DATE: November 8, 1994

TO: All Departments

FROM: City Clerk

RE: PLEASE POST FOR THE INFORMATION OF EMPLOYEES

FILE

SUMMARY OF DECISIONS

****

FOR THE REGULAR MEETING OF RED DEER CITY COUNCIL

HELD IN THE COUNCIL CHAMBERS, CITY HALL,

MONDAY, NOVEMBER 7, 1994

COMMENCING AT 4:30 P.M.

(1) Confirmation of the Minutes of the Regular Meeting of October 24, 1994
Confirmation of the Minutes of the Organizational Meeting of October 24, 1994

DECISION - MINUTES CONFIRMED AS TRANSCRIBED WITH A CORRECTION MADE TO PAGE 8 OF THE ORGANIZATIONAL MEETING MINUTES

PAGE

(2) **UNFINISHED BUSINESS**

1) Environmental Advisory Board - Re: Low-Cost Composting . . 1

DECISION - AGREED THAT BOARD UNDERTAKE A PUBLIC EDUCATION PROGRAM PROMOTING BACKYARD ORGANIC COMPOSTING AND THAT WOOD CHIPPING BE INCORPORATED IN ACTION PLAN

2) Recreation & Culture Manager - Re: Bowden Work Release Program . . 10

DECISION - AGREED NOT TO PURSUE FURTHER THE BOWDEN WORK RELEASE PROGRAM

3) City Administrators - Re: Change to Council Policy 420/Grants to Community Service Organizations . . 12

DECISION - AGREED TO NEW GRANT POLICY #420 AND GRANT BE CONTINUED TO THE SPCA FOR 1995, AIRSHOW GRANT BECOMES A CATEGORY II GRANT, ST. JOHN AMBULANCE BE INCLUDED IN COMMUNITY SERVICES BUDGET AND CNIB GRANT BE DELETED

4) Bylaws & Inspections Manager - Re: Dog Control/Award of Contract . . 19

DECISION - AWARDED CONTRACT TO ALBERTA ANIMAL SERVICES WITH 30 HOURS OF PATROL SERVICE PER WEEK

5) Bylaws & Inspections Manager - Re: Dog Bylaw Amendment 2943/A-94/Fines/Patrol Hours . . 23

DECISION - ITEM TABLED FOR 4 WEEKS TO ALLOW A COMMITTEE TO REVIEW FINES AND REPORT BACK TO COUNCIL

6) City Clerk - Re: Proposed Amendment to The License Bylaw/Fees . . 26

DECISION - AGREED TO AMENDMENT TO ALLOW FOR LICENSES TO BE VALUE FOR ONE YEAR FROM THE DATE OF PURCHASE FOR BOTH RESIDENT AND NON-RESIDENT BUSINESS LICENSES

(3) **PUBLIC HEARINGS**

1) City Clerk - Re: Land Use Bylaw Amendment 2672/X-94/New Downtown C1-B District . . 29

DECISION - AGREED TO ADJOURN THE PUBLIC HEARING UNTIL THE DECEMBER 5, 1994 COUNCIL MEETING TO ALLOW FOR A FURTHER PUBLIC MEETING

(4) **REPORTS**

1) Land and Economic Development Manager - Re: Application to Purchase/Lot 5, Block 8, Plan 892-2959 (Riverside Light)/Stuckey Construction (Red Deer) Ltd. . . 53

DECISION - APPROVED LAND SALE TO STUCKEY CONSTRUCTION (RED DEER) LTD. SUBJECT TO CONDITIONS

2) City Clerk - Re: Downtown Planning Committee/Amendment to Terms of Appointments . . 61

DECISION - APPROVED CHANGES TO TERM OF APPOINTMENTS FOR TWO CITIZEN-AT-LARGE MEMBERS

3) Land & Economic Development Manager - Re: Offer to Purchase Rail Right-of-Way Adjacent to Former Federal Pioneer Site/Seibel Construction Limited . . 63

DECISION - AGREED TO SALE OF RAIL RIGHT-OF-WAY TO SEIBEL CONSTRUCTION SUBJECT TO CONDITIONS

4) Land & Economic Development Manager - Re: Lot R, Block 32, Plan 5187 KS/3706 - 58 Ave./West Park/Avalon Homes (Red Deer) Inc. . . 72

DECISION - AGREED THAT LAND NOT BE OFFERED FOR SALE AND IT REMAIN AS PUBLIC PARK RESERVE

5) Engineering Department Manager - Re: War and Peace Memorial/67 St. & Highway 2/Edgar Industrial Subdivision Development Levies . . 78

DECISION - ITEM TABLED PENDING FURTHER INPUT FROM KOREA VETERANS ASSOCIATION

(5) **CORRESPONDENCE**

1) Red Deer Cabs - Driver's Association - Re: Taxi Commission . . 83

DECISION - ITEM TABLED AND REFERRED TO POLICING COMMITTEE FOR FURTHER CONSIDERATION OF REQUEST

2) Towne Centre Association - Re: 1995 Budget Proposal . . 90

DECISION - AGREED TO CONSIDER TOWNE CENTRE ASSOCIATION'S 1995 BUDGET DURING COUNCIL BUDGET DELIBERATIONS IN JANUARY 1995. AGREED TO SEND NOTICES TO BRZ PERSONS AFFECTED

3) Alberta Energy - Re: Report/"Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry" . . 98

DECISION - AGREED WITH PROPOSED DIRECTION OF REPORT AND REQUESTED PARTICIPATION IN FURTHER STUDIES

(6) **PETITIONS AND DELEGATIONS**

(7) **NOTICES OF MOTION**

1) City Clerk - Re: Alderman Statnyk/Change to Taxi Business Bylaw. . 106

DECISION - AGREED NOT TO AMEND TAXI BUSINESS BYLAW AS PROPOSED

2) City Clerk - Re: Alderman Statnyk/Red Deer College Student Parking in West Park Subdivision . . 108

DECISION - AGREED NOT TO IMPLEMENT PARKING RESTRICTIONS AT THIS TIME

(8) **WRITTEN ENQUIRIES**

(9) **BYLAWS**

1) 2672/X-94 - Re: Land Use Bylaw Amendment/New Downtown C1-B District - 2nd & 3rd readings . . 29
. .114

DECISION - ADJOURNED UNTIL THE DECEMBER 5, 1994 COUNCIL MEETING

2) 2943/A-94 - Dog Bylaw Amendment/Fines/Patrol Hours - 3 readings . . 23

DECISION - TABLED PENDING FURTHER STUDY AND REPORT FROM A COMMITTEE FORMED

ADDITIONAL AGENDA

Re: Electrical Rates

DECISION - AGREED TO A REVIEW OF THE RATE STRUCTURE CONTAINED IN ELECTRICAL UTILITY BYLAW

A G E N D A

✻✻✻✻✻✻

FOR THE REGULAR MEETING OF RED DEER CITY COUNCIL

TO BE HELD IN THE COUNCIL CHAMBERS, CITY HALL,

MONDAY, NOVEMBER 7, 1994,

COMMENCING AT **4:30 P.M.**

✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻✻

(1) Confirmation of the Minutes of the Regular Meeting of October 24, 1994
Confirmation of the Minutes of the Organizational Meeting of October 24, 1994

PAGE

(2) **UNFINISHED BUSINESS**

(3) **PUBLIC HEARINGS**

1) City Clerk - Re: Land Use Bylaw Amendment 2672/X-94/New Downtown C1-B District . . 29

(4) **REPORTS**

1) Land and Economic Development Manager - Re: Application to Purchase/Lot 5, Block 8, Plan 892-2959 (Riverside Light)/Stuckey Construction (Red Deer) Ltd. . . 53

2) City Clerk - Re: Downtown Planning Committee/Amendment to Terms of Appointments . . 61

3) Land & Economic Development Manager - Re: Offer to Purchase Rail Right-of-Way Adjacent to Former Federal Pioneer Site/Seibel Construction Limited . . 63

4) Land & Economic Development Manager - Re: Lot R, Block 32, Plan 5187 KS/3706 - 58 Ave./West Park/Avalon Homes (Red Deer) Inc. . . 72

5) Engineering Department Manager - Re: War and Peace Memorial/67 St. & Highway 2/Edgar Industrial Subdivision Development Levies . . 78

(5) **CORRESPONDENCE**

1) Red Deer Cabs - Driver's Association - Re: Taxi Commission . . 83

2) Towne Centre Association - Re: 1995 Budget Proposal . . 90

3) Alberta Energy - Re: Report/"Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry" . . 98

(6) **PETITIONS AND DELEGATIONS**

(7) **NOTICES OF MOTION**

1) City Clerk - Re: Alderman Statnyk/Change to Taxi Business Bylaw . . 106

2) City Clerk - Re: Alderman Statnyk/Red Deer College Student Parking in West Park Subdivision . . 108

(8) **WRITTEN ENQUIRIES**

(9) **BYLAWS**

1) 2672/X-94 - Re: Land Use Bylaw Amendment/New Downtown C1-B District - 2nd & 3rd readings . . 29
. . 114

2) 2943/A-94 - Dog Bylaw Amendment/Fines/Patrol Hours - 3 readings . . 23

Committee of the Whole

1) Legal Opinion

UNFINISHED BUSINESS

NO. 1

CS-P- 5.156

DATE: **October 31, 1994**

TO: **CITY COUNCIL**

FROM: **GREG HALL, Chairman**
Environmental Advisory Board

RE: **LOW-COST COMPOSTING**

The Public Works Department undertook a Pilot Yard Waste Composting Program in 1993. Although it was very successful in terms of public support and participation, the funding for the program ran out before the end of the program due to the large quantities of organic material accumulated.

At their October 25, 1993 meeting, City Council considered a report from the Environmental Advisory Board and the Public Works Manager dealing with the future of a composting program, and the following motion was passed:

> "Resolved that Council of The City of Red Deer hereby requests the Environmental Advisory Board to bring back to Council a "No-Cost Composting Program".

The Environmental Advisory Board considered subsequent reports from the Public Works Manager at their Board meetings of November 16, 1993, June 15, 1994 and October 18, 1994. Considerations for partnering with the Citizens Action Group on the Environment and/or with the private sector were discussed; however, after extensive discussion, the consensus of the Board was that a "No-Cost Composting Program" is not possible, even under a partnering program. The Citizens Action Group on the Environment has declined a major involvement in a proposed composting program and the private sector has indicated a preliminary interest if a wood chipping component was in a composting program.

The attached report from the Public Works Manager outlines two components of a composting program: an organic material component; and a wood chipping component. The Environmental Advisory Board considers a composting program a high priority, in that the management of solid waste, including composting, was the fourth highest environmental priority identified by the public as part of the Environmental Action Plan process. In particular, the volume of wood that is presently directed to the landfill could be more practically disposed of through a wood chipping program.

The Board passed the following resolutions concerning wood chipping at their October 18, 1994 meeting:

1. "That the Environmental Advisory Board direct that wood chipping be incorporated into Section 4.4.3.2 of the Environmental Action Plan."

.../2

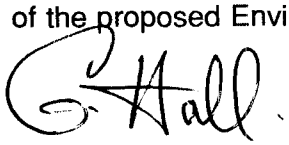
2. "That the Environmental Advisory Board approach City Council for funding for the chipping component of the composting program through the proposed Environmental Action Plan."

Since citizens have an alternative for organic composting in the form of backyard composters, the Board felt that public education promoting backyard organic composting is the most reasonable low-cost alternative for the City to pursue. Wood chipping, however, is not available to the public and at present there is an implied demand for wood chip mulch through commercial outlets. A City of Red Deer wood chipping composting program would substantially lessen volumes of wood organics going into the landfill, and would respond to public priorities identified in the proposed Environmental Action Plan.

Furthermore, the Board is of the opinion that backyard composting must be promoted through public education as it is a very low-cost alternative.

"That the Environmental Advisory Board, inform Council that in response to their request for a composting program, the Board has addressed same through the Action Plan. The Plan has incorporated education on backyard composting as a high priority, and has attached a dollar figure to educate the public on backyard composting."

In summary, the Environmental Advisory Board requests City Council to consider a low-cost organic composting and wood chipping program, including a public education component, as part of the proposed Environmental Action Plan priorities.



GREG HALL

DB/ad
Att.
c. Gord Stewart, Public Works Manager
Bryon Jeffers, Director of Engineering Services
Craig Curtis, Director of Community Services
Don Batchelor, Parks Manager
Mary Stewart, Solid Waste Inspector

FILE: gord\memos\compost.eab
MASTERFILE: 3000.009

DATE: **October 12, 1994**

TO: **Environmental Advisory Board**

FROM: **Public Works Manager**

RE: **LARGE SCALE COMPOSTING**
JOINT VENTURE WITH PRIVATE INDUSTRY

The Public Works Department has investigated the possibility of sufficient response from private business for the City to request proposals for a large scale composting and/or wood chipping joint venture. Although interest is limited, at least two companies would be prepared to consider an arrangement with the City.

Both companies indicated that overhead costs could be reduced by utilizing existing landfill space for the composting operation. Utilizing existing landfill space would be a consideration for a short period of time. However, due to the shortage of space available on-site with closure approaching in the next five to six years, any infrastructure such as an all-weather asphalt composting pad or covered curing building should not be considered until perhaps more permanent space is available at a new landfill.

Experience with our pilot yard waste composting program would suggest the operation should have two distinct components, organic composting and wood chipping.

The annual operating cost to the City for an organic composting program has been estimated to be $20 000, based on the calculations and program outline shown on Appendix "A".

The annual operating cost to the City for a wood chipping program has also been estimated to be $20 000. A one time capital cost of $7 000 for preparation of a work site pad within the landfill site would be required for the first year. The total first year cost for a wood chipping operation has been estimated to be $27 000, based on the calculations and program outline shown on Appendix "B".

If both programs received favourable proposals and operated on the landfill site next to each other, an annual cost savings of $9 000 would be realized by using one site attendant for both programs. The estimated overall cost for both programs for the first year of operation would then be $38 000. Subsequent annual costs are estimated at $31 000.

. . . 2

Summary

City Council direction to staff is to try and provide a no-cost composting program. Although we have not come up with no-cost composting, low-cost composting would consist of some public education. This would be through such means as utility bill inserts which we have been doing.

If the Environmental Advisory Board feels strongly about this issue, then you may wish to recommend to Council that $47 000 be budgeted in 1995 to request proposals for wood chipping and composting. In 1996, $31 000 would be required to continue the program.

RECOMMENDATIONS:

The Environmental Advisory Board determine how they would like to proceed and report to City Council.

Gordon A. Stewart, P.Eng.
Public Works Manager

BW/blm

Att.

c Director of Engineering Services
Solid Waste Superintendent

APPENDIX "A"
ORGANIC COMPOSTING COMPONENT

We anticipate the proposals for the composting operation would request the City to:

1. Supply a drop-off area at the landfill complete with an attendant to monitor the material. For the composting operation, an area approximately 30 x 90 meters would be required for storage of the raw materials, operation of the equipment and storage of the finished compost. The pad used for the pilot yard waste composting program is still intact at the landfill and would be suitable for this operation at no additional cost.

   The drop-off area would be open six days a week from May to September and Saturdays only during April and October. Hours of operation with an attendant would be 3:30 p.m. to 7:30 p.m.. on week days and 7:30 a.m. to 5:30 p.m. on Saturdays for a total of 750 attendant hours at an approximate cost of $9 000.

   If the attendant is utilized for the wood chipping operation as well, approximately half of the hours could be charged to wood chipping thereby reducing the attendant cost charged to composting by $4 500 for an estimated saving of $4 500.

2. Provide administration, advertising and promotion for an estimated cost of $4 000.

3. Ban the disposal of yard waste, such as grass clippings and hedge trimmings, at the landfill except at the designated drop-off area.

4. Waive tipping fees on yard waste at the landfill.

It is anticipated that a contractor would be prepared to provide the following:

1. Equipment and labour to windrow, control moisture, turn, test, cure and market the compost at a cost of around $8.00 per tonne for a total cost to the City of approximately $5 000, representing about one half to one third of the processing cost.

   The finished compost product would belong to the contractor; however, the contractor would be required to attempt to market the compost and share any net profit with the City on a 50:50 basis.

   It is likely that the contractor would want to dispense the compost directly from the landfill site rather than removal for storage at a private site.

APPENDIX "A" continued

It is estimated that 600 tonnes (1 800 to 2 400 cubic metres of finished compost based on 3 to 4 cubic metres per tonne) of material could be received for composting. Processing costs can range between $15.00 to $25.00 per tonne for a total cost of $9 000 to $15 000 to process the 600 tonnes. Marketable compost is valued at $50.00 to $90.00 per tonne ($15.00 to $30.00 per cubic metre) for a possible revenue range of between $27 000 to $72 000 if the compost could be successfully marketed. The marketability of the compost produced at the landfill is unproven in this area at this time; therefore, a profit should not be included in the cost calculation although the potential may be there.

The total cost to the City for the compost program is estimated to be:

Attendant costs		$ 9 000
Administration, advertising and promotion		4 000
Subsidy payment to contractor for composting		5 000
	SUBTOTAL	$18 000
Contingency		2 000
	TOTAL	$20 000

APPENDIX "B"
WOOD CHIPPING COMPONENT

We anticipate the proposals for the wood chipping operation would request the City to:

1. Supply a drop-off area at the landfill complete with an attendant to monitor the material. For the wood chipping operation, an area approximately 20 x 30 meters would be required for storage of the raw materials, operation of the equipment and storage of the finished chips. The estimated cost for construction of a suitable pad next to the existing composting sits is $6 000.

   The drop-off area would be open at the same time as the compost site, six days a week from May to September and Saturdays only during April and October. Hours of operation with an attendant would be 3:30 p.m. to 7:30 p.m.. on week days and 7:30 a.m. to 5:30 p.m. on Saturdays for a total of 750 attendant hours at an approximate cost of $9 000.

   If the attendant is used for the composting operation at the same time, approximately half of the hours could be charged to composting, reducing the attendant cost charged to wood chipping by $4 500 for an estimated cost of $4 500.

2. Provide administration, advertising and promotion for an estimated cost of $2 000.

3. Ban the disposal of yard wood waste at the landfill, except at the designated drop-off area.

4. Waive tipping fees on yard waste at the landfill.

It is likely that the contractor would want to dispense the wood chips directly from the landfill site rather than removing them for storage at a private location.

It is anticipated that a contractor would be prepared to provide the following:

1. A wood chipper, complete with the labour for all operational requirements, for $50 per hour. It is estimated that 600 tonnes of material would be received over the seven-month period and that the total cost to the City for the wood chipper for the season (based on an estimate of 140 hours to chip the 600 tonnes) would be $7 000. This would represent from about one third to over one half of the processing cost.

APPENDIX "B" continued

The finished wood chips would belong to the contractor, however, the contractor would be required to attempt to market the chips and share any net profit with the City on a 50:50 basis.

It is likely that the contractor would want to dispense the chips directly from the landfill site rather than removal for storage at a private site.

It is estimated that 550 tonnes (1,700 to 2,000 cubic metres of finished chips based on 3 to 3.5 cubic metres per tonne) of material could be received for wood chipping. Processing costs can range between $20.00 to $40.00 per tonne for a total cost of $11,000 to $22,000 to process the 550 tonnes. Marketable wood chips are valued at $36.00 to $60.00 per tonne ($12.00 to $20.00 per cubic metre) for a possible revenue range of between $19,800 to $33,000 if the wood chips could be successfully marketed. The marketability of the wood chips produced at the landfill is more established in the Red Deer area, therefore a growing market should absorb the wood chips generated in future years.

The total cost to the City for the wood chipping program is estimated to be:

- Attendant costs	$ 9,000
- Administration, advertising and promotion	$ 2,000
- Subsidy Payment to Contractor for wood chipping	$ 7,000
SUBTOTAL	$18,000
Contingency	$ 2,000
(ANNUAL) TOTAL	$20,000
- Capital cost for site preparation	$ 6,000
Contingency	$ 1,000
SITE PREPARATION TOTAL	$ 7,000
(ONE TIME) TOTAL	$27,000

COMMISSIONERS' COMMENTS:

The attached report from the Environmental Advisory Board indicates that they are unable to comply with Council's request to recommend a "no cost composting program". The Board has divided composting into 2 components; organic waste and wood chips. It would appear that while there is no commercial interest in the composting element, and thus a net cost if The City were to provide this service, there may be a private sector interest in wood chipping. We recommend that Council support the recommendation of the Environmental Advisory Board that The City undertake a public education program at minimum cost promoting backyard organic composting. We further recommend that wood chipping be incorporated into the Environmental Advisory Plan and that the Environmental Advisory Board review the possibility of having wood chipping undertaken by the private sector with some facilitation by The City on a break even basis.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **ENVIRONMENTAL ADVISORY BOARD**

FROM: **CITY CLERK**

RE: **LOW-COST COMPOSTING**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 31, 1994 concerning the above topic and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Environmental Advisory Board dated October 31, 1994, re: Low-Cost Composting, hereby agrees as follows:
>
> 1. To support the recommendation of the Environmental Advisory Board that The City undertake a public education program at minimum cost, promoting backyard organic composting;
>
> 2. That wood chipping be incorporated into the Environmental Action Plan;
>
> 3. That the Environmental Advisory Board review the possibility of having wood chipping undertaken by the private sector, with some facilitation by The City on a break even basis;
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information and appropriate action. I look forward to the Environmental Action Plan being submitted back to Council in due course.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Engineering Services
Director of Community Services
Public Works Manager

NO. 2

FILE NO. R-41368

DATE: **November 1, 1994**

TO: **KELLY KLOSS**
City Clerk

FROM: **LOWELL R. HODGSON, Manager**
Recreation & Culture Department

RE: **BOWDEN WORK RELEASE PROGRAM**

In June, City Council agreed "that additional information should be obtained from the City's insurance company and labour lawyer relative to our coverage and liability regarding this program". I can now report the following:

- Our labour lawyer indicates that, as long as there is no payment of wages, the inmates would be treated, under law, as volunteers. Therefore, the City would be responsible for common law obligations, to provide reasonable, safe premises, tools and equipment with which to function, but would not be responsible for the much more extensive statutory and collective agreement obligations that would be in place if they were deemed to be employees. If I understand this correctly, our labour lawyer is saying there is no problem as long as we have them working safely, as we would with anyone who is an employee or a volunteer, and there would be no problems with the collective agreement as they are not employees and they are not taking work away from City staff.

- Our City insurance company indicates that there is no problem from an insurance perspective as long as reasonable care is given with respect to security equipment that is being used, etc. The insurance representative indicated that they recognize there is some risk with such a program, however, as long as "reasonable care" is taken, there would not be an issue for our coverage.

- Our solicitor expresses concern regarding the City's responsibility to exercise care during the course of screening, selection, and supervision of the inmates. He believes the form which the City would need to sign is somewhat ambiguous and, in his view, does not give the City the protection it should have.

It would appear, therefore, that there is no specific problem with our insurance or for the labour lawyer; however, our solicitor has expressed some concern. It is obvious, from the response in the community when this was first considered this past spring, that there is at least a perceived problem concerning the safety of city residents. While I find this unfortunate, I also recognize that perception becomes reality, and it is for this reason that I would not recommend us pursuing this opportunity any further.

