION PURPOSES ONLY



 Stanlec Consulting Ltd.
 600-4800 Ross Street
 Red Deer, AB Canada
 T4N 1X5
 Tel. 403.341.3320
 Fax. 403.342.0969
 www.stanlec.com

Legend:
 Land Required
 Area Required = 225,750 ft²
 Phase 1 Property Line
 Ultimate Property Line
NOTE: IS 2011-10-01 BY 2011-10-01

Rev.	Description	Date
2	R.O.W. Update	Feb 2009
1	Pre'lim Issue	Dec. 2008
0	Original Issue	Jun 2008
Drawn by: JM		Checked: B.S.I
Job No: 116738100		Schedule A-16.0

ORIGINAL



"IN CAMERA"

Date: July 19, 2010

To: Craig Curtis, City Manager

From: Liz Soley, Land Services Specialist
Frank Colosimo, Engineering Services Manager

Re: **Initiation of Expropriation Proceedings for Lands Required for the North Highway Connector (NHC)**

Background on Northland Drive

The proposed Northland Drive alignment has been presented to the public in planning documents such as the 1996 Transportation Plan, 2004 Growth Study, 2005 East Hill Major Area Structure Plan and The City of Red Deer 2003/2004 Transportation Update. The most recent document is the Northland Drive (NHC) – Functional Planning Study which was presented and approved by City Council in June of 2009.

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Land Negotiations to Date

Since early 2008 The City has been assembling the required land needed to accommodate the NHC road project. This exercise has been undertaken with the services of City staff and external land agents and appraisers. Four of the 12 land acquisitions required for this project have been completed to date.

One of the outstanding parcels of land is owned by Pact Productions Services Ltd. and is displayed in Schedule A. The outlined red area identifies future road requirements. Since the road will require a significant portion of the property, a full purchase of the parcel has been explored.

In 2008 an offer to purchase was made by City staff to Pact for the entire property at fair market value of \$700,000.00 and offer was countered with \$1.2 million dollars, which is almost double the appraised value of the property. In 2009 an independent property acquisition consultant was retained and he met with Pact numerous times and with the steering committee's approval, made another offer of \$700,000.00, which was adamantly declined.

City Manager
July 19, 2010
Page 2

After an updated appraisal, in January 2010, we again offered to purchase the parcel in its entirety for fair market value being \$600,000.00 plus \$100,000.00 compensation for the lease revenue that Pact Production is receiving from his current tenant (lease up in 2012) for a total of \$700,000.00. Pact Production again countered our offer with \$1.2 million.

The owner has indicated that he will only consider an offer of the complete property and that this appraisal completed by the City is not satisfactory. At last communication, he indicated that he would not move from that position. Client is unwilling to agree to the taking by entering into a Section 30 agreement and continuing to negotiate on fair market value.

After two years of negotiations an agreement cannot be reached with the landowner. In order for the NHC project to proceed, we request Council's approval to commence expropriation for the Pact Production Services Ltd. parcel.

Rationale For Expropriating Complete Parcel

- The amount of land needed for the road project represents a significant amount of the whole parcel (City requires 0.59 acres leaving 0.51 acres).
- Damages for injurious affection and related losses can be significant given that the parcel has a tenant and continuing use and/or development will be significantly limited by the taking.
- An inquiry officer could, given the above, recommend that the whole parcel be taken in any event.
- The Expropriation Hearing and subsequent Compensation Hearing will be significantly more complicated in the case in dealing with a partial taking as opposed to the entire parcel resulting in significantly higher legal costs that could easily equate or set off a large portion of the additional cost of acquiring the whole parcel.
- By taking the whole The City has an investment in surplus land which in due course is likely of value either on re-sale or for City purposes.
- By taking the whole it is more likely that the owner will proceed on a Sec. 30 basis thereby yet further saving significant legal costs.

Balancing the extra cost of taking the whole vs. the cost savings alluded to above and considering other factors such as the owner's position, it seems prudent for the City to move to take the whole parcel immediately.

The City has met with the adjacent landowner and they are interested in buying the remnant piece of the parcel from the City in order to expand their business.

Financial Consideration

The land acquisition budget for Phase 1 of the North Highway Connector Project is approximately \$17 million and is contained within the interim project budget of \$27.258 million approved by Council in 2007. The remainder of the budget has been allocated to Engineering Fees, Major Utility Relocations, and Permit Applications. Of the \$27.258 million, approximately \$13.0 million has been spent to date.

The funding sources were identified as \$13.343 million from roadway off sites, \$6.125 million from Basic Capital Grants, and \$7.79 million from Capital Project Reserves.

The land purchase contained within this recommendation has been included in the current project budget, and therefore no further funding approval is necessary. As with any expropriation there is the risk that the final cost could be greater than the current appraisal.

Further Landowner Discussions

City staff will continue discussions with the landowner affected by this resolution and will recommend discontinuing the expropriation process if we are able to achieve a negotiated agreement or agree on the taking through a Section 30 of the Expropriation Act.

Recommendation:

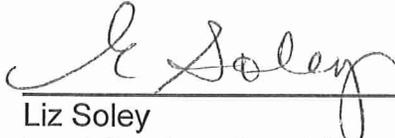
We recommend that City Council approve the following resolution:

“Pursuant to its authority under the Municipal Government Act and the Expropriation Act, Council for the City of Red Deer as expropriating authority resolves to take by way of expropriation, for road purposes, an interest in fee simple in all the lands legally described as:

*Plan 8922940, Block 2, Lot 5
Excepting there out all mines and minerals*

City Administration is authorized to issue the appropriate Notice of Intention to Expropriate and to comply with all necessary steps required under the Municipal Government Act and the Expropriation Act.”

City Manager
July 19, 2010
Page 4



Liz Soley
Land Services Specialist



for Frank Colosimo
Engineering Services Manager



Dean Krejci, Financial Services Manager

Attach.

- c. Craig Curtis, City Manager
- Paul Goranson, Director of Development Services
- Paul Meyette, Director of Planning Services
- Howard Thompson, Land & Economic Development Manager

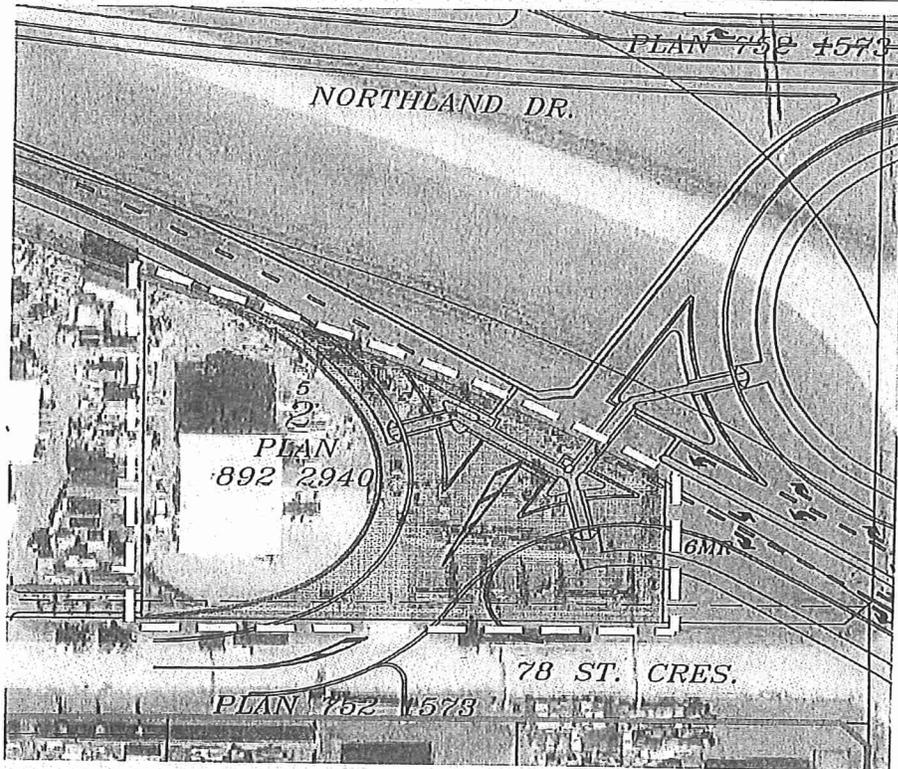
ORIGINAL

Red Deer, Alberta
North Highway Connector

Schedule A

Showing Proposed Road Right-of-Way
 Of part of
 Lot 5, Block 2, Plan 892 2940
 Within the
 S.E. SEC.33, TWP.38, RGE.27, W.4thM.

Registered Owner(s):
 Pact Production Services Ltd.
 Certificate of Title Number:
 902 035 735



PRELIMINARY
 FOR DISCUSSION PURPOSES ONLY



Stantec

Stantec Consulting Ltd.
 600-4808 Ross Street
 Red Deer, AB Canada
 T4N 1X5
 Tel. 403.341.3320
 Fax. 403.342.0969
 www.stantec.com

Legend:

Land Required
 Area Required = ±25,758 ft²
 Phase 1 Property Line
 Ultimate Property Line
NOTE: All distances are expressed in metres.

Rev.	Description	Date
2	R.O.W. Update	Feb. 2009
1	Prelim Issue	Dec. 2008
0	Original Issue	Jun. 2008
Drawn by: JM		Checked: BJH
Job No: 116238100		Schedule A-16.0

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter

From: Liz Soley
Sent: Thursday, November 18, 2010 4:32 PM
To: Bev Greter; Elaine Vincent
Subject: PACT Production Expropriation

Good afternoon. I wanted to quickly take this opportunity to let you know how important it is that PACT not be removed from the November 29 agenda. I know that it has been bumped in the past and at this juncture, we cannot afford for that to happen.

Met with Engineering and our Legal Counsel and we are planning for the appropriate letter, money and paperwork to be delivered to PACT as early as the Friday after the Council meeting. It is imperative to our strategy that it continues to proceed this quickly. As the MGA states, the tenant has as many rights in the expropriation process as does the landowner. IF we do not become the landowner ASAP, the tenant and the current landowner could rearrange their tenancy agreement and make it extremely more difficult for dollar wise.

Could you please try to ensure that this items remains as scheduled and confirm that with me tomorrow??

Thank you,

Liz Soley

Land Services Specialist
Land & Economic Development
City of Red Deer
liz.soley@reddeer.ca
phone 403.356.8940
fax 403.342.8260

*** NOTE OUR NEW OFFICE ADDRESS AS OF AUG 31ST IS: 4815 - 48TH STREET

Bev Greter

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

From: Liz Soley

Sent: Monday, November 08, 2010 4:04 PM

To: Bev Greter

Subject: RE: November 8 2010 request for Inclusion of Pact Production on November 29 2010 Council agenda

I remember the tight timelines down there. I try to be ahead of the game, but I will slip up – just you wait and watch.....

Liz Soley

From: Bev Greter

Sent: November 08, 2010 4:01 PM

To: Liz Soley

Subject: RE: November 8 2010 request for Inclusion of Pact Production on November 29 2010 Council agenda

Hi Liz,

Yes, I can put this forward. I will follow up if I have any questions. I need to have the agenda ready for Agenda Review on November 19 (next Friday) so I'm glad you were early with this.

Bev

Bev Greter

Corporate Meeting Coordinator

Legislative & Governance Services

Phone: 403.342.8201

Bev.greter@reddeer.ca

www.reddeer.ca

From: Liz Soley

Sent: Monday, November 08, 2010 3:20 PM

To: Bev Greter

Subject: November 8 2010 request for Inclusion of Pact Production on November 29 2010 Council agenda

Good day, was hoping that you could put this request on the Agenda for November 29, 2010. If you have any questions, please feel free to contact me.

Thank you

Liz Soley

403.356.8940

11/16/2010

Bev Greter

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

From: Christine Kenzie
Sent: Wednesday, November 03, 2010 9:57 AM
To: Michelle Baer
Cc: Bev Greter
Subject: RE: November Council Agenda

Hi Michelle,

I am just checking Christine's email while she is away. If you have correspondence for Council from now until January 4, please direct it to myself, Bev Greter. My contact information is: bev.greter@reddeer.ca, 403.342.8201.

Regarding your question, the cut off date is this Friday, November 5. With the Remembrance Day holiday next Thursday, the agenda will need to be ready by the end of the day on Wednesday, November 10.

Thanks,

Bev Greter

From: Michelle Baer [mailto:MBaer@chapmanriebeek.com]
Sent: November 03, 2010 9:23 AM
To: Christine Kenzie
Cc: Liz Soley; Heather Johre
Subject: November Council Agenda

Hello Christine,

We will have an expropriation matter to bring to council for their consideration at either the November 15 or 29th meeting.

Can you advise of the "cut-off" date to have an item put on the agenda for the meeting on the 15th?

Michelle Baer

Chapman Riebeek LLP
Barristers & Solicitors
300, 4808 Ross Street
Red Deer, AB T4N 1X5
Telephone: (403) 346-6603
Fax: (403) 340-1280

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[This message has been scanned for security content threats and viruses.]

[The City of Red Deer I.T. Services asks that you please consider the environment before

11/3/2010

Bev Greter

From: Elaine Vincent
Sent: Tuesday, December 14, 2010 1:32 PM
To: Mayor and Councillors
Cc: Corporate Leadership Team; Don Simpson; Michelle Baer; Frieda McDougall
Subject: Confidential Update: Expropriation Procedures

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

sent after the
Council
meeting

Attachments: status report dec 2010.doc



status report dec
2010.doc (25...

Please find attached an updated status report from our solicitors pertaining to expropriation proceedings that was requested at the November 29th Council meeting.

Due to time constraints it was determined the best option was to send out the information electronically to ensure everyone was up to date on the latest developments.

If there are a number of questions and you feel a verbal update is required we can add to the upcoming January agenda's.

If you have questions or concerns, please don't hesitate to ask.

Thanks,

Elaine

Elaine Vincent
Manager, Legislative and Governance Services
The City of Red Deer
Phone: 403-342-8134
Fax: 403-346-6195
elaine.vincent@reddeer.ca

FILE - COUNCIL

- CONFIDENTIAL

→ NOV 29, 2010
COUNCIL AGENDA

→ BACKUP INFORMATION
FORWARDED TO
COUNCIL

CHAPMAN RIEBEEK LLP

Barristers & Solicitors

NICK P. W. RIEBEEK*
LORNE E. GODDARD, Q.C.
SUZANNE M. ALEXANDER-SMITH

DONALD J. SIMPSON*
NANCY A. BERGSTROM*
MICHELLE A. BAER
ELIZABETH L. TURNER

GARY W. WANLESS*
GAYLENE D. BOBB*
JENNIFER L. CARVER

*Denotes Professional Corporation

Your file:
Our file:
Direct Email: mbaer@chapmanriebeek.com

December 14, 2010

VIA CITY INTERNAL MAIL

City of Red Deer
P.O. Box 5008
Red Deer, Alberta
T4N 3T4

Attention: Craig Curtis, City Manager

Dear Sir:

RE: Expropriation Status Report

This letter is a report on the status of the City's current expropriation files for the information of Council. All current expropriation matters relate to either the 2009 upgrades to the intersection of Gaetz Avenue and 32 Street, or the planned construction of the North Highway Connector.

Gaetz Avenue & 32 Street

In total, there were five acquisitions made under the Expropriation Act each of which will be detailed hereafter. In all five instances, the City acquired a small portion of the owner's parcels. The City commissioned appraisals to determine the value of the land taken, and tendered payment based on those appraisals plus any additional compensation for damages recognized under the Act. The Act provides that the owner may accept such payment without prejudice to their right to make a claim for additional compensation to the Land Compensation Board.

Each landowner has filed compensation claims ranging from \$300,000.00 to \$12.8 million. As we have previously advised City Administration, in our opinion these claims are not supported by the facts, and are spurious and highly speculative.

The Land Compensation Board process is quite similar to a litigation process, and includes such pre-hearing requirements as reciprocal production and disclosure of documents, questioning of the key parties under oath, mediation, and of course, if necessary a hearing before the board.

300, 4808 Ross Street Red Deer, Alberta T4N 1X5

Telephone: (403) 346-6603

Fax: (403) 340-1280

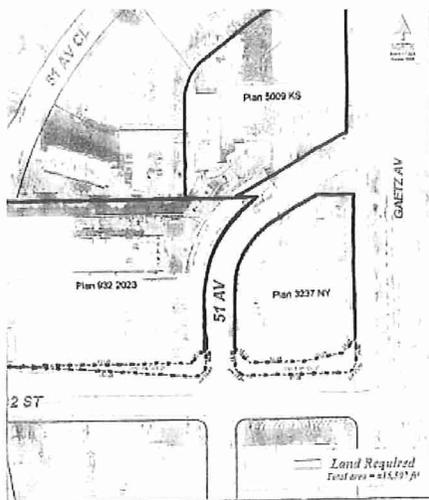
Email: info@chapmanriebeek.com

Each file is now being treated as a litigation file would be, and we are in the process of demanding particulars from their lawyer to determine the basis for their claims. We will not know the true amount of additional compensation, if any, these landowners are entitled to receive until we have had a chance to obtain full details of their claims.

We will put the owners to strict proof of their claims, and will be seeking to have any compensation awarded deeply discounted to reflect what we consider the highly questionable and prejudicial nature of the claims which have been advanced.

1.1 Capri Hotel Site

The areas outlined in bold show the full parcels containing the Capri Hotel and its lands. The areas outlined by the dotted lines shows the area taken by the City. In compliance with the Act, The City estimated payment due to the owner (Treit Holdings 10 Ltd) to be approximately \$500,000.00. This included a fixed amount for the loss of 35 parking stalls in addition to the appraised fair market value of the land. The claim submitted on behalf of Treit exceeds \$12.8 million.

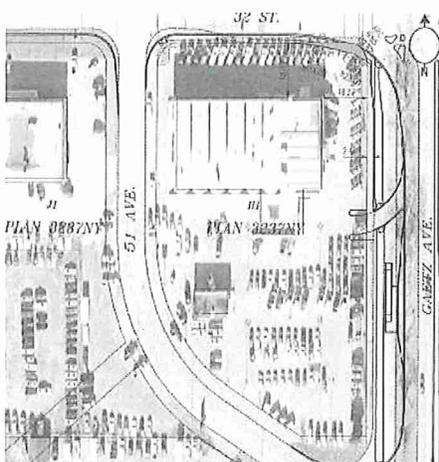


The claim is couched in oblique and general language but appears to rest on damages related to loss of parking, disruption of traffic flow, and impairment of access. In this regard, it is our position that the access and traffic flow have actually been improved by the road widening.

We have made demands for particulars of this claim, as we consider it to be one of the more egregious. To date, the owner advises that their appraisals are not yet completed, they are negotiating with the hotel's previous owners for historical financial documentation, and they await a business valuation.

Outside of the expropriation process, the hotel manager has requested meetings with the City's director of development services. It appears the hotel is again interested in discussing the purchase of 51 Ave., and we may be able to use this item to broker some form of a negotiated settlement of the entire claim.

1.2 Pike Wheaton



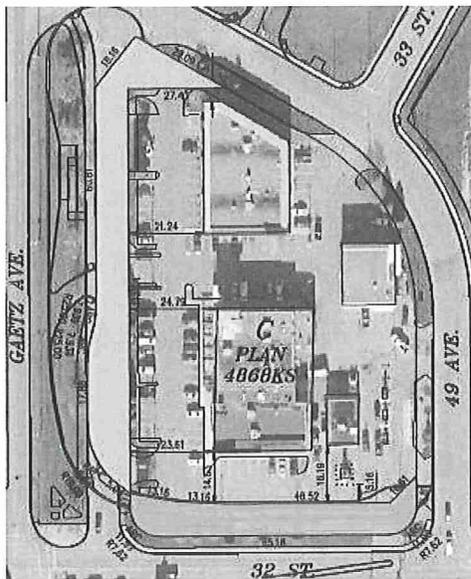
The Pike property is bounded by Gaetz, 32nd Street and 51 Avenue. The area expropriated is 560 square feet, and is shown in blue. As compensation, the City transferred to Pike Wheaton the area shown in green and provided \$11,000 for disturbance damages. The claim submitted on behalf of Pike is for an additional \$3.75 million.

As with the Capri, we consider this claim to be an egregious exaggeration of damages. We have formally demanded

particulars but have yet to receive their appraisal or valuation. In the new year, we will seek instructions from administration directing us to bring an application before the LCB board to have timelines imposed for such information to be made available to us, in default of which we will ask the claim be struck.

1.3 Southside Village

This taking also involved a land swap. The City expropriated the area shown in blue in exchange for \$36,000 and the parcel shown in green. In addition, the City provided the Owner with approximately \$25,000 in disturbance damages, to bring total compensation tendered to \$59,880.00. The claim submitted on behalf of the owners is for \$1.35 million.



The rationale for this claim includes loss of parking, increased maintenance costs for the site, damages because the buildings are no longer in conformity with the Land Use Bylaw (ratio of developed area/landscaped area to parcel size) and loss of key employee's time to deal with the expropriation.

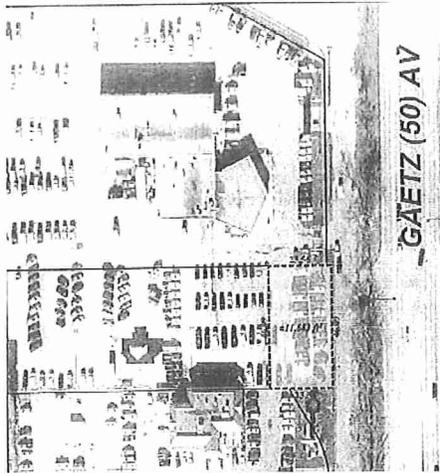
In respect of the resulting loss of conformity under the Land Use Bylaw, it is our position that the parcel was already overdeveloped from a Land Use Bylaw perspective, having been granted multiple relaxations in respect of both developed area and landscaped area.

1.4 Former Red Deer County Office site



The site is shown as Lot 9, with the area expropriated outlined in bold along 32 Street. The City tendered the appraised value of the land taken, \$131,800.00. The Claim received is for an addition \$300,000 largely related to the owner's perceived wasted expenditures for development plans prepared prior to the taking. Though the claim is comparatively modest, it is our position that the Owner was or should have been aware of the City's plans for road widening, this information being in the public domain for the past several years.

1.5 MGM Motors



The area taken by the City is shown in dotted lines. MGM Motors owns the two parcels lying to the north and west of the dotted area. The City's payment to MGM was \$525,000 based on the appraised value of the land, and nominal disturbance damages. The claim submitted on behalf of MGM is \$5.75 million.

As with the claims from the other owners along Gaetz Ave. we suspect the rationale for MGM's claim relates to the closure of the service road which used to run parallel to Gaetz in front of these businesses. The owners relied on the service road for staff and customer parking, which we understand they are now having to accommodate elsewhere.

Our position is that damages for loss of the use of the service road is not compensable under the Act.

North Highway Connector

2.1 Northey Lands

In July 2009, the City expropriated approximately 240 acres of land from the Northey family for construction of the North Highway Connector. The lands included agricultural areas, forested escarpment and a small gravel operation.

The City's appraisal indicated the following:

- Land - \$3.7 million
- Gravel - \$1.1 million
- Business losses - 1.3 million
- Injurious affection - \$260,000.00

Accordingly, \$6.4 million was paid as compensation to the Northeys.

The Northeys have advanced a claim for \$24.5 Million (\$17 million for the gravel and related gravel and agricultural business losses, and approximately \$6 million for their land.) We have not been provided with an appraisal or alternate valuation in support of the claims.

2.2 Pact Productions Services Ltd.

The City expropriated the whole of the parcel owned by Pact Production and located in the Riverside Industrial area. Chapman Riebeek has been instructed to attempt to reach a settlement on compensation to avoid a land compensation claim by the landowner. Those negotiations are currently underway.

The Pact lands are leased to a fence manufacturing business called Rite-Way Fencing. Tenants are treated as owners under the Expropriation Act and are entitled to compensation insofar as the taking impacts their interest in the land.

In recognition of this, The City recently requested that its engineering consultants review their construction plans with a view to possibly avoiding this land until the expiration of Riteway's lease. This may result in some duplication of costs, as certain shallow utilities may be installed on an interim basis and be repositioned after 2013. However, this is entirely appropriate if possible, in order mitigate the impact on Rite-Way and thereby eliminate any basis for a compensation claim in the future.

2.3 1006187 Alberta Ltd., operating as Hi-Way Nine Transport

The City required a small portion of land along Northland Drive owned by Hi-Way Nine. The land was acquired by an agreement with the owner entirely outside the provisions of the Expropriation Act. All legal work in connection with this matter is complete.

Ongoing Negotiations

3.1 Well-Can Services Ltd.

The City requires a portion of land along Northland Drive owned by Well-Can Services Ltd. The City is currently negotiating an agreement with this owner outside of the provisions of the Act. It is anticipated the deal will be signed by December 31, 2010 with compensation in the order of less than \$1 million.

3.2 Bucci Investments

As the City has not been able to reach an agreement with this Owner, expropriation is imminent. The legal issue to be determined prior to the expropriation coming to council is whether to take only the portion of the parcel needed for the NHC (46% of the parcel) or to expropriate the parcel in its entirety. A partial expropriation exposes the City to a potential claim for injurious affection, and in these circumstances we believe the injurious affection claim will be significant enough to justify the full taking. An appraiser with expertise in injurious affection assessments has been retained and will have a valuation report completed before Christmas. The matter will be back before council in spring 2011.