.../2

When I first presented this idea some nine or ten months ago, I did it on the basis of trying to be innovative and creative in attempting to get some work done that we don't have the resources to do otherwise. I saw this as being a win-win situation where we would get some work done and the inmates, who are soon to be released into the community, would have the benefit of dignity in work. Since these people will be in our community in a matter of months anyway, it seemed as if this allowed for a transition to that. However, I think the community has responded with concern and I will, therefore, respect that and withdraw this proposal. Some 30 years ago, as a registered psychiatric nurse, I had a work crew who were "warrant of remands", and I worked with these individuals in the community in a similar way to what I had proposed for these inmates. I felt everyone benefitted from it and, while there were some risks with it, I felt they were minimal and manageable and I believe they could be with this program as well. However, in light of the publicity around failed parolees and recent escapees from various institutions, I would not recommend us pursuing this issue any further.

RECOMMENDATION:

That Council of the City of Red Deer receive this information from the City's insurance company and our labour lawyer relative to our coverage and liability regarding an inmate work release program, and that same be filed for information, but that this program not be pursued at this time.

LOWELL R. HODGSON, Manager
Recreation & Culture Department

:lb

cc. Craig Curtis, Director of Community Services

Commissioners' Comments

We concur with the recommendation of the Recreation & Culture Manager.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

NO. 3

CHAPMAN RIEBEEK

Barristers, Solicitors & Notaries

THOMAS H. CHAPMAN, Q.C.*
NICK P. W. RIEBEEK*
DONALD J. SIMPSON
T. KENT CHAPMAN*
GARY W. WANLESS*
LORNE E. GODDARD
GERI M. CHRISTMAN
ROBERT J. MILLAR

208 - 4808 Ross Street
Red Deer, Alberta T4N 1X5
TELEPHONE (403) 346-6603
TELECOPIER (403) 340-1280

5020 - 50 A Street
Sylvan Lake, Alberta T0M 1Z0
TELEPHONE (403) 887-2024
TELECOPIER (403) 887-2036

* Denotes Professional Corporation

Your file:
Our file: GEN 06/94 THC
Red Deer Office

June 13, 1994

** C O N F I D E N T I A L **

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

ATTENTION: Craig Curtis
Director of Community Services

Dear Sir:

RE: Prison Work Release Program

The work release form which the City would be required to sign to enter into the work release program makes it clear that the relationship between the City and the Prisoner on work release is that of employer and employee.

Clause 3 of the document provides that Corrections Services will indemnify the employer against "personal civil liability" incurred by reason of any act or admission by the inmate during the course of employment. This would appear to include indemnification for any crime committed during the course of employment. The clause goes on, however, to state that Corrections Services "will make no claim against the employer if the employer acted honestly and without negligence". Presumably, this would mean that, if Corrections Services Canada could show that the City acted in a negligent manner, they could, in effect, refuse to indemnify the City.

The allegations of negligence which might be made by a third party suffering damages as a result of the actions of the inmate employee, could possibly include a failure to properly supervise or a failure to properly screen employees in the selection process. In view of the fact that the

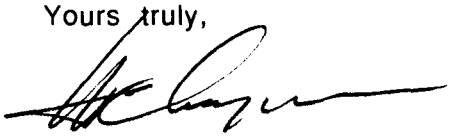
inmates may have committed a violent crime would, in effect, impose a higher duty upon the City to exercise care during the course of screening and selection and supervision.

In general, the clauses in the form are somewhat ambiguous and, in my view, do not give the City the protection that it should have.

In view of the fact that this project could involve some liability which may be subject to coverage under the City's liability policy, I do not believe the City should embark upon the program without obtaining the insurance company's position with respect to liability, and ensuring that any liability is covered under the City policy. It must be recognized also, however, that not necessarily all acts which an inmate employee might commit while in the "course of his employment" will be covered by insurance.

In considering a final position in this matter, I would also recommend that the Commissioner or yourself discuss this matter with our labour lawyer, Brian Thompson, to accurately determine the extent of liability of an employer for an employee under the "course of his employment" and whether an employer is liable for any criminal acts committed by an employee in the course of his work day.

Yours truly,



THOMAS H. CHAPMAN, Q.C.
THC/vjh

MEMORANDUM

DATE: July 3, 1994

TO: City Clerk Kelly Kloss

FROM: Personnel Manager Grant Howell

RE: Prison Work Release Program

Our City Solicitor, Mr. Tom Chapman, recommended that The City check with our Labour Solicitor, Mr. Brian Thompson, regarding potential legal liabilities that might be incurred through participation in the program, particularly from the perspective of being characterized as an employer of inmates working under the project.

Attached is a report from Mr. Thompson which deals in detail with the above noted concerns. You will note that he suggests that The City confirm with its insurers the extent to which liability coverage is available to protect against liabilities arising from the program.

It would appear that, so long as there was no payment of wages, the inmates would be treated under law as volunteers and The City would then be responsible for common law obligations to provide reasonable safe premises, tools and equipment with which to function, but would not be responsible for the much more extensive statutory and collective agreement obligations that would be in place if they were deemed employees.

Please let me know if there is any more information I can provide.

/rg

NEUMAN·THOMPSON
BARRISTERS/SOLICITORS

June 23, 1994

by courier

The City of Red Deer
Personnel Department
P.O. Box 5008
4914 - 48 Avenue
Red Deer, Alberta
T4N 3T4

Attention: Mr. Grant Howell
Personnel Manager

Dear Sir:

Re: Prison Work Release Program

A. Introduction

In reply to your request of June 17, 1994, we have reviewed the materials which you sent regarding the prison work release program. We are pleased to offer the following opinion concerning potential legal liabilities the City of Red Deer might incur through participation in the program, particularly from the perspective of being characterized as an employer of inmates working under the project.

In this opinion we first address the issue of the employment status of inmates working under the program. We then go on to consider implications of this status in terms of possible statutory and common law obligations, collective agreement liability and finally liability for negligence or criminal acts committed by inmates while engaged in work release activities.

RONALD O. NEUMAN B.A., LL.B., Q.C.*
BRIAN M. THOMPSON B.A., LL.B., LL.M.*
CRAIG W. NEUMAN LL.B.*
DWAYNE W. CHOMYN, LL.B.*
*DENOTES PROFESSIONAL CORPORATION

200 WEST CHAMBERS
12220 STONY PLAIN ROAD
EDMONTON, ALBERTA T5N 3Y4
TELEPHONE (403) 482-7645
FAX (403) 488-0026

B. Employment Status

Before examining legal liabilities that the City may incur as a result of entering into a relationship between Correctional Service Canada and inmates under a work release program, it is important to evaluate the nature of the relationship. Are inmates employees of the City of Red Deer while involved in the program? Are they merely volunteers? Is Correctional Service Canada a contractor providing services to the City? Answers to these questions about status will in turn dictate answers to questions about the City's legal obligations arising from participation in the program.

An initial review of the documentation proferred by Correctional Service Canada, particularly their "Work Release - Employer Responsibilities" form which they will require the City to sign before commencing the program, leaves little doubt about their view of the relationship - inmates become employees of the City. It is contemplated that inmates will work under the direct supervision and control of the City. The City will have the ability to select previously screened inmates to work in the program. The City can presumably direct the removal of an inmate at any time. In these circumstances, all of the basic elements of an employment relationship between the City and the inmates seem to be present, namely hiring, supervision and control, and firing. The only other required feature to establish the employment relationship is the payment of remuneration. The documentation sent for our review did not make clear whether there were plans for the City to pay inmates for their services under the work release program. The background information supplied to the Municipality by Correctional Service Canada suggests other programs in the past have involved both paid and unpaid work.

In our opinion, if inmates were to receive pay from the City of Red Deer for work performed, they would almost certainly be considered employees of the City. It would be very unlikely that the inmates would be characterized as workers of Correctional Service Canada providing services under contact, because the City, rather than prison officials, would provide ongoing supervision, and in this fashion would control the work performed.

There are some legal authorities which suggest that where work is part of a rehabilitation scheme it may not amount to employment. An example of this sort of ruling may be seen in the case of patients of a psychiatric facility, engaged in work therapy programs, who were held by the British Columbia Court of Appeal not to be employees, in Fenton v. Forensic Psychiatric Service Commission [1991] 5 W.W.R. 600 (a photocopy of the decision is enclosed). However, this case did not involve a third party like the City engaging patients (or inmates in our situation) from the institution to perform work, nor did the work in that case provide a net economic benefit to the recipient of the services. In the circumstances contemplated for the work release program, it is our view the scheme would not be seen as purely rehabilitative, and would more likely be seen to establish an employment relationship.

On the other hand, if the City did not pay inmates for work under the program, we believe the relationship of employer and employee would not exist. The flow of remuneration, either directly or indirectly, from the employer to the employee is an essential component defining employment relationships. This can be seen in statutory definitions of "employee" like those found in the Employment Standards Code, S.A. 1988, c.E-10.2, section 1(1)(c), and in the Labour Relations Code, S.A. 1988, c.L-1.2, section 1(l). If remuneration does not pass in any fashion from the City to inmates, then they are likely to be characterized merely as volunteers, and not employees.

Even as volunteers, the City may incur legal obligations in respect of the activities of inmates, but these obligations are significantly altered from the obligations that would otherwise be extant if inmates were to be considered employees. We turn now to examine some of those potential obligations, and how they may differ depending on whether or not inmates are treated as employees or volunteers.

C. Statutory and Common Law Obligations

If inmates working in the program are considered City employees, then the Municipality would incur broad and varied statutory obligations to these workers, in the same way that extensive obligations are owed by the City to its other staff. The minimum requirements of the Employment Standards Code respecting maintenance of records, hours of work, minimum rates of pay, overtime, rest periods, entitlements to vacation pay, general holiday pay and severance pay, would all be applicable, although depending upon the nature and duration of an inmate's work assignment he may not actually establish eligibility under the legislation for holiday pay or severance pay. As with its other employees, the Municipality would incur obligations under federal legislation to deduct from earnings and remit income tax, employee contributions to Canada Pension Plan, and Unemployment Insurance plans, and also to pay employer contributions on behalf of inmates to these plans. The City may have to pay Workers' Compensation assessments in respect of inmates under the Provincial Workers' Compensation Act, if they were engaged in regulated employment. Provincial occupational health and safety legislation and human rights legislation provisions applicable to employees would also conceivably come into play to impose obligations on the City.

By contrast, if inmates provided services as unpaid volunteers the statutory obligations would be inapplicable. Employment Standards Code requirements would no longer be relevant. Statutory remittances of tax, CPP, and UI premiums and Workers' Compensation assessments would no longer be payable. Occupational health and safety legislation would not govern, although at common law occupier's liability and negligence principles would still operate to impose some obligations on the City with respect to worksite safety.

The City, like any other legal entity, owes a general duty of care to those people who it can reasonably foresee as being affected by its actions, be they employees, volunteers or others, to behave as a reasonably prudent person would in similar circumstances, to avoid foreseeable risks of injury to others. This is a basic tenet of negligence law, not in any way unique to employers. For example, an employer who is an occupier of premises has a general duty of care, like any other occupier of property, to take reasonable steps to avoid unusual risks of harm to employees, volunteers or visitors on the premises. Similarly, an employer who provides machinery, tools or other products for use by volunteers, like any other provider of a product, has a general duty to ensure that the product is reasonably safe for its intended use, and to warn users of foreseeable hazards. More recently legislation has expanded and codified common law liability in this area. The Workplace Hazardous Materials Information System (W.H.M.I.S.) initiative introduced in 1988 is a good example of regulation of product safety at the workplace that has applications not only to employees, but others as well.

There is a potentially significant difference between inmates serving as employees or volunteers, when it comes to common law liability of the City for injuries suffered by inmates while engaged in providing services. In this particular instance, liability of the City to volunteers may even be more extensive than liability to employees. This is because, to the extent paid staff are currently covered by Workers' Compensation assessments, they are prevented from directly making claims against the Municipality for injuries sustained while in the course of employment, and instead are restricted to making claims under Workers' Compensation legislation. In the case of volunteers, the legislation would not be applicable, and therefore the City may be exposed to direct legal claims by volunteers alleging negligence causing them harm. In order to protect the City as far as possible from the risk of claims being put forward by volunteers in these circumstances, we recommend that you review with your insurance providers the extent of public liability coverage which is in place, to ensure that it will also provide protection for claims by volunteers. Depending on the circumstances, an employer, under the general law of negligence, will incur a wide variety of duties to take reasonable care, which could be owed to volunteers and which, if breached, could result in the imposition of legal liability.

D. Collective Agreement Obligations

We have examined current collective agreements in force between The City of Red Deer and its bargaining agents, with a view to determining potential liabilities that might arise under these contracts if the City were to employ inmates. None of the agreements prohibit outright employment of temporary staff, although some regulate their hiring (see for example the letter of understanding regarding temporary operators in the ATU contract, Article 4.5.4 of the IBEW contract, and Articles 4.2.3.1 and 5.3.2 of the CUPE contract).

All of the collective agreements contain recognition clauses broad enough to encompass temporary or casual employees within their scope. This means inmates who are employees of the City, and performing functions similar to those of other bargaining unit employees, would also very likely be found to fall within one of the City's bargaining units, probably the CUPE unit, given the nature of work anticipated for inmates. As such, the CUPE collective agreement would probably apply to these inmates. Subject to the possibility of negotiating with the Union for special terms and conditions to apply to inmates on work release programs, which bargaining would be permissible under Article 15 of the CUPE contract, the various employer obligations spelled out in the collective agreement would apply to the employment of inmates. Rates of pay and hours of work would have to match those provided for in the collective agreement. Dues would have to be deducted from pay. Benefit plans, holiday pay and vacation benefits in the contract, to the extent they are otherwise available to casual or temporary staff, would also have to be made available to inmate employees.

If inmates were engaged to provide services on a volunteer basis, so that they were not employees of the City, then collective agreements would not apply to them, although those agreements might still restrict the City's ability to deploy volunteers, at least to some extent. It is certainly conceivable that by the City entering into an arrangement with the Prison to obtain inmates services, it could be said to be "contracting out" work. Under a letter of understanding attached to the ATU agreement, if bargaining unit work under that contract were ever involved, the City would have to discuss the impact of the inmates providing services before implementing the program. More importantly, under the CUPE contract, contracting out work to volunteers may be completely prohibited, by virtue of Article 5.7, if it were to result in any loss of employment for a current CUPE employee. We note the last resolution adopted by City Council on the work release program, dated May 24, 1994, specifically contemplated working ".... cooperatively with CUPE in protecting City work, and simply undertaking tasks through the program that we are unable to do otherwise." This direction that work by inmates only be used as a supplement to City crews, and not as a replacement for them, is in keeping with the City's obligation under the CUPE agreement.

E. Liability for Acts of Inmates

The final area of legal liability we consider is that of the City's responsibility for acts or omissions of inmates causing harm to others, while they are participating in the work release program.

There are primarily two ways in which the City, as an employer, may incur liability and negligence for conduct of its employees, including inmates if they are so characterized. Firstly, an employer may be found vicariously liable to a third party, for negligent conduct of an employee. Secondly, the employer may be found directly negligent in breaching a duty of care owed to a third party.

Dealing first with the issue of vicarious liability, it has long been held by Canadian Courts that an employer may be liable for negligent acts of its employees in certain circumstances. A finding of vicarious liability against the employer does not depend on a finding that the employer itself breached some duty of care. Rather, the crucial question to address is whether or not the employee committed the negligent act while in the course of his service or employment for the employer.

Generally, an employee is said to be within the course of his employment when he is actually engaged in performing duties for his employer at the employer's request, express or implied. Canadian Courts have expanded the concept of course of employment to include not only acts of the employee specifically authorized by the employer, but also any other acts necessarily connected with the scope of employment, even if not expressly authorized. Courts in Canada have had occasion to consider the issue of the course of employment in a number of cases dealing with an employer's vicarious liability. The Alberta decision of Plains Engineering Ltd. v. Barnes Security Services Ltd. (1987) 19 C.C.E.L. 205 (Alta. Q.B.) is a good example. This case contains a full discussion of employer vicarious liability and when it arises. It was held the employer of a security guard was not vicariously liable to a third party for damages occasioned by the criminal act of arson committed by the guard while on duty, because the act was neither authorized, nor necessarily connected with the performance of employment duties of the guard. It was a completely separate, deliberate, criminal act of the guard committed outside the scope of his employment. A copy of this Judgment is enclosed for your reference.

We can also assume that the potential vicarious liability of the City in respect of inmates acting as volunteers performing services, will be similar to the potential liabilities with regard to paid employees, as outlined above. Although volunteers do not receive wages, they are still engaged in the performance of duties under the direction and control of the City, and therefore in the same manner as with paid employees, the City is likely to be vicariously liable for acts or omissions of volunteers, and any injuries or loss which they cause through their conduct, in the ordinary course of carrying out volunteer functions on the Municipality's behalf. However, in the same way as with employees, the City should not be vicariously liable for unauthorized, deliberate, criminal behaviour of inmates, outside the scope of their volunteer services. If the City is to be liable at all for losses arising from these types of criminal acts, whether committed by employees or volunteers, it would only be on the basis of direct negligence.

As noted earlier, the City, like any other legal entity, owes a general duty of care to those people who it can reasonably foresee as being affected by its actions, to behave as a reasonably prudent person would in similar circumstances, and to avoid foreseeable risks of injury to others. Depending on the circumstances, the City under the general law of negligence will incur a wide variety of duties to take reasonable care, which if breached will result in the imposition of direct liability. This memorandum is not able,

in its limited space, to comment in detail about general duties of care and negligence law. Rather, the focus of this opinion is the possible duty of care the City may owe to the public in employing potentially dangerous inmates outside a secure prison environment.

We were not able to locate a reported Canadian decision dealing with a claim based in negligence against an employer for engaging the services of a serving prisoner, where the prisoner subsequently caused harm to others. To the extent general principles provide guidance on this point, we believe any direct liability attaching in such circumstances would have to be premised on reasonable foreseeability. The City would be responsible to take reasonable measures to safeguard the public from foreseeable risks. Reasonable steps would likely include adequate screening of inmates, involving knowledgable police and prison officials, and then adequate monitoring and supervision of inmate activities. It is not possible to define precisely in the abstract what would amount to reasonable precautions. While the City is not expected to absolutely guarantee the safety of its citizens, it is required to take reasonable measures to protect them. What is reasonable may be a matter of degree. For example, it may be reasonable for the City to engage properly screened inmates, vetted by the local RCMP and the prison case management team to conduct a park clean-up campaign during a period of low public usage, when the inmates are monitored by City management, with contingency plans in place to call in police or prison staff promptly in the event of an escape or other trouble. On the other hand, it might well be negligent for the City to knowingly permit a convicted child molester to work unsupervised cleaning up a playground where children are frequently present. These examples present extremes. Other situations may fall somewhere in between. The City's legal obligation would be to act sensibly and prudently, as another reasonable person would in the same circumstances.

It is important that the City review with its insurers the extent of public liability insurance it has in place to guard against claims in negligence it may face from using inmates, either as employees or volunteers. We understand contact has been initiated with insurers for this purpose. While the Prison is prepared in its work release form to offer indemnification to the City for liability caused by acts of inmates in the program, the indemnity offered is a limited one. It would not protect the City in any situation where there was negligence or deliberate wrongdoing on the part of the City itself which contributed to the harm caused third parties. If the work release program is to be pursued, appropriate public liability insurance coverage should be in place.

F. Conclusions

In this opinion we have addressed the question of the legal status of inmates who might provide services to The City of Red Deer under the work release program, and we have considered potential legal obligations the City may incur through such a relationship. We have concluded that inmates under contemplated arrangements will likely be found at law to be employees of the City if they are paid for their work, but non-employee volunteers

if they receive no remuneration. The City may incur extensive statutory and collective agreement obligations to inmates as employees. Even as volunteers, the City would owe them common law obligations to provide reasonably safe premises, tools and equipment with which to function.

We have examined the potential liability of the City for any harm caused the public by inmates while engaged in the program. Whether employees or volunteers, the City would be liable for acts of inmates committed in the ordinary course of providing services, but not for wrongful, criminal acts outside the scope of their duties, unless the City were found directly negligent for failing to take reasonable measures to protect the public. Finally, we have noted the limited form of indemnification offered the City by Correctional Service Canada, and we have recommended the City confirm with its insurers the extent to which liability coverage is available to protect against liabilities arising from the program.

Copies of cases referred to in this opinion are enclosed for your further reference. If you have other questions or concerns regarding this issue, please feel free to call on us.

Yours truly,

NEUMAN THOMPSON

BRIAN M. THOMPSON
/en
Encl.

WHEREAS employees and employers are best able to manage their affairs where statutory rights and responsibilities are clearly established and understood; and

WHEREAS it is recognized that legislation establishing general employment standards is an appropriate mechanism through which terms and conditions of employment may be established;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1(1) In this Act,

(a) "collective agreement" has the same meaning that it has in the *Labour Relations Code;*

(b) "Director" means the person appointed under the *Public Service Act* as the Director of Employment Standards;

(c) "employee" means an individual employed to do work who is in receipt of or entitled to wages, and includes a former employee;

(d) "employer" means a person who employs an employee, and includes a former employer;

(e) "employment record" means the record required to be maintained under section 18 and any other document or record that is necessary in order to determine whether an employee is entitled to wages, overtime pay, entitlements or parental benefits;

(f) "entitlements" means vacation pay, general holiday pay and pay in place of notice of termination of employment;

(g) "general holiday" means

(i) New Year's Day,

(i.1) Alberta Family Day,

(ii) Good Friday,

(iii) Victoria Day,

(iv) Canada Day,

(v) Labour Day,

(h) "Court" means the Court of Queen's Bench;

(i) "Director" means the person appointed under the *Public Service Act* as the Director of Mediation Services;

(j) "dispute" means a difference or apprehended difference arising in connection with the entering into, renewing or revising of a collective agreement;

(k) "disputes resolution tribunal" means

(i) a voluntary arbitration board referred to in Part 2, Division 15,

(ii) a compulsory arbitration board referred to in Part 2, Division 16,

(iii) a disputes inquiry board referred to in Part 2, Division 17, or

(iv) a public emergency tribunal referred to in Part 2, Division 18;

(l) "employee" means a person employed to do work who is in receipt of or entitled to wages, but does not include

(i) a person other than a firefighter who, in the opinion of the Board, exercises managerial functions or is employed in a confidential capacity in matters relating to labour relations,

(ii) a person who is a member of the medical, dental, architectural, engineering or legal profession qualified to practise under the laws of Alberta and employed in his professional capacity, or

(iii) a firefighter who is the chief or a deputy chief of the fire department in which he is employed;

(m) "employer" means a person who customarily or actually employs an employee;

(n) "employers' organization" means an organization of employers that acts on behalf of an employer or employers and has as one of its objects the regulation of relations between employers and employees, whether or not the organization is a registered employers' organization;

(o) "firefighters" means the employees, including officers and technicians, employed by a municipality and assigned exclusively to fire protection and fire prevention duties notwithstanding that those duties may include the performance of ambulance or rescue services;

(p) "lockout" includes

(i) the closing of a place of employment by an employer,

(ii) the suspension of work by an employer, or

(iii) a refusal by an
ees,

for the purpose of com
employer in compelling
terms or conditions of e

(q) "lockout vote" mea
vote of employers unde

(r) "mediator" means a
section 62 or who is ap

(s) "Minister" means
charged by the Lieutena
istration of this Act;

(t) "officer" means a pe

(u) "registered employe
organization registered
bargaining in a part of t

(v) "strike" includes

(i) a cessation of wo

(ii) a refusal to worl

(iii) a refusal to con

by 2 or more employee
in accordance with a co
compelling their employ
to terms or conditions c
to compel their employe
terms or conditions of e

(w) "strike vote" means

(x) "trade union" mean
a written constitution,
objects the regulation o
ployees;

(y) "unit" means any gr

(z) "vice-chairman" me

(aa) "wages" includes ar
remuneration for work
but does not include tip

Delegation of Minister's and Director's responsibilities

2(1) When the Minister or
under this Act, he may auth
in right of Alberta to exercis
or with respect to any par
circumstances that the Minis
or duty may then be exer
authorized in addition to th

[Indexed as: **Fenton v. Forensic Psychiatric Services Commission**]

BRUCE ADDISON FENTON v. FORENSIC PSYCHIATRIC SERVICES COMMISSION

British Columbia Court of Appeal
Macdonald, Proudfoot and Hollinrake JJ.A.

Heard – March 13 and 14, 1991.
Judgment – May 31, 1991.

Employment – Contract of employment – Distinguished from other relationships – Patient participating in various work therapy programs run by psychiatric health care facility not an "employee" under Employment Standards Act – Proper test being whether "real" economic benefit flowing to institution from work programs – Where programs having net annual cost to defendant of several hundred thousand dollars, patients not "employees."

The plaintiff was a patient at a psychiatric health care facility operated by the defendant. The defendant ran various work therapy programs; participation was optional but seldom rejected if offered. Patients worked four hours a day and were paid a daily "gratuity" ranging from $1.50 to $15.50. Farm produce grown by the patients was sold to other institutions and woodwork projects were sold to staff and the public at less than market prices. The plaintiff brought an action alleging that the patients in the work programs were being economically exploited and that the patients were "employees" within the meaning of the Employment Standards Act. The trial judge accepted that argument and held that s. 8(2)(*d*) of the regulations under the Act exempting the defendant from paying the minimum wage was unconstitutional under s. 15 of the *Charter*. The defendant appealed.

Held – Appeal allowed.

The usual test for determining whether a person is an employee is the "economic benefit test." But the proper test is whether there is any "real" economic benefit flowing to the institution from the work programs. Applying this test, it could be seen that, after allowing for the income derived from the work programs, those programs had a net annual cost to the defendant of several hundred thousand dollars. The overriding fact was that these programs were costly enough to deprive the defendant of any real economic benefit from them. Accordingly, the plaintiff and the other patients in the work programs were not employees.

Cases considered

Hospital Employees Union, Local 180 v. Cranbrook & District Hospital (1974), [1975] 1 Can. L.R.B.R. 42 (B.C.L.R.B.) – applied.

Kaszuba v. Salvation Army Sheltered Workshop (1983), 41 O.R. (2d) 316, 83 C.L.L.C. 14,023 (Div. Ct.) – applied.

Souder v. Brennan, 367 F. Supp. 808 (U.S. Dist. Ct., D.C., 1973) – not followed.

Statutes considered

Canadian Charter of Rights and Freedoms, Part I of Constitution Act, 1982, being Schedule B of Canada Act 1982 (U.K.), 1982, c. 11
s. 1 – considered.
s. 15 – considered.

Employment Standards Act, S.B.C. 1980, c. 10
s. 1 "employee" – considered.
s. 1 "employer" – considered.
s. 105(3)(*c*) [am. S.B.C. 1985, c. 51, s. 16] – considered.

Fair Labor Standards Act, 1938 (U.S.) – referred to.

Labour Code of British Columbia, S.B.C. 1973 (2nd Sess.), c. 122 – referred to.

Regulations considered

Employment Standards Act, S.B.C. 1980, c. 10 –
Employment Standards Act Regulations, B.C. Reg. 37/81
s. 8(2)(*d*)

APPEAL and CROSS-APPEAL from decision of Davies J. (1989), 29 C.C.E.L. 168, 90 C.L.L.C. 14,026, finding psychiatric patient entitled to statutory minimum wage.

Harvey M. Groberman, for appellant.
David W. Mossop and *James W.N. Pozer*, for respondent.
(Victoria Doc. V01130)

May 31, 1991. The judgment of the court was delivered by

MACDONALD J.A.:–

THE LITIGATION

1 This is an appeal and cross-appeal from a judgment of the Supreme Court [reported at 29 C.C.E.L. 168, 90 C.L.L.C. 14,026] in which the respondent was found to be entitled to the statutory minimum wage prescribed by the *Employment Standards Act*, S.B.C. 1980, c. 10, and the regulations made thereunder, for work done under programs established by the Forensic Psychiatric Institute ("F.P.I.") a health care facility at which the respondent is a patient. Additionally, the judge held that s. 8(2)(*d*) of those regulations, which exempts F.P.I. from paying the minimum wage to patient workers in the particular programs, applied but was unconstitutional under s. 15 of the *Canadian Charter of Rights and Freedoms*.

2 The appellant which operates and is responsible for F.P.I. appeals the judgment on the grounds that the judge erred in finding the respondent to have been an "employee" of F.P.I.; in choosing between alternative interpretations of s. 8(2)(*d*) of the regulations so as to render the regulation unconstitutional; in failing to consider whether that regulation is one

to which s. 15(2) of the *Charter* applies; and in failing to find the regulation to be a reasonable limit on the equality rights justified pursuant to s. 1 of the *Charter*. The respondent, found to be entitled to the minimum wage for work performed in the scullery group, farm group and multi-purpose group, cross-appeals alleging that he is also entitled to the minimum wage for work done in the cottage industries group.

THE FACTS

In order to determine the first issue the facts must be established in considerable detail and carefully considered. There are few conflicts in the testimony. The judge had to consider the whole of the evidence and decide whether the respondent is an employee under the statute.

Before setting out the facts found by the judge, I quote the following from the respondent's index to his statement of facts in his factum. It indicates the thrust of his argument:

(1) Background Information on Bruce Fenton;

(2) General Background on Work Programs;

(3) Economic Exploitation of Patients in Work Programs:

(a) Exploitation by Employees at FPI;

(b) Exploitation by FPI Itself; and

(c) Indirect Forms of Exploitation.

(4) Poverty of Patients;

(5) Lack of Treatment of Patients in Work Programs.

These are the judge's findings of fact. He made them without any findings as to credibility of witnesses or resolution of conflicts in testimony [pp. 170-75]:

> Mr. Fenton is 38 years of age and single. If one had to describe his life in a word, the word that would rush to mind is "unsettled". When he was 4 years of age, his father left home, forcing his mother to work to support his half-brother and himself. Mr. Fenton was apprehended at 9 years of age and placed in a series of foster homes until the age of 13, when he was allowed to return to his home as his mother and father had been reunited. He obtained his first job, which was with the White Spot Restaurants, when he was in grade 10. It lasted only a short time. For the next 6 years he had numerous jobs, none of any real duration, but with no significant unemployed lapses between them.
>
> In July 1973 he was arrested for obstructing a police officer. At his trial in December of that year he was found not guilty by reason of insanity and placed in the Forensic Psychiatric Institute where he has remained ever since, except for several short periods when he was allowed back into the community on a number of conditions.

> The Forensic Psychiatric Institution, or F.P.I. as it is frequently called, is made up of four departments: social work, recreational services, rehabilitation, and occupational therapy. The department of interest as far as the plaintiff's claim is concerned is the rehabilitation department. This department was started initially in 1976. The department's role was, and is, to develop and maintain work therapy programs for the patients. Mr. Peter Kane, director of forensic psychiatric services, explained that the work programs, which have grown in number and expanded in scope, were not designed to serve a vocational training function but rather to assist in treatment and rehabilitation. Ms. K. McCarron is the director of these programs that now include a farm group, a garden group, scullery group, multi-purpose group, cottage industries group, and small appliance repair group. These groups provide a useful activity for all patients capable of taking part and benefiting from them.
>
> A patient who is able to leave the wards is first placed in the occupational therapy department. There an assessment is made of the patient's abilities, skills, concentration span, attitude and ability to follow instructions. When the treatment team for a patient decides that the patient is capable of taking part in a work program, he or she is advised that they may participate in a work program, and they are asked for their preference of activity. Participation in the work programs, is optional, but is seldom rejected if offered. Because the programs have grown in popularity, a patient is not always able to have his or her first choice of activity, at least not initially.
>
> While on a work program the patient is assessed periodically by the activity worker in charge. This officer is not required to have a degree or any formal training in occupational therapy or vocational rehabilitation. The activity workers supervise patients in each work area. They demonstrate good workmanship, provide guidance and teach some skills. For at least part of each work session they work side by side with the patients. No therapists are employed in the work programs and there is no attempt at therapy during the program activities.
>
> When a patient has been approved for the work programs and has asked to participate, the following is a typical work program day:
>
> 1. The activity worker collects his or her group at the wards at 8:00 a.m. and they proceed to the activity building or site.
>
> 2. The group works until 9:00 a.m. when there is a 25 to 30 minute coffee break.
>
> 3. Work resumes at 9:30 a.m. and continues until 10:00 a.m., when there is another 10 minute break.
>
> 4. Work continues from 10:10 a.m. to 10:50 a.m., which is the end of the morning activity.
>
> 5. 10:50 a.m. to 12 noon: lunch.
>
> 6. 12:10 p.m. to 1:00 p.m.: work.
>
> 7. 1:00 p.m. to 1:10 p.m.: break.
>
> 8. 1:10 p.m. to 1:30 p.m.: work.

9. 1:30 p.m. to 2:00 p.m.: coffee break.

10. 2:00 p.m. to 2:45 p.m.: work.

Total work day: approximately 4 hours.

The activity workers' assessment of a patient's performance is charted in the patient's records. Most patients who are released from F.P.I. have taken part in a work program.

Those patients participating in a work program are paid a gratuity. There are seven gratuity level – that is to say, the level or rate of gratuity paid to a patient varies with attendance, behaviour, co-operation with staff and other patients, and his or her efficiency. Some patients attend university or a community college. They are also paid a gratuity which in the case of university students is at level 10, the highest level, and at level 8 for those attending a community college. F.P.I. also pays one-half of the tuition and provides bus passes for all students. Most patients receive a comfort allowance of up to $60 per month. The comfort allowance is less for those patients who are paid a gratuity level of 7 or higher as no patient is permitted to collect more than $100 per month. The current gratuity levels are as follows:

Level 3	$1.50 a day
Level 4	$2.50 a day
Level 5	$3.00 a day
Level 6	$4.00 a day
Level 7	$9.00 a day
Level 8	$10.50 a day
Level 10	$15.50 a day

Ms. McCarron explained that any patient receiving a level 10 gratuity is vocationally rehabilitated although they may not be ready for discharge. Should a patient leave a work program voluntarily or as a result of being discharged but then return to it, they resume the program at level 4.

Some groups are occasionally asked to work overtime. Although such requests are rare, they are, for example, made of the garden group at harvest time, and of the scullery group when large orders for potatoes have been received. Participation in overtime is voluntary and those who do participate receive extra gratuities. Any patient working more than 6 months is entitled to a vacation every 12 months with gratuity. Further, a Christmas bonus has been paid in some years to all those in full-time attendance at a work program.

The following is a brief description of the various work programs.

1. Farm Group

Patients of the institute started working in the gardens of Colony Farm in or about the year 1946. Colony Farm, which consists of 640 acres, is owned by the provincial government and was operated by the Department of Agriculture until 1983. Dairy cattle, sheep and pigs were raised on the farm as well as a variety of crops. Approximately 25 to 30 patients made up the farm group which was under the direction of two activity workers. The patients performed a number of unskilled jobs, such as clean-up, planting, cultivating and harvesting. The revenue generated by the farm group went to the provincial government's general revenue fund.

2. Multi-purpose Group

This program began in or about 1977. Prior to its commencement the grounds of the institute were cared for by the British Columbia Building Corporation (B.C.B.C.) or its predecessor. At present the patients do approximately 50 per cent of the care and maintenance of the lawns and gardens of the institute, and the balance of the work is done under contracts let by B.C.B.C.

3. Cottage Industries Group

The patients in this group produce bookcases, coffee tables, and wooden garden structures such as lawn furniture, picnic tables, and rose trellises. The work is done in a well-equipped shop where the patients are instructed in the use of tools and power equipment. This program is probably the best-known of all of the patient activities because their products are very popular. The products, which are of good quality, are sold to the staff and general public at prices below those for similar products of lower quality in retail stores. Items sold from the programs are priced by costing out materials used and adding only a small profit. Labour and equipment are not considered in costing. Until recently the revenue from the sale of these products was used to buy equipment for the shop, materials for special projects or occasionally some item for the enjoyment of all patients.

4. Scullery Group

Patients of the institute have prepared vegetables in the scullery since 1963. In 1978 the rehabilitation department took over operation of the scullery which is located at Colony Farm. This group processes only potatoes which are produced by the garden group. Daily orders are received from several government institutions and some private concerns. Patients answer the telephone, take orders, fill orders, mark bags, and load trucks. Approximately 10 to 12 patients work side by side with activity workers and together clean, cut, cool and load 300 to 325 tons of potatoes a year. Revenue from the potatoes has amounted to as much as $120,000 a year, which goes into the government's general revenue.

5. Garden Group

This group is made up of 8 to 10 patients who care for a vegetable garden and also assist in cleaning the yard and doing some repairs. Produce from the vegetable garden is sold at a produce market.

6. Greenhouse Group

This group came into existence in 1978 when the greenhouse was built. However, because of a close association with the efforts of the multi-purpose group, the two groups were combined in 1988.

7. Small Appliance Repair Group

This group consists of high-functioning patients who are taught the basics of electricity. The group repairs small appliances for the staff and general public. It was formed in 1984 after the closure of Colony Farm in order to offer a new learning experience for patients.

In 1988 Greenland Cottage Industries Society was incorporated. It is clear from the financial information produced that this non-profit society was

formed because of the increase in income produced by several of the work program groups. In short, there is a significant amount of money being generated. The stated goal of the society is to assist the patients towards their rehabilitation. It manages the purchase of equipment, materials, machinery, fertilizer, seed, etc. and receives the revenue from all programs, except the scullery. As at March of this year, the society showed assets of approximately $66,000 of which $10,000 is a grant from Forensic Psychiatric Services, made in 1988 to assist in the society's formation.

Mr. Fenton worked in occupational therapy for approximately 3 months after his arrival at F.P.I. He then worked in an upholstery shop at the institute for approximately 2 1/2 years, during which time he was paid $15 every 2 weeks and given a comfort allowance. In 1976 he worked 6 months with the multi-purpose group, cutting lawns, raking leaves and sweeping. He worked approximately 5 hours a day, 5 days a week, for which he received a gratuity of $17 every 2 weeks and a comfort allowance. Later in 1976 he was allowed to look for a job in the community. He worked at a number of different jobs over the next year, all of which paid the minimum wage or a little more. In July 1977 he became emotionally upset and had to return to the institute, where he worked for the next 6 months with the farm group, loading and unloading the hay wagon and cleaning the milking room. Later that year he moved to the cottage industries group.

In April 1978 he was again given a conditional release and during the course of the next 2 years he obtained a number of part-time jobs. He was returned to F.P.I. in August 1980 and on his return worked with the farm group through until February 1981. During that time he was paid $27.50 every 2 weeks. He was released once again in February 1981 but had to be readmitted just 3 months later. He escaped not long after and on being returned he was placed in occupational therapy where he remained for approximately 1 1/2 years.

In 1983 he was placed in the scullery although he had asked to be returned to the cottage industries group. After about a year and a half he was permitted to return to the cottage industries group and there he made bookcases, magazines racks and beds. His prize project was a laminated cedar chest which he sold for $100.

He escaped again in 1986 and, on being returned, was again placed in occupational therapy. In 1987 he was allowed to return to the cottage industries group but, after only a few months, he escaped once again. He was then placed in occupational therapy where he remained for 8 months. When he was allowed to return to the cottage industries group, he rose from level 4 gratuity to level 7 during the course of the year. However, in the spring of this year he was involved in an argument with another patient and as a result was once again placed in occupational therapy, where he remains.

I come now to additional facts which the respondent places before us. I set them out under the subject heads described in his index. In some cases the evidence supports the precise fact statements the respondent makes. In other cases the evidence, along with evidence referred to by the appellant, results in modification of those statements. In still other cases the evidence, when considered along with the responses of the appellant, results in unresolved issues. In this category are statements put forward by the respondent which are based on his own testimony. There are, as pointed out by the appellant, significant inconsistencies in his testimony but it is not for us to decide which parts of it are to be accepted.

General Information

7 Patient remuneration was at one time called "pay." Later it was changed to "gratuity." An action started by a patient appears to have brought the issue to the attention of staff at F.P.I. No patient has ever been taken out of the work programs because he or she got too well to benefit from them. Patients who are no longer mentally ill continue to work while awaiting a Cabinet decision to get out. However, patients at the highest level may take part in work programs outside F.P.I. Such would include attendance at colleges and universities. A patient can be moved involuntarily from one program to another. One reason is a need for extra labour in the other programs. However, the choice to participate in the programs is optional and rests with the individual patient. Mr. Ishikawa for the appellant was asked if there were deadlines in the various programs. His answer:

> Not real deadlines, but there is, in the scullery, for example, if the orders don't get out for the customers then we have to take the loss or else the farm manager would have to make arrangements for that customer to have their potatoes from some place else. In Cottage Industries, at times. We don't want to promise when our product will be ready because at any given time the patient may get mentally ill and he would have to be returned to the ward, so we cannot promise for sure when a product will be done. But at times we'll try to promise, like at Christmastime, that if a person wants a certain project made, we'll try very hard to have that project made by that deadline, but at times it's not possible.

8 The respondent states that an unexcused absence will ultimately result in the patient being fired. The appellant replies that there is no testimony to that effect and says that the policy manual gives dismissal from the programs as only one of the possible results of an unexcused absence. The respondent testified that he occasionally took days off when he did not want to work.

9 Most patients function quite well. They all pull their own weight. In the multi-purpose group, if the patient stands around he is fired. As for the respondent, he is a good worker most of the time and works as well and as fast as a supervisor in cottage industries. The quality of his work is very good.

10 In the scullery, the respondent was not given any instruction or training on how to peel potatoes. He learned how to do it immediately. When

in the farm group, he was given no instruction or training for his duties, which took him, he said, only about two minutes to learn. The work of the patients at Colony Farm had real value and is not just busy work. When in the multi-purpose group, the respondent was not given any instructions as to how to cut lawns, rake and sweep. He already knew. This group evolved from 1976 when it had four push lawn-mowers, a couple of shovels and some rakes to the stage where it has up-to-date equipment including very expensive lawn-mowers of the type used on golf courses. Cottage Industries evolved from a simple to a sophisticated operation without any input from any occupational therapist. The instructor there had a Grade X high school background in woodworking and was not proficient. The respondent taught him aspects of woodworking.

Economic Exploitation by Employees at F.P.I.

11 All witnesses of the appellant were employees of F.P.I. and bought products made by patients at Cottage Industries. Jeanine Dahm bought jewellery chests, wind chimes and a coffee table. The coffee table cost $15 and is in her living room. Her friend bought a custom wooden bed for $100. Peter Kane, Director of F.P.I., bought four planters and a bird feeder and had patients refinish a picnic table he bought from another employee. Dennis Ishikawa bought a tool box, shed, picnic table and a wind chime. The patients set up the shed at his home. Another employee had stairs put into her house by patients for the costs of supplies plus a few dollars.

12 Cottage Industries products are of high quality and the picnic tables are significantly better than ones sold in retail lumber stores. They are sold to staff for lower prices. Jeanine Dahm considers the price of the things that the patients make to be significantly below market value.

13 The appellant's response, partly based on testimony and partly argumentive is this. There is no foundation for the contention that patients are exploited by the staff members. Each employee who testified had purchased a small number of items made by Cottage Industries over a period of several years. None had purchased products on a large scale and there is no evidence they profited from their purchases. There is no evidence suggesting that the purchases were made out of exploitive motives; rather there is a fair inference that the staff purchases had the effect of showing support for the patient's work in the rehabilitation program. The pricing of items sold by Cottage Industries is only marginally below the market price for similar items. Sales are made to the general public.

There is no evidence suggesting that governmental departments or staff are treated any differently than the general public in terms of access to or pricing of products produced by the Cottage Industries program.

Exploitation by F.P.I. Itself

14 The judge found that in some instances the primary function of some of the work programs seems to be to meet the demands of F.P.I. The highest amount of money a patient can get is substantially below the statutory minimum wage. Patients have worked overtime, sometimes for as little as 50 cents per hour. From Cottage Industries, picnic tables were sold to various ministries of government for lower prices. The group could not keep up with the orders, which came in "fast and furiously." Staff of Cottage Industries and the multi-purpose group worked side by side with patients to fill orders for picnic tables on one occasion.

15 Scullery operations were taken over from the Ministry of Agriculture in 1978. Employees do similar work and work side by side with patients. F.P.I. and other governmental institutions in the Lower Mainland and some care facilities run by private entrepreneurs use F.P.I. potatoes for their menus. The scullery could not be shut down for lack of staff as their orders had to be filled. The processed potatoes in the sculleries sell for 20 cents per pound and current market price is 26 cents per pound. Since Colony Farm closed the gross sales of processed potatoes bring in approximately $55,000 to $60,000 a year. While Colony Farm operated, this amount was approximately $100,000 to $120,000 a year, which went to the general revenue of the province up to 1982.

16 Here is the appellant's response.

17 The respondent's statement concerning overtime is misleading. It relates to a period outside the scope of the respondent's claim. Further, overtime work, that is, over the usual four hours per day, is very rare. As to employees and staff working side by side, the staff referred to are those supervising the work programs in question. Regarding sale of potatoes, the evidence is that patients at F.P.I. do not process theirs as well as those selling on the market for 26 cents per pound.

18 Carrying on under this head, the respondent cites evidence to the following effect. The rehabilitation department does maintenance on products that are produced by patients and used by F.P.I. The labour is free. In May 1977 patients became responsible or assigned to groundskeeping tasks that had been the responsibility of the Department of Public Works and later the British Columbia Buildings Corporation. After 1977

there were fewer government employees doing lawn maintenance. In December 1977 patients became responsible for clearing and salting sidewalks in the parking area. Before that it was done by the Department of Public Works. Patients in the multi-purpose group helped British Columbia Buildings Corporation employees paint the annex at F.P.I.