3.3 Larratt, Loree and Lacey, Kathy and Peter

The City required small portions of these 2 acreage parcels to allow for road widening along 30th Avenue, also in connection with the North Highway Connector. Agreements have been reached with these Owners outside of the Expropriation Act. The owners have both been granted limited permission to continue to use and occupy the areas taken until such time as the City requires the area for the road works. It is anticipated this will be mid-summer 2011.

3.4 Campbell, Trevor

The City is currently negotiating with this acreage owner to purchase a narrow strip of land along 30th Avenue. Currently, the owners have taken a position which is far from what the City is

prepared to consider. Administration plans to meet personally with the owners to determine whether settlement is possible.

General - Principles of Compensation

The landowner (and tenants with an interest in the land taken) is entitled to full and fair compensation for the municipal expropriation of their land, including:

1. Fair market value of the land taken;
2. Costs of replacement of improvements, for example:
 - Landscaping, fencing, signage
 - Wells and water systems, etc.
3. Loss of:
 - Productivity/developability
 - Parking
 - Visibility
 - Access
4. Disturbance damages related to:
 - Noise, dust
 - Increased proximity to freeway, high-voltage lines, etc.
5. Expert Costs, including:
 - Appraisals
 - Legal fees

To date, all owners who have submitted invoices for reimbursement of their legal expenses have had those promptly paid by the City. In keeping with the principles of the Act, we agree that costs incurred by the Owners to the expropriation stage are properly reimbursable by the City. However, as these matters advance to the compensation stage, it is our position that the owner is only entitled to the reasonable legal costs incurred to advance reasonable claims under the Act. The municipality should not be required to compensate an owner for legal costs involved in the pursuit of a claim for which there is no basis under the Act.

Timeframe

Given the complexity of the process, we generally anticipate the discovery process taking as long as 18-24 months, with compensation hearings possibly being held in 2013-2014.

Page 7
December 8, 2010
The City of Red Deer

Attention: Craig Curtis

I trust this report is sufficient for the present. We will continue to provide updates on expropriation matters from time to time.

Yours truly,

CHAPMAN RIEBEEK LLP

Per: (Original signed)

MICHELLE A. BAER



DATE: November 5, 2010

TO: Craig Curtis, City Manager

FROM: Dean Krejci, Financial Services Manager
Mary Bovair, Financial Analyst

CC: Lorraine Poth, Corporate Services Director
Lisa Perkins, Corporate Services Divisional Strategist
Kim Woods, Policy & Research Coordinator

SUBJECT: Council Policy:
Capital Budget Policy 5320 – C (revision)
Capital Budget Contingency Policy 5320.02 – C (New)
Capital Budget Funding Policy 5320.03 – C (New)

Introduction:

The capital budget requirements are outlined within Section 245 and 246 in the Municipal Government Act (MGA). A Council must adopt a capital budget for each calendar year and the contents of the budget are outlined within the new draft copy of the attached Capital Budget Policy 5320 – C.

The following are attached for your consideration:

CURRENT Capital Budget Policy 5320 – C (last revision 2003)
New Draft Capital Budget Policy 5320 – C
New Draft Capital Budget Contingency Policy 5320.02 – C
New Draft Capital Budget Funding Policy 5320.03 - C

Consultation:

The Audit Committee has reviewed all copies of the proposed policies. The policies have also been circulated within the Financial Services Department and to the Division Controllers to be aligned with any administrative processes.

Discussion:

The following is a breakdown of changes from the existing Capital Budget Policy 5320 – C and where the changes are captured or expanded upon within the new polices. There is also some areas that have been removed from the new policies and an explanation is included as to why a particular item was removed:

Section A. Executive Limitations

Current Policy Section	Current Wording	Proposed Policy
<p>Current: Capital Budget Policy 5320 – C:</p> <p>A. Executive Limitations</p>	<p>The City Manager may approve capital Budget transfers to a limit of \$50,000 per project providing the cost of the project does not increase by more than an amount equal to the original budget cost. For capital Budget transfers in excess of \$50,000, the City Manager may transfer funds from budgeted capital projects to other budgeted capital projects subject to:</p> <ul style="list-style-type: none"> a. the scope of the project remaining the same, and b. a maximum of \$500,000 per project or 10 percent of the total project costs, whichever is less. 	<p>New Draft: Capital Budget Funding Policy 5320.03 – C:</p> <p><i>1. <u>Transfers between Projects</u></i> The City Manager may approve cost and funding transfers between capital projects provided:</p> <ul style="list-style-type: none"> a. The project providing the funding is more than 75% expended, and has a surplus balance and; b. The project providing the funding and the project receiving the funding have the same funding source and; c. The amount requested to be transferred is a maximum of \$50,000 and does not increase the receiving projects budget by more than an amount equal to the original budget cost . <p><i>Departments will complete the 'Capital Budget Funding Transfer' form to route and facilitate the transfer. A budget change, rounded to the nearest thousand, is required for both the funding and the cost amount.</i></p>

Section B. Guidelines

Current Policy Section	Current Wording	Proposed Policy
<p>Current: Capital Budget Policy 5320 – C:</p> <p>B. Guidelines</p>	<p>I. A 5 Year Capital Plan will be prepared annually.</p>	<p>New Draft: Capital Budget Policy 5320 – C</p> <p><i>1. <u>Adoption of Capital Budget</u></i> Each Council must adopt a capital budget for each calendar year.</p> <p><i>6. <u>Term of Capital Plan</u></i> The City will prepare a 'multi-year capital infrastructure plan' covering a minimum period of five years.</p>

<p>B. Guidelines</p>	<p>2. Capital projects spanning more than one budget year will be clearly indicated in the 5 year Capital Plan. Approval of these projects by Council will be considered to include the total cost.</p>	<p>New Draft: Capital Budget Policy 5320 – C <u>4. Multi-Year Projects</u> <i>A capital project with a completion timeframe of more than one calendar year and with cash flows spanning more than one fiscal year will be highlighted as a multi-year project in the capital plan. The total cost of a multi-year capital project will be considered as part of the current year capital budget.</i></p>
<p>B. Guidelines</p>	<p>3. The financing of capital projects will be as approved by Council as part of the annual budget process.</p>	<p>New Draft: Capital Budget Policy 5320 – C <u>2. Contents of Capital Budget</u> <i>In accordance with the Municipal Government Act: a capital budget must include the estimated amount for the following:</i></p> <ul style="list-style-type: none"> <i>a. the amount needed to acquire, construct, remove or improve capital property;</i> <i>b. the anticipated sources and amounts of money to pay the costs referred to in clause (a);</i> <i>c. the amount to be transferred from the operating budget.</i> <p><i>The contents must also align with the corporate policy: 5324 – CA Capitalization of Tangible Capital Assets</i></p>
<p>B. Guidelines</p>	<p>4. A Capital Projects Reserve will be maintained as a significant source of funding for tax supported major capital projects.</p>	<p>This is not included in any of the proposed policies. It is proposed at this time that a Reserve Management Policy will be developed for council's consideration in early 2011.</p>
<p>B. Guidelines</p>	<p>5. Significant operating implications of capital projects will be detailed as part of the Capital Budget and will also be included in the applicable Operating Budgets.</p>	<p>New Draft: Capital Budget Policy 5320 – C <u>5. Operating impacts of capital projects</u> <i>Significant operating implications of capital projects will be detailed as part of the capital budget and will also be included in the applicable operating budgets. If completion of the capital project is deferred the operating impacts must also be deferred.</i></p> <p>Also, more detail is captured in the new draft Capital Funding Budget Funding Policy 5320.03 – C: <u>Item #2 Project Additions/Deletions</u> <i>Cost and funding changes between the operating budget and capital budget may occur provided the item has already been approved as part of a budget , and:</i></p> <ul style="list-style-type: none"> <i>a. Where a non-capital item has been approved as part of capital and the actual costs and funding will be</i>

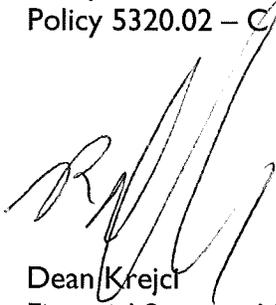
		<p><i>transferred to operating when the capital review is undertaken, at a minimum on a yearly basis, or;</i></p> <p><i>b. Where a capital item has been approved as part of operating and the actual costs and funding will be transferred to capital when the operating review is undertaken, at a minimum on a yearly basis.</i></p> <p><i>A budget change is required for both the funding and the cost amount.</i></p>
B. Guidelines	6. Capital Budget variances will be reported to Council on an annual basis concurrently with the submission of the annual audited report to Council or as soon after as reasonably possible.	<p>New Draft: Capital Budget Funding Policy:</p> <p>8. <u>Report to Council</u></p> <p><i>All projects affected by this policy must be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.</i></p>

New Changes and Additions to Council Policy related to Capital Budgets:

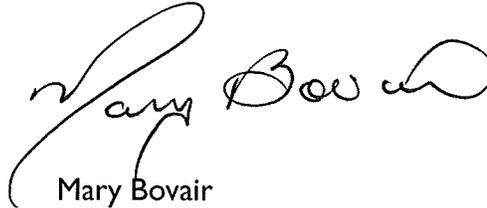
Current Policy Section	Current Wording	Proposed Policy Changes
Current: Capital Budget Policy 5320 – C: General Wording Changes	Current wording in Capital Budget 5320 – C: <i>Capital Plan</i>	Change throughout Draft policies: <i>Multi-Year Capital Infrastructure Plan</i>
Additional Changes	This item not currently contained in current policy	NEW Capital Budget Policy 5320 - C Item #3: <i>The capital budget will include a contingency amount equal to \$200,000. The contingency amount will remain at a maximum amount of \$200,000 per year. The capital budget contingency does not replace any individual project contingency.</i>
Additional changes	New Capital Budget Contingency Policy	New Draft: Capital Budget Contingency Policy: Outlines how unbudgeted capital projects are administered, how funding is accessed and a clear requirement to report to Council. (Please refer to the attached Proposed – Draft Capital Budget Contingency Policy 5320.02 – C)
Additional changes	New Capital Budget Funding Policy	New Draft: Capital Budget Funding Policy: This policy provides guidelines for the administration of funding and the reporting function to Council when necessary. (Please refer to the attached Proposed Policy – Draft Capital Budget Funding Policy 5320.03 – C)

Recommendation:

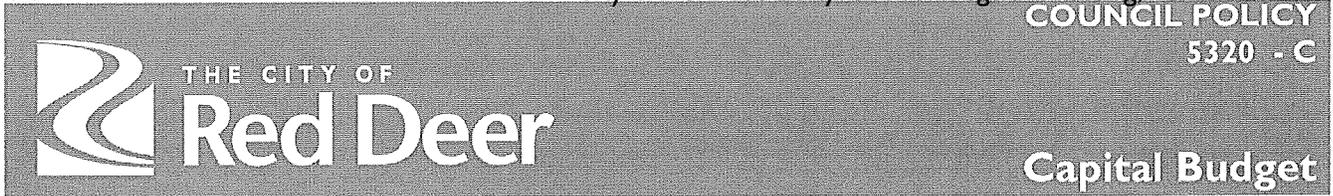
That Council consider passing a resolution to revise the Council Policy, Capital Budget Policy 5320 – C and to approve two new Council Policies: Capital Budget Contingency Policy 5320.02 – C and Capital Budget Funding Policy 5320.03 – C.



Dean Krejci
Financial Services Manager



Mary Bovair
Financial Analyst

**Purpose:**

This policy establishes the executive limitations and guidelines for the City Manager relative to the Capital Budget.

Policy Statement(s):**A. Executive Limitations**

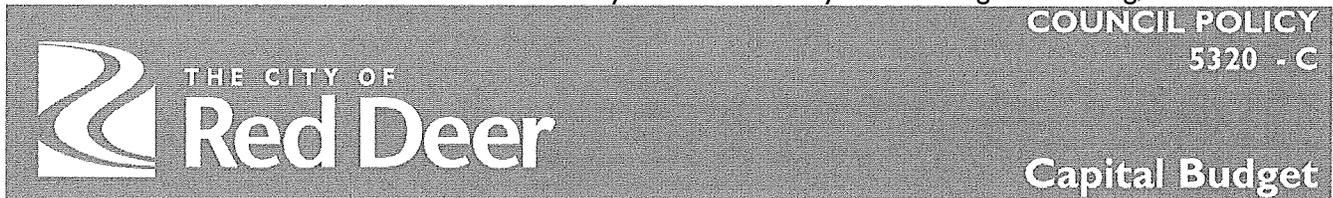
The City Manager may approve Capital Budget transfers to a limit of \$50,000 per project providing the cost of the project does not increase by more than an amount equal to the original budget cost.

For Capital Budget transfers in excess of \$50,000, the City Manager may transfer funds from budgeted capital projects to other budgeted capital projects subject to:

- a. the scope of the project remaining the same, and
- b. a maximum of \$500,000 per project or 10 percent of the total project cost, whichever is less.

B. Guidelines

1. A 5 Year Capital Plan will be prepared annually.
2. Capital projects spanning more than one budget year will be clearly indicated in the 5 Year Capital Plan. Approval of these projects by Council will be considered to include the total cost.
3. The financing of capital projects will be as approved by Council as part of the annual budget process.
4. A Capital Projects Reserve will be maintained as a significant source of funding for tax supported major capital projects.
5. Significant operating implications of capital projects will be detailed as part of the Capital Budget and will also be included in the applicable Operating Budgets.



6. Capital Budget variances will be reported to Council on an annual basis concurrently with the submission of the annual audited report to Council or as soon after as reasonably possible.

Authority/Responsibility to Implement:

City Manager

Document History:

Approved: May 6, 2002
Revised: July 28, 2003
Administrative Revision (new template): March 12, 2010

**Purpose:**

This policy is to set out the requirements and to ensure compliance with the Municipal Government Act as related to the Capital Budget requirements.

Policy Statements:1. Adoption of capital budget

Each council must adopt a capital budget for each calendar year.

2. Contents of capital budget

In accordance with the Municipal Government Act: a capital budget must include the estimated amount for the following:

- a. the amount needed to acquire, construct, remove or improve capital property;
- b. the anticipated sources and amounts of money to pay the costs referred to in clause (a);
- c. the amount to be transferred from the operating budget.

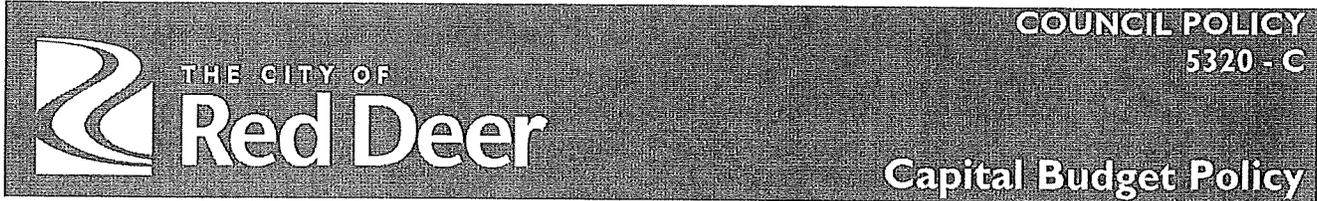
The contents must also align with the corporate policy: 5324 – CA Capitalization of Tangible Capital Assets.

3. Capital budget contingency

The capital budget will include a contingency amount equal to \$200,000. The contingency amount will remain at a maximum amount of \$200,000 per year. The capital budget contingency does not replace any individual project contingency.

4. Multi-Year Projects

A capital project with a completion timeframe of more than one calendar year and with cash flows spanning more than one fiscal year will be highlighted as a multi-year project in the capital plan. The total cost of a multi-year capital project will be considered as part of the current year capital budget.



5. Operating impacts of capital project

Significant operating implications of capital projects will be detailed as part of the capital budget and will also be included in the applicable operating budgets. If completion of the capital project is deferred the operating impacts must also be deferred.

6. Term of capital plan

The City will prepare a 'multi-year capital infrastructure plan' covering a minimum period of five years.

Policy Monitoring and Evaluation:

The Capital Budget Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.

Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.

Contact / Inquires:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets and Investments area within the Financial Services Department.

Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the City Manager, Director of Corporate Services or designate.



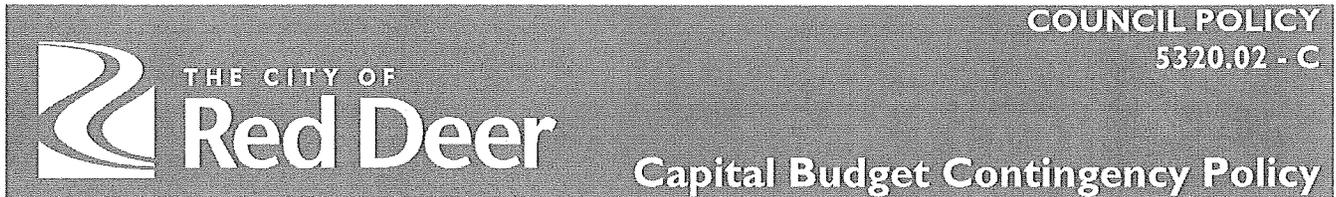
COUNCIL POLICY
5320 - C

Capital Budget Policy

References/Links:

1. MGA Section 245, 246, 248(2)
2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320.02 – C Capital Budget Contingency Policy
4. 5320.03 – C Capital Budget Funding Policy

Document History:
Council Resolution Date: May 6, 2002
Council Resolution Revision Date: July 23, 2003
Council Resolution Revision Date:

**Purpose:**

This policy establishes the executive limitations directed by Council for the City Manager relative to the Capital Budget Contingency.

Policy Statements:**1. Unbudgeted (New) Capital Projects**

- a. The City Manager is authorized to approve new projects that were not previously identified to a maximum cost of \$50,000 per project, subject to the availability of funds. Any new projects over this limit must be approved by Council.
- b. The City Manager is authorized to approve new projects, where the total cost of all of the approved new projects, does not exceed the maximum \$200,000 limit. Any new projects after this limit is reached must be approved by Council.

2. Capital Budget Contingency Funding

The capital budget contingency will be funded by existing reserves subject to an available reserve balance or grant funding subject to the requirements and availability of the grant program.

3. Capital Report to Council

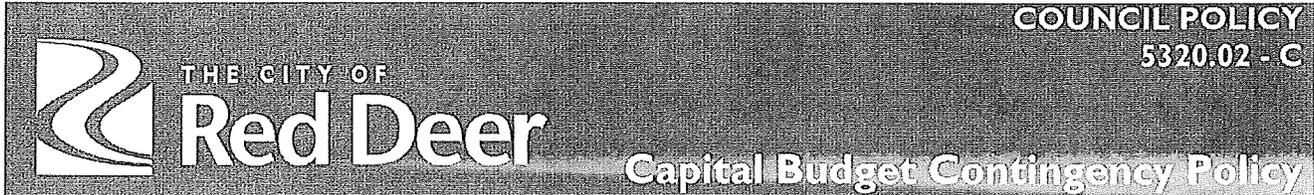
Capital projects based on this policy will be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.

Policy Monitoring and Evaluation:

The Capital Budget Contingency Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.

Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.



Inquiries/Contact Person:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets & Investments area within the Financial Services Department.

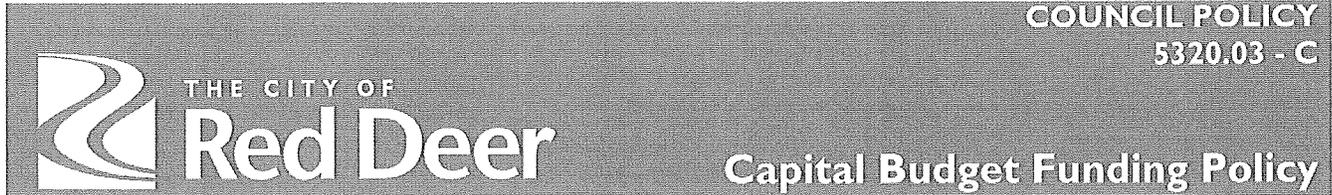
Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the Director of Corporate Services or delegate.

References/Links:

1. MGA Section(s) 245, 246, 248(2)
2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320 – C Capital Budget Policy
4. 5320.03 – C Capital Budget Funding Policy

Document History:
Council Resolution Date:
Council Resolution Revision Date:



Purpose:

This policy is to provide guidelines for the administration of the capital budget funding and subsequent reporting of: transfers, cancellations, additions, deferrals, funding source changes or the completion of capital projects.

Policy Statements:

1. Transfers between Projects

The City Manager may approve cost and funding transfers between capital projects provided:

- a. The project providing the funding is more than 75% expended, and has a surplus balance and;
- b. The project providing the funding and the project receiving the funding have the same funding source and;
- c. The amount requested to be transferred is a maximum of \$50,000 and does not increase the receiving projects budget by more than an amount equal to the original budget cost .

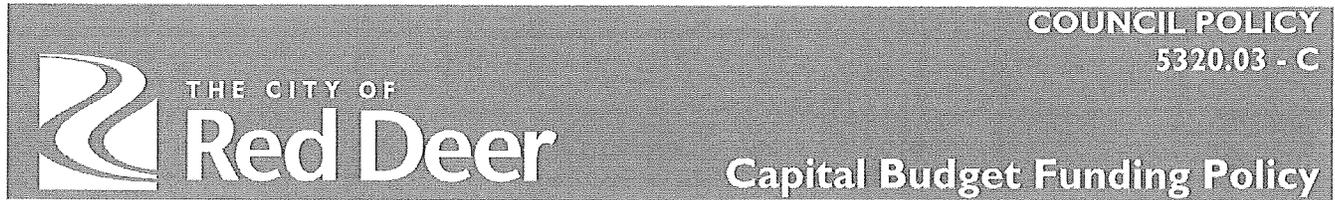
Departments will complete the 'Capital Budget Funding Transfer' form to route and facilitate the transfer. A budget change, rounded to the nearest thousand, is required for both the funding and the cost amount.

2. Project Additions/Deletions

Cost and funding changes between the operating budget and capital budget may occur provided the item has already been approved as part of a budget, and:

- a. Where a non-capital item has been approved as part of capital and the actual costs and funding will be transferred to operating when the capital review is undertaken, at a minimum on a yearly basis or;
- b. Where a capital item has been approved as part of operating and the actual costs and funding will be transferred to capital when the operating review is undertaken, at a minimum on a yearly basis.

A budget change is required for both the funding and the cost amount.



3. Project Cancellation

- a. Projects that are cancelled will return any excess funding to the original funding source within 30 calendar days.
- b. Departments will supply an explanation for the cancellation

4. Project Deferral Limitation

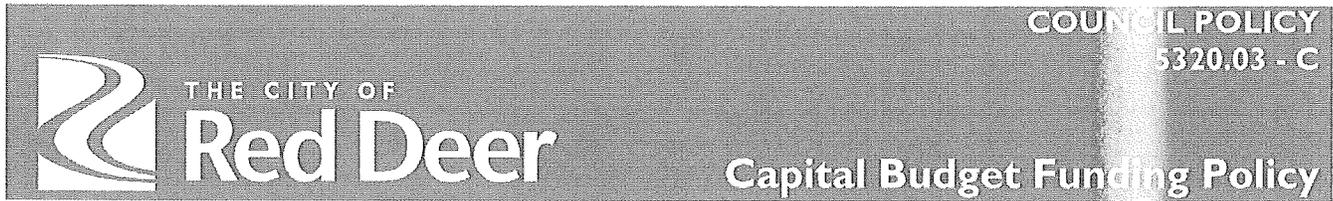
Budgeted projects that have not been completed within four years of the last budgeted expenditure require the following action:

- a. If total expenses are within 0% - 25% of the total approved expenses the unused funding will be returned to the original funding source(s) in the same proportion as the funds were applied. The job will be closed and if the project is a requirement in the future a new request must be submitted for Council approval. Departments will supply an explanation for the deferral.
- b. If total expenses are within 26% - 50% of the total approved expenses the department will write a report explaining the project expenses to date and the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.
- c. If the total expenses are within 51% - 99.99% of the total approved expenses the department will write a report outlining the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.

5. Funding Source Change

Funding source changes may occur within the capital budget provided:

- a. The funding change is the result of a discrepancy between the submitted 'capital budget detail' and the 'capital budget infrastructure plan' which requires correction.
- b. The funding change is the result of the capital project being ineligible for the original noted funding source.
- c. The funding change is the result of the original funding source becoming unavailable.



- d. The funding change is the result of information which makes a different funding source more feasible.

If the funding source is changed the original funding will be returned to it's original source within 30 calendar days.

Funding source changes must be communicated in written format between Financial Services and the relevant department.

6. Completed Projects:

- a. Completed projects with a surplus balance, after transfers, will have the excess funding returned to the original funding source(s).
- b. Completed projects with a deficit balance, after transfers, will have additional funding requested through Council approval.

7. Required Information

All information required, as noted in this policy, should be forwarded to the Budgets & Investments Financial Analyst(s) in Financial Services for compilation into the report to Council.

8. Report to Council

All projects affected by this policy must be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.

Policy Monitoring and Evaluation:

The Capital Budget Funding Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.



Capital Budget Funding Policy

Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.

Inquiries/Contact Person:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets & Investments area within the Financial Services Department.

Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the Director of Corporate Services or delegate.

References/Links:

1. MGA Section(s) 245, 246, 248(2)
2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320 – C Capital Budget Policy
4. 5320.02 – C Capital Budget Contingency Policy
5. 5322 – CA Use of Construction Financing for Capital Projects
6. Capital Budget Funding Transfer Form
7. Unbudgeted (New) Capital Projects Form

Document History:
Council Resolution Date:
Council Resolution Revision Date:



AUDIT COMMITTEE

DATE: October 4, 2010
TO: City Council
FROM: Audit Committee
SUBJECT: Council Policy 5320 – C – Capital Budget Policy
Council Policy 5320.02 – C – Capital Budget Contingency Policy
Council Policy – Capital Budget Funding Policy

At the October 4, 2010 meeting of the Audit Committee, the Audit Committee reviewed the Capital Budget Policy, the Capital Budget Contingency Policy and the Capital Budget Funding Policy. After review the Audit Committee introduced and passed the following motion:

“Resolved that the Audit Committee having reviewed the Capital Budget Policy, the Capital Budget Contingency Policy and the Capital Budget Funding Policy hereby forwards the policies to Council for approval.”

MOTION CARRIED

The above is submitted for Council’s approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tara Veer', is written over the text 'Respectfully submitted,'.

Councillor Tara Veer
Chairperson, Audit Committee

cc: M. Andrew, Corporate Controller
D. Krejci, Financial Services Manager

Comments:

I support the recommendation of Administration.

“Craig Curtis”
City Manager

FILED

Council Decision – November 29, 2010

DATE: November 30, 2010
TO: Dean Krejci, Financial Services Manager
Mary Bovair, Financial Analyst
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Council Policy – Capital Budget Policy 5320 – C (revision)

Reference Report:

Financial Services Manager and Financial Analyst, dated November 5, 2010

Resolution:

“**Resolved** that Council of The City of Red Deer having considered the report dated November 5, 2010 from the Financial Services Manager re: Council Policy – Capital Budget Policy 5320-C (revision) hereby adopts the revised policy as presented.”

Report Back to Council: No

Comments/Further Action:

Please ensure that this policy is communicated to the Organization.



Elaine Vincent
Legislative & Governance Services Manager

- c. Lorraine Poth, Director of Corporate Services
Lisa Perkins, Corporate Services Divisional Strategist
Kim Woods, Policy & Research Coordinator

FILE COPY

Council Decision – November 29, 2010

DATE: November 30, 2010
TO: Dean Krejci, Financial Services Manager
Mary Bovair, Financial Analyst
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Capital Budget Contingency Policy 5320.02 – C (New)

Reference Report:

Financial Services Manager and Financial Analyst, dated November 5, 2010

Resolution:

“**Resolved** that Council of The City of Red Deer having considered the report dated November 5, 2010 from the Financial Services Manager re: Council Policy – Capital Budget Contingency Policy 5320.02 – C hereby adopts the policy as presented.”

Report Back to Council: No

Comments/Further Action:

Please ensure that this policy is communicated to the Organization.



Elaine Vincent
Legislative & Governance Services Manager

- c. Lorraine Poth, Director of Corporate Services
Lisa Perkins, Corporate Services Divisional Strategist
Kim Woods, Policy & Research Coordinator

DATE: November 30, 2010

TO: Dean Krejci, Financial Services Manager
Mary Bovair, Financial Analyst

FROM: Elaine Vincent, Legislative & Governance Services Manager

SUBJECT: Capital Budget Funding Policy 5320.03 – C (New)

Reference Report:

Financial Services Manager and Financial Analyst, dated November 5, 2010

Resolution:

“**Resolved** that Council of The City of Red Deer having considered the report dated November 5, 2010 from the Financial Services Manager re: Council Policy – Capital Budget Funding Policy 5320.03 – C hereby adopts the policy as presented.”

Report Back to Council: No

Comments/Further Action:

Please ensure that this policy is communicated to the Organization.



Elaine Vincent
Legislative & Governance Services Manager

- c. Lorraine Poth, Director of Corporate Services
Lisa Perkins, Corporate Services Divisional Strategist
John Fluney, Financial Analyst
Michelle Andrews, Corporate Controller
Lisa Francis, Corporate Controller
Lorianne Marshall, Corporate Controller
Joanne Rogers, Corporate Controller
Kim Woods, Policy & Research Coordinator

Submission Request For Inclusion on a Council Agenda

ORIGINAL

Requests to include a report on a Council Agenda must be received by 4:30pm on Monday (5 business days) prior to the scheduled meeting.

PLEASE NOTE: If reports are not received by Monday (5 business days) prior to the scheduled meeting/hearing the report may be moved to the next Agenda.

CONTACT INFORMATION			
Name of Report Writer:	Kim Woods		
Department & Telephone Number:	Corporate Services Directorate – Policy, 8246		
REPORT INFORMATION			
Preferred Date of Agenda:	November 29		
Subject of the Report (provide a brief description)	Capital Budget Polices: revision of 5320 – C and 2 new ones: capital budget contingency 5320.02 - C and funding 5320.03 - C		
Is this Time Sensitive? Why?	Yes – needs to be considered prior to the capital budget meeting on Dec 1		
What is the Decision/Action required from Council?	Approval of revised capital budget policy 5320 and approval of 2 new policies related to original 5320		
Please describe Internal/ External Consultation, if any.	Consultation occurred with LGS: Manager and Deputy City Clerk. Divisional Controllers, Corp Serv Strategist, Financial Controllers		
Is this an In-Camera item?	no		
How does the Report link to the Strategic Plan and other existing Plans & Policies? It is a revision to the outdated capital policy – from 2003			
Has Legal Counsel been consulted? Are there any outstanding issues? Please describe. No – there are no legal issues			
Are there any financial/budget implications? Please describe. Are there other organizational implications? Please describe. Yes – capital budget			
Presentation: (10 Min Max.)	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	Presenter Name and Contact Information: FS Manager
COMMUNITY IMPACT			
Should External Stakeholder(s) be advised of the Agenda item? (e.i. Community Groups, Businesses, Community Associations) If Yes, please provide the Contact Information for the External Stakeholder(s)		<input type="checkbox"/> YES	<input type="checkbox"/> NO
External Stakeholder(s) Contact Information: (please provide, name, mailing address, telephone number and e-mail address)			
FOR LEGISLATIVE & GOVERNANCE SERVICES USE ONLY			
Has this been to CLT / City Manager Briefings/ Committees: MPC, EAC, CPAC (Please circle those that apply)			
CLT	City Manager Briefings	Board(s) / Committee(s)	
When/describe: _____	When/Describe: _____	When/Describe: _____	
Do we need Communications Support?		<input type="checkbox"/> YES	<input type="checkbox"/> NO

Please return completed form, along with report and any additional information to Legislative & Governance Services.

ORIGINAL

DATE: November 5, 2010

TO: Craig Curtis, City Manager

FROM: Dean Krejci, Financial Services Manager
Mary Bovair, Financial Analyst

CC: Lorraine Poth, Corporate Services Director
Lisa Perkins, Corporate Services Divisional Strategist
Kim Woods, Policy & Research Coordinator

SUBJECT: Council Policy:
Capital Budget Policy 5320 – C (revision)
Capital Budget Contingency Policy 5320.02 – C (New)
Capital Budget Funding Policy 5320.03 – C (New)

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Introduction:

The capital budget requirements are outlined within Section 245 and 246 in the Municipal Government Act (MGA). A Council must adopt a capital budget for each calendar year and the contents of the budget are outlined within the new draft copy of the attached Capital Budget Policy 5320 – C.

The following are attached for your consideration:

CURRENT Capital Budget Policy 5320 – C (last revision 2003)
New Draft Capital Budget Policy 5320 – C
New Draft Capital Budget Contingency Policy 5320.02 – C
New Draft Capital Budget Funding Policy 5320.03 - C

Consultation:

The Audit Committee has reviewed all copies of the proposed policies. The policies have also been circulated within the Financial Services Department and to the Division Controllers to be aligned with any administrative processes.

Discussion:

The following is a breakdown of changes from the existing Capital Budget Policy 5320 – C and where the changes are captured or expanded upon within the new polices. There is also some areas that have been removed from the new policies and an explanation is included as to why a particular item was removed:

Section A. Executive Limitations

Current Policy Section	Current Wording	Proposed Policy
<p>Current: Capital Budget Policy 5320 – C:</p> <p>A. Executive Limitations</p>	<p>The City Manager may approve capital Budget transfers to a limit of \$50,000 per project providing the cost of the project does not increase by more than an amount equal to the original budget cost. For capital Budget transfers in excess of \$50,000, the City Manager may transfer funds from budgeted capital projects to other budgeted capital projects subject to:</p> <ol style="list-style-type: none"> the scope of the project remaining the same, and a maximum of \$500,000 per project or 10 percent of the total project costs, whichever is less. 	<p>New Draft: Capital Budget Funding Policy 5320.03 – C:</p> <p><i>1. Transfers between Projects</i> The City Manager may approve cost and funding transfers between capital projects provided:</p> <ol style="list-style-type: none"> The project providing the funding is more than 75% expended, and has a surplus balance and; The project providing the funding and the project receiving the funding have the same funding source and; The amount requested to be transferred is a maximum of \$50,000 and does not increase the receiving projects budget by more than an amount equal to the original budget cost . <p>Departments will complete the 'Capital Budget Funding Transfer' form to route and facilitate the transfer. A budget change, rounded to the nearest thousand, is required for both the funding and the cost amount.</p>

Section B. Guidelines

Current Policy Section	Current Wording	Proposed Policy
<p>Current: Capital Budget Policy 5320 – C:</p> <p>B. Guidelines</p>	<p>1. A 5 Year Capital Plan will be prepared annually.</p>	<p>New Draft: Capital Budget Policy 5320 – C</p> <p><i>1. Adoption of Capital Budget</i> Each Council must adopt a capital budget for each calendar year.</p> <p><i>6. Term of Capital Plan</i> The City will prepare a 'multi-year capital infrastructure plan' covering a minimum period of five years.</p>

<p>B. Guidelines</p>	<p>2. Capital projects spanning more than one budget year will be clearly indicated in the 5 year Capital Plan. Approval of these projects by Council will be considered to include the total cost.</p>	<p>New Draft: Capital Budget Policy 5320 – C 4. <u>Multi-Year Projects</u> <i>A capital project with a completion timeframe of more than one calendar year and with cash flows spanning more than one fiscal year will be highlighted as a multi-year project in the capital plan. The total cost of a multi-year capital project will be considered as part of the current year capital budget.</i></p>
<p>B. Guidelines</p>	<p>3. The financing of capital projects will be as approved by Council as part of the annual budget process.</p>	<p>New Draft: Capital Budget Policy 5320 – C 2. <u>Contents of Capital Budget</u> <i>In accordance with the Municipal Government Act: a capital budget must include the estimated amount for the following:</i> <ol style="list-style-type: none"> a. <i>the amount needed to acquire, construct, remove or improve capital property;</i> b. <i>the anticipated sources and amounts of money to pay the costs referred to in clause (a);</i> c. <i>the amount to be transferred from the operating budget.</i> <i>The contents must also align with the corporate policy: 5324 – CA Capitalization of Tangible Capital Assets</i></p>
<p>B. Guidelines</p>	<p>4. A Capital Projects Reserve will be maintained as a significant source of funding for tax supported major capital projects.</p>	<p>This is not included in any of the proposed policies. It is proposed at this time that a Reserve Management Policy will be developed for council’s consideration in early 2011.</p>
<p>B. Guidelines</p>	<p>5. Significant operating implications of capital projects will be detailed as part of the Capital Budget and will also be included in the applicable Operating Budgets.</p>	<p>New Draft: Capital Budget Policy 5320 – C 5. <u>Operating impacts of capital projects</u> <i>Significant operating implications of capital projects will be detailed as part of the capital budget and will also be included in the applicable operating budgets. If completion of the capital project is deferred the operating impacts must also be deferred.</i> Also, more detail is captured in the new draft Capital Funding Budget Funding Policy 5320.03 – C: Item #2 <u>Project Additions/Deletions</u> <i>Cost and funding changes between the operating budget and capital budget may occur provided the item has already been approved as part of a budget , and:</i> <ol style="list-style-type: none"> a. <i>Where a non-capital item has been approved as part of capital and the actual costs and funding will be</i> </p>

		<p>transferred to operating when the capital review is undertaken, at a minimum on a yearly basis, or;</p> <p>b. Where a capital item has been approved as part of operating and the actual costs and funding will be transferred to capital when the operating review is undertaken, at a minimum on a yearly basis.</p> <p>A budget change is required for both the funding and the cost amount.</p>
B. Guidelines	6. Capital Budget variances will be reported to Council on an annual basis concurrently with the submission of the annual audited report to Council or as soon after as reasonably possible.	<p>New Draft: Capital Budget Funding Policy:</p> <p>8. <u>Report to Council</u></p> <p>All projects affected by this policy must be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.</p>

New Changes and Additions to Council Policy related to Capital Budgets:

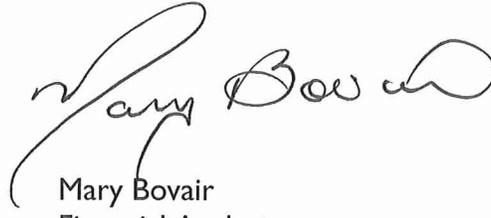
Current Policy Section	Current Wording	Proposed Policy Changes
Current: Capital Budget Policy 5320 – C: General Wording Changes	Current wording in Capital Budget 5320 – C: <i>Capital Plan</i>	Change throughout Draft policies: <i>Multi-Year Capital Infrastructure Plan</i>
Additional Changes	This item not currently contained in current policy	NEW Capital Budget Policy 5320 - C Item #3: <i>The capital budget will include a contingency amount equal to \$200,000. The contingency amount will remain at a maximum amount of \$200,000 per year. The capital budget contingency does not replace any individual project contingency.</i>
Additional changes	New Capital Budget Contingency Policy	New Draft: Capital Budget Contingency Policy: Outlines how unbudgeted capital projects are administered, how funding is accessed and a clear requirement to report to Council. (Please refer to the attached Proposed – Draft Capital Budget Contingency Policy 5320.02 – C)
Additional changes	New Capital Budget Funding Policy	New Draft: Capital Budget Funding Policy: This policy provides guidelines for the administration of funding and the reporting function to Council when necessary. (Please refer to the attached Proposed Policy – Draft Capital Budget Funding Policy 5320.03 – C)

Recommendation:

That Council consider passing a resolution to revise the Council Policy, Capital Budget Policy 5320 – C and to approve two new Council Policies: Capital Budget Contingency Policy 5320.02 – C and Capital Budget Funding Policy 5320.03 – C.



Dean Krejci
Financial Services Manager



Mary Bovair
Financial Analyst

Purpose:

This policy establishes the executive limitations and guidelines for the City Manager relative to the Capital Budget.

Policy Statement(s):

A. Executive Limitations

The City Manager may approve Capital Budget transfers to a limit of \$50,000 per project providing the cost of the project does not increase by more than an amount equal to the original budget cost.

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Authority/Responsibility to Implement:

City Manager

Document History:

Approved: May 6, 2002
Revised: July 28, 2003
Administrative Revision (new template): March 12, 2010

Purpose:

This policy is to set out the requirements and to ensure compliance with the Municipal Government Act as related to the Capital Budget requirements.

Policy Statements:

1. Adoption of capital budget

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2. Contents of capital budget

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Policy Monitoring and Evaluation:

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Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.

Contact / Inquires:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets and Investments area within the Financial Services Department.

Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the City Manager, Director of Corporate Services or designate.

References/Links:

1. MGA Section 245, 246, 248(2)
2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320.02 – C Capital Budget Contingency Policy
4. 5320.03 – C Capital Budget Funding Policy

Document History:

Document History:
Council Resolution Date: May 6, 2002
Council Resolution Revision Date: July 23, 2003
Council Resolution Revision Date:

Purpose:

This policy establishes the executive limitations directed by Council for the City Manager relative to the Capital Budget Contingency.

Policy Statements:

1. Unbudgeted (New) Capital Projects

- a. The City Manager is authorized to approve new projects that were not previously identified to a maximum cost of \$50,000 per project, subject to the availability of funds. Any new projects over this limit must be approved by Council.
- b. The City Manager is authorized to approve new projects, where the total cost of all of the approved new projects, does not exceed the maximum \$200,000 limit. Any new projects after this limit is reached must be approved by Council.

2. Capital Budget Contingency Funding

The capital budget contingency will be funded by existing reserves subject to an available reserve balance or grant funding subject to the requirements and availability of the grant program.

3. Capital Report to Council

Capital projects based on this policy will be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.

Policy Monitoring and Evaluation:

The Capital Budget Contingency Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.

Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.

Inquiries/Contact Person:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets & Investments area within the Financial Services Department.

Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the Director of Corporate Services or delegate.

References/Links:

1. MGA Section(s) 245, 246, 248(2)
2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320 – C Capital Budget Policy
4. 5320.03 – C Capital Budget Funding Policy

Document History:
Council Resolution Date:
Council Resolution Revision Date:

Purpose:

This policy is to provide guidelines for the administration of the capital budget funding and subsequent reporting of: transfers, cancellations, additions, deferrals, funding source changes or the completion of capital projects.

Policy Statements:

1. Transfers between Projects

The City Manager may approve cost and funding transfers between capital projects provided:

- a. The project providing the funding is more than 75% expended, and has a surplus balance and;
- b. The project providing the funding and the project receiving the funding have the same funding source and;
- c. The amount requested to be transferred is a maximum of \$50,000 and does not increase the receiving projects budget by more than an amount equal to the original budget cost .

Departments will complete the 'Capital Budget Funding Transfer' form to route and facilitate the transfer. A budget change, rounded to the nearest thousand, is required for both the funding and the cost amount.

2. Project Additions/Deletions

Cost and funding changes between the operating budget and capital budget may occur provided the item has already been approved as part of a budget, and:

- a. Where a non-capital item has been approved as part of capital and the actual costs and funding will be transferred to operating when the capital review is undertaken, at a minimum on a yearly basis or;
- b. Where a capital item has been approved as part of operating and the actual costs and funding will be transferred to capital when the operating review is undertaken, at a minimum on a yearly basis.

A budget change is required for both the funding and the cost amount.

3. Project Cancellation

- a. Projects that are cancelled will return any excess funding to the original funding source within 30 calendar days.
- b. Departments will supply an explanation for the cancellation

4. Project Deferral Limitation

Budgeted projects that have not been completed within four years of the last budgeted expenditure require the following action:

- a. If total expenses are within 0% - 25% of the total approved expenses the unused funding will be returned to the original funding source(s) in the same proportion as the funds were applied. The job will be closed and if the project is a requirement in the future a new request must be submitted for Council approval. Departments will supply an explanation for the deferral.
- b. If total expenses are within 26% - 50% of the total approved expenses the department will write a report explaining the project expenses to date and the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.
- c. If the total expenses are within 51% - 99.99% of the total approved expenses the department will write a report outlining the plans for completing the project. The department will suggest a recommendation to Council for approval and resulting action.

5. Funding Source Change

Funding source changes may occur within the capital budget provided:

- a. The funding change is the result of a discrepancy between the submitted 'capital budget detail' and the 'capital budget infrastructure plan' which requires correction.
- b. The funding change is the result of the capital project being ineligible for the original noted funding source.
- c. The funding change is the result of the original funding source becoming unavailable.

- d. The funding change is the result of information which makes a different funding source more feasible.

If the funding source is changed the original funding will be returned to it's original source within 30 calendar days.

Funding source changes must be communicated in written format between Financial Services and the relevant department.

6. Completed Projects:

- a. Completed projects with a surplus balance, after transfers, will have the excess funding returned to the original funding source(s).
- b. Completed projects with a deficit balance, after transfers, will have additional funding requested through Council approval.

7. Required Information

All information required, as noted in this policy, should be forwarded to the Budgets & Investments Financial Analyst(s) in Financial Services for compilation into the report to Council.

8. Report to Council

All projects affected by this policy must be reported to Council on an annual basis concurrent with the submission of the annual audited report to Council or as soon after as possible.

Policy Monitoring and Evaluation:

The Capital Budget Funding Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.

Scope/Application:

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2. 5324-CA Capitalization of Tangible Capital Assets Policy
3. 5320 – C Capital Budget Policy
4. 5320.02 – C Capital Budget Contingency Policy
5. 5322 – CA Use of Construction Financing for Capital Projects
6. Capital Budget Funding Transfer Form
7. Unbudgeted (New) Capital Projects Form

Document History:
Council Resolution Date:
Council Resolution Revision Date:

AUDIT COMMITTEE

DATE: October 4, 2010
TO: City Council
FROM: Audit Committee
SUBJECT: Council Policy 5320 – C – Capital Budget Policy
Council Policy 5320.02 – C – Capital Budget Contingency Policy
Council Policy – Capital Budget Funding Policy

mailed
Mary B -
Council or not
Nov 1-10.

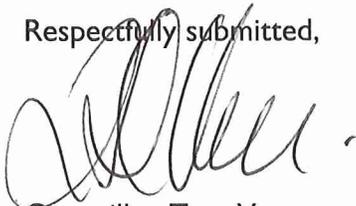
At the October 4, 2010 meeting of the Audit Committee, the Audit Committee reviewed the Capital Budget Policy, the Capital Budget Contingency Policy and the Capital Budget Funding Policy. After review the Audit Committee introduced and passed the following motion:

“Resolved that the Audit Committee having reviewed the Capital Budget Policy, the Capital Budget Contingency Policy and the Capital Budget Funding Policy hereby forwards the policies to Council for approval.”

MOTION CARRIED

The above is submitted for Council’s approval.

Respectfully submitted,



Councillor Tara Veer
Chairperson, Audit Committee

cc: M. Andrew, Corporate Controller
D. Krejci, Financial Services Manager

Bev Greter

From: Kim Woods
Sent: Tuesday, November 16, 2010 10:34 AM
To: Bev Greter
Cc: Lisa Perkins; Mary Bovair
Subject: Capital Budget Documents

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Attachments: 1041184 - 2010 DRAFT 5320 - C Capital Budget Policy - 5.DOC; 1041183 - 2010 DRAFT5320.02 - C Capital Budget Contingency Policy - 5.DOC; 1041155 - 2010 DRAFT 5320.03 - C Capital Budget Funding Policy - 4.DOC

Hi Bev:

These are the draft policies – as per our conversation these are draft at this point, these will provide you with a discussion point with Craig on Friday.

I will forward you the report and FINAL policies for the agenda, please provide me with the date that you require the final copies for agenda production. These must be on the November 29th Council Agenda in order to meet requirements for the Capital Budget Council meeting.

Thank you,

Kim

Kim Woods Policy & Research Coordinator
Corporate Services, The City of Red Deer
Phone: 403.342.8246
Email: kim.woods@reddeer.ca
Website: [The City of Red Deer](http://www.reddeer.ca)

11/16/2010

Bev Greter

From: Christine Kenzie
Sent: Friday, October 15, 2010 3:34 PM
To: Joni Baillie
Cc: Lorraine Poth; Bev Greter
Subject: RE: Report to Council - REquest for due date

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

The Audit Committee -- reviewed the Operating Variance Report for April 30th and June 30th --- also the Capital Budget Policy, Capital Budget Contingency Policy and Capital Budget Funding Policy --- not sure when these will be coming to Council?

The other item outstanding is the report back to Council regarding the review related to self insurance --- it was to come to the first regular Council Meeting after the November 1, 2010 Org Meeting. I have a note here that this might be coming for the November 15th Council Meeting (from Dean K.).

I believe that is all that I have on my "radar" right now.

Christine Kenzie | Corporate Meeting Coordinator
Legislative & Governance Services | The City of Red Deer
D 403.356.8978 | F 403.346.6195
christine.kenzie@reddeer.ca

From: Joni Baillie
Sent: October 15, 2010 3:26 PM
To: Christine Kenzie
Subject: Report to Council - REquest for due date

Hi,

Lorraine thinks a report on Insurance (from Finance) is to come to Council. When you have minute, could you please let me know if and when that is?

Thanks,

Joni Baillie
Divisional Coordinator
Corporate Services
The City of Red Deer

403-309-8489 (p)
403-346-6195 (f)

Joni.baillie@reddeer.ca

Nov. 15. ??

Bev Greter

From: Mary Bovair
Sent: Monday, October 25, 2010 8:00 AM
To: Bev Greter
Subject: RE: Capital Budget Policies

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev

These policies will not be ready for the Nov 1 Council Agenda

Mary G. Bovair
Phone: 403-309-8452

From: Bev Greter
Sent: October 22, 2010 4:45 PM
To: Mary Bovair
Subject: Capital Budget Policies

Hi Mary,

Just compiling items for the November 1, 2010 Council Agenda. Will the above item be coming for this meeting and if so, we will need any back up reports for inclusion in the agenda by noon on Monday, October 25.

Thanks,
Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

Bev Greter

From: Bev Greter
Sent: Friday, October 22, 2010 4:45 PM
To: Mary Bovair
Subject: Capital Budget Policies

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

Hi Mary,

Just compiling items for the November 1, 2010 Council Agenda. Will the above item be coming for this meeting and if so, we will need any back up reports for inclusion in the agenda by noon on Monday, October 25.

Thanks,
Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

Christine Kenzie

From: Mary Bovair
Sent: August 20, 2010 10:20 AM
To: Frieda McDougall; Lorraine Poth
Cc: Kim Woods; Lisa Perkins; Christine Kenzie; John Fluney; Lorianne Marshall; Michelle Andrew
Subject: RE: Draft Capital Budget Policy

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

Frieda

Lorraine has indicated she would like this policy brought forward to Council before elections. I was not aware I had to prepare a report for Council's consideration. I am coping John/Lorianne as that is probably something the (Acting) Controller should do.