19 Next, the respondent refers to evidence pertaining to Greenland Cottage Industries Society. The judge found that the society was incorporated in 1988 because of the significant amount of money generated by the patients. The appellant replies that this statement is not entirely correct. The purpose of incorporation, according to the evidence of Peter Kane, was to ensure that revenues from the work therapy programs would be used for the benefit of the patients. When the society was incorporated there was no intention to pay any cash to the patients.

20 The respondent points out that there are no patients on the society's board of directors. One thousand dollars of the society's funds went to a wine and cheese party attended by professionals but by no patients. With respect to this expenditure, the appellant says that the society funded a wine and cheese party during a conference for staff of Adult Forensic Psychiatric Services. The cost came from the society's global budget and was indeed $1,000. The society's revenues, however, are not realized exclusively from the work programs. The Adult Forensic Psychiatric Services provided a $10,000 grant to the society.

Indirect Forms of Exploitation

21 The respondent states as a fact that "at one point, no patient could get grounds privileges without working." However, this is his actual testimony:

> A. Well, now there are people that have grounds that don't do anything. I don't understand why they have grounds. They have changed everything around.
>
> Q. There are a number of patients who have grounds privileges that don't work in the programs? A. That's correct.
>
> Q. Now – A. I don't understand why they have grounds because before nobody could get grounds without working.
>
> Q. How long ago was that? A. A few years ago.

22 The respondent says, based on Ms. Dahms testimony, that one of the main reasons why the patients participate in the work programs is because they want a discharge from F.P.I. However, earlier, she testified that patients work as part of their treatment plans and that the programs were for their rehabilitation and conducive to their better mental health.

The respondent says, and it is uncontradicted, that if a patient leaves a work program and remains on the ward and then later returns to work, he or she starts at the lowest level of remuneration. The only reason given for this is that the staff at F.P.I. have to start the patient somewhere. It is a fact that if a patient is absent from work and goes to a new area he or she will recommence at the lowest scale of remuneration. However, if patients return to their old area, then they will come back at one level above the lowest scale, that is at level 5. The respondent cites his testimony that he could not get a raise in Cottage Industries as there was no qualified instructor to assess him. But, later in his testimony he stated that in 1988, in January, he was at gratuity level 4; in February, gratuity level 5; in March, gratuity level 6; and May, gratuity level 7. His complaint is that he did not rise to level 7 for two or three months after being raised to level 6.

Poverty of Patients

23 Under this heading, the respondent alleges as fact matters pertaining only to himself. He cites his testimony to the following effect. He feels degraded and humiliated from the work he has done at F.P.I. but he participates to pay for cigarettes. He also uses earnings to buy toiletries, coffee and clothes. He never had any money to spend when on escorted outings outside F.P.I. or to go to McDonald's. In order to raise money he sells coffee and cigarettes to other patients. If he made more money he would like to buy Christmas presents for his family, among other things.

24 The appellant answers that the respondent cannot be said to be impoverished in any meaningful sense of the word and, in support, cites the following testimony of the respondent. The F.P.I. provides meals, accommodation, clothing, basic toiletries, medication and treatment and education to its patients without charge to them. Entertainment facilities are also available at the disposal of patients, either free of charge or at a nominal cost. Aside from the gratuity, patients at the lower end of the scale (and patients not involved in work programs) receive a comfort allowance of $60 per month. In the result, the patient's entire income is discretionary income and need not be used for the necessities of life or basic comforts. As to the respondent, he finds himself short of money only because he smokes approximately $50 worth of cigarettes per week. He sells coffee and cigarettes to other patients to raise money but he conceded that he probably would continue to do so even if F.P.I. paid him more.

Lack of Treatment of Patients in the Work Programs

25 The respondent puts forward the following facts under this heading.

Payments to patients who carried out work in F.P.I. began in 1964 and since then no studies of any kind have been conducted other than to increase the amounts paid. The work programs have never been evaluated. No medical evaluations were done to determine their value to particular patients with respect to rehabilitation. The Director of Rehabilitation has never engaged in the administration of anything that she would call therapy. As of September 1980, none of the staff in the program had training as a psychologist, psycho-therapist, occupational therapist or recreational therapist or any credentials in vocation rehabilitation or therapy. All supervisors for the work programs were activity worker 3s. One was a qualified gardener and most of the others were health care workers, which are similar to nurse's aides. The meetings that F.P.I. staff have concerning a patient are for the purposes of assessment and not treatment. Assessments by the rehabilitation department were by opinion only; there was no numerical evaluation. It was not the routine that every patient going onto the work program received an occupational therapy assessment. Even if one was done, it was only used to give some indication what program the patient should go to. It was common for patients not to have any kind of assessment on re-entry to the work programs. The rehabilitation worker at F.P.I. assesses patients for participation in a particular program, which is a very different thing from treating patients. The only rehabilitation in the work programs is in terms of one's ability to re-enter the work force. No therapy is administered in them.

The respondent testified that on average he sees a psychiatrist once every three weeks for ten minutes and receives no other form of therapy. He said that in all the years he had spent at F.P.I. he had seen the psychologist once and that was, he thought, in 1981. He had never seen a psycho-therapist there and had not been involved in any behaviour modification.

The appellant responds that this testimony is not credible and is in conflict with evidence of frequent case review and involvement of treating psychiatrists.

FIRST ISSUE – EMPLOYEE OR NOT?

The Law

These are the relevant provisions of the *Employment Standards Act*:

> (*a*) a person, including a deceased person, in receipt of or entitled to wages for labour or services performed for another,
>
> (*b*) a person an employer allows, directly or indirectly, to perform work or service normally performed by an employee, and
>
> (*c*) a person being trained by an employer for the purpose of the employer's business;
>
> "employer" includes a person who
>
> (*a*) has control or direction of, or
>
> (*b*) is responsible, directly or indirectly, for the employment of
>
> an employee, and includes a person who was an employer.
>
> 105 . . .
>
> (3) The director may, by order,
>
> (*c*) authorize an employer or class of employers to pay to a handicapped employee an amount set by the director that is less than the minimum wage where the director considers that a lesser wage will ameliorate the handicapped employee's condition or benefit the employee.

The judge's consideration of the law appears in the following passages [at pp. 178-80]:

> I find it clear from the evidence that at least some of the work programs at the Forensic Psychiatric Institute come within the provisions of the *Employments Standards Act*. The work day for all work programs is well-defined, patients are paid for their work, they become entitled to holidays, and they are subject to direction of the F.P.I. staff. *Short v. Henderson Ltd.* (1946), 115 L.J.P.C. 41 (H.L.) is recognized as a leading case on what amounts to a contract for service at common law. In that decision the Court sets out four indicia of an employee relationship. They are as follows:
>
> (i) The master's power of selection of his servants.
>
> (ii) The payment of wages or other remuneration.
>
> (iii) The master's right to control the method of doing work.
>
> (iv) The master's right of supervision or dismissal.
>
> The criteria expressed in *Short*, supra, are met in the operation of the work program at F.P.I. In the Act an "employee" includes "a person an employer allows directly or indirectly to perform work or service normally performed by an employee." Most certainly the multi-purpose group, the farm group, and the scullery group perform services that would otherwise be performed by employees.
>
> *Souder v. Brennan*, 367 Fed. Supp. 808, a decision of the United States District Court, District of Columbia, 1973, held that the appropriate test to determine if employment exists is an "economic reality" test – that is, does the employer (in that case a mental institution) derive any consequential economic benefit from the services performed. Again, a number of work programs at F.P.I. fall within that test.
>
> Counsel for the defendant argues that the relationship between the plaintiff and the defendant is a treatment relationship akin to that of doctor and

patient. Further, he says the work programs of the rehabilitation department are integrated into the therapeutic environment of F.P.I. The defendant also says that the interpretation of the word "employee" in the *Employment Standards Act* must be determined with reference to the purposes of the Act, which counsel suggests are two-fold: first, the Act is designed to insure that employers do not use labour market conditions as a lever for the exploitation of workers and, second, the Act provides minimum levels of compensation for employees, which levels are regulated to the cost of living. Simply stated, the defendant's position is that neither of these purposes apply within F.P.I.

The defendant relies upon *Re Kaszuba and Salvation Army Sheltered Workshop* (1983), 41 O.R. (2d) 316, 83 C.L.L.C. 14,032 (Div. Ct.) saying that the work programs at F.P.I. are therapeutic in nature and not employment as such. However, Linden J. states very clearly in *Kaszuba* that the decision is limited to its facts. He goes on to say further that assisting disabled persons to do useful work will not automatically exempt a sheltered workshop from the operation of the *Employment Standards Act*, R.S.O. 1980, c. 137, and that there are a number of other relevant factors that should be considered to determine if a rehabilitation relationship exists, such as: (a) the method and amount of payment, (b) profitability of the work, (c) hours of work, (d) various conditions that must be met at work, and (e) the amount and type of counselling.

The plaintiff's position is two-fold in nature: first, that the reasoning in *Souder v. Brennan* should be followed – that is, as long as the work program has some economic value to the defendant, then the *Employment Standards Act* including the minimum wage provisions apply and, second, that the work programs are not rehabilitative programs. It may be argued that the *Souder* test is inappropriate for the case at bar as in *Souder* the Court was considering a different definition for "employ" and the Act there under consideration did not have specific exemption provisions which explicitly exempted patients working in a rehabilitation setting. However, I find the reasoning in that case helpful in considering whether the involvement of patients at F.P.I. in work programs amounts to employment under the *Employment Standards Act*. Many patients are able to perform work for which they are not handicapped and from which economic benefit can be derived. I believe that the tasks performed by patients as part of a structured program that provides economic benefit to an institution must be considered to be employment under the *Employment Standards Act* if the thrust of the programs is either to provide economic benefit or to keep the patients busy, with the rehabilitative benefit being incidental.

31 In supplementary reasons the judge found the respondent to be entitled to a minimum wage while with the scullery group, farm group and the multi-purpose group work programs.

32 Here, in summary, is Mr. Mossop's submission upon the law.

33 The "economic benefit test" is the proper one. If the institution derives *any* economic benefit from the patient's activities what is involved is employment. It is irrelevant that the activity may be profitable or have therapeutic value.

34 Counsel says that the respondent's position is supported by statutory interpretation. First, it should be noted that the definitions in the statute of "employee" and "employer" use the word "includes" rather than "means." The word "includes" connotes a definition which is not exhaustive. Its use indicates that the legislature casts a wide net to cover a variety of circumstances. Secondly, the respondent is assisted by s. 105(3)(*c*). That provision specifically refers to "handicapped employee" and the amelioration of the "handicapped employee's condition." This means the legislature intended that programs designed to help the handicapped and which had an employment component were to come under the Act. Specifically the programs in this case were contemplated by the legislature to come under the statute. Otherwise there would be no need for an exemption. Counsel points out that handicapped people ought to have an effective avenue for complaints about going unpaid and matters such as that. If they do not come under the statute, they would have no means of effective action.

35 Then, the respondent says that we should follow the reasoning of *Souder v. Brennan*, 367 F. Supp. 808 (U.S. Dist. Ct., D.C., 1973). That was a decision based on the *Fair Labor Standards Act*, 1938 (U.S.). It holds that patient-workers are entitled to the minimum wage. The key sentence is [p. 813]: "So long as the institution derives *any consequential economic benefit* the economic reality test would indicate an employment relationship rather than mere therapeutic exercise." Counsel points out that nowhere in *Souder v. Brennan* does the court consider the profitability of the work program or indicate that therapy justifies paying less than the minimum wage. After describing the judicial and legislative aftermath to *Souder v. Brennan*, Mr. Mossop goes on to say that the American judicial experience in this area – a combination of statutory interpretation and constitutional law – is to recognize work programs as work and, if possible, to cover them under minimum wage law. The same should be done in Canada.

36 The respondent goes on to submit that the fact that F.P.I. is not making a profit is irrelevant to the economic benefit test for three reasons. Those reasons are:

1) There are firms in the private and non-profit sector that do not make a profit; however, they are still required to pay the minimum wage.

2) The facts do not prove that the Appellant is not making a profit. There is no value put on cutting the lawns or selling goods at market value.

3) The function of the Respondent hospital is to treat Bruce Fenton assuming that the rehabilitation work programs have some rehabilitative or therapeutic value. The question arises: Suppose there were no work

programs? The hospital would still be providing some other "therapy programs" employing staff that may or may not cost more or less than the existing programs. It has not been shown by the Appellant that alternative rehabilitative therapy programs would be more or less costly than the existing one.

7 Mr. Mossop referred to *Kaszuba v. Salvation Army Sheltered Workshop* (1983), 41 O.R. (2d) 316, 83 C.L.L.C. 14,023 (Div. Ct.). He says that it was wrongly decided and, alternatively, is distinguishable for its facts and the legislation it was considering.

8 The respondent's overall submission is that the purpose of the *Employment Standards Act* is to protect workers from economic exploitation and therefore the mentally disabled should at least be given the right to get in the front door of that statute.

9 I come now to my opinion as to the proper test and begin with provisions of the *Employment Standards Act*. If the people we are concerned with come within the definition of "employee" that is the end of the problem. The statute would apply. Mr. Mossop says that it is wrong to concentrate on the definitions of "employee" and "employer" as these definitions are not exhaustive but must be read in the context of the statute as a whole, having in mind its purpose, which is to prevent economic exploitation of workers. The respondent does, however, rely considerably upon s. 105(3)(*c*). I repeat it:

> (3) The director may, by order,
>
> (*c*) authorize an employer or class of employers to pay to a handicapped employee an amount set by the director that is less than the minimum wage where the director considers that a lesser wage will ameliorate the handicapped employee's condition or benefit the employee.

I do not think that this provision helps. Of course, handicapped people can be employees. When they are employees s. 105(3)(*c*) may come into play. But that provision does not do anything to achieve for them the status of employees.

As the statute alone cannot answer the question, one must turn to the cases. I find most helpful the decision of a panel under the *Labour Code* of British Columbia, *Hospital Employees Union, Local 180 v. Cranbrook & District Hospital* (1974), [1975] 1 Can. L.R.B.R. 42 (B.C.L.R.B.). The panel was chaired by Professor P.C. Weiler, then Chairman of the Labour Relations Board. The issue was whether student practical nurses were "employees" under the *Labour Code*. I quote from the decision at pp. 50-51:

> What are those features which go to make up an employee in the usual sense of the term? Someone is interviewed by an employer and hired for a job. He will work for some period of time and will be paid a fixed wage, computed hourly, weekly or monthly. He will perform tasks assigned by the employer and subject to the direction and supervision of the latter. This work is of benefit to the employer's business or enterprise. For that reason, it is worth the while of the employer to pay for the doing of it. If the work is performed well, it will be so evaluated by the employer, and result in the retention or even promotion of the employee. If the work is not performed well, he will be disciplined and perhaps even discharged, again by the employer . . .
>
> The cases which produce the problems and generate litigation are, like the one before us, somewhere in between these clear examples on either side of the line. The student practical nurse in the hospital bears some resemblance both to the pure student in the College and the licensed practical nurse employed by the hospital. The difficulty is that there is no single element in the normal makeup of an employee which is decisive, and which would tell us exactly what point of similarity is the one which counts. Normally, these various elements all go together but it is not uncommon for an individual to depart considerably from the usual pattern and yet still remain an employee. Sometimes employees are dispatched to an employer by someone else, and work only for short or intermittent periods (as in construction); some employees work on commission, or on a profit-sharing basis (such as salesmen or fishermen); some employees are subject to very little in the way of meaningful direction and control (such as professionals). But while the legal conception of an employee can be stretched a fair distance, ultimately there must be some limits. It cannot encompass individuals who are in every respect essentially independent of the supposed employer. In making the judgment about whether or not these limits have been reached, these observations, quoted from the book *Vicarious Liability* by Professor Atiyah, state the dilemma:
>
> ". . . It is now clear that it is impossible to *define* a contract of service in the sense of stating a number of conditions which are both necessary to, and sufficient for, the existence of such a contract. The most that can profitably be done is to examine all the possible factors which have been referred to in these cases as bearing on the nature of the relationship between the parties concerned. Clearly not all of these factors will be relevant in all cases, or have the same weight in all cases. The plain fact is that in a large number of cases the court can only perform a balancing operation, weighing up the factors which point in one direction and balancing them against those pointing in the opposite direction. In the nature of things it is not to be expected that this operation can be performed with scientific accuracy."
>
> Finally, this balancing process does not take place in a legal vacuum. Most of the reported decisions involve problems of tort liability – should someone have to pay for injuries caused in an accident? Here we must reach our conclusion in quite a different context – should someone be part of a bargaining unit, represented by a trade-union, and covered by a collective agreement?

42 In the case at bar the context is whether the respondent is an "employee" under the *Employment Standards Act*, the purpose of which is to protect workers from exploitation. The parties agree that the

economic reality test is the one to apply. But that does not settle the question. In applying that test, should we follow *Souder v. Brennan*? That was a decision in 1973 of Robinson J., Judge, United States District Court, District of Columbia. The background and what he decided appear in these passages in James G. Blaine and John H. Mason, "Application of the Fair Labour Standards Act to Patient Work Programs at Mental Health Institutions: A Proposal for Change" (1986), 27 Bos. Col. L. Rev. 553, at pp. 563-64:

> The *Souder* litigation was part of a broader movement which sought to enlarge the rights of the psychiatrically disabled. In particular, the litigation questioned the efficacy of large state institutions that provided protracted or permanent custodial confinement rather than patient treatment. Critics of "institutional peonage" focused on the role of chronic patients in maintaining a system from which they often derived little benefit – indeed, from which they often suffered.
>
> Nelson Souder was a patient who suffered from this institutional peonage. At the time he brought his suit, Souder had spent thirty-three of his forty-seven years in a state hospital for the mentally retarded. In 1973, he was working sixty-six hours each in the hospital kitchen and another eight hours doing house and yard work for retired state employees. For the latter, he received about ten dollars a month. His hospital pay was less than one cent an hour.
>
> Nelson Souder was not an isolated case. With institutional budgets inadequate to hire sufficient numbers of regular employees, a great deal of the work at state hospitals across the country was being performed by residents. Patients were clearly being used to reduce the costs of their own hospitalization and those persons who were good workers were likely to be valued more for the services they provided than for any progress they might be making toward discharge.
>
> As the representative of a class of patients who were clearly being exploited, Souder presented a situation that cried out for judicial intervention. In its deliberations, however, the court did not focus on either the extreme nature of the work activities required of Souder or on their lack of therapeutic value. Instead, the *Souder* court focused almost exclusively on the FLSA, holding that the language of the statute was broad enough to apply to any situation in which an institution derived any "economic benefit" from the activities of a patient, regardless of any therapeutic value the activities might have for the patient.

Souder v. Brennan has not been followed in any higher American court. I do not think it presents the correct test to be applied in British Columbia. Many programs, undeniably of significant therapeutic purpose and effect, might provide some incidental economic benefit to the institution. Indeed, provision of some economic benefit is difficult to avoid. The test should be whether there is real economic benefit flowing to the institution from the work programs. That test is consistent with the one approved by the Ontario divisional court in *Kaszuba v. Salvation Army Sheltered Workshop*. It was an application for review of the decision of a referee under the *Employment Standards Act*. All three judges approved the following from the decision of the referee [at p. 317]:

> "If the substance of the relationship is one of rehabilitation, then the mischief which the *Employment Standards Act* has been designed to prevent is not present and a finding that there is no employment relationship within the meaning of the *Employment Standards Act* must be made."

Linden J. went on to say his agreement with the reasons of the other two judges was limited to that particular case and that particular workshop.

44 I think this decision is helpful. Where the issue is whether the institution derives merely some economic benefit from the work as distinguished from real economic benefit, examination of the substance of the relationship may provide the answer. It may show on which side of the line between rehabilitation and exploitation the program lies.

45 In my opinion, with respect, the judge applied the wrong test. That is apparent from this sentence in the portion of his reasons which I have already quoted [at p. 180]:

> I believe that the tasks performed by patients as part of a structured program that provides economic benefit to an institution must be considered to be employment under the *Employment Standards Act* if the thrust of the programs is either to provide economic benefit or to keep the patients busy, with the rehabilitative benefit being incidental.

46 The respondent, in his cross-appeal, characterizes this as a modification of the *Souder v. Brennan* test. He, of course, says that the test should be "any economic benefit." As I have said, my finding is that the proper test is real economic benefit.

Application of the Law to the Facts

47 Having found that the wrong test was applied, my task now is to decide whether the evidence can support a finding that the work programs, or any of them, provided real economic benefit to F.P.I. In doing that I should respect the judge's interpretation of the evidence as a whole unless satisfied that it was plainly wrong. I carry on then with the following passages from his reasons which followed his discussion of the law [at p. 180]:

> In other words, I do not think it is enough to say that the work programs may have some therapeutic effect. There were no medical evaluations done to determine the value of the work programs to a particular patient with respect to that patient's rehabilitation.
>
> Some of the work programs may be said to be therapeutic to the extent that they provide some sense of accomplishment for a patient. However, in some instances their primary function seems to be to meet the demands of the

Institute. The scullery performs a needed service and the cottage industries group is now a thriving business. As I have already stated, no assessment has been done to determine whether the programs are serving the individual rehabilitative needs of the patient involved. If the programs were instituted as a form of therapy for the patients, surely the benefit to the patient should be the institute's first concern.

The fact that an individual at F.P.I. is a patient does not necessarily mean that he cannot also be an employee. Indeed, a patient could be both. The *Employment Standards Act* is directed at the exploitation of workers. Because of their condition, patients at F.P.I. are held involuntarily for an indeterminate time. Nevertheless, their rights must be protected.

For the reasons I have indicated I find that at least some of the work programs involving the patients at F.P.I. create employment relationships.

48 At the outset it is useful to note the difference between this case and *Souder v. Brennan* on the facts. Souder was grossly exploited. His long hours of work are to be contrasted with the benign work regime, four hours per day, of the patients at F.P.I.

49 The respondent raises a number of matters, some under the heading of exploitation, which I do not think advance his case. He complains of being kept in poverty. However, the dominating feature of his situation in this respect is that he spends $50 weekly on cigarettes. There is the respondent's testimony as to his lack of treatment. I consider this to be of no assistance, particularly in the absence of evidence as to what treatment, if any, would benefit him. I turn to another matter. It is his complaint of F.P.I. staff obtaining the benefit of work from patients at their homes. Mr. Kane testified that this is not allowed and the staff were aware of that. But Mr. Ishikawa testified that he did not know about this policy. Patients may well have been glad to have a change of scene and go to the homes where there is work. Nevertheless, it was an abuse of position by the staff involved. These incidents, however, add nothing to the respondent's case for real economic benefit flowing to the institution.

50 Leaving now these matters which are not helpful, it should be said that the many particulars brought out by the respondent as to how these programs are conducted are relevant to the issue. They help one determine whether the substance of the relationship between F.P.I. and the patients really is one of rehabilitation.