Thank you for forwarding the policies to Kim, Lisa and Christine for their review. It was my intention to do so once the audit committee had a chance to review as they may make major changes to it.

Kim – Will you be making changes/suggestions before these draft polices are brought to Audit Committee?

Mary G. Bovair
Phone: 403-309-8452

From: Frieda McDougall
Sent: August 20, 2010 7:50 AM
To: Mary Bovair
Cc: Kim Woods; Lisa Perkins; Christine Kenzie
Subject: RE: Draft Capital Budget Policy

Hi Mary. Do you have a specific time frame in which you want these brought to Council? I've asked Kim Woods to review them from a policy perspective and provide her comments and want to make sure we meet any of your requirements. Also, are you preparing a report for Council's consideration outlining the purpose for these policies? Thanks.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Mary Bovair
Sent: August 19, 2010 2:19 PM
To: Frieda McDougall; Lorraine Poth
Cc: Michelle Andrew; John Fluney; Lorianne Marshall
Subject: Draft Capital Budget Policy

For Sept 20th
Council mtg?
↳ Maybe Oct 4th?
→ need to present to
Audit Committee
First Sept 19/2010

As requested I am submitting a draft update to policy no. 5320 – Capital Budget Policy.

I actually ended up drafting two policies: Capital Budget Policy and the Capital Budget Contingency Policy. The Capital Budget Policy should be discussed first as it then leads into the contingency policy.

I have also included a backgrounder document providing some information and explaining the reasons for the new policies. Most of the backgrounder was drafted in 2007 so made it possible to provide this information in such a timely fashion.

The organization bylaw that is being drafted also mentions spending money for emergencies that are not in a budget. This item (11.3.) in the bylaw could cover both operating and capital expenses with a dollar limit of up to \$500,000 for each expenditure. There is also a requirement of a subsequent report to Council on the implications of those expenditures.

The dollar limit presents a problem as it is only \$100,000 in the contingency policy. Please be cognizant of the similar requirements as well as the discrepancies when discussing these items with the Audit Committee.

Michelle I will provide you with a new draft copy prior to going to the Audit Committee on August 30, 2010.

<< File: August 18, 2010 Capital Budget Policy (Council Policy) WIP.doc >> << File: August 18, 2010 Capital Budget Adjustment Policy (Council Policy) WIP.doc >> << File: August 18, 2010 Capital Budget Policy (Council Policy Backgrounder) WIP.doc >>

Mary G. Bovair

The City Of Red Deer
Financial Analyst
Phone: 403-309-8452
Email: mary.bovair@reddeer.ca

Christine Kenzie

From: Frieda McDougall
Sent: August 21, 2010 11:28 AM
To: Christine Kenzie
Subject: FW: Draft Capital Budget Policy

Follow Up Flag: Follow up
Flag Status: Red

Attachments: August 18, 2010 Capital Budget Policy (Council Policy) WIP.doc; August 18, 2010 Capital Budget Adjustment Policy (Council Policy) WIP.doc; August 18, 2010 Capital Budget Policy (Council Policy Backgrounder) WIP.doc

May be coming to Council after review by the Audit committee.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Mary Bovair
Sent: August 19, 2010 2:19 PM
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August 18, 2010
Capital Budget...

Mary G. Bovair

**Community Services**

DATE: November 18, 2010
TO: Craig Curtis, City Manager
FROM: Dean Scott, Crime Prevention Coordinator
SUBJECT: Crime Prevention Advisory Committee Update

History

The Crime Prevention Advisory Committee (CPAC) began meeting in April of 2009, and since its inception, has had several issues referred to them to review and provide recommendation.

One of the early issues referred to the committee was the petition to change the curfew bylaw. The process of reviewing the issue proved to be a valuable learning experience for the committee with regard to the varied issues surrounding the use of a curfew bylaw, the available community resources related to those issues, and the importance of understanding and addressing social issues as part of effective crime prevention.

The CPAC has continued to make it a priority to learn about existing crime prevention resources in our community and about potential crime related issues that the community may face.

In September 2010 the committee held a workshop to determine issues of importance and areas they would like to focus on for the remainder of the year and into the early new year.

Discussion

One of the outcomes of the workshop was that the committee decided that they would like to submit a report to Council each year that summarizes the work they have done and allows CPAC an opportunity to bring forward any trends or concerns related to crime prevention that they have identified.

Subsequently, a request was made to present a summary at the November 29 council meeting.

Recommendation

This summary report is for Council information only and does not require a specific response or decision.



Dean Scott
Crime Prevention Coordinator

Crime Prevention Advisory Committee (CPAC)

2009- 2010 Summary

October 12, 2010

CPAC is pleased to submit this Report to City Council to keep you informed of what is happening in Red Deer with respect to Crime Prevention.

CPAC was formed in April 2009. Originating Members decided to be a “hands on” Committee as it was felt that in order to establish a more in depth understanding of what is happening in Red Deer, with respect to Crime and Crime Prevention, we needed to interact with programs, agencies and services currently working towards creating a safe community.

We determined that CPAC would meet monthly, excluding July. We arrange for presentations from programs, agencies and services at almost all of our meetings. Members agreed to an additional yearly time commitment of six program, agency visits and six community events or opportunities to speak with residents one on one.

We have heard presentations from:

Dawna Morey (211 update), Central Alberta Sexual Assault Team, Citizens’ On Patrol, DRVIC, Northwood Estates Neighbourhood Watch Committee, Crime Prevention Through Environmental Design, Block Party Guide, POWER Youth Initiative, RCMP Domestic Crime Unit, RCMP Street Team, Social Planning, Youth Voice.

Agencies, programs & services we have had the opportunity to visit:

49th Street Youth Shelter, CAANS, Remand Centre, Safe Harbour Society, Native Friendship Centre, Street Ties, SAOCC – Southern AB Operational Communication Centre.

CPAC would like to recognize the many programs, agencies and services that have shared their passion and dedication with us. The communication between all of the different groups is inspirational. CPAC has noted that the clients are the benefactors of this collaboration as the dedication from these groups means that clients receive the service they need and during the process they are treated with great dignity and respect - even if it means that one Agency has to refer and walk a client over to another agency. These not-for-profit groups identify funding as the biggest barrier to delivering their programs or services.

Community Events Attended to speak with residents:

Town Halls * since CPAC has been involved:

North Hill Inn (May 2009), Notre Dame (Oct 2009), Kentwood Alliance Church (May 2010)

- The Town Halls gives Superintendent Brian Simpson an opportunity to speak with residents and allows CPAC to gather information about concerns or issues in neighbourhoods and the City at large.

The Market on Saturdays: June 09, June 10, August 10

- This event allows residents to meet CPAC members to share ideas or concerns with respect to crime and crime prevention.

CPAC identified that there was a need to provide residents with a quick reference of program phone numbers including the RCMP and the City. We worked with Communications to design a new “Crime Prevention Magnet”. We gave out all 500 magnets at our community events this year. They were really well received and we hope to have a second version printed for the coming year.

Recommendations we Provided:

1. We provided a recommendation to City Council to change the Curfew Bylaw. This was a community driven initiative that was started by a petition and we were asked to consider the options. We researched and discussed this issue for a total of 4 months and feel that we arrived at a well thought-out and appropriate recommendation. Administration is currently following up on our recommendations to bring it back to Council for further consideration.

Crime Prevention Advisory Committee (CPAC)
2009- 2010 Summary
October 12, 2010
PAGE 2

- a. From our research, CPAC was able to identify a deficiency in free or low-cost youth programming after school and early evenings. The new POWER Youth Initiative will address some of these deficiencies but there must still be consideration given to provide more program options city wide.
- b. CPAC was alarmed to hear that the Youth Mats Program saw up to 10X more youth than what they had expected would use the program signifying there are more youth in crisis than those who had already been identified prior to the winter program.

Looking forward to 2011

Crime Prevention Centre

There are several Crime Prevention Programs looking at the possibility of sharing resources in a new “Crime Prevention Centre”. Leading this initiative is Crime Stoppers, Neighbourhood Watch, MADD and COPs. CPAC members are supportive of this collaboration and we will continue to get updates on their progress.

CPAC Collaboration with SAFE

Residents still express that they do not feel safe in our Downtown. The areas they identify are near the bars, social agencies and low-income housing. The SAFE Downtown Initiatives Task Force was started this past year to address concerns and safety issues related to the Downtown Core. The Mayor will be attending the November CPAC meeting to discuss how CPAC can work more closely with SAFE on the concerns identified by both committees.

Let’s Talk 2011

CPAC has been approved to participate in “Let’s Talk” in 2011. We look forward to this opportunity to speak with residents.

In Conclusion

CPAC Members held a workshop this past September and were able to clarify some of our roles and focus for the coming year. We are pleased to report that we now have a process in place for dealing with concerns or issues that are brought to our attention to ensure that Red Deerians voices are heard and responded to in a timely manner.

Although our focus is specific to Crime Prevention, we have not restricted our direction while seeking solutions. Crime Prevention has many different dimensions to it and we recognize that people, design (CPTED), policing, programs, social agencies, services, initiatives that address root causes, youth programming, and the building of connected, strong neighbourhoods are part of the diversity that make up the field of Crime Prevention.

CPAC Members wish to thank City Council for creating our Committee and allowing us the freedom to explore what Crime Prevention can be for the City of Red Deer. The support of Staff and Administration is appreciated. We look forward to a busy year.

TerryLee Ropchan
Chair
Crime Prevention Advisory Committee

Comments:

I appreciate the presentation from the Crime Prevention Advisory Committee as it provides a great opportunity to hear from the Council Committees.

“Craig Curtis”
City Manager

ORIGINAL



Community Services

DATE: November 18, 2010
TO: Craig Curtis, City Manager
FROM: Dean Scott, Crime Prevention Coordinator
SUBJECT: Crime Prevention Advisory Committee Update

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**Crime Prevention Advisory Committee (CPAC)
2009- 2010 Summary
October 12, 2010**

ORIGINAL

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Crime Prevention Advisory Committee (CPAC)
2009- 2010 Summary
October 12, 2010
PAGE 2

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TerryLee Ropchan
Chair
Crime Prevention Advisory Committee

Sent: Wednesday, October 13, 2010 9:02 AM
To: 'ttropchan@telus.net'
Cc: Dean Scott; Joey Leslie
Subject: CPAC

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

Hi TerryLee. Joey shared a couple of the discussion points from your meeting last night and I'd like to provide a few comments, as follows:

 The annual report can be presented to Council at its meeting of Monday, November 29. We'll provide for you to have 10 minutes to present it as information. Dean – you will need to present a cover memo by November 15 to introduce the report on the agenda

 I have cards available for your use – at Joey's desk

 Understanding the role of SAFE versus CPAC - Council is undertaking a comprehensive review of committees, their role and functions, in April 2011. We would prefer if you would defer having this discussion until after this workshop. At that time, LGS would be happy to attend and offer clarity/direction.

Let me know if you have any questions.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
rieda.mcdougall@reddeer.ca



This e-mail is intended for the original recipient(s) only. If you have received it in error, please advise the sender and delete this message.

Bev Greter

From: Frieda McDougall
Sent: Monday, November 08, 2010 12:00 PM
To: Bev Greter
Subject: FW: CPAC
Here's the background.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Troy & TerryLee Ropchan [mailto:ttropchan@telus.net]
Sent: October 13, 2010 10:05 AM
To: Frieda McDougall
Cc: Dean Scott
Subject: FW: CPAC

Hi Frieda,

Thank you for a time line for our annual report. We will be ready.

Thank you VERY much for the cards. Dean, are you okay if I come by and pick them up? Or was this something you wanted to do? Let me know. The conversation from the Committee was that they thought it would be nice to be signed by the Chair.

Love 9th Meeting with Morris. I think there is a bit of confusion as to what the purpose is – we had a lengthy discussion during our workshop about this that Joey was not at so I perhaps should have been a bit more clear. We will be submitting some questions to Morris ahead of time so he has time to prepare as well.

PAC Chair sits on SAFE. We have been given ownership of some tasks for projects that SAFE is dealing with. We will be discussing our roles or better worded – what the expectations are of CPAC to contribute to these projects/tasks. They include Policing Issues, Late Night Crime and a downtown Residential Strategy including Crime Free Multi-Housing.

The actual roles of the Committees will not be the focus and yes, agreed that if anything changes with respect to our roles after Council assess the different committees then we can have LGS come in and clarify or answer any questions.

Thanks Frieda.
TerryLee

From: Frieda McDougall [mailto:Frieda.McDougall@reddeer.ca]

1/8/2010

[This message has been scanned for security content threats and viruses.]

[The City of Red Deer I.T. Services asks that you please consider the environment before printing this e-mail.]



Legislative & Governance Services

DATE: November 22, 2010
TO: City Manager
FROM: Legislative & Governance Services Manager
SUBJECT: Council Retreat

Retreat:

- a. The act or process of withdrawing
- b. A place affording peace, quiet, privacy, or security
- c. A period of seclusion, retirement, or solitude.

Background

Over the past 10+ years, Council has set aside two days twice every year in which to 'retreat'. The purpose of a retreat is to set aside other work and responsibilities and dedicate two days to focus on topics as identified by Council. Most retreats have been held outside of Red Deer and have involved either one or two nights of accommodation away from home. However, the last retreat was held within The City with participants returning home each night.

Discussion

There seems to be consensus that retreats are valuable and aid Council in working through various issues/initiatives/topics as well as supporting the ongoing relationships between Council members. The structure and location of retreats however has been a topic of debate. Some members dislike the financial costs of holding a retreat out of town and prefer an in town function. The differences in cost between an in town retreat and an out of town retreat are the costs for mileage and hotels, approximately \$1,800 per retreat event. Other members feel that the retreat loses focus and importance when people return home at the end of each day. Additionally, it has been identified that during an in-town retreat, members more frequently get pulled away by work/personal/other council activities simply because of member availability.

Recommendation

Council's direction is requested.

Elaine Vincent, Manager
Legislative & Governance Services

Comments:

Council direction is requested for this item.

“Craig Curtis”
City Manager

DATE: November 30, 2010
TO: Frieda McDougall, Deputy City Clerk
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Council Retreat

Reference Report:

Legislative & Governance Services, dated November 22, 2010

Resolutions:

“Resolved that Council of The City of Red Deer having considered the report dated November 22, 2010 from the Legislative & Governance Services Manager re: Council Retreats, hereby agrees that the Spring 2011 Council Retreat be held out of town requiring an overnight stay.”

“Resolved that Council of The City of Red Deer having considered the report dated November 22, 2010 from the Legislative & Governance Services Manager re: Council Retreats, hereby directs that Administration having heard the discussion of Council develop a draft Policy for Council’s consideration with respect to Council Retreats, with the expectation that all members of Council attend and be fully present, and that:

1. One Council Retreat annually will be held within the city and at city facilities; and
2. One Council Retreat annually will be held out of town requiring an overnight stay.”

Report Back to Council: Yes

Comments/Further Action:

Administration is to develop a draft Policy for Council’s consideration with respect to Council Retreats including aspects such as travel, accommodation, cell phones; attendance and use of facilitators.



Elaine Vincent
Legislative & Governance Services Manager

c Kim Woods, Policy Coordinator
Corporate Meeting Coordinator

Legislative & Governance Services

DATE: November 22, 2010
TO: City Manager
FROM: Legislative & Governance Services Manager
SUBJECT: Council Retreat

Retreat:

- a. The act or process of withdrawing
- b. A place affording peace, quiet, privacy, or security
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Recommendation

Council's direction is requested.



Elaine Vincent, Manager
Legislative & Governance Services

Legislative & Governance Services

DATE: October 26, 2010
TO: City Council
FROM: Legislative & Governance Services Manager
SUBJECT: Council Retreat

Retreat:

- The act or process of withdrawing
- A place affording peace, quiet, privacy, or security
- A period of seclusion, retirement, or solitude.

Background

Over the past 10+ years, Council has set aside two days ^{twice} every year in which to 'retreat'. The purpose of a retreat is to set aside other work and responsibilities and dedicate two days to focus on topics as identified by Council. Most retreats have been held outside of Red Deer and have involved either one or two nights of accommodation away from home. However, the last retreat was held within The City with participants returning home each night.

Discussion

There seems to be consensus that retreats are valuable and aid Council in working through various issues/initiatives/topics as well as supporting the ongoing relationships between Council members. The structure and location of retreats however has been a topic of debate. Some members dislike the financial costs of holding a retreat out of town and prefer an in town function. Other members feel that the retreat loses focus and importance when people return home at the end of each day. Additionally, it has been identified that during an in-town retreat, members more frequently get pulled away by work/personal/other council activities simply because of member availability.

Recommendation

Council's direction is requested.

Elaine Vincent

Elaine Vincent, Manager
Legislative & Governance Services

*Incremental
Cost
10 hotel rooms
@
travel.
4 cars.*



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Municipal Reserve Over Dedication in Clearview North

Background

On March 12, 2010 Council passed the following resolution:

“**Resolved** that Council of the City of Red Deer having considered the report from the Land and Economic Development Manager, dated March 12, 2010 re: Option to Purchase 3.59 Ha, more or less, being Parts of Lots 1, 2, and 67th Street Road Right of Way in Plan 892 3245, delegates the authority to the City Manager to approve the terms and conditions and to enter into a long term option agreement to sell surplus road right of way being part of Plan 892 3245.”

Council has now been provided with a Confidential Report dated November 23, 2010 from Howard Thompson, Land & Economic Development Manager re: Municipal Reserve Over Dedication in Clearview North. The details contained in the report will remain confidential under the provisions of the Freedom of Information & Protection of Privacy Act.

Recommendation

That Council directs the City Manager to enter into a land swap agreement as presented In Camera on November 29, 2010.

Elaine Vincent
Manager

Comments:

I support the recommendation of Administration.

“Craig Curtis”
City Manager

DATE: November 30, 2010
TO: Howard Thompson, Land & Economic Development Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Municipal Reserve Over Dedication in Clearview North

Reference Report:

Land & Economic Development Manager dated November 23, 2010

Resolution:

“Resolved that Council of The City of Red Deer having considered the report dated November 24, 2010 from Legislative & Governance Services and the In Camera report dated November 23, 2010 from the Land & Economic Development Manager re: Municipal Reserve Over Dedication in Clearview North hereby directs the City Manager to enter into a land swap agreement as presented In Camera on November 29, 2010.”

Report Back to Council: No



Elaine Vincent
Legislative & Governance Services Manager

c. Paul Meyette, Director of Planning Services

FILE COPY

DATE: November 30, 2010
TO: Howard Thompson, Land & Economic Development Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Municipal Reserve Over Dedication in Clearview North

Reference Report:

Land & Economic Development Manager dated November 23, 2010

Resolution:

“**Resolved** that Council of The City of Red Deer having considered the report dated November 24, 2010 from Legislative & Governance Services and the In Camera report dated November 23, 2010 from the Land & Economic Development Manager re: Municipal Reserve Over Dedication in Clearview North hereby directs the City Manager to enter into a land swap agreement as presented In Camera on November 29, 2010.”

Report Back to Council: No



Elaine Vincent
Legislative & Governance Services Manager

c. Paul Meyette, Director of Planning Services

ORIGINAL



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Municipal Reserve Over Dedication in Clearview North

Background

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Council has now been provided with a Confidential Report dated November 23, 2010 from Howard Thompson, Land & Economic Development Manager re: Municipal Reserve Over Dedication in Clearview North. The details contained in the report will remain confidential under the provisions of the Freedom of Information & Protection of Privacy Act.

Recommendation

That Council directs the City Manager to enter into a land swap agreement as presented In Camera on November 29, 2010.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: IBEW Negotiations

Background

Council has been provided In-Camera with information relating to negotiations with IBEW. The recommendations contained in the report will remain confidential under the provisions of the Freedom of Information & Protection of Privacy Act which provides that:

- 24(1) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected reveal
- (a) Advice, proposals, recommendations, analyses or policy options developed by or for a public body
 - (b) consultations or deliberations involving
 - i. officers or employees of a public body
 - (d) plans relating to the management of personnel or the administration of a public body that have not yet been implemented

Recommendation

That Council endorses the recommendations of the Human Resources Manager dated November 29, 2010 re: IBEW Mandate as contained in the report submitted.

Elaine Vincent
Manager

Comments:

I support the recommendation of Administration.

“Craig Curtis”
City Manager

FILE COPY

DATE: November 30, 2010
TO: Kristy Svoboda, HR Team Leader – Consulting & Labour Relations
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: IBEW Negotiations

Reference Report:

Legislative & Governance Services, dated November 29, 2010

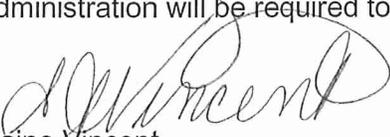
Resolution:

“Resolved that Council of The City of Red Deer having considered In Camera report from the Human Resources Manager re: IBEW Negotiations hereby approves the recommendations of the Human Resources Manager contained in the in-camera report as presented to Council on November 29, 2010.”

Report Back to Council: Yes

Comments/Further Action:

Administration will be required to bring back for Council’s ratification the negotiated IBEW agreement.


Elaine Vincent
Legislative & Governance Services Manager

- c. Human Resources Manager
Corporate Meeting Coordinator

ORIGINAL



DATE: November 24, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: IBEW Negotiations

Background

Council has been provided In-Camera with information relating to negotiations with IBEW. The recommendations contained in the report will remain confidential under the provisions of the Freedom of Information & Protection of Privacy Act which provides that:

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 - i. officers or employees of a public body
 - (d) plans relating to the management of personnel or the administration of a public body that have not yet been implemented

Recommendation

That Council endorses the recommendations of the Human Resource Manager dated November 29, 2010 re: IBEW Mandate as contained in the report submitted.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager

**ELECTRIC LIGHT & POWER DEPARTMENT**

DATE: November 22, 2010
TO: Craig Curtis, City Manager
FROM: Ligong Gan, Electric Light & Power Manager
RE: Revision to Distribution Tariff Effective January 1, 2011

PURPOSE

The Electric Light & Power department is requesting Council's approval of revisions to the Distribution Tariff, Appendix A, Electric Utility Bylaw No. 3273/2000, effective January 1, 2011.

Specifically, the EL&P department submits the following three separate adjustments to the Distribution Tariff for all customer classifications.

1. Appendix A – Distribution Tariff

An average increase of 5.5% to the Distribution Tariff to recover increased operating cost forecasted for 2011, effective January 1, 2011

2. Appendix A – Balancing Pool Allocation

A Balancing Pool Allocation at \$0.00207 per kWh, effective January 1, 2011

3. Appendix A – Local Access Fee

An increase to the Local Access Fee from 31% (2010 level) to 32% for 2011, effective January 1, 2011

BACKGROUND

The EL&P department, as the operator of the electric distribution system in Red Deer, recovers its cost of operating and maintaining the utility system through its Distribution Tariff ("DT"), which is regulated and approved by City Council. The provincial **Distribution Tariff Regulation** (AR 254/2007) and **Billing Regulation** (AR 159/2003) require that end-use utility bills include the following charge components separately in a DT.

- System Access Charge ("**SAC**") to recover the cost of accessing the provincial transmission grid. This is a charge from the Alberta Electric System Operator ("**AESO**") as the provincial Transmission Administrator.
- Distribution Access Charge ("**DAC**") to recover costs of owning and operating the local

distribution infrastructure. This is the money required to maintain, operate, repair and expand the local electric distribution system.

- Local Access Fee (“**LAF**”), a charge levied by a municipality to the electric utility as a franchise fee for the exclusive rights for utility services.
- Balancing Pool Allocation (“**BP Allocation**”), a charge or refund levied by the Alberta Balancing Pool to all electricity consumers in Alberta.
- Rate Riders (“**Rider**”) to recover extremely volatile costs and prevent significant working capital fluctuations. Currently, Red Deer’s DT does not have any rate riders.

In the submission to Council on November 10, 2006 for rate adjustment, EL&P proposed to align EL&P’s DT cycle with the AESO tariff cycle on a go-forward basis. Doing so would minimize working capital requirement and may avoid rate riders. This means that EL&P’s distribution tariffs will be commenced on January 1 of each year as AESO’s tariff runs on a calendar year basis. This alignment, however, requires EL&P to file rate applications with Council before completion of the process of budget debate and discussions. Since November 10, 2006, EL&P has been following this approach to setting rates.

1. INCREASE IN DISTRIBUTION TARIFF

The EL&P Department’s 2011-2013 operating budget has gone through internal discussions with the City Manager and will soon be presented to Council for final approval. The department anticipates a total cost increase of approximately **\$1,776,000** for 2011 to the operating cost. The following table presents the major cost drivers and their magnitude.

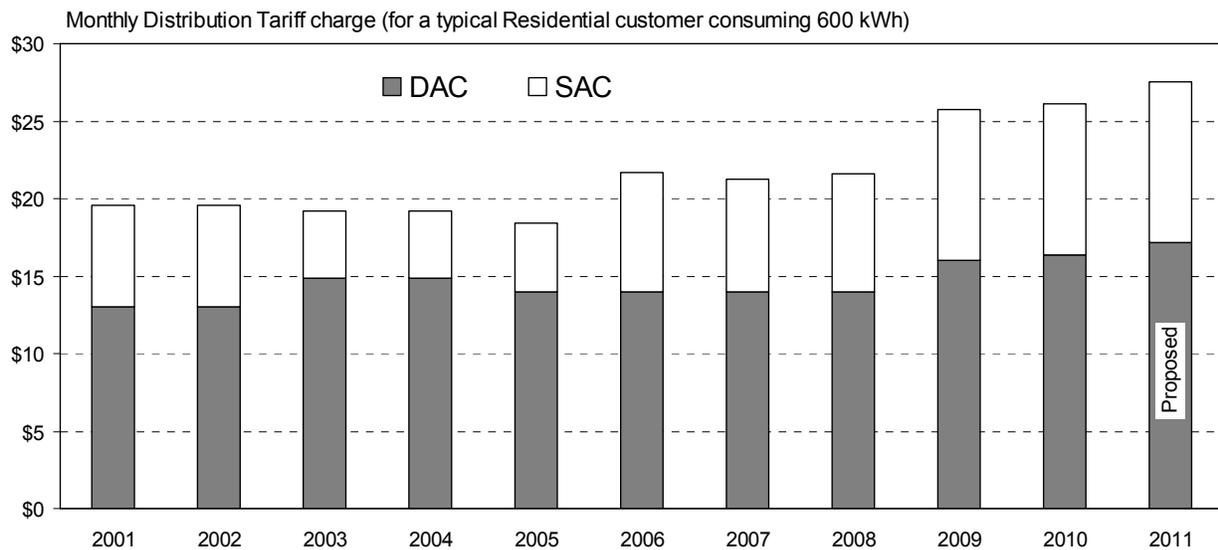
Table 1. EL&P department’s 2011 major cost drivers

Items	Increase \$000	Note
Increased Cost		
AESO transmission charge increase	\$781	AESO charge to use transmission system
Increase in distribution cost	\$1,515	Cost increase to operate local distribution
TOTAL COST INCREASE	\$2,296	
Increased Revenue		
Load growth	\$324	1% growth in consumption volume
Transmission Facility Owner (TFO) tariff recovery from AUC	\$141	EL&P’s transmission assets are regulated by Alberta Utilities Commission (AUC)
Other income (e.g. interest income)	\$55	Other revenue increases
TOTAL REVENUE INCREASE	\$520	
Net increase to cost	\$1,776	Equivalent to rate increase of 5.5%

This net increase in cost, \$1,776,000, is equivalent to increasing the DT by 5.5%. This increase can be broken down into the following components.

Component	Increase %
System Access Charge (SAC)	2.4%
Distribution Access Charge (DAC)	3.1%
TOTAL	5.5%

The following graph shows the DT charge history between 2001 and 2010 for the Residential rate class. A large increase in DT charge occurred in 2009 when the provincial transmission charge went up significantly.



Note: **SAC** = AESO transmission charge for accessing the provincial transmission system
DAC = EL&P cost to operate and maintain the City's local distribution system

The SAC component accounts for 35% to 40% of the total revenue requirement of the EL&P department, and is for the purpose of recovering our share of the regulated costs of building and maintaining the provincial transmission grid to deliver electricity to customers. The government's policy requires that the transmission costs be recovered through a postage stamp rate, which means that the rate charged for using the transmission system is the same for every customer in Alberta regardless of where the customer is located. Each month, EL&P pays transmission charges to the AESO for all the Red Deer loads. EL&P then recovers these AESO transmission charges through the SAC component within its Distribution Tariff.

Each year, EL&P predicts the following year's transmission cost as part of its budget process. Many factors are taken into consideration in the transmission cost forecast, including load growth (both local and provincial) and the long-term trend of power pool prices.

The DAC charge is for the purpose of recovering the cost of operating and maintaining the local distribution system. The department anticipates cost increases for 2011 which are briefly described as follows.

- **Debt interest payment.** The EL&P department's asset base continues to grow as a result of direct capital as well as allocated capital. The new Civic Yards, commissioned in early 2009, has increased the capital base of the department. Electric customers are required to pay for a share of this facility.
- **Depreciation expenses.** As the EL&P asset base expands, the depreciation expense increases as well.
- **Operating and maintenance.** EL&P forecasts an increase for 2011 to operate and maintain the distribution system. The aging distribution assets require increased level of maintenance and EL&P has proposed a number of maintenance projects for 2011.

2. BALANCING POOL ALLOCATION

The Alberta Balancing Pool ("BP") was established in 1998 by the provincial government and was mandated to ensure the benefits (or losses) associated with the formerly regulated generating capacity are retained (or paid) by customers in Alberta on a go-forward basis. The BP plays a number of roles in the deregulated electricity market, including managing the power purchase arrangements and selling the output of the remaining regulated generation assets at fair market prices.

In 2000, the rights to the output of a number of formerly regulated thermal generating plants were sold by auctions. The proceeds from the auctions were placed into the balancing pool account. The unsold thermal generating capacity, as well as the formerly regulated hydro generating plants, continued to be managed by the BP after 2000. The formerly regulated plants were built in a regulated environment whereby electricity consumers in Alberta are financially committed to purchase, at a regulated price, the output of these plants over their useful lifespan to a maximum of 20 years.

Under the provincial Electric Utilities Act ("EUA"), the net balance of the balancing pool account, either positive (net surplus) or negative (net shortfall), must be flowed back to customers. The following is the sequence of events that take place to flow a rebate back to (or recover a shortfall from) all electricity consumers.

- a) The BP transfers the funds to the AESO;
- b) A distribution system owner receives a share of the funds from the AESO as a credit against their AESO transmission invoice;
- c) The distribution system owner transfers the rebate to the retailers through the DT tariff billing process;
- d) The retailers rebate back to customers through end-use billing.

Each year, the BP is required to forecast its revenues and expenses to determine the future year's surpluses or shortfalls. Since the establishment of the BP in 1998, Alberta consumers have received rebates in 2001, and between 2006 and 2010.

On November 22, 2010, the BP forecast a net operating surplus of over \$100 million for 2011. This amount, when expressed in rate terms, is equivalent to 0.002 cents per kWh to all electricity customers in Alberta. The kWh energy is measured at the transmission-distribution demarcation point, which is the lower voltage terminal of the transformers at a transmission substation.

As customers are normally billed based on the end-use meter readings, the above refund of 0.002 cents per kWh at the transmission substation level must be converted to the end-use meter point by adding distribution system losses and the unaccounted-for-energy. In the Red Deer electric system, the distribution system loss factor is set at 3.6%, and the unaccounted-for-energy is generally negligible. The refund rate at the end-use meter level then becomes

$$0.002 \times (1 + 3.6\%) = 0.00207 \text{ (cents per kWh)}$$

The EL&P Department submits that a rebate of 0.00207 cents per kWh, measured at the end-use meter level, be flowed back to all customers in Red Deer, starting January 1, 2011 and ending December 31, 2011.

3. INCREASE TO LOCAL ACCESS FEE

The Local Access Fee (“**LAF**”) is a separate line item within the DT and is a charge levied by the municipality to the electric utility as a franchise fee for the exclusive rights to use portions of road, right-of-way and other City owned properties and lands for the purpose of placing and maintaining electrical distribution facilities. This fee is assessed against only the DAC component of the DT with no assessment against the SAC component.

The current LAF for electric customers is set at **31%**. The City’s financial policy, approved by the Senior Management Team (SMT) in 2007, requires that electric customers pay LAF charges at the same level as natural gas customers. For 2011, we propose to increase the LAF to **32%**, which is the current LAF for the natural gas utility.

This increase in LAF will result in an approximately **\$331,000** of extra financial contribution to the City tax supported programs.

PROPOSED RATE ADJUSTMENT

The attached red-lined bylaw presents detailed information of the proposed changes to our DT, specifically to Appendix A of Bylaw 3273/2000.

THREE READINGS REQUESTED FROM COUNCIL ON NOVEMBER 29, 2010

Provincial regulations require wires service providers (EL&P is one of them) to provide at least 30 days of advance notice to retailers about any changes to their distribution tariffs. In order for EL&P to comply with this requirement and for the retailers in Red Deer to make the required changes in their billing systems with an effective date of January 1, 2011, we will need to inform retailers of the DT change prior to December 1, 2010. Therefore, it is requested that Council provide all three readings to approve the proposed rates at the Council meeting of November 29, 2010.

Council’s three readings would be highly appreciated. EL&P was unable to make an earlier submission to Council of this application, because many critical parameters, particularly the BP Allocation, were not known until November 22. An effective date of January 1, 2011 for the DT will help EL&P avoid any rate riders for 2011.

IMPACT ON CUSTOMERS

Impacts of the above tariff adjustments on customers, excluding BP Allocation, are shown in the following table.

Table 2. Impact of each rate adjustment on total monthly DT charge

Rate Class	DT Charge increase		Local Access Fee increase		Total increase	
	\$	%	\$	%	\$	%
E61 Residential (energy)	\$1.42	4.7%	\$0.16	0.5%	\$1.58	5.3%
E63 Small General Service (energy)	\$3.91	4.2%	\$1.22	1.3%	\$5.13	5.5%
E64 General Service (demand)	\$72.38	7.5%	\$15.37	1.6%	\$87.75	9.1%
E78 Large General Service (demand)	\$774.49	6.7%	\$205.25	1.8%	\$979.74	8.5%

The BP Allocation is a provincial program and is set solely by the Alberta Balancing Pool. The City, as the owner of an electrical distribution system, is required to flow the refunds back to customers. Because BP refunds are based on the volume of consumption only, customers with a higher load factor would likely receive a higher proportion of the refunds.

Because the proposed increases are to the delivery charge only, the percentage increase would be smaller when applied to the bottom line of the customer's end-use bill, which also includes the electricity commodity charge (also called energy charge).

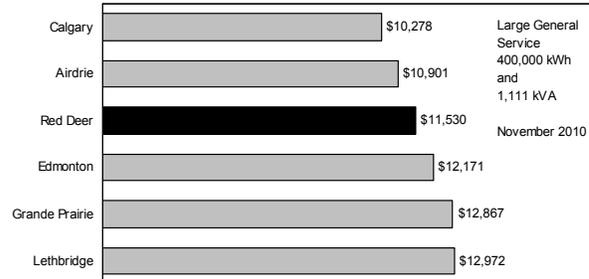
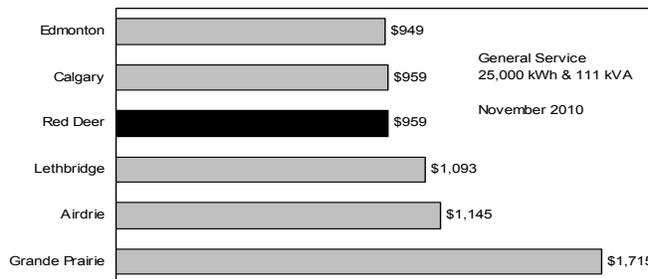
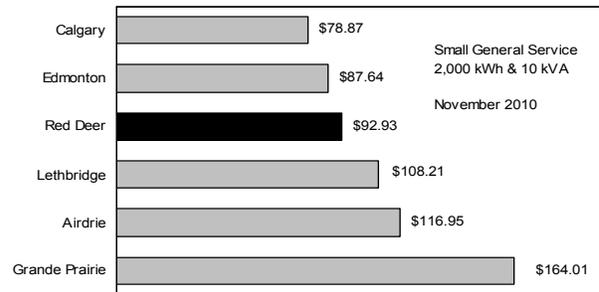
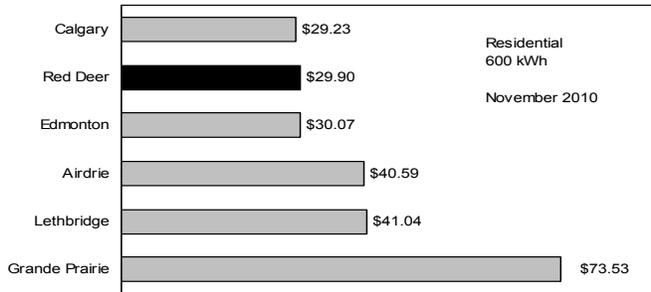
MUNICIPAL IMPACTS

- The increase to the DT will have no impact on the revenue transfers to the City tax programs as this is basically a recovery of increased operating cost to EL&P.
- Changes to the BP Allocation make no impact on the revenue transfer to the municipality as the adjustments are strictly a flow-through from the province to the end-use consumers.
- The upward adjustment to the LAF will result in a net increase of **\$331,000** to the revenue transfer to the City tax supported programs.

RATE COMPARISONS

At this moment, it is extremely difficult to make a meaningful comparison on the distribution tariff with other Alberta utilities for 2011, as the rates of most other Alberta utilities for 2011 are presently unknown and will likely remain unknown until sometime in 2011 when they receive final approvals from their regulators.

The following four graphs show the current (November 2010) monthly DT charges for typical customer classes in selected service areas in the province. It should be noted that these graphs are for delivery charges only. Retailer charges, including energy charge and billing charge, are not included.



RECOMMENDATION

It is recommended and respectfully requested that City Council provide the necessary three readings, at the Council meeting of November 29, 2010, for final approval of the proposed revisions to **"Appendix A – Distribution Tariff"** of the Electric Utility Bylaw No. 3273/2000 as detailed in the attachments with the effective date being January 1, 2011.

Ligong Gan, P.Eng.
Manager, Electric Light & Power Department

cc. Paul Goranson, Director, Development Services
Dean Krejci, Manager, Financial Services
Karen Yetter, Divisional Controller, Development Services
Andreas Zabel, Utility Specialist, EL&P

Attachments

CITY OF RED DEER
ELECTRIC LIGHT & POWER DEPARTMENT
DISTRIBUTION TARIFF

GENERAL

Effective Date

This Tariff is effective on January 1, ~~2010~~ **2011**. It applies to all consumptions, whether estimated or actual, on and after January 1, ~~2010~~ **2011**, for the use of System Access and Distribution Access services.

Terms and Conditions

The "Terms and Conditions for Distribution Access Services" and the "Terms and Conditions for Retail Access Services" are part of this Tariff. Furthermore, the "Schedule of Fees for Distribution Access Services" and the "Retail Access Service Agreement" are also part of this Tariff.

Billing Demand

The kVA of Billing Demand with respect to the monthly billing period will be the greater of:

1. the highest kVA Metered Demand in the monthly billing period; or
2. the highest kVA Metered Demand in the 12 consecutive months including and ending with the monthly billing period.

The kVA Metered Demand will be measured by either a thermal demand meter having a demand response period of 90% in 15 minutes and a 30 minute test period, or 15 minute interval demand metering equipment.

The kVA of Billing Demand will be re-established on such shorter periods of time as designated by the Electric Light & Power Manager for the individual customer as warranted by that customer's changing load characteristics.

APPENDIX "A"
Bylaw 3273/B-2010
Page 2 of 8

RESIDENTIAL - RATE 61

Application Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

Distribution Tariff	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.1896	0.3225
		0.2224	0.3363
Variable Charge	\$/kWh of all energy	0.0066	0.0109
		0.0059	0.0116

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Basic Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 3 of 8

GENERAL SERVICE - RATE 63

Application Applies to non-residential customers and to residential premises not entitled to Rate 61, plus the "house lights" services (including common area lighting and utility rooms) of apartment buildings where the kVA Metered Demand is less than 50 kVA. If the kVA Metered Demand exceeds 50 kVA, Rate 64 will be applied immediately and will be continued to be applied irrespective of future kVA Metered Demand.

Services are to be taken at one of the following nominal voltages:

120/240 Volts, single phase, 3 wire;
120/208Y Volts, network, 3 wire;
120/208Y Volts, three phase, 4 wire;
347/600Y Volts, three phase, 4 wire.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.7880 0.8839	0.9379 0.9705
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0086 0.0093

**Balancing
Pool
Allocation**

A credit of ~~\$0.00207/kWh~~ of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 4 of 8

GENERAL SERVICE - RATE 64

Application Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

Distribution Tariff	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.0870 0.1033	0.0819 0.0863
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0058 0.0066

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 5 of 8

LARGE GENERAL SERVICE/INDUSTRIAL - RATE 78

Application Applies where 4,160 volts or greater is available with adequate system capacity and service is taken at 4,160 volts or greater, balanced three phase and the kVA Metered Demand is not less than 1000 kVA.

Rate 78 is also applicable to all customers who were billed on Rate 78 prior to December 31, 2000 regardless of the kVA Metered Demand.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.0915 0.1084	0.0834 0.0906
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0056 0.0062

**Balancing
Pool
Allocation**

A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ 2011 to December 31, ~~2010~~ 2011 inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as ~~31%~~ 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 6 of 8

STREET LIGHT SERVICE - RATE 81

Application Applies to standard street light fixtures.

Distribution Tariff	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1216 0.1440	0.1005 0.1128
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0068 0.0071

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

TRAFFIC LIGHT SERVICE - RATE 82

Application Applies to standard traffic light systems.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1216 0.1440	0.1032 0.1047
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0067 0.0086

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
Pool
Allocation**

A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

DISTRIBUTION GENERATION - RATE 83

Application Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
2. Have installed a revenue class bi-directional 15-minute interval meter.

Generators not meeting the above requirements are reviewed on an individual basis.

**Distribution
Tariff**

	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
 2. Peak output is measured and calculated in the same manner as the Billing Demand for load customers

Local Access Fee Assessed as ~~31%~~ 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

Transmission Charge As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

Transmission Credit $DTS \times \Sigma(A - B)$ where
DTS is the applicable demand tariff of the Transmission Administrator
A is hourly gross billing determinants at the Point of Delivery to which the customer is connected
B is hourly net billing determinants at the Point of Delivery to which the customer is connected

This is a credit to the customer and is calculated on a monthly basis.

BYLAW NO. 3273/D-2010

Being a bylaw to amend Bylaw No. 3273/2000, the Electric Utility Bylaw of The City of Red Deer.

COUNCIL ENACTS AS FOLLOWS:

Bylaw No. 3273/2000 is hereby amended as follows:

- 1. By revising 'Appendix A – Distribution Tariff' with the attached updated 'Appendix A – Distribution Tariff'
- 4. This bylaw shall come into effect on January 1, 2011.

READ A FIRST TIME IN OPEN COUNCIL this day of 2010.

READ A SECOND TIME IN OPEN COUNCIL this day of 2010.

READ A THIRD TIME IN OPEN COUNCIL this day of 2010.

AND SIGNED BY THE MAYOR AND CITY CLERK this day of 2010.

MAYOR

CITY CLERK

CITY OF RED DEER
ELECTRIC LIGHT & POWER DEPARTMENT
DISTRIBUTION TARIFF

GENERAL

Effective Date

This Tariff is effective on January 1, 2011. It applies to all consumptions, whether estimated or actual, on and after January 1, 2011, for the use of System Access and Distribution Access services.

Terms and Conditions

The "Terms and Conditions for Distribution Access Services" and the "Terms and Conditions for Retail Access Services" are part of this Tariff. Furthermore, the "Schedule of Fees for Distribution Access Services" and the "Retail Access Service Agreement" are also part of this Tariff.

Billing Demand

The kVA of Billing Demand with respect to the monthly billing period will be the greater of:

1. the highest kVA Metered Demand in the monthly billing period; or
2. the highest kVA Metered Demand in the 12 consecutive months including and ending with the monthly billing period.

The kVA Metered Demand will be measured by either a thermal demand meter having a demand response period of 90% in 15 minutes and a 30 minute test period, or 15 minute interval demand metering equipment.

The kVA of Billing Demand will be re-established on such shorter periods of time as designated by the Electric Light & Power Manager for the individual customer as warranted by that customer's changing load characteristics.

APPENDIX "A"
Bylaw 3273/B-2010
Page 2 of 8

RESIDENTIAL - RATE 61

Application Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.2224	0.3363
Variable Charge	\$/kWh of all energy	0.0059	0.0116

**Balancing
Pool
Allocation** A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Basic Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

GENERAL SERVICE - RATE 63

Application Applies to non-residential customers and to residential premises not entitled to Rate 61, plus the "house lights" services (including common area lighting and utility rooms) of apartment buildings where the kVA Metered Demand is less than 50 kVA. If the kVA Metered Demand exceeds 50 kVA, Rate 64 will be applied immediately and will be continued to be applied irrespective of future kVA Metered Demand.

Services are to be taken at one of the following nominal voltages:

120/240 Volts, single phase, 3 wire;
120/208Y Volts, network, 3 wire;
120/208Y Volts, three phase, 4 wire;
347/600Y Volts, three phase, 4 wire.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.8839	0.9705
Variable Charge	\$/kWh of all energy	0.0059	0.0093

**Balancing
Pool
Allocation** A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 4 of 8

GENERAL SERVICE - RATE 64

Application Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1033	0.0863
Variable Charge	\$/kWh of all energy	0.0059	0.0066

**Balancing
Pool
Allocation** A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

APPENDIX "A"
Bylaw 3273/B-2010
Page 5 of 8

LARGE GENERAL SERVICE/INDUSTRIAL - RATE 78

Application Applies where 4,160 volts or greater is available with adequate system capacity and service is taken at 4,160 volts or greater, balanced three phase and the kVA Metered Demand is not less than 1000 kVA.

Rate 78 is also applicable to all customers who were billed on Rate 78 prior to December 31, 2000 regardless of the kVA Metered Demand.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1084	0.0906
Variable Charge	\$/kWh of all energy	0.0059	0.0062

**Balancing
Pool
Allocation**

A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

STREET LIGHT SERVICE - RATE 81

Application Applies to standard street light fixtures.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1440	0.1128
Variable Charge	\$/kWh of all energy	0.0059	0.0071

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
Pool
Allocation**

A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

TRAFFIC LIGHT SERVICE - RATE 82

Application Applies to standard traffic light systems.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1440	0.1047
Variable Charge	\$/kWh of all energy	0.0059	0.0086

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
Pool
Allocation**

A credit of \$0/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

**Local Access
Fee**

Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge**

Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

DISTRIBUTION GENERATION - RATE 83

Application Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
2. Have installed a revenue class bi-directional 15-minute interval meter.

Generators not meeting the above requirements are reviewed on an individual basis.

**Distribution
Tariff**

	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
 2. Peak output is measured and calculated in the same manner as the Billing Demand for load customers

Local Access Fee Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

Transmission Charge As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

Transmission Credit $DTS \times \Sigma(A - B)$ where
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This is a credit to the customer and is calculated on a monthly basis.

Comments:

I support the recommendation of Administration to move forward with three readings of this Bylaw.

“Craig Curtis”
City Manager

FILE COPY



Council Decision – November 29, 2010

DATE: November 30, 2010
TO: Ligong Gan, Electric Light & Power Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Electric Utility Bylaw Amendment 3273/D-2010 to be Effective January 1, 2011

Reference Report:

Electric Light & Power manager, dated November 22, 2010

Bylaw Readings:

Electric Utility Bylaw Amendment 3273/D-2010 received three readings at the November 29, 2010 regular Council Meeting. A copy of the Bylaw is attached.

Report Back to Council: No

Comments/Further Action:

Electric Utility Bylaw Amendment 3273/D-2010 allows for the revisions to the Distribution Tariff and Appendix A. This office will amend the Consolidated version of the Electric Bylaw 3273/2000 and distribute copies of the bylaw in due course.

A handwritten signature in cursive script that reads 'Elaine Vincent'.

Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Paul Goranson, Director of Development Services
Dean Krejci, Financial Services Manager
Karen Yetter, Divisional Controller, Development Services
Corporate Meeting Coordinator

BYLAW NO. 3273/D-2010

Being a bylaw to amend Bylaw No. 3273/2000, the Electric Utility Bylaw of The City of Red Deer.

COUNCIL ENACTS AS FOLLOWS:

Bylaw No. 3273/2000 is hereby amended as follows:

1. By revising 'Appendix A – Distribution Tariff' with the attached updated 'Appendix A – Distribution Tariff'
4. This bylaw shall come into effect on January 1, 2011.

READ A FIRST TIME IN OPEN COUNCIL this 29 day of November 2010.

READ A SECOND TIME IN OPEN COUNCIL this 29 day of November 2010.

READ A THIRD TIME IN OPEN COUNCIL this 29 day of November 2010.

AND SIGNED BY THE MAYOR AND CITY CLERK this 29 day of November 2010.


MAYOR


CITY CLERK

CITY OF RED DEER
ELECTRIC LIGHT & POWER DEPARTMENT
DISTRIBUTION TARIFF

GENERAL

Effective Date

This Tariff is effective on January 1, 2011. It applies to all consumptions, whether estimated or actual, on and after January 1, 2011, for the use of System Access and Distribution Access services.

Terms and Conditions

The "Terms and Conditions for Distribution Access Services" and the "Terms and Conditions for Retail Access Services" are part of this Tariff. Furthermore, the "Schedule of Fees for Distribution Access Services" and the "Retail Access Service Agreement" are also part of this Tariff.

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Application Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

Distribution Tariff	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.2224	0.3363
Variable Charge	\$/kWh of all energy	0.0059	0.0116

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

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Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

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- 120/208Y Volts, network, 3 wire;
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- 347/600Y Volts, three phase, 4 wire.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.8839	0.9705
Variable Charge	\$/kWh of all energy	0.0059	0.0093

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Application Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

Distribution Tariff	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1033	0.0863
Variable Charge	\$/kWh of all energy	0.0059	0.0066

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Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

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**Distribution
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	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1084	0.0906
Variable Charge	\$/kWh of all energy	0.0059	0.0062

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STREET LIGHT SERVICE - RATE 81

Application Applies to standard street light fixtures.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1440	0.1128
Variable Charge	\$/kWh of all energy	0.0059	0.0071

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

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**Minimum
Monthly
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Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

TRAFFIC LIGHT SERVICE - RATE 82

Application Applies to standard traffic light systems.