51 In examining the relationship the respondent makes much of the general lack of treatment involved in the work programs. These programs are under the rehabilitation department. The objectives of that department are set out in the policy manual. They are to provide patients with realistic work experience that will enhance the likelihood of them being able to obtain employment upon discharge; provide patients with

learning opportunities; encourage patients to retrain and develop skills; assist patients to become socially acceptable; teach and encourage patients to exercise personal and financial responsibility; encourage patients to exercise personal independence; and offer guidance, assistance and support to patients in their efforts to obtain employment, accommodations, clothing and funds. There is no evidence that these objectives are not pursued. I can see no basis for the complaints of the respondent which I outlined earlier in these reasons. There is no evidence that treatment and therapy should be involved in these programs. They surely ought to be administered under other departments.

52 In my opinion the evidence will not support the case of real economic benefit flowing to F.P.I. in the face of the financial results. The costs of operating the programs vastly exceed any production associated with them. The combined salaries of the 12 employees involved is about $319,000 per year plus the public service benefits package. For 1988-89 the gratuities paid to patients amounted to $85,000. The amount spent that year for equipment, supplies and equipment repairs was $1,400. This was an unusually low annual expenditure. For 1988-89 (a 9-month fiscal year) the Greenland Cottage Industries Society spent $30,560 as the cost of sales for the farm cottages industries and farm craft areas. For that 9-month period the society's gross income from the programs was $67,657. That would give the society a net surplus for the 9-month period of $37,097. However, the society, although receiving all the revenues of the programs, does not pay the bulk of the program expenses. They are borne by F.P.I. The appellant points out that on the assumption that three-quarters of the patient gratuity payments for 1988-89 relate to the 9-month period of the society's statements, F.P.I. paid gratuities of $63,750. Therefore, considering only the society's financial statements and patient gratuities, the programs operated with a net loss of over $26,500 for the 9-month period. Then, to get the real cost, there has to be added to this amount the salaries and benefits of the 12 staff members in the rehabilitation department; the amount expended in the rehabilitation department for program supplies, equipment and repairs; the cost of renting the premises in which the work programs operate; the office accounting and miscellaneous administrative expenses associated with the programs. So the appellant says that upon the evidence, and I do not understand the respondent to quarrel with this, the work programs operate at a net annual cost of hundreds of thousands of dollars to F.P.I.

53 However, as stated earlier, the respondent has a response to these figures. His factum says:

> The fact that F.P.I. is not making a profit is irrelevant to the economic benefit test at bar for three reasons:

The first is:

> There are firms in the private and non-profit sector that do not make a profit: however, they are still required to pay the minimum wage.

54 This is no answer to the fact that the programs are presently carried on at cost and yield no real economic benefit to F.P.I.

55 The second reason is:

> The facts do not prove that the Appellant is not making a profit. There is no value put on cutting the lawns or selling goods at market value.

56 The multi-purpose group does much more then merely cutting the grass. It initiated and is carrying out a program for the beautification of the grounds. Its value is chiefly aesthetic. Any monetary value would be insignificant. As to selling goods at market value, it is to be kept in mind that potatoes are sold at below market price because they are not as well processed. The evidence is that Cottage Industries products are sold at lower prices. This may be necessary to support the market for them by getting friends and staff to buy. Listing at market price might adversely affect the market. However that may be, it is clear that changes in pricing would not significantly alter the financial picture.

57 The third reason is:

> The function of the Respondent hospital is to treat Bruce Fenton assuming that the rehabilitation work programs have some rehabilitative or therapeutic value. The question arises: Suppose there were no work programs? The hospital would still be providing some other "therapy programs" employing staff that may or may not cost more or less than the existing programs. It has not been shown by the Appellant that alternative rehabilitative therapy programs would be more or less costly than the existing one.

58 There is no substitute for work programs. Idleness is destructive. Even if the work programs fall short of achieving the objectives of the department, they make some contribution to the rehabilitation of the patients. Other therapy programs would be supplementary, not alternatives. Anyway we are concerned with the facts as they are. The overriding fact is these programs are costly enough to deprive F.P.I. of any real economic benefit from them.

59 I would allow the appeal and dismiss the cross-appeal.

Appeal allowed;
cross-appeal dismissed.

Bunce v. Flick [Sas

COLIN BUI

Camer

Interest – Prejudgment accident occurring befc applying to cause of ac effect of inflation betwee

Damages – Personal in moderate whiplash inju – Trial judge reviewing but not taking into acc stitute reversible error between dates of previo arose.

Damages – Personal in benefits – Court allow reasonable, as distinct fair and reasonable aw future earning capacity

Damages – Personal in requiring extensive den ing plaintiff one-half c before accident.

Costs – Taxation of co evidence at trial regai Trial judge having dis Plaintiff having ability

Damages – Personal i suffering moderate w second accident – Pla chronic fibrositis – C ment – Appeal court \$4,000 for future cos damages to \$35,000 ar to \$12,000.

In December 19 modest salary record, injury. Before he had c 1986. The plaintiff wa which necessitated his alternatively having \$8

PLAINS ENGINEERING LTD. et al. v. BARNES SECURITY SERVICES LTD. et al.

Alberta Court of Queen's Bench,
Hutchinson J.

Judgment – December 23, 1987.

Master and servant – Liability of master for acts of servant – Wilful acts – Plaintiff leasing building to company which entered into agreement with defendant for provision of security services – Employee of defendant wilfully setting fire to building while working as security guard – Defendant owing no duty to plaintiff with respect to provision of security services – Employee not acting in course of employment in committing tortious act as act not so connected with acts authorized by defendant as to constitute mode of performing them – Defendant not vicariously liable to plaintiff.

The defendant B Ltd. was hired by the plaintiff K Ltd. to provide security services for its building, which was rented from P Ltd. The defendant M, who was employed by B Ltd. as a security guard, intentionally set fire to the building in question and was subsequently convicted of arson. The plaintiffs brought an action against B Ltd. and M, contending that B Ltd. was vicariously liable for the intentional tort of M.

Held – The action was dismissed.

An employer is vicariously liable for damages caused by the unathorized acts of an employee only if there is a relationship between the employer and the plaintiff by which a duty is owed to the plaintiff in contract or otherwise. The fact that the employer is under a duty to another party does not, by itself, extend the employer's liability to a plaintiff who is a stranger to the connection between the employer and the other party. Moreover, an employer is not liable for the unauthorized intentional acts of its employee unless those acts are of the same general kind as the employee is authorized to carry out on behalf of the employer. An act is of the same general kind as authorized acts if it is so connected with them as to be a mode of performing them; this may be determined by considering whether the employer could reasonably have foreseen the wrongful act as a risk to be expected in the typical performance by the employee of the authorized tasks. Here, there was no relationship between B Ltd. and P Ltd. such as to give rise to a duty with respect to the security services to be performed by B Ltd. for K Ltd. In any event, the act of M in setting fire to the building was not an improper mode of carrying out the authorized act of providing security services, as this act could not reasonably have been foreseen by B Ltd., which was not negligent in the manner in which it hired M.

Cases considered

Armagas Ltd. v. Mundogas S.A., [1986] 1 A.C. 717, [1986] 2 All E.R. 385 (H.L.) – applied.

Bickman v. Smith Motors Ltd. (1955), 16 W.W.R. 606 (Alta. C.A.) – applied.

Hern v. Nichols (c. 1700), 1 Salk 289, 91 E.R. 256 – considered.

Kooragang Investments Pty. Ltd. v. Richardson & Wrench Ltd., [1982] A.C. 462, [1981] 3 All E.R. 65 (P.C.) – applied.
Lloyd v. Grace, Smith & Co., [1912] A.C. 716, [1911-13] All E.R. Rep. 511 (H.L.) – distinguished.
Lockhart v. Cdn. Pacific Railway Co., [1942] A.C. 591, [1942] 3 W.W.R. 149, [1942] 2 All E.R. 464, 54 C.R.T.C. 321, [1942] 3 D.L.R. 529 (P.C.) – distinguished.
Morris v. Martin (C.W.) & Sons Ltd., [1966] 1 Q.B. 716, [1965] 2 All E.R. 725 (C.A.) – distinguished.
O'Riordan (Dancraft Custom Cabinets) v. Central Agencies Camrose Ltd. (1987), 51 Alta. L.R. (2d) 206, 23 C.C.L.I. 1, 78 A.R. 243, 37 D.L.R. (4th) 183 (Alta. C.A.) – applied.
Photo Production Ltd. v. Securicor Transport Ltd., [1978] 1 W.L.R. 856, [1978] 3 All E.R. 146 (C.A.), reversed [1980] A.C. 827, [1980] 1 All E.R. 556 (H.L.) – distinguished.
R. v. Crown Diamond Paint Co., [1983] 1 F.C. 837, 45 N.R. 368 (*sub nom. Crown Diamond Paint Co. v. Can.*) (C.A.) – applied.

Authorities considered
Atiyah, Vicarious Liability in the Law of Torts (1967), pp. 178, 264.
Fleming, The Law of Torts (6th ed., 1983), pp. 348, 349, 353.
Salmond on the Law of Torts (9th ed.), p. 95.
Salmond and Heuston on the Law of Torts (18th ed., 1981), pp. 437-38.

Words and Phrases considered
course of employment

Canadian Abridgment (2nd) Classification
Master & Servant (Employment) Law
VII. 2. b.

ACTION for damages from employer for intentional tort of employee.

D.G. Samuelson, for plaintiffs.
J.J.S. Peacock and *L.H. Watson*, for defendants.

(Calgary 8001-21918)

December 23, 1987. HUTCHINSON J.: – The Court is being asked to determine whether or not the defendant Barnes Security Services Ltd. (Barnes) is vicarously liable for the intentional tort of its servant, Richard Ernest Meinig (Meinig). Meinig was employed as a security guard by Barnes and he deliberately set fire to a building owned by Plains Engineering Ltd. (Plains). The building was rented from Plains by Kami Management & Consultants Ltd. (Kami), which latter company employed Barnes to provide security services to the building.

The facts which have been agreed upon by the parties are set out below. Based on such facts and the authorities cited to me which I have attempted to summarize, I find that the defendant Barnes is not vicarously liable to Plains for the wrongful act of its servant Meinig.

The agreed facts are as follows:

1. Prior to September 30, 1977, and at all times material to this action, the plaintiff Plains Engineering Ltd. ("Plains") was the registered owner of certain lands in the City of Calgary, municipally described as 610 Moraine Road N.E. Several buildings were constructed on the subject lands.

2. By a lease dated January 2, 1978, between Plains as lessor and the plaintiff Kami Management & Consultants Ltd. ("Kami") as lessee (a copy of which will be submitted as Ex. 2), Plains leased a portion of the subject lands to Kami including those buildings labelled "B" and "C" on Sched. "A" attached to the lease. At all material times hereto, Kami was the tenant in possession of those buildings which will hereinafter be referred to as "the building".

3. There were no other written agreements between Plains and Kami relating to the lease of the building.

4. On November 29, 1978, Kami entered into a "service agreement" with the defendant Barnes Security Services Ltd. ("Barnes"), a copy of which will be submitted as Ex. 3. Pursuant to this service agreement, Barnes agreed to provide security services to the building and the portion of the subject lands leased to Kami. It was agreed between Kami and Barnes that Barnes would provide at least one regular guard for the premises and a second guard when available.

5. On November 28, 1978, the defendant Richard E. Meinig ("Meinig") applied to Barnes for employment as a security guard. Prior to hiring Meinig, Barnes followed their usual procedure by having Meinig complete an application form and apply to the Calgary city police for a license. Barnes also checked with one of Meinig's previous employers who recommended Meinig.

6. Sometime between November 28 and December 1, 1978, Meinig was hired by Barnes.

7. Meinig, as a security guard employed by Barnes, attended at the building and subject lands on December 1, 2, 4, 5 and 6, 1978. In accordance with the terms of the service agreement, Barnes charged Kami an hourly fee for the services performed by Meinig on those days and Barnes paid Meinig his regular wage for those days. The Barnes weekly time reports for the period November 26 through December 9, 1978, inclusive, will be submitted as Ex. 4.

8. On the morning of December 4, 1978, Meinig was on guard duty alone as a second guard was not available notwithstanding the attempts of Barnes to have a second guard available. A fire broke out in the early morning hours which damaged the building owned by Plains and the contents owned by Kami.

9. The fire was caused by Meinig who wilfully and intentionally set the fire in the building and he was subsequently convicted of arson in respect of the fire.

10. Kami's claim arising from damage to the contents has been settled and the plaintiffs' claim in respect of the building remains outstanding although the amount of the claim has been agreed to $253,000.

The plaintiff contends that the issue of the defendant Barnes' liability as the employer of the defendant Meinig is not to be determined according to the nature of the relationship which may or may not have existed between the plaintiff Plains and the defendant Barnes, but rather is to be determined by answering the question whether or not the servant Meinig owed a duty to Plains and whether he breached that duty by setting the fire. The plaintiff contends that the answer to that question depends upon whether Meinig was acting within the scope or course of his employment when the wrongful act was committed. It is submitted that a deliberate and wrongful act by an employee is not necessarily outside of the sphere of the employee's activities for which an employer may be found answerable.

The defendant agrees that vicarious liability of Barnes for the acts of its servant Meinig rests on a finding that the tortious acts of Meinig occurred within the course and scope of Meinig's employment with Barnes but that the determination of whether an act occurred within the course and scope of employment requires a consideration of the nature of the relationship between Barnes as

employer and the plaintiff Plains because it is that relationship which gives rise to certain duties which in turn gives content to the extent of the employer's liability. If such relationship is not direct then liability will depend upon a holding out which was relied upon by Plains, that is to say that Plains relied upon Meinig to perform his duties and in such reliance Plains altered its position to its detriment. The defendant further says that in considering the connection between Meinig's deliberate act of arson and the facts for which Meinig was employed as a security guard, consideration must be given to the foreseeability of the wilful act of arson by Meinig by his employer Barnes.

I turn to a discussion of the meaning of "course of employment" contained in a number of texts, the first of which is Heuston, *Salmond and Heuston on the Law of Torts* (18th ed., 1981), pp. 437-38 quoted as follows:

> "A master is not responsible for a wrongful act done by his servant unless it is done in the course of his employment. It is deemed to be so done if it is either (1) a wrongful act authorised by the master, or (2) a wrongful and unauthorised mode of doing some act authorised by the master. It is clear that the master is responsible for acts actually authorized by him: for liability would exist in this case, even if the relation between the parties was merely one of agency, and not one of service at all. *But a master, as opposed to the employer of an independent contractor, is liable even for acts which he has not authorized, provided they are so connected with acts which he has authorised that they may rightly be regarded as modes – although improper modes – of doing them.* In other words, a master is responsible not merely for what he authorises his servant to do, but also for the way in which he does it. If a servant does negligently that which he was authorised to do carefully, or if he does fraudulently that which he was authorised to do honestly, or if he does mistakenly that which he was authorised to do correctly, his master will answer for that negligence, fraud or mistake. *On the other hand, if the unauthorised and wrongful act of the servant is not so connected with the authorised act as to be a mode of doing it, but is an independent act, the master is not responsible*: for in such case the servant is not acting in the course of his employment, but has gone outside of it." (emphasis added)

Atiyah, *Vicarious Liability in the Law of Torts* (1967) says at p. 178:

"It will be recalled that the essence of the Salmond formulation of the principle is that the master is liable even if he has not specifically authorised the acts in question, provided that they are so *connected* with acts which he has authorised that they may rightly be regarded as modes – although improper modes – of doing them. *It would seem to follow from this that there are two stages of the enquiry: first, what acts has the master authorised, and secondly is the servant's act so connected with those acts that it can be regarded as a mode of performing them*? At the first stage of the enquiry the question is indeed one of *authority*, at the second stage it is plainly not. It is essential to keep these two stages of the enquiry distinct (although it must be said that this has rarely, if ever, been explicitly recognised by the courts) if confusion is to be avoided. For while *it is perfectly clear that at the second stage of the enquiry it is unnecessary to show that the actual tort was an authorised act, it is also clear that at the first stage of the enquiry the plaintiff must prove that when the servant committed the tort in question he was engaged in performing an act of a class authorised by the master or, at all events, that the acts constituting the tort were similar in character to the acts authorised.* If this distinction is once firmly grasped, it is suggested that a great many decisions which otherwise appear difficult to reconcile, or to have been decided according to no apparent principle, at once fall into a coherent pattern. On this view, any rational exposition of the subject must be divided and sub-divided more or less as follows:

I. What acts are authorised

(a) expressly,

(b) impliedly,

(c) ostensibly or apparently?

II. When can an act be treated as so *connected* with an authorised act as to amount to a mode of performing it,

(a) if the act is a negligent act,

(b) if it is wilful?" (emphasis added)

And at p. 264 dealing with wilful acts:

> When the element of the degree of impropriety has been extracted from the problem, it can be seen that the cases where a master may be liable for a wilful act fall broadly into two main groups.
>
> First, if the employer authorises his servant to perform certain acts which are of the same general kind as the tortious act in question, the fact that the tort is wilfully committed is immaterial. So, for instance, a servant authorised to use physical force on others, *e.g.*, in ejecting trespassers, will be liable if the servant performs the authorised act but uses unnecessary violence in doing so. So also where a master authorises his servant to perform certain acts under certain conditions and the servant does the act in the belief that the conditions are satisfied, the master will be liable even though the act is a wilful act. Again, where the master authorises the servant to achieve a given result but leaves him to decide how to achieve that result, the fact that the servant achieves it by means involving a wilful tort will not absolve the master from liability.
>
> Secondly, and this is the type of case where greater difficulty has been found, the servant may, at one and the same time be guilty of a wilful act and a negligent act. Indeed, a wilful act may itself be a negligent way of performing an unauthorised act, or more strictly a negligent way of omitting to perform an authorised act."

"Course of employment" is discussed in Fleming, *The Law of Torts* (6th ed., 1983) at p. 348 where the following statement is made:

> "Indeed, vicarious liability does not even attach for every wrong done by the servant while on the job for payroll purposes. The employer will of course be liable for acts which he has himself authorised or ratified, but as we have seen no principle of vicarious liability is involved or needed in such cases. Besides, rarely would a master have actually employed or directed his servant to be negligent or commit some other tort. Vicarious liability is much broader than that, and extends to a servant's incidental wrongdoing, providing it falls within the 'course of his employment'. That phrase, like its variants 'scope' or 'sphere of

> employment', is the formula employed to indicate the outward limits or responsibility for the unauthorised wrongdoing of a servant, and represents the judicial compromise between the 'social necessity' of making a master answerable for injury occasioned by servants entrusted with the power of acting in his business and the feeling that it would be unjust, and indeed undesirable, to make him responsible for every act the servant chooses to do."

And at p. 349:

> "Perhaps inevitably, the familiar notion of *foreseeability* can here be seen once more lurking in the background, as undoubtedly one of the many relevant factors is the question whether the unauthorised act was a normal or expectable incident of the employment. But one must not confuse the relevance of foreseeability in this sense with its usual function on a negligence issue. *We are not here concerned with attributing fault to the master for failing to provide against foreseeable harm* (e.g. in consequence of employing an incompetent servant), *but with the measure of risks that may fairly be regarded as typical of the enterprise in question.* The inquiry is directed not at foreseeability of risk from specific conduct, but at foreseeability of the broad risks incident to a whole enterprise." (emphasis added)

At p. 353 the author discusses "intentional wrongdoing" as follows:

> "Vicarious liability may attach not only for a servant's negligence, but also for his intentional or wilful wrongdoing. Yet the fear of imposing too onerous a burden on employers, combined with a hesitation to make one person responsible for another's misconduct involving a taint of moral delinquency, has here led to a noticeably narrower delimitation of responsibility. This is reflected in a decided preference for the test of 'real or ostensible authority' rather than 'course of employment' which holds undisputed sway in cases of mere negligence. Despite general protestations that vicarious liability does not rest on any notion of ostensible authority, that concept continues to play a vital part in cushioning the employer against liability for the wilful wrongdoing of servants in situations where it is felt that 'the course of employment' test would push

> responsibility too far."

As a starting point, counsel for the plaintiff referred to *Hern v. Nichols* (c. 1700), 1 Salk 289, 91 E.R. 256:

> "In an *action on the case* for a deceit, the plaintiff set forth, that he bought several parcels of silk for ____ silk, whereas it was another kind of silk; and that the the defendant, well knowing this deceit, sold it him for ____ silk. On trial, upon not guilty, it appeared that there was no actual deceit in the defendant who was the merchant, but that it was in his factor beyond sea: and the doubt was, if this deceit could charge the merchant? And Holt, C.J. was of the opinion, that the merchant was answerable for the deceit of his factor, though not *criminaliter*, yet *civiliter*; for seeing somebody must be a loser by this deceit, it is more reason that he that employs and puts a trust and confidence in the deceiver should be a loser, than a stranger: and upon this opinion the plaintiff had a verdict."

The plaintiff cites the authority of *Lloyd v. Grace, Smith & Co.*, [1912] A.C. 716 at 727, [1911-13] All E.R. Rep. 511 (H.L.) in support of the statement of Holt C.J. in *Hern v. Nichols*, supra, where the Earl of Halsbury said: "I should be very sorry to see a principle which appears to me of so great value shaken by any authority." So too Lord Diplock in *Morris v. C.W. Martin & Sons Ltd.*, [1966] 1 Q.B. 716, [1965] 2 All E.R. 725 (C.A.) said at p. 733 [Q.B.]:

> "They could not perform their duties to the plaintiffs to take reasonable care of the fur and not to convert it otherwise than vicariously by natural persons acting as their servants or agents. It was one of their servants to whom they had entrusted the care and custody of the fur for the purpose of doing work upon it who converted it by stealing it. Why should they not be vicariously liable for this breach of their duty by the vicar whom they had chosen to perform it? Sir John Holt, I think would have answered that they were liable 'for seeing that someone must be the loser by this deceit it is more reason that he who employs and puts a trust and confidence in the deceiver should be the loser than a stranger': *Hern v. Nichols*,"

In *Armagas Ltd. v. Mundogas S.A.*, [1986] 1 A.C. 717, [1986] 2 All E.R. 385 (H.L.) Lord Keith of Kinkel made the

following observations concerning *Hern v. Nichols*, at p. 780 [A.C.]:

> "Dishonest conduct is of a different character from blundering attempts to promote the employer's business interests, involving negligent ways of carrying out the employee's work or excessive zeal and errors of judgment in the performance of it. Dishonest conduct perpetrated with no intention of benefiting the employer but solely with that of procuring a personal gain or advantage to the employee is governed, in the field of vicarious liability, by a set of principles and a line of authority of peculiar application. The genesis of these principles is to be found in the statement of Holt C.J. in *Hern v. Nichols* (1700) 1 Sask. 289: 'Seeing somebody must be a loser, by this deceit, it is more reason that he that employs and puts a trust and confidence in the deceiver should be a loser, than a stranger.' In *Lickbarrow v. Mason* (1787) 2 Durn & E. 63, 70, Ashhurts J. spoke to similar effect; 'That, whenever one of two innocent persons must suffer by the acts of a third, he who has enabled such third person to occasion the loss must sustain it.' *These broad statements do, however, fall to be confined within the limits that justice truly requires.*" (emphasis added)

The plaintiff recognizes that it is not in every case that an employer is burdened with vicarious liability for the acts of an employee. This proposition is discussed in the Privy Council case of *Kooragang Investments Pty. Ltd. v. Richardson & Wrench Ltd.*, [1982] A.C. 462, [1981] 3 All E.R. 65 where Lord Wilberforce said at p. 473 [A.C.]:

> "Emphasising, once again, that there is no question in this case of any 'holding out' of Rathborne by the defendants (if there were, the case would be wholly different), the plaintiff's argument involves the proposition that so long as a servant is doing the acts of the same kind as those which it was within his authority to do, the master is liable, and that he is not entitled to show that in fact the servant had no authority to do them. This is an extreme proposition and carries the principle of vicarious liability further than it has been carried hereto. It is necessary, first, to consider whether it is supported by authority.
>
> It remains true to say that, whatever exceptions or qualifications may be introduced, the underlying principle remains that a servant, even while performing acts of the class which he was authorised, or employed, to do, may so clearly depart from the scope of his employment that his master will not be liable for his wrongful acts."

I pause to reflect on the four cases mentioned above and their application to the present case under consideration. Starting with *Lloyd v. Grace, Smith & Co.*, supra, a decision of the House of Lords, the facts distilled in the headnote are as follows [A.C.]:

> "A widow, who owned two cottages and a sum of money secured on a mortgage, being dissatisfied with the income derived therefrom, consulted a firm of solicitors and saw their managing clerk, who conducted the conveyancing business of the firm without supervision. Acting as the representative of the firm he induced her to give him instructions to sell the cottages and to call in the mortgage money, and for that purpose to give him her deeds (for which he gave a receipt in the firm's name): and also to sign two documents, which were neither read over nor explained to her, and which she believed she had to sign in order to effect the sale of the cottages. These documents were in fact a conveyance to him of the cottages and a transfer to him of the mortgage. He then dishonestly disposed of the property for his own benefit: –
>
> Held, that the firm were responsible for the fraud committed by their representative in the course of his employment."

At pp. 724 and 725 Earl Loreburn said:

> "It was a breach by the defendant's agent of a contract made by him as defendant's agent to apply diligence and honesty in carrying through a business within his delegated powers and entrusted to him in that capacity. It was also a tortious act committed by the clerk in conducting business which he had a right to conduct honestly, and was instructed to conduct, on behalf of his principal . . .
>
> If the agent commits the fraud purporting to act in the course of business such as he was authorized, or held out as authorized, to transact on account of his principal, then the latter may be held liable for it."

And at p. 742 Lord Shaw of Dunfermline said:

> "In the present case, as I have stated, it has been clearly found that the fraud was committed in the course of, and within the scope of, the duties with which the defendants had entrusted Sandles as their managing clerk. In my opinion, they must in these circumstances stand answerable in law for their agent's misconduct."

In *Lloyd v. Grace, Smith & Co.*, supra, the clerk was acting within the course or scope of his employment in the course of the very business he was authorized to conduct honestly and that he was held out by his employer as being authorized to conduct such business. The plaintiff acted upon such representation to her detriment and the defendant employer was liable. In the case before me Meinig was not held out to the plaintiff owner as being authorized to do anything for the plaintiff and in point of fact the plaintiff did not know of the existance of Meinig or even the contract of security services to be performed by Barnes for Kami.

In *Morris v. C.W. Martin & Sons Ltd.*, supra, paraphrasing the head note, the plaintiff sent a mink stole to a furrier to be cleaned. With the plaintiff's consent, the furrier, who did no cleaning himself, delivered the fur to the defendants, who were well-known cleaners, to be cleaned by them for reward. The contract between the furrier and the defendants, which was made by the furrier as principal and not as agent for the plaintiff, contained printed conditions of trading with exemption from liability clauses. Whilst the fur was with the defendants, it was stolen by one of their servants whose duty it was to clean the fur. The fur was never recovered.

Quoting Lord Denning M.R. at p. 725 [Q.B.]:

> "If you go through the cases on this difficult subject, you will find that, in the ultimate analysis, they depend on the nature of the duty owed by the master towards the person whose goods have been lost or damaged. If the master is under a duty to use due care to keep goods safely and protect them from theft and depredation, he cannot get rid of his responsibility by delegating his duty to another. If he entrusts that duty to his servant, he is answerable for the way in which the servant conducts himself therein. No matter whether the servant be negligent, fraudulent, or dishonest, the master is liable. But not when he is under no such duty."

At p. 731 Lord Justice Diplock said:

> "The important question for our determination is whether the defendants were in breach of any common law duty owed by them to the plaintiff.
>
> Duties at common law are owed by one person to another only if there exists a relationship between them which the common law recognises as giving rise to such duty. One of such recognised relationships is created by the voluntary taking into custody of goods which are the property of another. By voluntarily accepting from Beder the custody of a fur which they knew to be the property of a customer of his, they brought into existence between the plaintiff and themselves the relationship of bailor and bailee by sub-bailment."

And at pp. 736 and 737 he stated:

> "If the principle laid down in *Lloyd v. Grace, Smith & Co.* is applied to the facts of the present case, the defendants cannot in my view escape liability for the conversion of the plaintiff's fur by their servant Morrissey. They accepted the fur as bailees for reward in order to clean it. They put Morrissey as their agent in their place to clean the fur and to take charge of it while doing so. The manner in which he conducted himself in doing that work was to convert it. What he was doing, albeit dishonestly, he was doing in the scope or course of his employment in the technical sense of that infelicitous but time-honoured phrase. The defendants as his masters are responsible for his tortious act."

In the *Morris* case, the learned Judges discuss the duty owed by the master to the plaintiff and the need to establish a relationship between the parties, in that case one of bailor and bailee by sub-bailment. What the servant was doing in taking charge of the fur coat was in fact authorized by his employer. The servant was acting in the scope or course of his employment. In the case at Bar there was no relationship established between the plaintiff and the defendant Barnes. Kami employed Barnes but Kami was not obliged to provide security services to the building for the benefit of the plaintiff. Accordingly no duty arose on the part of the defendant Barnes or its servant Meinig to perform any act for the plaintiff.

In the *Armagas* case, supra, the defendant's servant M accepted a bribe from broker J who acted for the plaintiff. M told the plaintiffs' representatives that he had the defendant's authority to complete an agreement for the sale of a ship to the plaintiffs with

a 3-year charter back to the defendants. He told the plaintiffs that for internal reasons the defendants needed a charter party for a period of 12 months only and documents purporting to be a 3-year and a 12-month charter party came into existence. Broker J never sent the 3-year charter party to the defendants and the defendants acting in the belief that they had sold the vessel and had entered into a 12-month charter party redelivered the vessel at the end of one year. Lord Keith of Kinkel stated at p. 781 [A.C.]:

> "The essential feature for creating liability in the employer is that the party contracting with the fraudulent servant should have altered his position to his detriment in reliance on the belief that the servant's activities were within his authority, or, to put it another way, were part of his job, this belief having been induced by the master's representations by way of words or conduct."

And at pp. 782 and 783:

> "Many other cases were cited, but none of them, in my view, provides any further certain guidance. At the end of the day the question is whether the circumstances under which a servant has made the fraudulent misrepresentation which has caused loss to an innocent party contracting with him are such as to make it just for the employer to bear the loss. Such circumstances exist where the employer by words or conduct has induced the injured party to believe that the servant was acting in the lawful course of the employer's business. They do not exist where such belief, although it is present, has been brought about through misguided reliance on the servant himself, when the servant is not authorised to do what he is purporting to do, when what he is purporting to do is not within the class of acts that an employee in his position is usually authorised to do, and when the employer had done nothing to represent that he is authorised to do it."

In the above result the defendant was not liable for the intentional wrongdoing by the servant. In the present case Meinig had no contact with the plaintiff whatsoever. *Armagas v. Mundogas* turns on another point relating to agency or holding out or estoppel by ostensible authority.

The last case, *Kooragang Investments Pty. Ltd.*, supra, concerned a defendant company's liability for the actions of its servant where the servant, acting against the defendant's instructions not to carry out any further valuations for a group of

companies, became a director of one of the group's member companies and carried out valuations for the group using the defendant's writing paper for the valuations and initialling and signing them with the defendant's corporate name. The group passed two of those valuations to the plaintiff which advanced moneys on the security of land relying on them. The valuations were negligently made and the plaintiff suffered financial loss. The defendants had no knowledge of the valuations. The defendants were held not to be liable for the acts of their servant Rathborne and in the words of Lord Wilberforce at p. 475 [A.C.]:

> "In the present case, the defendants did carry out valuations. Valuations were a class of acts which Rathborne could perform on their behalf. To argue from this that any valuation done by Rathborne, without any authority from the defendants, not on behalf of the defendants but in his own interest, without any connection with the defendants' business, is a valuation for which the defendants must assume responsibility, is not one which principle or authority can support. To endorse it would strain the doctrine of vicarious responsibility beyond the breaking point and in effect introduce into the law of agency a new principle equivalent to one of strict liability."

As in that case, it would appear that in the present case Meinig was acting without any authority from Barnes. Setting a fire would hardly be considered to be a mode of carrying out security services. Whatever reason he had for setting the fire, it was in his own interest and was not done on behalf of his employer.

The case of *Photo Production Ltd. v. Securicor Transport Ltd.*, [1978] 3 All E.R. 146, [1978] 1 W.L.R. 856 (C.A.), reversed [1980] A.C. 827, [1980] 1 All E.R. 556 (H.L.) appears at first to be closely related to the present case. There a night patrolman employed by the defendant company, which was hired to provide security services for the building's owner, lit a match and threw it on to a cardboard box. The night watchman was unable to control the resulting fire and subsequently pleaded guilty to malicious damage and was sentenced to a term of imprisonment. The occupiers of the factory claimed damages from the defendant for this loss and the trial Judge held that the defendant was exempted from liability by reason of an exemption clause in the contract. On appeal Lord Denning M.R. held at p. 150 [All E.R.]:

> "It seems to me that Securicor should not be able to avoid their liability simply because Musgrove did a deliberate act

instead of a negligent one. Securicor were under a duty to give a careful and trustworthy service of night patrol. This was a duty owed to all the neighbourhood who were in sufficient proximity to the factory. Securicor are liable for the wrongful act of their servant in the course of it, no matter whether the wrong done be carelessness or deliberate wrongdoing. Compare *Lloyd v. Grace, Smith & Co.* where there was a deliberate fraud.

By the same token, it is clear that any person who was injured or damaged in the fire would have a cause of action in tort against Securicor for the wrongful act of their servant. If a passer-by was burnt and injured in the fire, he would be able to sue them. So would any person whose goods were destroyed or damaged by it. So would any neighbour whose building was burnt down. Also the freeholder of this very factory if he had let it off to the occupier."

This reasoning of Lord Denning does not appear to have been followed in the House of Lords. The defendant submits that the authority of this case is properly understood as a breach of contract case and not authority for vicarious liability in the absence of contract. It is because of the contractual duties between the parties that the employer was found to owe a duty to the plaintiff.

Lord Wilberforce stated in the House of Lord's judgment at p. 564 [All E.R.]:

"The duty of Securicor was, as stated, to provide a service. There must be implied an obligation to use care in selecting their patrolmen, to take care of the keys and, I would think, to operate the service with due and proper regard to the safety and security of the premises. The breach of duty committed by Securicor lay in a failure to discharge this latter obligation."

Similarly, Lord Diplock stated at p. 568:

"Applying these principles to the instant case, in the absence of the exclusion clause which Lord Wilberforce has cited, a primary obligation of Securicor under the contract, which would be implied by law, would be an absolute obligation to procure that the visits by the night patrol to the factory were conducted by natural persons who would exercise reasonable skill and care for the safety of the factory. That primary obligation is modified by the exclusion clause. Securicor's obligation to do this is not to be absolute, but is limited to exercising due diligence in their capacity as employers of the natural persons by whom the visits are conducted, to procure that those persons shall exercise reasonable skill and care for the safety of the factory."

And again, Lord Salmon finds that there is a duty because of the contract at p. 569:

"The contract between the two parties provided that Securicor should provide a patrol service at Photo Productions' factory by four visits a night for seven nights a week and two visits every Saturday afternoon and four visits every Sunday. The contract provides that for this service Securicor should be paid £8 15s Od a week. There can be no doubt that, but for the clause in the contract which I have recited, Securicor would have been liable for the damage which was caused by their servant Musgrove whilst indubitably acting in the course of his employment: see *Morris v. C.W. Martin & Sons Ltd.*"

In the present case, there was no relationship contractual or otherwise between Plains and the employer Barnes. In the absence of such a relationship Barnes owed no duty to Plains and in any event Meinig's act of arson was not connected with his authorized act of ensuring the safety of the building, as for example failing to make his appointed rounds, but was an independent act, wilfully done outside of the scope of his employment.

I now propose to deal with four Canadian cases, ending with a recent decision of Mr. Justice Stevenson in *O'Riordan v. Central Agencies Camrose Ltd.* (1987), 51 Alta. L.R. (2d) 206, 23 C.C.L.I. 1, 78 A.R. 243, 37 D.L.R. (4th) 183 (Alta. C.A.). The first case is *Lockhart v. Cdn. Pacific Railway Co.*, [1942] A.C. 591, [1942] 3 W.W.R. 149, [1942] 2 All E.R. 464, 54 C.R.T.C. 321, [1942] 3 D.L.R. 529 (P.C. from S.C.C.). In that case the plaintiff was injured owing to the negligent driving of a motor car owned and driven by an employee while on company business but in contravention of the employer's express instructions that privately owned automobiles were not to be used in connection with the company's business unless the owner carried insurance against public liability and property damage risks. The company was held to be liable to the plaintiff. In Lord Thankerton's decision he quotes from *Salmond on the Law of Torts* (9th ed.), p. 95, which is essentially the same quotation which I have taken from the 18th edition, supra, and at p. 157:

"Their Lordships may also quote passages from the judgment of this Board in *Lee Kim Soo v. Goh Choon Seng* [1925] 2 W.W.R. 439, [1925] A.C. 550, 94 L.J.P.C. 129, which was delivered by Lord Phillimore, at pp. 442-3:

'The principle is well laid down in some of the cases cited by the Chief Justice, which decide that "when a servant does an act which he is authorized by his employment to do under certain circumstances and under certain conditions, and he does them under circumstances or in a manner which are unauthorized and improper, in such cases the employer is liable for the wrongful act.". . .

As regards all the cases which were brought to their Lordships' notice in the course of the argument this observation may be made. They fall under one of three heads: (1) The servant was using his master's time or his master's place or his master's horses, vehicles, machinery or tools for his own purposes; then the master is not responsible. Cases which fall under this head are easy to discover upon analysis. There is more difficulty in separating cases under heads (2) and (3). Under head (2) are to be ranged the cases where the servant is employed only to do a particular work or a particular class of work, and he does something out of the scope of his employment. Again, the master is not responsible for any mischief which he may do to a third party. Under head (3) comes cases like the present, where the servant is doing some work which he is appointed to do, but does it in a way which his master has not authorized and would not have authorized had he known of it. In these cases the master is nevertheless responsible.' "

In the present case it can be hardly argued that the servant Meinig in setting fire to the building was carrying out a mode, although an improper mode, of the acts which his employer had authorized him to do, or that he was doing some work which he was appointed to do but doing it in a way which his master had not authorized him and would not have authorized had he known of it. In the *Lockhart* case, supra, the servant was doing his master's work in driving the car which he was authorized to do but he was doing it improperly, that is to say while the car was uninsured.

In *Bickman v. Smith Motors Ltd.* (1955), 16 W.W.R. 606 (Alta. C.A.), the defendant company leased the plaintiff's garage. Its employee allowed a container of gasoline to overflow along the

floor until it reached a heater where it ignited and caused a fire which destroyed the garage. The employee was authorized to use gasoline for priming cars but he was instructed to get it from a certain red can. He was not authorized to siphon gasoline from cars in the garage. However he did so and after starting to siphon gasoline was called away and forgot the siphon with the result that the gasoline overflowed and ignited. The employer was held not to be liable where it found that the employee was doing an act completely independent of his employment and one which was not only unauthorized but prohibited and that he was taking the gasoline from the vehicle at that time for his own use. The Court of Appeal found that the facts fell under the first head quoted by Lord Thankerton in *Lockhart v. Cdn. Pacific Railway Co.*, and that the fact the servant was taking the gasoline for his own use places the servant's act outside of the scope of his employment with the defendant.

The third case comes from the Federal Court of Appeal and is cited as *R. v. Crown Diamond Paint Co.*, [1983] 1 F.C. 837, 45 N.R. 368 (*sub nom. Crown Diamond Paint Co. v. Can.*).

Quoting from the headnote summary [N.R.]:

"The plaintiff tenant of the National Capital Commission brought an action against the Commission for damages suffered as a result of the destruction of the leased premises by a fire, caused by the unauthorized acts of one of the Commission's inspectors. The inspector, who was responsible for the sprinkler system in the building, asked permission from the Commission to remove some refrigeration pipes for his own purposes. The permission was refused, but the inspector had his sons remove the piping anyway with the use of an oxyacetylene torch. In preparation for this, the inspector turned off the sprinkler system and the use of the torch caused the fire. The Federal Court of Canada, Trial Division, in a judgement unreported in this series of reports allowed the tenant's action. The Commission appealed.

The Federal Court of Appeal allowed the appeal and dismissed the tenant's action. The court held that the Commission was not responsible for the unauthorized acts of the inspector outside the course of his employment, which caused the fire. The court held that, while the Commission might have been responsible for damages resulting from the disconnection of the sprinkler system, the tenant failed to

prove that the operation of the sprinkler system would have reduced or eliminated its damages."

In the *O'Riordan* case, supra, the defendant's clerical employee, who had no authority to discuss coverage with prospective clients, undertook to obtain insurance for a social acquaintance. The employee took no further steps to obtain insurance. The acquaintance's business was destroyed by fire. The acquaintance brought a negligence action against the defendant claiming it was vicariously liable for the employee's failure to obtain insurance. The Alberta Court of Queen's Bench allowed the action holding that the insurer defendant was estopped from denying that the employee had apparent or ostensible authority and that the insurer was therefore vicariously liable. The Alberta Court of Appeal allowed the appeal and dismissed the action. Speaking for the Court, Justice Stevenson said at p. 245 (para. 7) [A.R.]:

> "Insofar as the judge relied upon the employee's holding herself out, he erred. Ostensible authority is a form of estoppel and cannot be invoked against the employer upon the basis of the employee's actions . . ."

Paragraphs 12 and 14 on pp. 246 and 247, Stevenson J. quotes from pp. 178 and 183 of Atiyah, *Vicarious Liability*, supra, as follows:

> "12. I turn now to the question of whether liability might have been founded on negligence occuring within the scope of the employee's actual authority. I accept what is said by Atiyah, *Vicarious Liability*, at 178, that the plaintiff must firstly, prove 'that when the servant committed the tort in question he was engaged in performing an act of a class authorized by the master or, that in all events, that the acts constituting the tort were similar in character to the acts authorized'. The plaintiff must, secondly, show that the wrong is so connected with an authorized act as to amount to a mode of performing it. Atiyah reformulates the test (*Vicarious Liability* at 183): is there a substantial risk that in doing the authorized acts the employee will commit torts of the kind committed?
>
> . . .
>
> 14. The principle behind the employers' vicarious liability is that expressed by Lord Keith, namely, it is just for the employer to bear the loss. This rationale does not reflect any single element such as 'control' or 'masters benefit'. The risk is shifted to the employer whenever the employee commits a wrong in the performance of an (actually or ostensibly) authorized act. There is no principled reason for shifting responsibility in the circumstances of this case."

The defendant argues that using the analogy of the *O'Riordan* case to the facts presently under consideration, the act constituting the tort, namely, the setting of the fire, was not similar in character to the acts authorized, that is, to keep the premises safe when acting as a security guard. The defendant further points out that there was no substantial risk to the employer that in doing the authorized acts the employee would commit the tort complained of, that is to say that it was not foreseeable that the employee would commit arson while carrying out his security functions.

From all of the foregoing I start with the proposition that if one of two innocent parties must suffer a loss by reason of the wrongful act of an employee of one of the parties, it is more reasonable that the party who employs and puts a trust in the employee should be the loser. This statement is tempered where the unauthorized or wrongful act complained of is not connected with the authorized act for which the employer has been engaged so as to be considered to be a mode or method of doing the authorized act, but is an independent act of the employee. In the determination of this issue it is necessary to discover what acts the employer has been authorized to perform and for whom and how such acts are connected to the party suffering the loss. Following this it is necessary to discover whether the employee's wrongful act is so connected with the authorized act as to be regarded as a means or mode of carrying out or performing the authorized act. If the employee's wrongful act is wilful or deliberate, the employer will only be liable if the *tortious* act by the employee is of the same general kind as the employee was authorized to carry out on behalf of the employer, and where the resultant loss can be connected to the employer. Foreseeability also plays a part as to whether the wrongful unauthorized act was a normal or expected incident of the act which the employee was engaged to perform. This may be answered by asking whether the employer could have reasonably foreseen the wrongful act as a risk which might be expected in the typical performance by the employee in the course of performing his appointed tasks.

In order to find the connection mentioned above it is important to find a duty on the part of the employer to the person

suffering the loss. If such duty is entrusted to his servant, the master is liable no matter whether the servant be negligent, fraudulent or dishonest, but not when he is under no such duty, *Morris*. Thus the duty is akin to the need to establish the connection or relationship between the plaintiff and defendant and from thence an authorization or holding out by the employer of the employee as having the authority to act.

The employer can be found to be liable for the actions of its employee if the employer holds out its servant as having the authority to do certain acts and a third party acts upon such representations to its detriment. This is so where the servant carries out acts of the same nature or kind as he was authorized to do albeit he was doing such acts wrongfully or for his own benefit, *Lloyd v. Grace, Smith & Co.* This is not so where the servant and not the master holds himself out as having the authority, *Armagas* and *O'Riordan*. However where the servant "clearly departs from the scope of his employment . . . his master will not be liable for his wrongful act", *Kooragang*.

I take it from cases decided after the Court of Appeal decision in *Photo Production Ltd.*, supra, House of Lords, *Armagas* and *Kooragang*, that Lord Denning's all encompassing statement quoted above has not been followed so as to extend liability of an employer towards strangers to the original connection between the employer and a person suffering a loss once such a connection has been established.

The four Canadian cases discussed above, and there are numerous others, serve to expand on what is meant by "scope of employment" and the occasions when a servant does an act which he is authorized to do but does such act in an unauthorized and improper manner and thereby binds his employer. There is nothing in these cases which disturbs the principles previously discussed.

Applying the above principles I find that the defendant Barnes was not responsible for the acts of its employee, Meinig, notwithstanding that it was Barnes that hired Meinig in the first place and that it was Meinig's act of arson which caused the loss to the plaintiff Plains, the owner of the building. There was no connection between the defendant and the plaintiff or any duty owed by the defendant to the plaintiff regarding the provision of security services to be performed by Barnes for Kami. The action of Meinig in setting fire to the building did not constitute an improper mode of carrying out an authorized act of providing security services. Such act on Meinig's part was not an action which could have been reasonably foreseen by Barnes in any event and Barnes was not negligent in the way in which it proceeded to hire Meinig.