Distribution Tariff	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1440	0.1047
Variable Charge	\$/kWh of all energy	0.0059	0.0086

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
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Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, 2011 to December 31, 2011 inclusive and nil for any other time periods.

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Fee** Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

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Application Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
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Generators not meeting the above requirements are reviewed on an individual basis.

**Distribution
Tariff**

	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
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Local Access Fee Assessed as 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

Transmission Charge As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

Transmission Credit $DTS \times \Sigma(A - B)$ where
 DTS is the applicable demand tariff of the Transmission Administrator
 A is hourly gross billing determinants at the Point of Delivery to which the customer is connected
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This is a credit to the customer and is calculated on a monthly basis.



THE CITY OF
Red Deer

ORIGINAL

**Submission Request For Inclusion
on a Council Agenda**

Requests to include a report on a Council Agenda must be received by 4:30pm on Monday (5 business days) prior to the scheduled meeting.

PLEASE NOTE: If reports are not received by Monday (5 business days) prior to the scheduled meeting/hearing the report may be moved to the next Agenda.

CONTACT INFORMATION			
Name of Report Writer:	Ligong Gan		
Department & Telephone Number:	Electric Light & Power, 403-342-8341		
REPORT INFORMATION			
Preferred Date of Agenda:	November 29, 2010		
Subject of the Report (provide a brief description)	Revision to Distribution Tariff effective January 1, 2011		
Is this Time Sensitive? Why?	Yes. We ask for three readings from Council, as we are required to provide advance notice of 30 days to retailers.		
What is the Decision/Action required from Council?	None.		
Please describe Internal/ External Consultation, if any.	No.		
Is this an In-Camera item?	No.		
How does the Report link to the Strategic Plan and other existing Plans & Policies? To maintain basic services. To maintain financial sustainability.			
Has Legal Counsel been consulted? Are there any outstanding issues? Please describe. This is regular application to Council. EL&P is not aware of any outstanding legal issues.			
Are there any financial/budget implications? Please describe. Are there other organizational implications? Please describe. Financial Services has been consulted through budget process. Revision to distribution tariff is part of 2011 budget.			
Presentation: (10 Min Max.)	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	Presenter Name and Contact Information: Ligong Gan
COMMUNITY IMPACT			
Should External Stakeholder(s) be advised of the Agenda item? (e.i. Community Groups, Businesses, Community Associations) If Yes, please provide the Contact Information for the External Stakeholder(s)	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	
External Stakeholder(s) Contact Information: (please provide, name, mailing address, telephone number and e-mail address)			
FOR LEGISLATIVE & GOVERNANCE SERVICES USE ONLY			
Has this been to CLT / City Manager Briefings/ Committees: MPC, EAC, CPAC (Please circle those that apply)			
CLT When/describe: _____	City Manager Briefings When/Describe: _____	Board(s) / Committee(s) When/Describe: _____	
Do we need Communications Support?		<input type="checkbox"/> YES	<input type="checkbox"/> NO



ORIGINAL

ELECTRIC LIGHT & POWER DEPARTMENT

DATE: November 22, 2010
TO: Craig Curtis, City Manager
FROM: Ligong Gan, Electric Light & Power Manager
RE: Revision to Distribution Tariff Effective January 1, 2011

PURPOSE

The Electric Light & Power department is requesting Council's approval of revisions to the Distribution Tariff, Appendix A, Electric Utility Bylaw No. 3273/2000, effective January 1, 2011.

Specifically, the EL&P department submits the following three separate adjustments to the Distribution Tariff for all customer classifications.

1. Appendix A – Distribution Tariff

An average increase of 5.5% to the Distribution Tariff to recover increased operating cost forecasted for 2011, effective January 1, 2011

2. Appendix A – Balancing Pool Allocation

A Balancing Pool Allocation at \$0.00207 per kWh, effective January 1, 2011

3. Appendix A – Local Access Fee

An increase to the Local Access Fee from 31% (2010 level) to 32% for 2011, effective January 1, 2011

BACKGROUND

The EL&P department, as the operator of the electric distribution system in Red Deer, recovers its cost of operating and maintaining the utility system through its Distribution Tariff ("DT"), which is regulated and approved by City Council. The provincial **Distribution Tariff Regulation** (AR 254/2007) and **Billing Regulation** (AR 159/2003) require that end-use utility bills include the following charge components separately in a DT.

- System Access Charge ("**SAC**") to recover the cost of accessing the provincial transmission grid. This is a charge from the Alberta Electric System Operator ("**AESO**") as the provincial Transmission Administrator.
- Distribution Access Charge ("**DAC**") to recover costs of owning and operating the local

distribution infrastructure. This is the money required to maintain, operate, repair and expand the local electric distribution system.

- Local Access Fee (“LAF”), a charge levied by a municipality to the electric utility as a franchise fee for the exclusive rights for utility services.
- Balancing Pool Allocation (“BP Allocation”), a charge or refund levied by the Alberta Balancing Pool to all electricity consumers in Alberta.
- Rate Riders (“Rider”) to recover extremely volatile costs and prevent significant working capital fluctuations. Currently, Red Deer’s DT does not have any rate riders.

In the submission to Council on November 10, 2006 for rate adjustment, EL&P proposed to align EL&P’s DT cycle with the AESO tariff cycle on a go-forward basis. Doing so would minimize working capital requirement and may avoid rate riders. This means that EL&P’s distribution tariffs will be commenced on January 1 of each year as AESO’s tariff runs on a calendar year basis. This alignment, however, requires EL&P to file rate applications with Council before completion of the process of budget debate and discussions. Since November 10, 2006, EL&P has been following this approach to setting rates.

1. INCREASE IN DISTRIBUTION TARIFF

The EL&P Department’s 2011-2013 operating budget has gone through internal discussions with the City Manager and will soon be presented to Council for final approval. The department anticipates a total cost increase of approximately **\$1,776,000** for 2011 to the operating cost. The following table presents the major cost drivers and their magnitude.

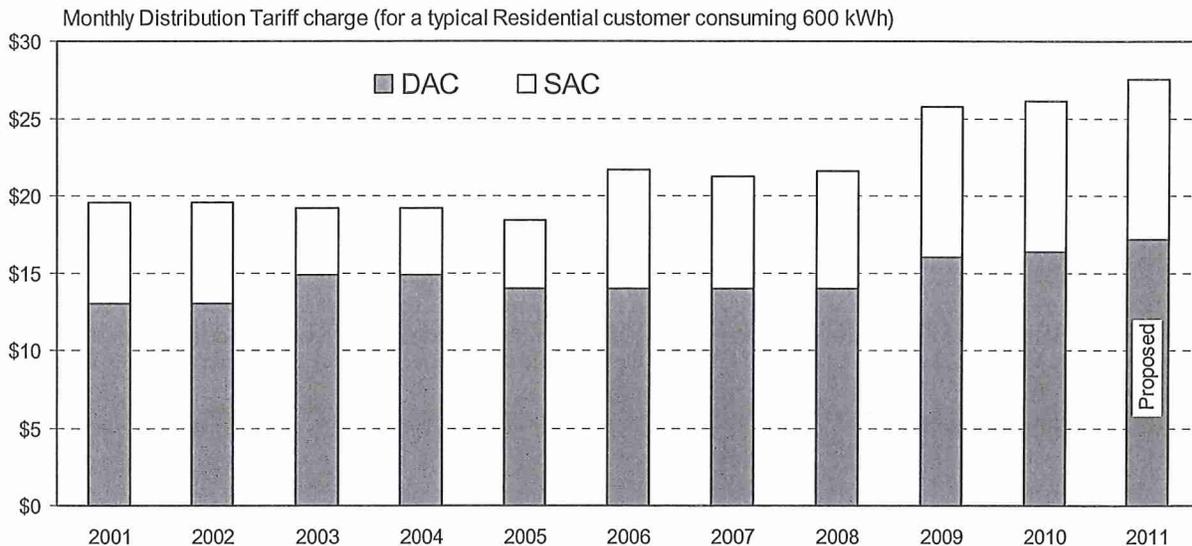
Table 1. EL&P department’s 2011 major cost drivers

Items	Increase \$000	Note
Increased Cost		
AESO transmission charge increase	\$781	AESO charge to use transmission system
Increase in distribution cost	\$1,515	Cost increase to operate local distribution
TOTAL COST INCREASE	\$2,296	
Increased Revenue		
Load growth	\$324	1% growth in consumption volume
Transmission Facility Owner (TFO) tariff recovery from AUC	\$141	EL&P’s transmission assets are regulated by Alberta Utilities Commission (AUC)
Other income (e.g. interest income)	\$55	Other revenue increases
TOTAL REVENUE INCREASE	\$520	
Net increase to cost	\$1,776	Equivalent to rate increase of 5.5%

This net increase in cost, \$1,776,000, is equivalent to increasing the DT by 5.5%. This increase can be broken down into the following components.

Component	Increase %
System Access Charge (SAC)	2.4%
Distribution Access Charge (DAC)	3.1%
TOTAL	5.5%

The following graph shows the DT charge history between 2001 and 2010 for the Residential rate class. A large increase in DT charge occurred in 2009 when the provincial transmission charge went up significantly.



Note: **SAC** = AESO transmission charge for accessing the provincial transmission system
DAC = EL&P cost to operate and maintain the City's local distribution system

The SAC component accounts for 35% to 40% of the total revenue requirement of the EL&P department, and is for the purpose of recovering our share of the regulated costs of building and maintaining the provincial transmission grid to deliver electricity to customers. The government's policy requires that the transmission costs be recovered through a postage stamp rate, which means that the rate charged for using the transmission system is the same for every customer in Alberta regardless of where the customer is located. Each month, EL&P pays transmission charges to the AESO for all the Red Deer loads. EL&P then recovers these AESO transmission charges through the SAC component within its Distribution Tariff.

Each year, EL&P predicts the following year's transmission cost as part of its budget process. Many factors are taken into consideration in the transmission cost forecast, including load growth (both local and provincial) and the long-term trend of power pool prices.

The DAC charge is for the purpose of recovering the cost of operating and maintaining the local distribution system. The department anticipates cost increases for 2011 which are briefly described as follows.

- **Debt interest payment.** The EL&P department's asset base continues to grow as a result of direct capital as well as allocated capital. The new Civic Yards, commissioned in early 2009, has increased the capital base of the department. Electric customers are required to pay for a share of this facility.
- **Depreciation expenses.** As the EL&P asset base expands, the depreciation expense increases as well.
- **Operating and maintenance.** EL&P forecasts an increase for 2011 to operate and maintain the distribution system. The aging distribution assets require increased level of maintenance and EL&P has proposed a number of maintenance projects for 2011.

2. BALANCING POOL ALLOCATION

The Alberta Balancing Pool ("BP") was established in 1998 by the provincial government and was mandated to ensure the benefits (or losses) associated with the formerly regulated generating capacity are retained (or paid) by customers in Alberta on a go-forward basis. The BP plays a number of roles in the deregulated electricity market, including managing the power purchase arrangements and selling the output of the remaining regulated generation assets at fair market prices.

In 2000, the rights to the output of a number of formerly regulated thermal generating plants were sold by auctions. The proceeds from the auctions were placed into the balancing pool account. The unsold thermal generating capacity, as well as the formerly regulated hydro generating plants, continued to be managed by the BP after 2000. The formerly regulated plants were built in a regulated environment whereby electricity consumers in Alberta are financially committed to purchase, at a regulated price, the output of these plants over their useful lifespan to a maximum of 20 years.

Under the provincial Electric Utilities Act ("EUA"), the net balance of the balancing pool account, either positive (net surplus) or negative (net shortfall), must be flowed back to customers. The following is the sequence of events that take place to flow a rebate back to (or recover a shortfall from) all electricity consumers.

- a) The BP transfers the funds to the AESO;
- b) A distribution system owner receives a share of the funds from the AESO as a credit against their AESO transmission invoice;
- c) The distribution system owner transfers the rebate to the retailers through the DT tariff billing process;
- d) The retailers rebate back to customers through end-use billing.

Each year, the BP is required to forecast its revenues and expenses to determine the future year's surpluses or shortfalls. Since the establishment of the BP in 1998, Alberta consumers have received rebates in 2001, and between 2006 and 2010.

On November 22, 2010, the BP forecast a net operating surplus of over \$100 million for 2011. This amount, when expressed in rate terms, is equivalent to 0.002 cents per kWh to all electricity customers in Alberta. The kWh energy is measured at the transmission-distribution demarcation point, which is the lower voltage terminal of the transformers at a transmission substation.

As customers are normally billed based on the end-use meter readings, the above refund of 0.002 cents per kWh at the transmission substation level must be converted to the end-use meter point by adding distribution system losses and the unaccounted-for-energy. In the Red Deer electric system, the distribution system loss factor is set at 3.6%, and the unaccounted-for-energy is generally negligible. The refund rate at the end-use meter level then becomes

$$0.002 \times (1 + 3.6\%) = 0.00207 \text{ (cents per kWh)}$$

The EL&P Department submits that a rebate of 0.00207 cents per kWh, measured at the end-use meter level, be flowed back to all customers in Red Deer, starting January 1, 2011 and ending December 31, 2011.

3. INCREASE TO LOCAL ACCESS FEE

The Local Access Fee (“LAF”) is a separate line item within the DT and is a charge levied by the municipality to the electric utility as a franchise fee for the exclusive rights to use portions of road, right-of-way and other City owned properties and lands for the purpose of placing and maintaining electrical distribution facilities. This fee is assessed against only the DAC component of the DT with no assessment against the SAC component.

The current LAF for electric customers is set at **31%**. The City's financial policy, approved by the Senior Management Team (SMT) in 2007, requires that electric customers pay LAF charges at the same level as natural gas customers. For 2011, we propose to increase the LAF to **32%**, which is the current LAF for the natural gas utility.

This increase in LAF will result in an approximately **\$331,000** of extra financial contribution to the City tax supported programs.

PROPOSED RATE ADJUSTMENT

The attached red-lined bylaw presents detailed information of the proposed changes to our DT, specifically to Appendix A of Bylaw 3273/2000.

THREE READINGS REQUESTED FROM COUNCIL ON NOVEMBER 29, 2010

Provincial regulations require wires service providers (EL&P is one of them) to provide at least 30 days of advance notice to retailers about any changes to their distribution tariffs. In order for EL&P to comply with this requirement and for the retailers in Red Deer to make the required changes in their billing systems with an effective date of January 1, 2011, we will need to inform retailers of the DT change prior to December 1, 2010. Therefore, it is requested that Council provide all three readings to approve the proposed rates at the Council meeting of November 29, 2010.

Council's three readings would be highly appreciated. EL&P was unable to make an earlier submission to Council of this application, because many critical parameters, particularly the BP Allocation, were not known until November 22. An effective date of January 1, 2011 for the DT will help EL&P avoid any rate riders for 2011.

IMPACT ON CUSTOMERS

Impacts of the above tariff adjustments on customers, excluding BP Allocation, are shown in the following table.

Table 2. Impact of each rate adjustment on total monthly DT charge

Rate Class	DT Charge increase		Local Access Fee increase		Total increase	
	\$	%	\$	%	\$	%
E61 Residential (energy)	\$1.42	4.7%	\$0.16	0.5%	\$1.58	5.3%
E63 Small General Service (energy)	\$3.91	4.2%	\$1.22	1.3%	\$5.13	5.5%
E64 General Service (demand)	\$72.38	7.5%	\$15.37	1.6%	\$87.75	9.1%
E78 Large General Service (demand)	\$774.49	6.7%	\$205.25	1.8%	\$979.74	8.5%

The BP Allocation is a provincial program and is set solely by the Alberta Balancing Pool. The City, as the owner of an electrical distribution system, is required to flow the refunds back to customers. Because BP refunds are based on the volume of consumption only, customers with a higher load factor would likely receive a higher proportion of the refunds.

Because the proposed increases are to the delivery charge only, the percentage increase would be smaller when applied to the bottom line of the customer's end-use bill, which also includes the electricity commodity charge (also called energy charge).

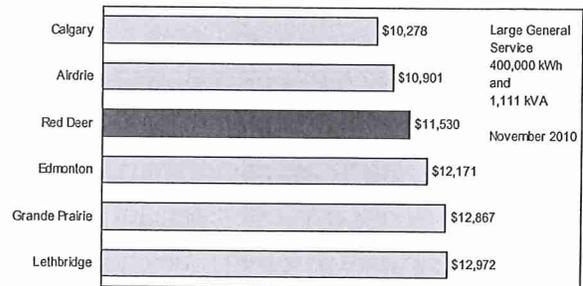
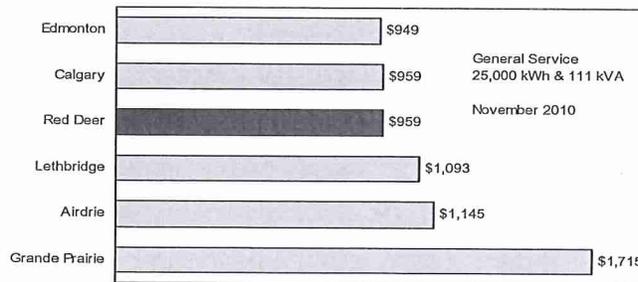
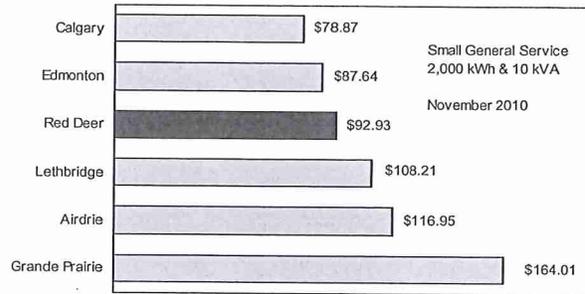
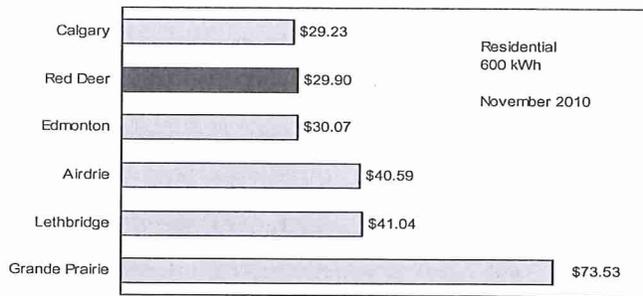
MUNICIPAL IMPACTS

- The increase to the DT will have no impact on the revenue transfers to the City tax programs as this is basically a recovery of increased operating cost to EL&P.
- Changes to the BP Allocation make no impact on the revenue transfer to the municipality as the adjustments are strictly a flow-through from the province to the end-use consumers.
- The upward adjustment to the LAF will result in a net increase of **\$331,000** to the revenue transfer to the City tax supported programs.

RATE COMPARISONS

At this moment, it is extremely difficult to make a meaningful comparison on the distribution tariff with other Alberta utilities for 2011, as the rates of most other Alberta utilities for 2011 are presently unknown and will likely remain unknown until sometime in 2011 when they receive final approvals from their regulators.

The following four graphs show the current (November 2010) monthly DT charges for typical customer classes in selected service areas in the province. It should be noted that these graphs are for delivery charges only. Retailer charges, including energy charge and billing charge, are not included.



RECOMMENDATION

It is recommended and respectfully requested that City Council provide the necessary three readings, at the Council meeting of November 29, 2010, for final approval of the proposed revisions to "**Appendix A – Distribution Tariff**" of the Electric Utility Bylaw No. 3273/2000 as detailed in the attachments with the effective date being January 1, 2011.

Ligong Gan, P.Eng.
 Manager, Electric Light & Power Department

- cc. Paul Goranson, Director, Development Services
 Dean Krejci, Manager, Financial Services
 Karen Yetter, Divisional Controller, Development Services
 Andreas Zabel, Utility Specialist, EL&P

Attachments

ORIGINAL

**CITY OF RED DEER
ELECTRIC LIGHT & POWER DEPARTMENT
DISTRIBUTION TARIFF**

GENERAL

Effective Date

This Tariff is effective on January 1, ~~2010~~ **2011**. It applies to all consumptions, whether estimated or actual, on and after January 1, ~~2010~~ **2011**, for the use of System Access and Distribution Access services.

Terms and Conditions

The "Terms and Conditions for Distribution Access Services" and the "Terms and Conditions for Retail Access Services" are part of this Tariff. Furthermore, the "Schedule of Fees for Distribution Access Services" and the "Retail Access Service Agreement" are also part of this Tariff.

Billing Demand

The kVA of Billing Demand with respect to the monthly billing period will be the greater of:

1. the highest kVA Metered Demand in the monthly billing period; or
2. the highest kVA Metered Demand in the 12 consecutive months including and ending with the monthly billing period.

The kVA Metered Demand will be measured by either a thermal demand meter having a demand response period of 90% in 15 minutes and a 30 minute test period, or 15 minute interval demand metering equipment.

The kVA of Billing Demand will be re-established on such shorter periods of time as designated by the Electric Light & Power Manager for the individual customer as warranted by that customer's changing load characteristics.

RESIDENTIAL - RATE 61

Application Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

Distribution Tariff

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.1896 0.2224	0.3225 0.3363
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0109 0.0116

Balancing Pool Allocation A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ 2011 to December 31, ~~2010~~ 2011 inclusive and nil for any other time periods.

Local Access Fee Assessed as ~~31%~~ 32% of each and every component of the Distribution Access Charge and is added to the customer's bill.

Minimum Monthly Charge Total Basic Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

GENERAL SERVICE - RATE 63

Application Applies to non-residential customers and to residential premises not entitled to Rate 61, plus the "house lights" services (including common area lighting and utility rooms) of apartment buildings where the kVA Metered Demand is less than 50 kVA. If the kVA Metered Demand exceeds 50 kVA, Rate 64 will be applied immediately and will be continued to be applied irrespective of future kVA Metered Demand.

Services are to be taken at one of the following nominal voltages:

- 120/240 Volts, single phase, 3 wire;
- 120/208Y Volts, network, 3 wire;
- 120/208Y Volts, three phase, 4 wire;
- 347/600Y Volts, three phase, 4 wire.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.7880	0.9379
		0.8839	0.9705
Variable Charge	\$/kWh of all energy	0.0066	0.0086
		0.0059	0.0093

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

GENERAL SERVICE - RATE 64

Application Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.0870 0.1033	0.0819 0.0863
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0058 0.0066

Balancing Pool Allocation A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

Local Access Fee Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

Minimum Monthly Charge Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

LARGE GENERAL SERVICE/INDUSTRIAL - RATE 78

Application Applies where 4,160 volts or greater is available with adequate system capacity and service is taken at 4,160 volts or greater, balanced three phase and the kVA Metered Demand is not less than 1000 kVA.

Rate 78 is also applicable to all customers who were billed on Rate 78 prior to December 31, 2000 regardless of the kVA Metered Demand.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.0915 0.1084	0.0834 0.0906
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0056 0.0062

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

STREET LIGHT SERVICE - RATE 81

Application Applies to standard street light fixtures.

Distribution Tariff	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1216 0.1440	0.1005 0.1128
Variable Charge	\$/kWh of all energy	0.0066 0.0059	0.0068 0.0071

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

Balancing Pool Allocation A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

Local Access Fee Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

Minimum Monthly Charge Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

TRAFFIC LIGHT SERVICE - RATE 82

Application Applies to standard traffic light systems.

**Distribution
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing	0.1216	0.1032
	Demand per day	0.1440	0.1047
Variable Charge	\$/kWh of all energy	0.0066	0.0067
		0.0059	0.0086

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing
Pool
Allocation** A credit of \$0.00207/kWh of all energy effective from January 1, ~~2010~~ **2011** to December 31, ~~2010~~ **2011** inclusive and nil for any other time periods.

**Local Access
Fee** Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum
Monthly
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

DISTRIBUTION GENERATION - RATE 83

Application Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
2. Have installed a revenue class bi-directional 15-minute interval meter.

Generators not meeting the above requirements are reviewed on an individual basis.

Distribution Tariff

	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
 2. Peak output is measured and calculated in the same manner as the Billing Demand for load customers

Local Access Fee Assessed as ~~31%~~ **32%** of each and every component of the Distribution Access Charge and is added to the customer's bill.

Transmission Charge As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

Transmission Credit $DTS \times \Sigma(A - B)$ where
 DTS is the applicable demand tariff of the Transmission Administrator
 A is hourly gross billing determinants at the Point of Delivery to which the customer is connected
 B is hourly net billing determinants at the Point of Delivery to which the customer is connected

This is a credit to the customer and is calculated on a monthly basis.



balancingpool

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

November 22, 2010

Allocation to Power Consumers set at \$2.00 per MWh for 2011

The Balancing Pool announces that the allocation to power consumers in 2011 will be set at \$2.00 per MWh of consumption, which will result in over \$100 million being received by Alberta's electricity consumers.

"The Balancing Pool PPA assets have been generating lower cashflows during 2010 due to softer electricity prices," said Gary Reynolds, President and CEO, "and we forecast this to continue during 2011. As such, the consumer allocation will remain at \$2.00 per MWh for calendar 2011."

During the five year period since the initiation of the annual consumer allocation in 2006, the Balancing Pool has paid out over \$850 million in allocations to Alberta's electricity consumers. In addition, in 2001 the Balancing Pool paid \$2 billion in electricity rebates to consumers from proceeds of the PPA auction.