The plaintiff's action is dismissed. Costs may be spoken to within 30 days if required but would normally follow the event.

Action dismissed.

NYVEEN v. RUSSELL FOOD EQUIPMENT LTD.

Quebec Superior Court,
Gonthier J.

Judgment – November 27, 1987.

Constructive dismissal – Employees departure resulting from employer's unilateral modification of commissions agreement and inflexible attitude – Employee constructively dismissed.

Congédiement déguisé – Modification unilatéral par l'employeur d'une entente écrite par rapport aux commissions – Attitude intransigeante chez l'employeur – L'employé a été forcé de demissioner – Congédiement deguisé de l'employé.

Le demandeur oeuvra à titre de gérant de succursale de la défenderesse pendant plus de 6 ans. Le demandeur travailla par la suite à titre de responsable des ventes jusqu'à la fin de son emploi. A la suite de tergiversations relativement aux commissions qui lui étaient dues, le demandeur quitta son emploi alléguant avoir été congédié de façon déguisée. Il poursuivit son ancien employeur et lui réclama le paiement des commissions qui lui étaient dues en vertu d'une entente écrite, une indemnité de départ équivalant à 12 mois de salaire, ainsi que des dommages pour compenser l'atteinte à sa réputation, l'humiliation et les inconvénients qu'il dut subir à la suite de son congédiement déguisé.

Jugé – L'action a été accueillie

Après avoir analysé la preuve et interprété l'entente écrite, la Cour conclut que la défenderesse ne pouvait en modifier unilatéralement les modalités et accorda les commissions au demandeur conformément à l'entente. En ce qui a trait au congédiement, il s'agissait bel et bien d'un congédiement déguisé et le demandeur avait été forçé de démissionner dans les circonstances. Sa démission fut reliée à des modifications unilatérales de ses commissions sur différents projets ainsi que l'attitude intransigeante de la défenderesse à cet égard. En ce qui a trait à l'indemnité prévue à l'art. 83 de la *Loi sur les normes du travail*

DATE: **NOVEMBER 9, 1994**

TO: **RECREATION AND CULTURE MANAGER**

FROM: **CITY CLERK**

RE: **BOWDEN WORK RELEASE PROGRAM**

At the Council Meeting of November 7, 1994, consideration was given to your letter dated November 1, 1994, concerning the above topic and at which meeting the following motion was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Recreation and Culture Manager dated November 1, 1994, re: Bowden Work Release Program, hereby agrees that the resolution of Council passed on May 24, 1994 approving the Bowden Work Release Program on a trial basis, be rescinded;
>
> Council further agrees that the Bowden Work Release Program not be pursued further at this time, and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information and appropriate action. I trust you will now be advising all parties concerned of the above decision.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Community Services

NO. 3

CS-4.468

DATE: **October 31, 1994**

TO: **KELLY KLOSS**
City Clerk

FROM: **ALAN WILCOCK, Director of Financial Services**
CRAIG CURTIS, Director of Community Services
COLLEEN JENSEN, Social Planning Manager
LOWELL HODGSON, Recreation & Culture Manager
MORRIS FLEWWELLING, Museums Director

RE: **CITY COUNCIL POLICY 420:**
GRANTS TO COMMUNITY SERVICE ORGANIZATIONS

1. The attached Policy 420 was adopted by City Council in November 1993 for one year. The policy includes the following two categories of grants:

   - **Category 1:** General grants to community service organizations.
   - **Category 2:** Grants for the hosting of provincial, national or international events.

   The policy states that during the year 1994, applications will only be received from the following community service organizations:

   - Parkland Humane Society
   - St. John Ambulance
   - Red Deer Air Show Association
   - C.N.I.B.

   This restriction was adopted in recognition of The City's budgetary restrictions and the fact that the identified groups have provided services to the community on a long-term basis.

2. Category 1 applications from the specified groups were considered during the 1994 budget deliberations, together with one Category 2 application for the Labatt's Brier. The following grants were approved by City Council:

   - Parkland Humane Society ..... $ 12,400
   - St. John Ambulance ..... $ 480
   - Red Deer Air Show Association ..... $ 12,400
   - C.N.I.B. ..... $ 2,100

   - **Sub-Total $27,380**
   - Hosting Grant - Labatt's Brier ..... $ 15,000

   - **TOTAL $42,380**

3. In September, the Directors of Community Services and Financial Services recommended that City Council extend Policy 420 to cover the 1995 and 1996 annual budgets. This recommendation was made in view of the major provincial downloading anticipated in 1995 and 1996, and the fact that public advertising could create an expectation in the community, which could not be met at this time.

.../2

The recommendation was supported by the City Commissioner and considered by City Council at its meeting on October 11, 1994, when the following motion was introduced and subsequently tabled until November 7.

> "RESOLVED that Council of The City of Red Deer, having considered report from the Director of Community Services and the Director of Financial Services dated September 27, 1994, re: City Council Policy #420, Grants to Community Service Organizations, hereby agrees that Council Policy #420 be amended as follows:
>
> a. By deleting Section 2 and substituting therefore the following Section 2:
>
> 'Category 1
>
> For the purpose of the 1995 and 1996 Budgets, applications will be received from any community service organization.'
>
> b. That the word and number 'During the year 1994' in Section 1, be deleted and the word and numbers 'For the 1995 and 1996 Budgets' be substituted therefore.
>
> Council further agrees that the availability of Category 1 grants be advertised."

4. There are many ways in which the grant issue could be resolved. However, it is considered that City Council should choose among the following five alternatives for Category 1 grants.

Alternative 1:
- Amend the policy to remove the limitation on applications immediately, as proposed in the tabled resolution.

Alternative 2:
- Retain the present policy for the 1995 budget, and remove the limitation on applications for 1996.

Alternative 3:
- Retain the present policy for 1995 and 1996, and reduce funding on a phased basis.

Alternative 4:
- Eliminate the grants to the specified organizations and accept no applications.

Alternative 5:
- Delete Category 1.
- Transfer the Red Deer Air Show Association grant to Category 2 (Grants for hosting of provincial, national or international events).
- Transfer the remaining three Category 1 grants to the Community Services General Budget.

.../3

5. CONCLUSIONS

Alternative 5 is recommended for the following reasons:

- City budget funds are expected to be limited for the next few years.
- Transferring the grants to a division budget would allow consideration of the requests on a priority basis with other similar purposes. Present procedures do not allow for proper prioritization of grant requests with other City priorities.
- If Category 1 grants are retained and advertised, then the wrong message is communicated to the public - that grant monies are available and requests will be considered, and priorities in departments where similar activities are conducted will be ignored.
- It recognizes that due to budget cutbacks, very little funding is available to consider grant requests in addition to funding allocated to City departments for similar purposes.

Alternative 5 recommends the Red Deer Air Show Association be considered under Category 2. It is proposed this grant request and any other Category 2 requests be reviewed each year by the Recreation, Parks & Culture Board and the Red Deer Visitor & Convention Bureau, with a recommendation made to City Council. This would allow community input into Category 2 grant requests.

A revised Pollicy 420 is submitted for City Council's consideration.

6. RECOMMENDATIONS

It is recommended that City Council approve Alternative 5 and revised Policy 420, as submitted.

ALAN WILCOCK

CRAIG CURTIS

COLLEEN JENSEN

LOWELL HODGSON

MORRIS FLEWWELLING

AW:dmg

Att.

THE CITY OF RED DEER | COUNCIL POLICY MANUAL

Policy Section: Finance | **Page:** 1 of 2

Policy Subject: Grants to Community Service Organizations | **Policy Reference:** 420

Lead Role: Director of Community Services | **Resolution/Bylaw:**

PURPOSE

To provide a procedure for the submission of grant requests to City Council.

POLICY STATEMENT

1. Grant requests to City Council shall be considered in only the following category:

   - **Grants for the Hosting of Provincial, National or International Events**

2. Non-profit groups may submit applications for assistance in hosting provincial, national, or international events in the city. Such applications shall include the following additional information:

   - Estimated number of participants.
   - Estimated number of spectators.
   - Estimated economic benefit to the community.

3. Deadline and Application Requirements

   Grant applications in both categories shall be submitted to the City Clerk by November 15 of the year prior to the grant being requested.

cont'd.....

Cross Reference

Remarks

Date of Approval:	Effective Date:	Date of Revision:
December 20, 1982	December 20, 1982	Aug. 22,1988 Nov. 22, 1993

POLICY STATEMENT (cont'd.)

Grant applications shall be evaluated and recommendations made by the following:

- Recreation, Parks & Culture Board
- Red Deer Visitor & Convention Bureau

Grant applications shall be considered by City Council during the annual budget deliberations.

Grant applications submitted by organizations shall include:

- The specific purpose of the application.
- The amount of funding requested.
- Proposed budget for the event.
- In the case of an annual event, the previous year's financial statement, certified correct by two directors, shall be submitted, showing all surpluses and invested funds.

Grants must be used within the city of Red Deer, unless otherwise authorized by City Council.

(e) provision for the management of those premises;

(f) all other acts and things considered necessary or advisable to have the premises conducted and managed successfully and economically as a place of public accommodation.

RSA 1980 cM-26 s211

Grants

212(1) A council may pass by-laws or resolutions providing for grants

(a) to any hospital,

(b) to any charitable organization,

(c) to sufferers from any calamity anywhere in Canada, and

(d) to religious and educational organizations,

and may make all regulations, conditions and provisions with respect thereto.

(2) A council may pass by-laws or resolutions providing for grants to non-profit organizations which the council considers are entitled to grants to provide for activities and events that the council considers are of benefit to the municipality and may make all regulations, conditions and provisions with respect thereto.

(3) A payment made by a council to any organization that is performing a legislatively required function of the municipality shall not be considered a grant for the purpose of this section.

(4) Subject to subsection (5), a council may make grants for any or all of the purposes mentioned in this section but in any one year the aggregate of all such grants shall not exceed a sum equal to 1/2 a mill on the net total assessment of the municipality on which taxes are levied.

(4.1) Notwithstanding subsection (4), a council may make grants in any one year in excess of the maximum amount referred to in subsection (4) if the grants in excess of that sum are paid out of money that is received by the council by way of a gift or grant for a specific purpose and the grant made by the council is consistent with that purpose.

(5) No grant otherwise permitted by this section shall be made to any person if the society or organization in any manner provides or is to provide membership to any person as a result of the receipt of such a grant.

RSA 1980 cM-26 s212;1981 c25 s19

COMMISSIONERS' COMMENTS:

It is our understanding that Council's direction was to either provide a Grant Program to which any agency in the community could have access or alternately delete the Grant Program. We recommend Council delete the Category 1 Grant Program given that there are insufficient funds to mount an effective program and that there are no reasonable criteria to consistently prioritize between the many requests that come forward. In order to phase out the existing agencies which are currently funded through the Grant Program we recommend that:

1. The Parkland Humane Society be requested to enhance their partnership with us in the animal licensing program and share the resultant revenue as recorded elsewhere on the agenda;

2. The Red Deer Airshow Association be moved to the Category 2 Grant Program which will be the only remaining grant program and which will continue to deal with hosting responsibilities related to major events in the community;

3. That funding to the CNIB be deleted in the 1995 budget;

4. That the contribution to St. John Ambulance be absorbed into the operating budget of Community Services in recognition of the broad public service it provides as part of our safety network.

In the long term, we envision the Category 2 grants dealing with major events in the community becoming amalgamated with the new Bid Red Deer program.

For Council's information, we have also attached hereto the relevant section of the Municipal Government Act which deals with Council's authority to provide grants.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

Office of:
DIRECTOR OF FINANCIAL SERVICES 342-8210

October 26, 1994

Red Deer Airshow Association

FAX (403) 886-5656

Dear Sir/Madam:

City Council will be considering its existing grant policy, under which your organization receives a grant, at the Monday, November 7, 1994 meeting.

Council will be considering a number of options, including retaining existing grants to discontinuing the grant program.

If you are interested in attending the meeting, you should contact the City Clerk, Kelly Kloss, at 342-8132 to get information.

Yours truly,

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

Office of:
DIRECTOR OF FINANCIAL SERVICES 342-8210

October 26, 1994

The Canadian National Institute
for the Blind

FAX (403) 265-5029

Dear Sir/Madam:

City Council will be considering its existing grant policy, under which your organization receives a grant, at the Monday, November 7, 1994 meeting.

Council will be considering a number of options, including retaining existing grants to discontinuing the grant program.

If you are interested in attending the meeting, you should contact the City Clerk, Kelly Kloss, at 342-8132 to get information.

Yours truly,

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

Office of:
DIRECTOR OF FINANCIAL SERVICES 342-8210

October 26, 1994

St. John Ambulance
Red Deer Area Office

FAX 342-0222

Dear Sir/Madam:

City Council will be considering its existing grant policy, under which your organization receives a grant, at the Monday, November 7, 1994 meeting.

Council will be considering a number of options, including retaining existing grants to discontinuing the grant program.

If you are interested in attending the meeting, you should contact the City Clerk, Kelly Kloss, at 342-8132 to get information.

Yours truly,

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt

October 26, 1994

Parkland Humane S.P.C.A.
P.O. Box 931
RED DEER, Alberta
T4N 4H3

Dear Sir/Madam:

City Council will be considering its existing grant policy, under which your organization receives a grant, at the Monday, November 7, 1994 meeting.

Council will be considering a number of options, including retaining existing grants to discontinuing the grant program.

If you are interested in attending the meeting, you should contact the City Clerk, Kelly Kloss, at 342-8132 to get information.

Yours truly,

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt

DATE: **NOVEMBER 9, 1994**

TO: **DIRECTOR OF FINANCIAL SERVICES**

FROM: **CITY CLERK**

RE: **CITY COUNCIL POLICY #420**
GRANTS TO COMMUNITY SERVICE ORGANIZATIONS

At the Council Meeting of November 7, 1994, consideration was given to the report from various departments dated October 31, 1994 concerning the above topic. At this meeting the following resolutions were introduced and passed:

"RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the Category 1 Grant Program under Policy #420 - be deleted, and as presented to Council November 7, 1994."

"RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the Parkland Humane Society be continued for 1995 and that the Society be requested to enhance their partnership with The City in the Animal Licensing Program and share in the resultant revenues, and as presented to Council November 7, 1994."

"RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the Red Deer Airshow Association grant be moved to the Category II Grant Program;

Council further agrees that revised Council Policy 420, as submitted to Council on November 7, 1994, be approved."

"RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to St. John Ambulance be absorbed into the operating budget of Community Services, and as presented to Council November 7, 1994."

"RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the C.N.I.B. be deleted, and as presented to Council November 7, 1994."

... / 2

The decision of Council in this instance is submitted for your information and appropriate action. This office will now be advising the various organizations involved of Council's decision. In addition, we will be updating Council Policy #420 and circulating same to all departments in due course.

Trusting you will find this satisfactory.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Community Services
Director of Engineering Services
Social Planning Manager
Recreation and Culture Manager
Museums Director
Bylaws and Inspections Manager

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

File Copy

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Parkland Humane S.P.C.A.
P.O. Box 931
Red Deer, Alberta
T4N 4H3

FAXED 94 NOV 09
c/o Shur-Gain's Fax 403-343-3911

Dear Sirs:

At the City of Red Deer Council Meeting held November 7, 1994, Council reviewed the grant to the Parkland Humane Society with the following resolution being passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the Parkland Humane Society be continued for 1995 and that the Society be requested to enhance their partnership with The City in the Animal Licensing Program and share in the resultant revenues, and as presented to Council November 7, 1994."

As outlined in the above resolution, it would still be appropriate for you to submit a grant request for 1995. If you have not already done so, please submit your request to the Director of Financial Services as soon as possible. With regard to the second part of the resolution, I ask that your Society contact the City's Bylaws and Inspections Manager, Mr. Ryan Strader, in order to begin the process of reviewing your partnership with The City in the animal licensing program and the sharing of resultant revenues, with the understanding that a further report relative to the outcome will be presented back to Council in 1995.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Bylaws and Inspections Manager

RED·DEER a delight to discover!

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Parkland Humane S.P.C.A.
P.O. Box 931
Red Deer, Alberta
T4N 4H3

FAXED 94 NOV 09
c/o Shur-Gain's Fax 403-343-3911

Dear Sirs:

At the City of Red Deer Council Meeting held November 7, 1994, Council reviewed the grant to the Parkland Humane Society with the following resolution being passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the Parkland Humane Society be continued for 1995 and that the Society be requested to enhance their partnership with The City in the Animal Licensing Program and share in the resultant revenues, and as presented to Council November 7, 1994."

As outlined in the above resolution, it would still be appropriate for you to submit a grant request for 1995. If you have not already done so, please submit your request to the Director of Financial Services as soon as possible. With regard to the second part of the resolution, I ask that your Society contact the City's Bylaws and Inspections Manager, Mr. Ryan Strader, in order to begin the process of reviewing your partnership with The City in the animal licensing program and the sharing of resultant revenues, with the understanding that a further report relative to the outcome will be presented back to Council in 1995.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Bylaws and Inspections Manager

RED·DEER a delight to discover!

TRANSMISSION REPORT

THIS DOCUMENT WAS CONFIRMED
(REDUCED SAMPLE ABOVE - SEE DETAILS BELOW)

** COUNT **
TOTAL PAGES SCANNED : 1
TOTAL PAGES CONFIRMED : 1

*** SEND ***

No.	REMOTE STATION	START TIME	DURATION	#PAGES	MODE	RESULTS
1	403 343 3911	11- 9-94 15:18	0'35"	1/ 1	EC	COMPLETED 14400
		TOTAL	0:00'35"	1		

NOTE:
No. : OPERATION NUMBER 48 : 4800BPS SELECTED EC : ERROR CORRECT G2 : G2 COMMUNICATION
PD : POLLED BY REMOTE SF : STORE & FORWARD RI : RELAY INITIATE RS : RELAY STATION
MB : SEND TO MAILBOX PG : POLLING A REMOTE MP : MULTI-POLLING RM : RECEIVE TO MEMORY

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

The Canadian National Institute
for the Blind

FAXED 94 NOV 09
1-403-265-5029

Att: Helena Lake

Dear Ms. Lake:

At the City of Red Deer Council Meeting held November 7, 1994, the grant given to the C.N.I.B. was considered and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the C.N.I.B. be deleted, and as presented to Council November 7, 1994."

Unfortunately, in these times of restraint, Council must make difficult decisions concerning grants for many worth while organizations. In this instance, Council did not support the continuation of grants to the C.N.I.B.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services

RED·DEER a delight to discover!

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

The Canadian National Institute
for the Blind

FAXED 94 NOV 09
1-403-265-5029

Att: Helena Lake

Dear Ms. Lake:

At the City of Red Deer Council Meeting held November 7, 1994, the grant given to the C.N.I.B. was considered and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to the C.N.I.B. be deleted, and as presented to Council November 7, 1994."

Unfortunately, in these times of restraint, Council must make difficult decisions concerning grants for many worth while organizations. In this instance, Council did not support the continuation of grants to the C.N.I.B.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services

RED·DEER a delight to discover!

TRANSMISSION REPORT

THIS DOCUMENT WAS CONFIRMED
(REDUCED SAMPLE ABOVE - SEE DETAILS BELOW)

** COUNT **
TOTAL PAGES SCANNED : 1
TOTAL PAGES CONFIRMED : 1

*** SEND ***

No.	REMOTE STATION	START TIME	DURATION	#PAGES	MODE	RESULTS
1	C N I B	11- 9-94 15:20	0'49"	1/ 1		COMPLETED 9600

TOTAL 0:00'49" 1

NOTE:
No. : OPERATION NUMBER 48 : 4800BPS SELECTED EC : ERROR CORRECT G2 : G2 COMMUNICATION
PD : POLLED BY REMOTE SF : STORE & FORWARD RI : RELAY INITIATE RS : RELAY STATION
MB : SEND TO MAILBOX PG : POLLING A REMOTE MP : MULTI-POLLING RM : RECEIVE TO MEMORY

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Red Deer Airshow Association
208, 4911 - 51 Street
Red Deer, Alberta
T4N 6V4

FAXED 94 NOV 09
403-886-5656

ATT: Dennis Cooper, President

Dear Sir:

RE: RED DEER AIRSHOW ASSOCIATION GRANT

At the City of Red Deer's Council Meeting held Monday, November 7, 1994, consideration was given to the above topic and at which meeting the following motion was passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the Red Deer Airshow Association grant be moved to the Category II Grant Program;
>
> Council further agrees that revised Council Policy 420, as submitted to Council on November 7, 1994, be approved."

For your information, attached hereto is City Council Policy #420, which outlines the process that is to be followed in submitting your grant request to City Council. Please note that the deadline for grant submissions to the 1995 Budget is November 15, 1994.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr
attchs.

cc: Director of Financial Services
Director of Engineering Services

RED·DEER a delight to discover!

Policy Section: Finance

Policy Subject: Grants to Community Service Organizations

Policy Reference: 420

Lead Role: Director of Community Services

Resolution/Bylaw: December 20, 1982

PURPOSE

To provide a procedure for the submission of grant requests to City Council.

POLICY STATEMENT

1. Grant requests to City Council shall be considered in only the following category:

   - Grants for the Hosting of Provincial, National or International Events

2. Non-profit groups may submit applications for assistance in hosting provincial, national, or international events in the city. Such applications shall include the following additional information:

   - Estimated number of participants
   - Estimated number of spectators
   - Estimated economic benefit to the community

3. Deadline and Application Requirements

   Grant applications in both categories shall be submitted to the City Clerk by November 15 of the year prior to the grant being requested.

   Grant applications shall be evaluated and recommendations made by the following:

   - Recreation, Parks & Culture Board
   - Red Deer Visitor & Convention Bureau

Cross Reference

Remarks

Date of Approval:	Effective Date:	Date of Revision:
December 20, 1982	Dec.20, 1982	Aug.22,1988 Nov.22, 1993 Nov. 7, 1994

Policy Section: Finance

Page: 2 of 2

Policy Subject: Grants to Community Service Organizations

Policy Reference: 420

Lead Role: Director of Community Services

Resolution/Bylaw: December 20, 1982

PURPOSE

POLICY STATEMENT

Grant applications shall be considered by City Council during the annual budget deliberations.

Grant applications submitted by organizations shall include:

- The specific purpose of the application
- The amount of funding requested
- Proposed budget for the event
- In the case of an annual event, the previous year's financial statement, certified correct by two directors, shall be submitted, showing all surpluses and invested funds.

Grants must be used within the City of Red Deer, unless otherwise authorized by City Council.

Cross Reference

Remarks

Date of Approval: Effective Date: Date of Revision: July 22, 1991 November 22, 1993 Nov. 7, 1994

FILE No

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Red Deer Airshow Association
208, 4911 - 51 Street
Red Deer, Alberta
T4N 6V4

FAXED 94 NOV 09
403-886-5656

ATT: Dennis Cooper, President

Dear Sir:

RE: RED DEER AIRSHOW ASSOCIATION GRANT

At the City of Red Deer's Council Meeting held Monday, November 7, 1994, consideration was given to the above topic and at which meeting the following motion was passed:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the Red Deer Airshow Association grant be moved to the Category II Grant Program;
>
> Council further agrees that revised Council Policy 420, as submitted to Council on November 7, 1994, be approved."