Under provisions of the Electric Utilities Act, each year the Balancing Pool is required to forecast its revenues and expenses and to determine whether any excess (or shortfall) funds will be allocated to electricity consumers. The consumer allocation amount will be reviewed for 2012 and annually thereafter.

For further information:

Gary Reynolds
President and CEO
403-539-5351

www.balancingpool.ca

1045693
Back up only
John M. Workey
on NR.

Bev Greter

From: Ligong Gan
Sent: Monday, November 22, 2010 4:55 PM
To: Bev Greter; Elaine Vincent
Cc: Paul Goranson; Karen Yetter; Linda Rehn; Dean Krejci; Andreas Zabel
Subject: RE: Council report for the Nov 29 meeting

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Attachments: Request for Inclusionona Council Agenda - November 29, 2010.DOC; Council Report November 22, 2010.doc; News Release 2011 Consumer Allocation.pdf; Redlined 32732000 Schedule A of Distribution Tariff - January 1, 2011.DOC

Hi All –

At 4:33 pm, I received confirmation from Balancing Pool for the last piece of information needed to complete the Council report for the November 29 meeting.

Now I am here submitting the ENTIRE PACAKGE of Council report for the Nov 29 meeting.



Request for Inclusionona Council..November 22, 20... Council Report News Release 2011 Redlined 32732000 Consumer All... Schedule A o...

Ligong Gan, P.Eng.
Manager, Electric Light & Power Department
City of Red Deer
Phone: (403) 342-8341
Fax: (403) 314-5842

Bylaw.
3273/2000
BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter

From: Ligong Gan
Sent: Wednesday, November 17, 2010 11:51 AM
To: Bev Greter; Elaine Vincent
Cc: Paul Goranson; Karen Yetter; Linda Rehn; Dean Krejci; Andreas Zabel
Subject: Council report for the Nov 29 meeting

Attachments: Request for Inclusionona Council Agenda - November 29, 2010.DOC; Council Report November 19, 2010.doc; Redlined 32732000 Schedule A of Distribution Tariff - January 1, 2011.DOC

Hi Bev & Elaine –

Here is EL&P reports to Council for the November 29 meeting. As you will notice, some information fields are left blank at this moment. They will be filled on November 22.

A Council agenda request form is attached here. I will communicate with Communications about any media requirements. Meantime, let me know if I need to do anything else. Thanks. LG



Request for
nclusionona Council..November 19, 20...



Council Report



Redlined 32732000
Schedule A o...

From: Bev Greter
Sent: November 17, 2010 8:24 AM
To: Ligong Gan
Subject: RE: Council report

Thanks very much Ligong.
Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Ligong Gan
Sent: Wednesday, November 17, 2010 7:34 AM
To: Bev Greter
Subject: RE: Council report

Thanks a lot Bev. The report ("Distribution rate increase for 2011"), with some key fields to be filled by Nov 22, will be sent to you late this morning. LG

From: Bev Greter
Sent: November 16, 2010 4:56 PM
To: Ligong Gan
Subject: RE: Council report

Hi Ligong,

Yes, you have some time.

Please let me know the intent of the report by tomorrow so I can put something together so I'm ready for my review with Elaine on Thursday (so many deadlines). From this meeting I need to have a review ready for Agenda Review with Craig on Friday morning at 9 a.m.

Thanks,
Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Ligong Gan
Sent: Tuesday, November 16, 2010 4:08 PM
To: Bev Greter
Subject: Council report

Hi Bev –

I heard the deadline to submit report for the Nov 29 council meeting is tomorrow noon.

EL&P has a report for the Nov 29 meeting, but the report will NOT be completed until Nov 22, when we will hear back from the Alberta Balancing Pool for a critical parameter.

Question is – can we wait for Nov 22 to submit the report to council for the Nov 29 meeting?

Appreciate to hear back from you asap.

Ligong Gan, P.Eng.
Manager, Electric Light & Power Department
City of Red Deer
Phone: (403) 342-8341
Fax: (403) 314-5842

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter

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Ligong Gan, P.Eng.
Manager, Electric Light & Power Department
City of Red Deer
Phone: (403) 342-8341
Fax: (403) 314-5842

*yes
just provide
me with
content of
rpt. by
Friday.*



Financial Services

DATE: November 3, 2010
TO: Craig Curtis, City Manager
FROM: Dean Krejci, Financial Services Manager
SUBJECT: **Short Term Borrowing Bylaw**

Legislative History

The Municipal Government Act (MGA), Section 251 Borrowing Bylaw states that, "a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw." It also outlines the requirements for the bylaw which include the amount to be borrowed, the purpose for which the money is borrowed, the maximum rate of interest, the term of the borrowing, the terms of repayment and the source or sources of money to be used to pay the principal and interest owing under the borrowing.

The MGA Section 256 Operating Expenditures also states that, "a borrowing bylaw that authorizes the borrowing does not have to be advertised if the term of the borrowing does not exceed 3 years."

Council has traditionally approved a short term borrowing bylaw covering three-year periods roughly coinciding with the term of the Council. The bylaw covering the fiscal years 2008-2010 inclusive was passed in the amount of \$25 million (Bylaw 3406/2008).

Background

The City generally tries to maximize its investment earnings by estimating cash flows and investing excess funds. Occasionally, the actual cash flows differ from the estimated cash flows to the point where The City's bank account is in an overdraft position. This overdraft is a short term borrowing from the bank requiring a short term borrowing bylaw to be in place.

In the fiscal years 2008-2010 inclusive, The City has used this borrowing capability on one occasion over two days. The maximum amount of borrowing during this period was \$1.18 million.

The maximum rate of interest has been set at ten (10) percent to allow for potential interest rate fluctuations during the three-year period the bylaw will be in effect. The actual rate of interest is the bank's prime rate of interest which fluctuates over time.

Recommendation

That Council approves the Short Term Borrowing Bylaw No. 3458/2010 for the calendar years 2011, 2012 and 2013.



Dean Krejci
Financial Services Manager

cc: Lorraine Poth, Director of Corporate Services

BYLAW NO. 3458/2010

Being a bylaw to authorize the borrowing of funds for short term operating purposes until taxes are collected.

Background

- A Council of The City of Red Deer (“The City”) deems it necessary to borrow up to the sum of **Twenty-Five Million Dollars** (\$25,000,000.00) from time to time to meet its current year operating expenditures and obligations until such time as the taxes to be levied can be collected.
- B Section 256 of the Municipal Government Act, RSA 2000, Ch. M-26 permits a municipality to borrow funds for the purpose of financing operating expenditures, provided that the amount of such borrowing does not exceed the amount that the municipality estimates will be raised in taxes in the year of the borrowing.
- C The amount of the taxes estimated to be levied by The City for years 2011, 2012 and 2013 is in excess of **Ninety Million Dollars** (\$90,000,000.00) in each of those years and, therefore; the amount of the proposed temporary borrowing will not exceed the amount of the taxes estimated to be levied.
- D The proposed borrowing will not cause The City to exceed its debt limit.

NOW THEREFORE the Council of The City of Red Deer enacts as follows:

1. This Bylaw may be known as the “Short Term Borrowing Bylaw”.
2. The City Manager is authorized to borrow, from time to time, a sum or sums not exceeding **Twenty-Five Million Dollars** (\$25,000,000.00) in each of the years 2011, 2012 and 2013, which borrowing the Council deems necessary to meet the operating

expenditures and obligations of The City for those years until such time as taxes can be collected.

3. The borrowing may be made from the Bank of Montreal or such other lender as the City Manager may from time to time determine.
4. Amounts borrowed shall be repaid in full as soon as possible.
5. The maximum interest rate for any borrowing under this bylaw shall not exceed ten (10) percent per annum. If a borrowing is made at a floating rate and the rate exceeds ten (10) percent per annum, the loan shall thereupon be repaid immediately.
6. The borrowings authorized by this Bylaw shall be repaid from general tax revenue.
7. This Bylaw shall come into effect as of January 1, 2011 and Bylaw 3406/2008 is repealed effective December 31, 2010.

READ A FIRST TIME IN OPEN COUNCIL this	day of	2010.
READ A SECOND TIME IN OPEN COUNCIL this	day of	2010.
READ A THIRD TIME IN OPEN COUNCIL this	day of	2010.
AND SIGNED BY THE MAYOR AND CLERK this	day of	2010.

MAYOR

CITY CLERK

Comments:

I support the recommendation of Administration to proceed with three readings of this Bylaw.

"Craig Curtis"
City Manager

DATE: November 30, 2010
TO: Dean Krejci, Financial Services Manager
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Short Term Borrowing Bylaw 3458/2010

FILE COPY

Reference Report:

Financial Services Manager, dated November 3, 2010

Bylaw Readings:

Short Term Borrowing Bylaw 3458/2010 received three readings at the November 29, 2010 regular Council Meeting.

Report Back to Council: No

Comments/Further Action:

Short Term Borrowing Bylaw 3458/2010 authorizes the borrowing of funds for short term operating purposes until taxes are collected. A copy of the Bylaw is attached.



Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Lorraine Poth, Director of Corporate Services
- Mary Bovair, Financial Analyst
- John Fluney, Financial Analyst
- Corporate Meeting Coordinator

BYLAW NO. 3458/2010

Being a bylaw to authorize the borrowing of funds for short term operating purposes until taxes are collected.

Background

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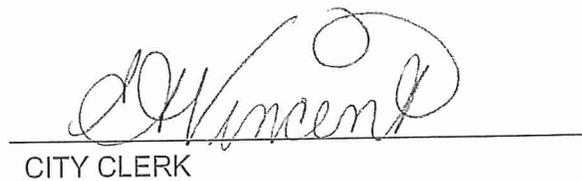
NOW THEREFORE the Council of The City of Red Deer enacts as follows:

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READ A SECOND TIME IN OPEN COUNCIL this	29	day of	November	2010.
READ A THIRD TIME IN OPEN COUNCIL this	29	day of	November	2010.
AND SIGNED BY THE MAYOR AND CLERK this	29	day of	November	2010.


MAYOR


CITY CLERK



Submission Request For Inclusion on a Council Agenda

ORIGINAL

Requests to include a report on a Council Agenda must be received by 4:30pm on Monday (5 business days) prior to the scheduled meeting.

PLEASE NOTE: If reports are not received by Monday (5 business days) prior to the scheduled meeting/hearing the report may be moved to the next Agenda.

CONTACT INFORMATION			
Name of Report Writer:		Dean Krejci	
Department & Telephone Number:		Financial Services 403-342-8204	
REPORT INFORMATION			
Preferred Date of Agenda:		November 29 2010	
Subject of the Report (provide a brief description)		Short Term Borrowing Bylaw	
Is this Time Sensitive? Why?		The current bylaw 3406/2008 will expire at the end of 2010. We require a bylaw in place if we should need to access our bank overdraft in 2011.	
What is the Decision/Action required from Council?		Approve the Short Term Borrowing Bylaw for 2011, 2012, 2013.	
Please describe Internal/ External Consultation, if any.		Internal – Analysis completed on how many times we required the bylaw. Determined the amount of taxes estimated to be levied by the City in years 2011, 2012 and 2013.	
Is this an In-Camera item?		N/A	
How does the Report link to the Strategic Plan and other existing Plans & Policies? N/A			
Has Legal Counsel been consulted? Are there any outstanding issues? Please describe. Yes, Don will be returning on November 15 th and we will communicate any changes to you. There will be no required changes to the note re: interest rates on this short term borrowing bylaw as per my discussion with Michelle. She is aware of the request by Audit Committee for a procedure reporting the actual interest rates incurred for debentures.			
Are there any financial/budget implications? Please describe. Are there other organizational implications? Please describe. If this is not approved we will be in non-compliance of the MGA if our bank balance is in a negative balance. We will require 1 st reading, 2 weeks of advertising and 2 nd & 3 rd reading to pass this bylaw.			
Presentation: (10 Min Max.)		Presenter Name and Contact Information:	
<input type="checkbox"/> YES <input type="checkbox"/> NO			
COMMUNITY IMPACT			
Should External Stakeholder(s) be advised of the Agenda item? (e.i. Community Groups, Businesses, Community Associations) If Yes, please provide the Contact Information for the External Stakeholder(s)		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
External Stakeholder(s) Contact Information: (please provide, name, mailing address, telephone number and e-mail address)			
FOR LEGISLATIVE & GOVERNANCE SERVICES USE ONLY			
Has this been to CLT / City Manager Briefings/ Committees: MPC, EAC, CPAC (Please circle those that apply)			
CLT	City Manager Briefings	Board(s) / Committee(s)	
When/describe: _____	When/Describe: _____	When/Describe: _____	

Financial Services

DATE: November 3, 2010
TO: Craig Curtis, City Manager
FROM: Dean Krejci, Financial Services Manager
SUBJECT: **Short Term Borrowing Bylaw**

Legislative History

The Municipal Government Act (MGA), Section 251 Borrowing Bylaw states that, "a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw." It also outlines the requirements for the bylaw which include the amount to be borrowed, the purpose for which the money is borrowed, the maximum rate of interest, the term of the borrowing, the terms of repayment and the source or sources of money to be used to pay the principal and interest owing under the borrowing.

The MGA Section 256 Operating Expenditures also states that, "a borrowing bylaw that authorizes the borrowing does not have to be advertised if the term of the borrowing does not exceed 3 years."

Council has traditionally approved a short term borrowing bylaw covering three-year periods roughly coinciding with the term of the Council. The bylaw covering the fiscal years 2008-2010 inclusive was passed in the amount of \$25 million (Bylaw 3406/2008).

Background

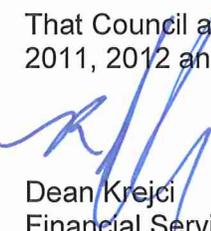
The City generally tries to maximize its investment earnings by estimating cash flows and investing excess funds. Occasionally, the actual cash flows differ from the estimated cash flows to the point where The City's bank account is in an overdraft position. This overdraft is a short term borrowing from the bank requiring a short term borrowing bylaw to be in place.

In the fiscal years 2008-2010 inclusive, The City has used this borrowing capability on one occasion over two days. The maximum amount of borrowing during this period was \$1.18 million.

The maximum rate of interest has been set at ten (10) percent to allow for potential interest rate fluctuations during the three-year period the bylaw will be in effect. The actual rate of interest is the bank's prime rate of interest which fluctuates over time.

Recommendation

That Council approves the Short Term Borrowing Bylaw No. 3458/2010 for the calendar years 2011, 2012 and 2013.



Dean Krejci
Financial Services Manager

cc: Lorraine Poth, Director of Corporate Services

BYLAW NO. 3458/2010

Being a bylaw to authorize the borrowing of funds for short term operating purposes until taxes are collected.

Background

- A Council of The City of Red Deer ("The City") deems it necessary to borrow up to the sum of **Twenty-Five Million Dollars** (\$25,000,000.00) from time to time to meet its current year operating expenditures and obligations until such time as the taxes to be levied can be collected.
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READ A FIRST TIME IN OPEN COUNCIL this	29	day of	November	2010.
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AND SIGNED BY THE MAYOR AND CLERK this	29	day of	November	2010.

MAYOR

CITY CLERK

BYLAW NO. 3458/2010

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READ A THIRD TIME IN OPEN COUNCIL this	day of	2010.
AND SIGNED BY THE MAYOR AND CLERK this	day of	2010.

MAYOR

CITY CLERK

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Lorianne,

Thanks very much for providing this early. We do have a short timeline for the November 29 agenda.

I will include this on the agenda and will wait to hear back from you with final copies.

Bev

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

-----Original Message-----

From: Lorianne Marshall
Sent: Tuesday, November 09, 2010 11:47 AM
To: Bev Greter
Cc: Dean Krejci; Lorraine Poth
Subject: 2010 SHORT TERM BORROWING BYLAW

Hi Bev,
We would like to add the 2010 Short Term Borrowing Bylaw to the November 29th Council Agenda.

I'm sending you the information in advance of the lawyer's review. I will provide a hard copy of the information when Don has reviewed it and we have finalized the bylaw.

Lorianne
8224



Land and Economic Development

DATE: November 29, 2010

TO: Craig Curtis, City Manager

FROM: Alice Granberg, Land Services Specialist
Joe D'Onofrio, Land Coordinator Land and Economic Development

SUBJECT: Report to Council – Lane Access Closure Bylaw 3462/2010
Between the SE Boundary of Lot 55 and SW boundary of Lot 56 all
contained within Plan 912 2089 Block 1
Behind Victoria Station Mall

BACKGROUND

In December 2008, following a neighborhood consultation, RCMP involvement and the City commissioned Crime Prevention Through Environmental Design assessment the Director of Community Services requested and Council approved by resolution to temporarily close access to a lane located behind Victoria Station Mall.

After a year of this temporary lane closure there has been a reduction in the questionable activities and The City's Community Services staff has received praise regarding the positive changes in the neighborhood which appear directly related to this temporary lane closure.

As a result, Community Services has requested that Land and Economic Development proceed with requesting a permanent closure to this access point in accordance with Section 22 of the *Municipal Government Act* to notify the public of closure of vehicle access to the lane off Anquetel Street (see attached).

The area of closed lane, equivalent to the width of the jersey barrier (concrete structure intended to deter vehicle entry at this point) does not require re-zoning and will remain as part of the legal road plan. An internal report requesting comments or concerns from other departments has been completed. There were no concerns with the access to the lane being closed by Bylaw.

RECOMMENDATION

That Council of The City of Red Deer as recommended by Land and Economic Development department proceed to consider the Bylaw to close the access to the lane located Between the SE Boundary of Lot 55 and SW boundary of Lot 56 all contained within Plan 912 2089 Block 1 .



Alice Granberg
Land Services Specialist



Joe D'Onofrio
Land Coordinator

cc: Colleen Jensen, Director Community Services
Paul Meyette, Director Planning Services

BYLAW 3462/2010

Being a bylaw to close access to a portion of a lane in the City of Red Deer, as described herein.

COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

The portion of lane located between the south east boundary of Plan 912 2089 Block 1 Lot 55 and the south west boundary of Plan 9122089 Block 1 Lot 56 and measuring one metre in depth, as shown red on the attached Schedule A, shall be closed.

READ A FIRST TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

READ A SECOND TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

READ A THIRD TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

AND SIGNED BY THE MAYOR AND CITY CLERK this ____ day of _____, 2010 A.D.

MAYOR

CITY CLERK

Comments:

I support the recommendation of Administration to proceed with first reading of this Bylaw.

"Craig Curtis"
City Manager

FILE COPY



Council Decision – November 29, 2010

DATE: November 30, 2010

TO: Alice Granberg, Land Services Specialist
Joe D'Onofrio, Land Coordinator, Land and Economic Development

FROM: Elaine Vincent, Legislative & Governance Services Manager

SUBJECT: Road Closure Bylaw 3462/2010
Between the SE boundary of Lot 55 and SW boundary of Lot 56 all contained within
Plan 912 2089 Block 1
Behind Victoria Station Mall

Reference Report:

Land Services Specialist and Land Coordinator, dated November 29, 2010

Bylaw Readings:

Road Closure Bylaw Amendment 3462/2010 allows received first reading at the November 29, 2010 regular Council Meeting. A copy of the Bylaw is attached.

Report Back to Council: Yes

Comments/Further Action:

Road Closure Bylaw Amendment 3462/2010 allows for the closure of access to the lane located between the SE boundary of Lot 55 and the SW boundary of Lot 56 all contained within Plan 912 2089 Block 1. A Public Hearing will be held on Monday, January 10, 2011 at 6:00 p.m. during Council's regular meeting. This office will proceed with the advertising for the public hearing.

A handwritten signature in black ink, appearing to read 'Elaine Vincent'.

Elaine Vincent
Legislative & Governance Services Manager
/attach

- c. Colleen Jensen, Director of Community Services
Paul Meyette, Director of Planning Services
Howard Thompson, Land & Economic Development Manager
Corporate Meeting Coordinator

BYLAW 3462/2010

Being a bylaw to close access to a portion of a lane in the City of Red Deer, as described herein.

COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

The portion of lane located between the south east boundary of Plan 912 2089 Block 1 Lot 55 and the south west boundary of Plan 9122089 Block 1 Lot 56 and measuring one metre in depth, as shown red on the attached Schedule A, shall be closed.

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READ A SECOND TIME IN OPEN COUNCIL this day of 2010 A.D.
READ A THIRD TIME IN OPEN COUNCIL this day of 2010 A.D.
AND SIGNED BY THE MAYOR AND CITY CLERK this day of 2010 A.D.

MAYOR

CITY CLERK



 road closure

Road Closure
Map: 22/2010
Bylaw: 3462/2010
Date: Dec 2, 2010

ORIGINAL

Nov 29 or Dec 13.

	Submission Request For Inclusion on a Council Agenda
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Requests to include a report on a Council Agenda must be received by 4:30pm on Monday (5 business days) prior to the scheduled meeting.

PLEASE NOTE: If reports are not received by Monday (5 business days) prior to the scheduled meeting/hearing the report may be moved to the next Agenda.

CONTACT INFORMATION			
Name of Report Writer:		Alice Granberg	
Department & Telephone Number:		Land and Economic Development (403) 356-8891	
REPORT INFORMATION			
Preferred Date of Agenda:			
Subject of the Report (provide a brief description)		Road (Lane Closure) Bylaw at Behind Victoria Station	
Is this Time Sensitive? Why?		No	
What is the Decision/Action required from Council?		That Council pass Bylaw that closes access to the Portion of lane located between the SE boundary of Plan 912 2089 Block 1 Lot 55 and the SW boundary of Plan 912 2089 Block 1 Lot 56	
Please describe Internal/ External Consultation, if any.		Internal comments were collected and only minor concerns were raised and but were addressed satisfactorily.	
Is this an In-Camera item?		No	
How does the Report link to the Strategic Plan and other existing Plans & Policies? N/A			
Has Legal Counsel been consulted? Are there any outstanding issues? Please describe. Bylaw was reviewed by Legal.			
Are there any financial/budget implications? Please describe. Are there other organizational implications? Please describe. May require some landscaping at the site of the lane closure.			
Presentation: (10 Min Max.)		Presenter Name and Contact Information:	
<input type="checkbox"/> YES <input type="checkbox"/> NO			
COMMUNITY IMPACT			
Should External Stakeholder(s) be advised of the Agenda item? (e.i. Community Groups, Businesses, Community Associations) If Yes, please provide the Contact Information for the External Stakeholder(s)		<input type="checkbox"/> YES <input type="checkbox"/> NO	
External Stakeholder(s) Contact Information: (please provide, name, mailing address, telephone number and e-mail address)			
FOR LEGISLATIVE & GOVERNANCE SERVICES USE ONLY			
Has this been to CLT / City Manager Briefings/ Committees: MPC, EAC, CPAC (Please circle those that apply)			
CLT When/describe: _____		City Manager Briefings When/Describe: _____	
		Board(s) / Committee(s) When/Describe: _____	
Do we need Communications Support?		<input type="checkbox"/> YES <input type="checkbox"/> NO	

Please return completed form, along with report and any additional information to Legislative & Governance Services.

ORIGINAL



Land and Economic Development

DATE: November 29, 2010
TO: Craig Curtis, City Manager
FROM: Alice Granberg, Land Services Specialist
Joe D'Onofrio, Land Coordinator Land and Economic Development
SUBJECT: Report to Council – Lane Access Closure Bylaw 3462/2010
Between the SE Boundary of Lot 55 and SW boundary of Lot 56 all
contained within Plan 912 2089 Block 1
Behind Victoria Station Mall

BACKGROUND

In December 2008, following a neighborhood consultation, RCMP involvement and the City commissioned Crime Prevention Through Environmental Design assessment the Director of Community Services requested and Council approved by resolution to temporarily close access to a lane located behind Victoria Station Mall.

After a year of this temporary lane closure there has been a reduction in the questionable activities and The City's Community Services staff has received praise regarding the positive changes in the neighborhood which appear directly related to this temporary lane closure.

As a result, Community Services has requested that Land and Economic Development proceed with requesting a permanent closure to this access point in accordance with Section 22 of the *Municipal Government Act* to notify the public of closure of vehicle access to the lane off Anquetel Street (see attached).

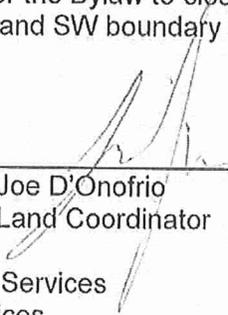
The area of closed lane, equivalent to the width of the jersey barrier (concrete structure intended to deter vehicle entry at this point) does not require re-zoning and will remain as part of the legal road plan. An internal report requesting comments or concerns from other departments has been completed. There were no concerns with the access to the lane being closed by Bylaw.

RECOMMENDATION

That Council of The City of Red Deer as recommended by Land and Economic Development department proceed to consider the Bylaw to close the access to the lane located Between the SE Boundary of Lot 55 and SW boundary of Lot 56 all contained within Plan 912 2089 Block 1 .



Alice Granberg
Land Services Specialist



Joe D'Onofrio
Land Coordinator

cc: Colleen Jensen, Director Community Services
Paul Meyette, Director Planning Services

SCHEDULE A



BYLAW 3462/2010

Being a bylaw to close access to a portion of a lane in the City of Red Deer, as described herein.

COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

The portion of lane located between the south east boundary of Plan 912 2089 Block 1 Lot 55 and the south west boundary of Plan 9122089 Block 1 Lot 56 and measuring one metre in depth, as shown red on the attached Schedule A, shall be closed.

READ A FIRST TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

READ A SECOND TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

READ A THIRD TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

AND SIGNED BY THE MAYOR AND CITY CLERK this ____ day of _____, 2010 A.D.

MAYOR

CITY CLERK

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

3462 / 2010.

Bev Greter

From: Alice Granberg
Sent: Tuesday, November 16, 2010 9:08 AM
To: Bev Greter
Subject: RE: DMPROD-#1044282-v1-November_10_2010_-
_Bylaw_for_Lane_Closure_behind_420_Allan_Street_(victoria_station).DOC

Bev, did you get all the information you needed for this. My guess is that all I need from you is a Bylaw # and other than that I'll provide you with the Council Report, Request to be on Agenda (tell me which day is best) and the Bylaw to be read. Does that sound about right?

Alice Granberg
Bus. (403) 356-8891

From: Bev Greter
Sent: November 10, 2010 8:48 AM
To: Alice Granberg
Cc: Joe D'Onofrio
Subject: RE: DMPROD-#1044282-v1-November_10_2010_-
_Bylaw_for_Lane_Closure_behind_420_Allan_Street_(victoria_station).DOC

Well guess what Alice – I'm a newbie too! So, we'll both learn on this process.

Let me confirm with Frieda all that I need to do. I know you've provided us previous info that this was possibly coming to Council. I won't get to it today as I'm completing the November 15 agenda package. The December meeting of Council is on the 13th. I will need final reports by Friday, December 3. You are correct in needing to provide the back up submission letter with the bylaw, etc.

I will follow up first thing on Monday (I'm off on Friday) with getting you the info you need.

Bev Greter
Corporate Meeting Coordinator
Legislative & Governance Services
Phone: 403.342.8201
Bev.greter@reddeer.ca
www.reddeer.ca

From: Alice Granberg
Sent: Wednesday, November 10, 2010 8:17 AM
To: Bev Greter
Cc: Joe D'Onofrio
Subject: DMPROD-#1044282-v1-November_10_2010_-
_Bylaw_for_Lane_Closure_behind_420_Allan_Street_(victoria_station).DOC

Bev,

I would like to take the attached bylaw to Council in December if possible. I will do the normal request for council process and the Report to Council as well. The attached Bylaw was reviewed by Don Simpson and he is satisfied with same, can you please make sure it's appropriate for LGS requirements and let me know when is the next available council date? I assume I'll also need a Bylaw # before I proceed. Thanks for helping the newbie.

Alice Granberg

<< File: DMPROD-#1044282-v1-November_10_2010 -
_Bylaw_for_Lane_Closure_behind_420_Allan_Street_(victoria_station).DOC >>

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter

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Subject: DMPROD-#1044282-v1-November_10_2010_-
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Attachments: DMPROD-#1044282-v1-November_10_2010_-
_Bylaw_for_Lane_Closure_behind_420_Allan_Street_(victoria_station).DOC

Bev,

I would like to take the attached bylaw to Council in December if possible. I will do the normal request for council process and the Report to Council as well. The attached Bylaw was reviewed by Don Simpson and he is satisfied with same, can you please make sure it's appropriate for LGS requirements and let me know when is the next available council date? I assume I'll also need a Bylaw # before I proceed. Thanks for helping the newbie.

Alice Granberg



DMPROD-#104428
?-v1-November_10..

BYLAW No. _____

Being a bylaw to close access to a portion of a lane in the City of Red Deer, as described herein.

COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

The portion of lane located between the south east boundary of Plan 912 2089 Block 1 Lot 55 and the south west boundary of Plan 9122089 Block 1 Lot 56 and measuring one metre in depth, as shown red on the attached Schedule A, shall be closed.

READ A FIRST TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

READ A SECOND TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

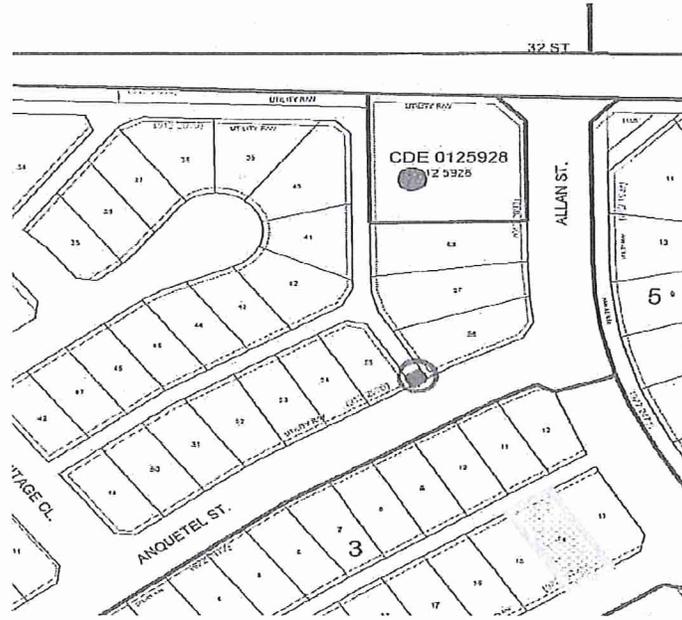
READ A THIRD TIME IN OPEN COUNCIL this _____ day of _____, 2010 A.D.

AND SIGNED BY THE MAYOR AND CITY CLERK this _____ day of _____, 2010 A.D.

MAYOR

CITY CLERK

SCHEDULE A



Bev Greter

From: Christine Kenzie
Sent: Friday, October 22, 2010 10:29 AM
To: Alice Granberg
Cc: Bev Greter
Subject: RE: **Bylaw to Close Lane Access**

BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL

Yes the bylaw will require a Council Report. The next Council Meeting is November 15th, then November 29th, then December 13th. You can pick which date you want to present this to Council. You will need to send an electronic copy of the bylaw to Bev Greter, so that she can assign a bylaw number to it, as well as an electronic copy of the council report. The report is to be addressed to the City Manager. Council Reports are due in to LGS one week before the date of the Council Meeting.

I will be away for the months of November and December. Please direct any questions to Bev Greter at 342-8201.

Thanks Alice.

Christine Kenzie | Corporate Meeting Coordinator
Legislative & Governance Services | The City of Red Deer
D 403.356.8978 | F 403.346.6195
christine.kenzie@reddeer.ca

BYLAW COMING
TO COUNCIL MEETING
IN EITHER
NOVEMBER OR
DECEMBER.

From: Alice Granberg
Sent: October 22, 2010 8:58 AM
To: Christine Kenzie
Subject: Bylaw to Close Lane Access

-Hi Christine,

I've ran the Bylaw past our solicitor we are both satisfied with it. What all do you require to present this to Council, does it require a council report and when is the next best time to present this to Council. It's not exactly urgent but would be nice to have it done by year end just so it's off my plate.

Alice Granberg

From: Christine Kenzie
Sent: October 20, 2010 8:57 AM
To: Alice Granberg
Cc: Bev Greter
Subject: Attached Files - Sample of Road Closure Bylaw

Alice, in response to your email regarding your draft Road Closure Bylaw, I have attached a copy of a recent Road Closure Bylaw so that you can see the formatting and the wording that is used. You can remove the "whereas" clauses from your draft road closure bylaw - Plan 9122089 Block 1, Lot 59, 420 Allan Street. If a map is required for a Road Closure Bylaw, it is a separate document - not included in the body of the Road Closure Bylaw.

I would also suggest that you pass your draft road closure bylaw by the City Solicitor for review. When you are ready to submit this for a Council Agenda, we can give you a bylaw number .

Let me know if you have any other questions.

Christine Kenzie | Corporate Meeting Coordinator
Legislative & Governance Services | The City of Red Deer
D 403.356.8978 | F 403.346.6195
christine.kenzie@reddeer.ca

Christine Kenzie

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

From: Christine Kenzie
Sent: October 20, 2010 8:57 AM
To: Alice Granberg
Cc: Bev Greter
Subject: Attached Files - Sample of Road Closure Bylaw
Attachments: 1006518 - 34502010 - Road Closure Bylaw - 55 Street - Map 162010 - 1.PDF; 1000958 - 34502010 - Road Closure Bylaw - 55th Avenue - Elements Project - 1.DOC

Alice, in response to your email regarding your draft Road Closure Bylaw, I have attached a copy of a recent Road Closure Bylaw so that you can see the formatting and the wording that is used. You can remove the "whereas" clauses from your draft road closure bylaw - Plan 9122089 Block 1, Lot 59, 420 Allan Street. If a map is required for a Road Closure Bylaw, it is a separate document - not included in the body of the Road Closure Bylaw.

I would also suggest that you pass your draft road closure bylaw by the City Solicitor for review. When you are ready to submit this for a Council Agenda, we can give you a bylaw number .

Let me know if you have any other questions.

Christine Kenzie | Corporate Meeting Coordinator
Legislative & Governance Services | The City of Red Deer
D 403.356.8978 | F 403.346.6195
christine.kenzie@reddeer.ca

Christine Kenzie

From: Alice Granberg
Sent: October 19, 2010 9:33 AM
To: Christine Kenzie
Subject: DMPROD-#1039258-v1-October_19_2010_-_Road_Closure_Bylaw_-_Plan_9122089_Block_1_Lot_59_aka_420_Allan_Street.DOC

Follow Up Flag: Follow up
Flag Status: Red

Attachments: DMPROD-#1039258-v1-October_19_2010_-_Road_Closure_Bylaw_-_Plan_9122089_Block_1_Lot_59_aka_420_Allan_Street.DOC

Christine,

Attached is a draft Bylaw that I wish Council to consider (maybe in November or December). Can you review/advise on format or if edits are required. Thank you.



DMPROD-#103925
8-v1-October_19_...

**Legislative & Administrative Services**

DATE: November 25, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Administrative Services Manager
SUBJECT: Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering Committee

The Downtown Business Association has submitted a recommendation for a Downtown Business Association representative to the the Greater Downtown Action Plan Steering Committee.

Greater Downtown Action Plan (Ad Hoc) Steering Committee

- 1 Representative from the Downtown Business Association

Recommendation

The applicant names of those persons nominated are submitted to members of Council in confidence. Council's ratification of this appointment is of the Downtown Business Association.

Elaine Vincent
Manager

Comments:

I support the recommendation of Administration.

“Craig Curtis”
City Manager

FILE COPY

Council Decision – November 29, 2010

DATE: November 30, 2010
TO: Frieda McDougall, Deputy City Clerk
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering Committee

Reference Report:

Legislative & Governance Services, dated November 25, 2010

Resolution:

“Resolved that Council of the City of Red Deer having considered the report from the Legislative & Governance Services Manager dated November 25, 2010 and the correspondence from the Downtown Business Association dated November 18, 2010 re: Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering committee hereby appoints the following to serve as the Downtown Business Association representative to the Greater Downtown Action Plan (Ad Hoc) Steering Committee:

Davin Kemshead.”

Report Back to Council: No

Comments/Further Action:

This office will notify Mr. Kemshead and the Downtown Business Association of this appointment.



Elaine Vincent
Legislative & Governance Services Manager

- c. Charity Dyke, Divisional Strategist
Committee Coordinator

Legislative & Administrative Services

DATE: November 25, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Administrative Services Manager
SUBJECT: Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering Committee

The Downtown Business Association has submitted a recommendation for a Downtown Business Association representative to the the Greater Downtown Action Plan Steering Committee.

Greater Downtown Action Plan (Ad Hoc) Steering Committee

- 1 Representative from the Downtown Business Association

Recommendation

The applicant names of those persons nominated are submitted to members of Council in confidence. Council's ratification of this appointment is of the Downtown Business Association.



Elaine Vincent
Manager

BACK UP INFORMATION
NOT SUBMITTED TO COUNCIL

Bev Greter

From: Frieda McDougall
Sent: Tuesday, November 23, 2010 1:54 PM
To: 'laura@downtownreddeer.com'
Cc: Bev Greter; Lynn Iviney
Subject: FW: Correspondence from the Downtown
Attachments: GDAP Kemshead letter to LGS.pdf; Gaetz Avenue Revitalization - capital budget.pdf

Hi Laura. I just wanted to let you know that we received your submissions. The GDAP membership letter will go to Council at its meeting of November 29 and the Gaetz letter will be added to the Capital budget meeting agenda of December 1.

Frieda McDougall, Deputy City Clerk
 Legislative & Governance Services
 The City of Red Deer
 Phone: 403-342-8136
 frieda.mcdougall@reddeer.ca

From: Laura [mailto:laura@downtownreddeer.com]
Sent: Saturday, November 20, 2010 10:02 AM
To: Elaine Vincent
Cc: 'Davin Kemshead'; 'Al Gamble - other address'
Subject: Correspondence from the Downtown

Elaine,
 please see attached letters.

Also, it's that time of year when we (The City and the DBA) put together the mailing package regarding the BRZ budget. Can you please tell me what the dates are and we should probably have a chat about what that mail-out looks like – ie what's included in the package.

In addition, we provide a letter and the budget summary as well as our Annual Report. This year, the AFE Taskforce has asked us to survey downtown businesses about a couple of initiatives, I think it would be a good idea to include that survey piece as well. I hope you agree.

Laura Turner
 Executive Director
 Downtown Red Deer
 1A 4818 50 (Gaetz) Avenue
 Red Deer, AB T4N 4A3
 - 403.340.8692
 - 403.340.8696
 - 403.340.8699
 - 403.318.0517
www.downtownreddeer.com

[This message has been scanned for security content threats and viruses.]

The City of Red Deer I.T. Services asks that you please consider the environment before

1/24/2010



Legislative & Administrative Services

DATE: November 25, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Administrative Services Manager
SUBJECT: Ratification of Downtown Business Association Appointments

The Downtown Business Association has requested Council's ratification of the new members of the Downtown Business Association.

Downtown Business Association

4 Members for the term January 1, 2011 to January 31, 2013

Recommendation

The applicant names of those persons nominated are submitted to members of Council in confidence.

A handwritten signature in cursive script, appearing to read 'Elaine Vincent'.

Elaine Vincent
Manager

Comments:

I support the recommendation of Administration.

“Craig Curtis”
City Manager

DATE: November 30, 2010
TO: Frieda McDougall, Deputy City Clerk
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: Ratification of Downtown Business Association Appointments

Reference Report:

Legislative & Governance Services, dated November 25, 2010

Resolution:

Resolved that Council of the City of Red Deer having considered the report from the Legislative & Governance Services Manager dated November 25, 2010 and the correspondence from the Downtown Business Association dated November 22, 2010 re: Ratification of Downtown Business Association Appointments hereby appoints the following to serve on the Downtown Business Association for the term January 1, 2011 to January 31, 2013:

Bryan Balderson – Diversified Staffing

Bill Graham – RIFCO

Brian Olstad – Redpoint Design

Lorna Watkinson-Zimmer - Comforts the Sole.”

Report Back to Council: No

Comments/Further Action:

This office will notify the Downtown Business Association of these appointments.



Elaine Vincent
Legislative & Governance Services Manager

c. Committee Coordinator

LEGISLATIVE & GOVERNANCE SERVICES
December 3, 2010

Mr. Davin Kemshead
Advantage Commercial
#203, 4807 50 Avenue
Red Deer, AB T4N 4A5

Dear Mr. Kemshead:

Appointments to the Greater Downtown Action Plan (Ad Hoc) Steering Committee

Thank you for submitting your committee application. At the City of Red Deer's Meeting of Council held on Monday, November 29, 2010, the following appointment to the *Greater Downtown Action Plan (Ad Hoc) Steering Committee* were made:

Resolution:

"Resolved that Council of the City of Red Deer having considered the report from the Legislative & Governance Services Manager dated November 25, 2010 and the correspondence from the Downtown Business Association dated November 18, 2010 re: Downtown Business Association Appointment to the Greater Downtown Action Plan (Ad Hoc) Steering committee hereby appoints the following to serve as the Downtown Business Association representative to the Greater Downtown Action Plan (Ad Hoc) Steering Committee:

Davin Kemshead."

Congratulations on your appointment. The staff liaison for the *Greater Downtown Action Plan (Ad Hoc) Steering Committee* will contact you in the near future regarding meeting dates and times. If, in the interim, you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Elaine Vincent
Manager

DATE: November 25, 2010
TO: Craig Curtis, City Manager
FROM: Elaine Vincent, Legislative & Administrative Services Manager
SUBJECT: Ratification of Downtown Business Association Appointments

The Downtown Business Association has requested Council's ratification of the new members of the Downtown Business Association.

Downtown Business Association

4 Members for the term January 1, 2011 to January 31, 2013

Recommendation

The applicant names of those persons nominated are submitted to members of Council in confidence.



Elaine Vincent
Manager

FILE COPY



Council Decision – November 29, 2010

DATE: November 30, 2010
TO: Frieda McDougall, Deputy City Clerk
FROM: Elaine Vincent, Legislative & Governance Services Manager
SUBJECT: December 13, 2010 Council Meeting Time Change

Reference Report:

Legislative & Governance Services, dated November 25, 2010

Resolution:

“**Resolved** that Council of the City of Red Deer, hereby agrees that the December 13, 2010 meeting of Red Deer City Council will convene at 1:30 p.m.”

Report Back to Council: No

Comments/Further Action:

This office will advertise the change in start time for the December 13, 2010 Council Meeting.

A handwritten signature in cursive script that reads 'Elaine Vincent'.

Elaine Vincent
Legislative & Governance Services Manager

c. Corporate Meeting Coordinator

Christine Kenzie

From: Frieda McDougall
Sent: September 28, 2010 8:35 AM
To: Deb Stott
Cc: Christine Kenzie; Bev Greter
Subject: FW: Perry Parker/Gail Norem Property Tax Penalty (Roll # 410210)

Hi Deb. Following is an email in which a resident is requesting the waiving of a \$70.00 penalty. Can you please review and perhaps contact the resident regarding process and then let us know how you/they wish to proceed. I will reply to them today advising we've received their inquiry and have forwarded it to you.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Perry Parker [mailto:perry.parker@shaw.ca]
Sent: September 27, 2010 5:59 PM
To: Legislative Services
Subject: Perry Parker/Gail Norem Property Tax Penalty (Roll # 410210)

Hi,

Could you tell me if anyone has addressed this appeal?

I have not been able to establish where this bill sat between March and August as we had not applied for a mail box until we took possession of the house. No notification was sent from the builders' lawyer that the tax bill would be sent directly to us. For us to have received it, it would have had to be sent to 84 Bettenson Street which was our mailing address prior to moving in August.

From: Perry Parker [mailto:perry.parker@shaw.ca]
Sent: Thursday, August 12, 2010 1:02 PM
To: 'legislative'
Subject: Perry Parker/Gail Norem Property Tax Penalty (Roll # 410210)

Good Afternoon,

I would like to appeal the \$70.69 penalty applied to our 2010 property tax bill.

Our new home was constructed by Platinum Homes Corp. Title of the lot changed in March of 2010 possession of the house was August 4 2010. We just received the keys to our mailbox on August 11, 2010 and discovered that the property tax notice had been delivered here. Unfortunately, no one informed us that we would be receiving this notice or that we would be responsible for the taxes prior to possession.

2010/09/28

We would appreciate if you could review and reverse the penalty. Perry and I have paid property taxes to the City of Red Deer on two separate properties for many years and have always been on time with these payments which should be considered when you make your decision.

Perry Parker – formerly 6277 Orr Drive
Gail Norem – 84 Bettenson Street (still active)

Thank you. We look forward to hearing from you.

Perry Parker & Gail Norem

[This message has been scanned for security content threats and viruses.]

[The City of Red Deer I.T. Services asks that you please consider the environment before printing this e-mail.]

Bev Greter

From: Deb Stott
Sent: Tuesday, September 28, 2010 3:36 PM
To: Christine Kenzie
Cc: Norma Lovell; Bev Greter; Frieda McDougall
Subject: RE: Appeal Property Tax Penalty Roll 410210.doc

We will have a report ready for inclusion on the Nov 15 Council agenda. Please let us know the deadline for submission to LGS in order to be included in the Nov 15 agenda. I'm on vacation Oct 4 – 25. Norma will be drafting the report and I will review it as soon as I am back in the office.

If you are in contact with these taxpayers and they have questions about their taxes, please ask them to call Assessment & Taxation Services, as a supplementary tax notice was mailed to them last Friday (Sept 24/10).

Deb Stott

From: Christine Kenzie
Sent: September 28, 2010 11:48 AM
To: Deb Stott
Cc: Bev Greter
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc

See attached email --- looks like it is headed for the November 1st or November 15th Council Agenda.

Will you have a report ready by then?

Christine Kenzie | Corporate Meeting Coordinator
Legislative & Governance Services | The City of Red Deer
D 403.356.8978 | F 403.346.6195
christine.kenzie@reddeer.ca

From: Frieda McDougall
Sent: September 28, 2010 10:39 AM
To: Christine Kenzie; Bev Greter
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc

Can you add this to the Council agenda for either November 1 or 15 (I told her it might be either) and move this through the process? Thanks.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services

9/29/2010

The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Gail Norem [mailto:Gail.Norem@servus.ca]
Sent: September 28, 2010 10:03 AM
To: Frieda McDougall
Cc: Perry Parker
Subject: Appeal Property Tax Penalty Roll 410210.doc

Hi Frieda,

As discussed, I combined the content of the August e-mail that was not received at your office and the one sent yesterday

Thanks
Gail

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it is addressed and may be confidential. Any review or use
of any kind other than by the intended recipient is prohibited.

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[The City of Red Deer I.T. Services asks that you please consider the environment before printing this e-mail.]

pulled. Nov 1.10.

**BACKUP INFORMATION
NOT SUBMITTED TO COUNCIL**

Bev Greter

From: Frieda McDougall
Sent: Monday, November 01, 2010 9:05 AM
To: Bev Greter
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc
Attachments: Appeal Property Tax Penalty Roll 410210.doc
fyi

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Norma Lovell
Sent: November 01, 2010 8:21 AM
To: Christine Kenzie
Cc: Frieda McDougall; Deb Stott
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc

This matter has been settled and, therefore, can be pulled from the matters waiting to be included on the November 15th Council Agenda.

From: Gail Norem [mailto:Gail.Norem@servus.ca]
Sent: October 29, 2010 9:39 AM
To: Norma Lovell
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc

Good Morning Norma,

As per our telephone conversation yesterday – Platinum’s lawyer have reimbursed us so we do not require further action on your part with regards to the appeal.

Thanks
Gail Norem

Oct 27, 2010
Norma Lovell in
Assess + Tax to phone
Perry Parker + Gail Norem
- Lawyer refund old monies
- will confirm if they want
to withdraw their request for
refund of tax penalty.
CSH.

From: Gail Norem
Sent: September 28, 2010 10:03 AM
To: 'frieda.mcdougall@reddeer.ca'
Cc: Perry Parker
Subject: Appeal Property Tax Penalty Roll 410210.doc

Hi Frieda,

As discussed, I combined the content of the August e-mail that was not received at your office and the one sent yesterday

Thanks
Gail

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Christine Kenzie

From: Frieda McDougall
Sent: September 28, 2010 10:39 AM
To: Christine Kenzie; Bev Greter
Subject: FW: Appeal Property Tax Penalty Roll 410210.doc
Attachments: Appeal Property Tax Penalty Roll 410210.doc

Can you add this to the Council agenda for either November 1 or 15 (I told her it might be either) and move this through the process? Thanks.

Frieda McDougall, Deputy City Clerk
Legislative & Governance Services
The City of Red Deer
Phone: 403-342-8136
frieda.mcdougall@reddeer.ca

From: Gail Norem [mailto:Gail.Norem@servus.ca]
Sent: September 28, 2010 10:03 AM
To: Frieda McDougall
Cc: Perry Parker
Subject: Appeal Property Tax Penalty Roll 410210.doc

Hi Frieda,

As discussed, I combined the content of the August e-mail that was not received at your office and the one sent yesterday

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Legislative Services Red Deer

Subject: Perry Parker/Gail Norem Property Tax Penalty (Roll # 410210)

To Who it may Concern,

We would like to appeal the \$70.69 penalty applied to our 2010 Property Tax Bill.

Our new home was constructed by Platinum Homes Corp. Title of the lot changed in March of 2010 possession of the house was August 4 2010. We applied to Canada Post for a mail box when we moved and received keys to our mailbox on August 11, 2010. It was then discovered that the property tax bill had been delivered to 6 Sutherland Close. Unfortunately, no one informed us that we would be receiving this notice or that we would be responsible for the taxes prior to our actual possession date.

We have not been able to establish where this bill sat between March and August as we had not applied to Canada Post for a mail box until we took possession of the house. Had Canada Post returned this Property Tax Bill as undeliverable, the City of Red Deer would have likely contacted us. No notification was ever sent from the builders' lawyer that the tax bill would be sent directly to us. For us to have received it, the bill would have had to be sent to 84 Bettenson Street which was our mailing address prior to August.

We would appreciate if you could review and reverse the penalty. Perry and I have paid property taxes to the City of Red Deer on two separate properties for many years and have always been on time with these payments which should be considered when you make your decision.

Perry Parker – formerly 6277 Orr Drive
Gail Norem – 84 Bettenson Street (still active)

Thank you. We look forward to hearing from you.

Perry Parker & Gail Norem
6 Sutherland Close
Red Deer, Alberta
T4R 0L4
403-343-1332 or 403-877-1459