For your information, attached hereto is City Council Policy #420, which outlines the process that is to be followed in submitting your grant request to City Council. Please note that the deadline for grant submissions to the 1995 Budget is November 15, 1994.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr
attchs.

cc: Director of Financial Services
Director of Engineering Services

RED·DEER a delight to discover!

TRANSMISSION REPORT

THIS DOCUMENT WAS CONFIRMED
(REDUCED SAMPLE ABOVE - SEE DETAILS BELOW)

** COUNT **
TOTAL PAGES SCANNED : 3
TOTAL PAGES CONFIRMED : 3

*** SEND ***

No.	REMOTE STATION	START TIME	DURATION	#PAGES	MODE	RESULTS
1	403-886-5656	11- 9-94 15:35	1'28"	3/ 3	EC	COMPLETED 9600

TOTAL 0:01'28" 3

NOTE:
No. : OPERATION NUMBER 48 : 4800BPS SELECTED EC : ERROR CORRECT G2 : G2 COMMUNICATION
PD : POLLED BY REMOTE SF : STORE & FORWARD RI : RELAY INITIATE RS : RELAY STATION
MB : SEND TO MAILBOX PG : POLLING A REMOTE MP : MULTI-POLLING RM : RECEIVE TO MEMORY

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

St. John's Ambulance
Red Deer Area Office
3615 Gaetz Avenue
Red Deer, Alberta
T4N 3Y5

Att: Kirk Sisson and Cam Pickett

Dear Sirs:

At the City of Red Deer Council Meeting held November 7, 1994, Council reviewed the grant given to St. John's ambulance and at said meeting passed the following resolution:

> "RESOLVED that Council of The City of Red Deer, having considered a combined report from various departments dated October 31, 1994, re: City Council Policy #420 - Grants to Community Service Organizations, hereby agrees that the grant to St. John Ambulance be absorbed into the operating budget of Community Services, and as presented to Council November 7, 1994."

As outlined in the above resolution, the monies previously provided to St. John's Ambulance will now be provided through the Community Services Operating Budget as opposed to a grant.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

/KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Director of Community Services

RED·DEER a delight to discover!

NO. 4

DATE: October 13, 1994

TO: City Clerk

FROM: Bylaws & Inspections Manager

RE: DOG CONTROL CONTRACT

The tenders have been received for the above service, with two companies bidding, the current contractor as well as the previous contractor. Both firms are knowledgable about dog control, the Red Deer contract, and the service expected. Both contractors are capable of doing an excellent job on behalf of the City.

Council requested that the tender contain the following:

1) Alternate levels of service (30, 40, 50 hours per week)
2) Cat control service
3) Clear identification of levels of service

Attached are the bid prices for the various options as requested on a yearly basis.

In order to provide Council with a comparison of the tendered prices, the following shows the total cost of 30-40-50 hours of patrol, including operation of the pound, and an emergency phone system.

1995 Total Cost

Hours	Alberta Animal Control	Animal Control Services
30	89,724	119,880
40	101,196	133,800
50	113,748	148,200

1996 Total Cost

Hours	Alberta Animal Control	Animal Control Services
30	93,096	125,580
40	105,024	140,580
50	118,080	155,580

DOG CONTROL CONTRACT
Page 2

1997 Total Cost

Hours	Alberta Animal Control	Animal Control Services
30	96,936	131,520
40	109,344	147,120
50	121,824	162,720

Council should also consider including skunk and dead animal pickup (on City Property):

Year	Alberta Animal Control		Animal Control Services	
	Skunks/Ea.	Dead Animals/Ea.	Skunks/Ea.	Dead Animals/Ea.
1995	25	32	25	30
1996	25	33	27	32
1997	26	33	29	34

The Cost for Cat Control are:

Year	Alberta Animal Control	Animal Control Services
1995	$ 25.00/hr.	$ 21.00/hr.
1996	$ 26.00/hr.	$ 23.00/hr.
1997	$ 26.00/hr.	$ 25.00/hr.

DOG CONTROL CONTRACT
Page 3

Recommendation: That the bid from Alberta Animal Control be accepted as with the exception of dead animal pickup and cat control their bid is the lowest.

Our recommendation for levels of service is tied to Council's decision regarding increases in license fees and fines (see report included on this Council Agenda).

Yours truly,

Ryan Strader
Bylaws & Inspections Manager
BUILDING INSPECTION DEPARTMENT

RS/cp

COMMISSIONERS' COMMENTS:

We recommend that Council award the tender to Alberta Animal Control and that for 1995 we contract for 30 hours of service per week and that skunk and dead animal pick-up be included in the contract. We further recommend that cat control not be included in the contract.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

VENDOR'S NAME		Alberta Animal Control - 1995			Animal Control Services - 1995		
Totals			Yearly	Total 1-2-4		Yearly	Total 1-2-4
1(a)	30 hours/month	3,228	38,736	89,724	3,540	42,480	119,880
	40 hours/month	4,184	50,208	101,196	4,700	56,400	133,800
	50 hours/month	5,230	62,760	113,748	5,900	70,800	148,200
(b)	hourly rate if 48 hours/week	19			27		
2	operate pound/month	3,804	45,648		5,700	68,400	
3	skunk	25			25		
4	emergency phone service	445	5,340		750	9,000	
5	pick up of dead or injured animals	32			30		
6	impoundment fees						
(a)	dogs	17			11		
(b)	cats	10			10		
7	boarding fees						
(a)	dogs/day	10			8		
(b)	cats/day	5			6		
(c)	disposal of unclaimed cats	10			15		
8	cost to handle other animals	32			40		
9	responding to cat complaints and picking up traps	25			21		

VENDOR'S NAME		Alberta Animal Control - 1996			Animal Control Services - 1996		
Totals			Yearly	Total 1-2-4		Yearly	Total 1-2-4
1(a)	30 hours/month	3,357	40,284	93,096	3,700	44,400	125,580
	40 hours/month	4,351	52,212	105,024	4,950	59,400	140,580
	50 hours/month	5,439	65,268	118,080	6,200	74,400	155,580
(b)	hourly rate if 48 hours/week	19			28		
2	operate pound/month	3,956	47,472		5,990	71,880	
3	skunk	25			27		
4	emergency phone service	445	5,340		775	9,300	
5	pick up of dead or injured animals	33			32		
6	impoundment fees						
(a)	dogs	17			11½		
(b)	cats	10			10½		
7	boarding fees						
(a)	dogs/day	10			8½		
(b)	cats/day	5			6½		
(c)	disposal of unclaimed cats	10			16		
8	cost to handle other animals	32			42		
9	responding to cat complaints and picking up traps	26			23		

VENDOR'S NAME		Alberta Animal Control - 1997			Animal Control Services - 1997		
Totals			Yearly	Total 1-2-4		Yearly	Total 1-2-4
1(a)	30 hours/month	3,491	41,892	96,936	3,900	46,800	131,520
	40 hours/month	4,525	54,300	109,344	5,200	62,400	147,120
	50 hours/month	5,565	66,780	121,824	6,500	78,000	162,720
(b)	hourly rate if 48 hours/week	19			29		
2	operate pound/month	4,120	49,440		6,260	75,120	
3	skunk	26			29		
4	emergency phone service	467	5,604		800	9,600	
5	pick up of dead or injured animals	33			34		
6	impoundment fees						
(a)	dogs	17			12		
(b)	cats	10			11		
7	boarding fees						
(a)	dogs/day	10			9		
(b)	cats/day	5			7		
(c)	disposal of unclaimed cats	10			17		
8	cost to handle other animals	33			44		
9	responding to cat complaints and picking up traps	26			25		

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

September 23, 1994

Mrs. Anne Dial
16 Onslow Square
Red Deer, Alberta
T4N 5C6

Dear Mrs. Dial:

RE: ANIMAL CONTROL

Thank you for your letter of September 14, 1994, wherein you expressed concern with regard to the current level of animal control. At The City of Red Deer Council Meeting held on September 12, 1994, the following resolutions were passed which deal with upgrading the level of animal control in Red Deer.

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated September 2, 1994, re: Dog Control, hereby agrees with the recommendations as outlined in the above noted report concerning tendering for Dog Control Services with the exception that:
>
> 1. alternate levels of service be tendered for dog control services based on 30,40 and 50 patrol hours per week; and
> 2. a level of cat control similar to the most recent cat control contract be included within the tender; and
> 3. prices for various levels and areas of service be clearly identified."
>
> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated September 2, 1994, re: Dog Control, hereby agrees that the Administration bring back a more detailed report to Council on recommended fines, along with the required bylaw amendment, and that a system be developed for establishing fines for repeat offenders and higher fines for dogs running at large than fines for no license."

Due to budget constraints, the hours of patrol for 1994 had been reduced to 14 hours per week. This level of patrol has greatly restricted the City's Animal Control Contractor from responding to all complaints received within his office. As a result of this, Council as noted above agreed that the level of service must be reviewed and has directed that the new Dog Control Contract which will be effective January 1, 1995, be considered based on a higher level of weekly patrol hours.

I will be forwarding a copy of your letter to the Mayor and Aldermen for their information. Thank you for taking the time to advise us of your concerns. If you have any questions, or require additional information, please do not hesitate to call the undersigned.

Sincerely,

Kelly Kloss
City Clerk

KK/ds

c.c. Mayor
Aldermen
Bylaws & Inspections Manager

Sept. 14 - 1994

City of Red Deer
Attention: City Council.

I would to place a complaint regarding to lack of animal control. On Wednesday, Sept. 14 as I was walking my dog I was stared by a german shepherd dog. A man who had been waiting for his son's bus helped me out by yelling at the dog and telling it to sit down. I cut my walk short and quickly went home. About 10:00 A.m I was talking to the mailman who also had an encounter with this dog. Now the dog was in our square. I was concerned living only 2 Blocks from the school that this dog could be a problem for the Kids Coming home for lunch.

Thinking the city would do something I called and was told to call Animal Control. When I called I was told they had received another Call about this dog, but to my dismay Nothing Could be done as there was no dog man in the city today; But if I went outside and got the dogs tag number Something would be done. I told the woman I would call the R.C.M.P. maybe they would help. She said yes, that's a good idea. Calling them I was informed they are not in the dog business and was directed to call city By-law.

Before I called, I gathered my courage and called the dog to my front lawn. and firmly told it to sit which it did. So as my sister watches guard from the front door I called By law. Now action was going to be taken. No, that was not the case.
Even though Running at large is a bylaw, because of their budget ~~etn~~ they could not help; but if I put the dog in my Car and took it to animal Control all would be fine. I don't think so.
I do not understand why this was asked of me and not up to the city.
So, I hunged up the phone, quite upset as what to do. Not let it bother me and let the dog, and terrorize someone else or some kids? So I once again gathered my courage and got it into my fenced Back yard. So now I have a large German sheperd in my back yard with No one to help and no place for this dog. I again called City Bylaw. And told them I had the dog. Even though this is not my job!!

Ryan at Bylaw was quite understanding even though he had his hands ties. He said he would figure something out. He called me back saying within an hour someone would come and get the dog. When the man came he first had to gain the dogs confidence before doing anything.

I wonder, had this dog bit me or attacked a child, would the city then have the money after all the calls were made and nothing done.

I believe that when you call you should be able to get help when you need it, and not given the runaround and shifted from department to department and then be told to look after it yourself.

Thankfully all worked out and would like to thank Ryan for his understanding the problem and my dilema. If not for him I probably would still have this dog in my backyard. I would like to know what good a Bylaw is if it cannot be ~~enforced~~ ??

Also I would like to hear from any council member on what could have been done and how this experience could have been handled better.

Sincerely
Mrs. Anne Dial

ANNE DIAL
16 ONSLOW SQUARE R.D.
343-8404

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

November 14, 1994

Ms. A. Oseen
26 Comfort Close
Red Deer, Alberta
T4P 2J7

Dear Ms. Oseen:

Further to my letter of September 14, 1994 concerning dog control, I would like to advise as follows.

As indicated in my previous letter, The City currently provides only 14 hours per week of dog patrols. This matter was again reviewed at the Council Meeting of November 7, 1994 with the following resolution being passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated October 13, 1994, re: Dog Control Contract, hereby agrees as follows:
>
> 1. That the tender for animal control be awarded to Alberta Animal Services;
>
> 2. That for 1995, The City contract for 30 hours of patrol service per week;
>
> 3. That skunk and dead animal pick-up be included in the animal control contract;
>
> 4. That cat control not be included in the animal control contract;
>
> and as presented to Council November 7, 1994."

As outlined in the above resolution, effective January 1, 1995 the hours of patrol will increase to 30 per week. In addition, Council is still reviewing dog license fees and fines to determine what percentage these fines should be increased.

... / 2

This is submitted for your information. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

DATE: **NOVEMBER 9, 1994**

TO: **BYLAWS AND INSPECTIONS MANAGER**

FROM: **CITY CLERK**

RE: **DOG CONTROL CONTRACT**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 13, 1994 concerning the above topic and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated October 13, 1994, re: Dog Control Contract, hereby agrees as follows:
>
> 1. That the tender for animal control be awarded to Alberta Animal Services;
>
> 2. That for 1995, The City contract for 30 hours of patrol service per week;
>
> 3. That skunk and dead animal pick-up be included in the animal control contract;
>
> 4. That cat control not be included in the animal control contract;
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information and appropriate action. I trust you will be advising both contractors of Council's decision.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services

NO. 5

DATE: October 13, 1994

TO: City Clerk

FROM: Bylaws and Inspections Manager

RE: DOG BYLAW CONTRACT

Please arrange to have the following item placed before City Council for their consideration.

Council, at their September 12, 1994 meeting in conjunction with the subject of levels of service for dog control, directed that a detailed report be brought forward regarding possible fine increases . Our recommended fine level is shown below and, as directed, the fine for "running at large" ($100.00) is substantially higher than "no license" ($50.00). We also recommend that the annual license fee be changed to $20.00 from the current $12.00 fee.

Offence	Current 1st Offence	Current 2nd Offence	Recommended 1st Offence	Recommended 2nd Offence	Recommended 3rd Offence
No Kennel License	$ 40.00	$ 60.00	No Change	No Change	No Change
No Dog License	$ 35.00	$ 60.00	$ 50.00	$ 60.00	$ 60.00
Dog Not Wearing Tag	$ 25.00	$ 60.00	No Change	No Change	No Change
Failure to Confine Dog In Heat	$ 40.00	$ 60.00	No Change	No Change	No Change
Failure to Remove Defecation	$ 60.00	$ 80.00	$ 100.00	$ 200.00	$ 200.00
Dogs on Parkland *	$ 60.00	$ 80.00	No Change	No Change	No Change
Dogs Damaging Property	$ 60.00	$ 80.00	No Change	No Change	No Change
Dogs Barking or Howling	$ 40.00	$ 60.00	$ 100.00	$ 200.00	$ 200.00
Dogs Running at Large	$ 40.00	$ 60.00	$ 100.00	$ 200.00	$ 200.00
Dogs Chasing a Person	$ 60.00	$ 100.00	$100.00	$200.00	$200.00

* Dog running at large (off leash) in City park system.

The 1994 budget amount is $117,537 less $22,000 (revenue from fines and licenses) for a net expenditure of $95,537. In order to increase the service level to the minimum tendered (30 hours) we compared 1993 in which the patrol hours were similar (25 hours) and projected revenue based on that years licenses and tickets issued.

DOG BYLAW CONTRACT
Page 2

1993 Licenses	-	1476 @ $12.00	-	$17,712.00
1995 Proposed Licenses		1476 @ $20.00	-	$29,520.00

1993 Ticket Revenue			Revenue
88	Running at Large @ $40.00	-	$ 3,520.00
15	Not Licensed @ $35.00	-	$ 525.00
7	Barking @ $40.00	-	$ 280.00
	Subtotal		$ 4,325.00
1993 Licenses		-	$ 17,712.00
Total Revenue		-	$ 22,037.00

1995 (Proposed) Tickets Revenue			
88	Running at Large @ $100.00	-	$ 8.800.00
15	Not Licensed @ $50.00	-	$ 750.00
7	Barking @ $100.00	-	$ 700.00
	Subtotal		$10,250.00
1995 Licenses		-	$ 29,520.00
Total Revenue		-	$ 39,770.00
Projected 1995 costs based on 30 hours patrol		-	$ 89,724.00
Net Expenditure		-	$ 49,954.00

The projected net expenditure for 1995 when compared to 1994 ($95,000) is a considerable reduction in costs and a considerable increase in hours of patrol.

Council might wish to consider the other option for patrol if the proposed changes are made to the Dog Bylaw which are:

40 Hours	-	Net Expenditure	-	$ 62,180.00
50 Hours	-	Net Expenditure	-	$ 73,978.00

Yours truly,

Ryan Strader
Bylaws & Inspections Manager
BUILDING INSPECTIONS DEPARTMENT

RS/cp

COMMISSIONERS' COMMENTS:

We recommend that Council approve the change in fines as outlined and increase patrols to 30 hours per week. We further recommend that the administration be asked to explore with the SPCA, an enhancement of the SPCA's partnership with us in the animal licensing program and share of the resultant revenue as an alternative for their requesting a grant from Council. This scenario may increase the number of dogs licensed as well as allow us to work with the SPCA in promoting the positive educational aspects of the program. To increase community awareness and the number of dogs licensed, the SPCA may wish to extend the program into the community by working with pet store owners and veterinarians.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **BYLAWS AND INSPECTIONS MANAGER**

FROM: **CITY CLERK**

RE: **DOG BYLAW**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 13, 1994 concerning the above topic. At this meeting the following resolution was introduced:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated October 13, 1994, re: Dog Bylaw Contract - Fines and Patrol Hours, hereby agrees that the change in fines as recommended in the above noted report be approved and as presented to Council November 7, 1994."

Prior to voting on the above resolution, however, the following tabling motion was introduced and passed:

> "RESOLVED that Council of The City of Red Deer hereby agrees to table for four (4) weeks, consideration of the resolution relative to Dog Bylaw Fines, and hereby agrees that a committee of three (3) aldermen be struck to review said fines and report back to Council."

As outlined in the above tabling motion, it was agreed that three aldermen, namely Alderman Volk, Alderman Pimm and Alderman Lawrence, review the fines under the Dog Bylaw. It was also suggested at this meeting that Alberta Animal Services and Jim Glass from the Humane Society, be invited to provide input into this review.

In addition to reviewing fines, a number of the Aldermen requested that the Committee also consider the merits of offering cat control in 1995.

As this matter is to be presented back to the Council Meeting of December 5, 1994, I ask that your report be submitted to this office by November 28, 1994 so as same can be included on the agenda.

KELLY KLOSS
City Clerk

KK/clr

DATE: **NOVEMBER 9, 1994**

TO: **BYLAWS AND INSPECTIONS MANAGER**

FROM: **CITY CLERK**

RE: **LICENSING BYLAW**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 25, 1994 concerning the above topic and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated October 25, 1994, re: Licensing Bylaw/ Fees, hereby agrees as follows:
>
> 1. That the Licensing Bylaw be amended to incorporate a system which would make both resident and non-resident business licenses valid for one year from the date of issue;
>
> 2. That the change be scheduled into the regular Computer Services Work schedule with same being implemented some time in 1995:
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information and appropriate action. Further to our phone conversation of November 8, 1994, this is to confirm that:

1. You will be contacting the Computer Services Department to have them begin the process of upgrading the licensing computer program;

2. That you will be drafting a bylaw amendment, amending the Licensing Bylaw, to reflect the change outlined in the above resolution.

It is my understanding that when the changes to the computer program have been made that you will be presenting the bylaw amendment to Council, approximately mid 1995.

Trusting you will find this satisfactory.

KELLY KLOSS
City Clerk

cc: Director of Financial Services
Computer Services Manager

NO. 6

DATE: NOVEMBER 1, 1994

TO: CITY COUNCIL

FROM: CITY CLERK

RE: LICENSING BYLAW

At the Council meeting of October 11, 1994, a request was made by Carol Askin that non-resident business licenses be prorated. Council however did not support Ms. Askin's request as outlined in the following resolution which was passed by Council:

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from Home Inventory Specialists Ltd. dated September 21, 1994, re: Request that Non-Resident Business Licenses be Pro-Rated, hereby agrees that said request be denied based on current bylaw legislation and as presented to Council October 11, 1994."

Council further considered the feasibility of reviewing a regional licensing format however the resolution that was proposed as noted hereunder was defeated by Council:

> "RESOLVED that Council of The City of Red Deer hereby agrees that the administration report on the feasibility of moving to a regional licensing format which would allow for licenses issued in Red Deer to be honoured in certain other municipalities and in turn reciprocal arrangements would apply." (MOTION DEFEATED)

Council did however pass the following resolution agreeing to review a revolving anniversary date of licensing fees:

> "RESOLVED that Council of The City of Red Deer hereby agrees that the administration be directed to review the feasibility of revolving anniversary dates of licensing fees."

The Bylaws and Inspections Manager has reviewed this matter and his report is attached for Council's consideration.

Kelly Kloss
City Clerk

DATE: October 25, 1994

TO: City Clerk

FROM: Bylaws & Inspections Manager

RE: LICENSING BYLAW

Council requested that the Licensing Bylaw be reviewed to determine how best to deal with concerns from non-residents regarding the cost of a license when purchased late in a calendar year.

Accordingly, we canvassed the majority of local municipalities whom have a number of ways to deal with the situation. The majority issue licenses that expire on December 31 of the year in which they are issued, several give discounts (50%) after June 30 and two others, Calgary and Medicine Hat, issue licenses valid for one year from the date of issue. This applies to resident and non-resident licenses.

The cost of converting our license system to issue licenses in a similar manner to Calgary and Medicine Hat would be $2,000.00 if Council requires implementation in 1995, as this would be an unscheduled project for the computer Services Department.

Recommendation: If Council wishes to change the present licensing system then a license valid for one year from date of issue would be our recommendation.

Yours truly,

R. Strader
Bylaws & Inspections Manager
BUILDING INSPECTIONS DEPARTMENT

RS/cp

COMMISSIONERS' COMMENTS:

We concur with the recommendations of the Bylaws and Inspections Manager that we incorporate a system which would make licenses valid one year from the date of issue. We appreciate this may take some time and have to be scheduled into the regular Computer Services work schedule. In addition, the appropriate bylaw amendment would need to be passed by Council amending the Licensing Bylaw to reflect the above change.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Home Inventory Specialists Ltd.
3 Wildrose Drive
Sylvan Lake, Alberta
T0M 1Z0

Att: Carol Askin

Dear Ms. Askin:

At the City of Red Deer's Council Meeting held on Monday, November 7, 1994, consideration was again given to the City of Red Deer's Licensing Bylaw/Fees and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Bylaws and Inspections Manager dated October 25, 1994, re: Licensing Bylaw/ Fees, hereby agrees as follows:
>
> 1. That the Licensing Bylaw be amended to incorporate a system which would make both resident and non-resident business licenses valid for one year from the date of issue;
>
> 2. That the change be scheduled into the regular Computer Services Work schedule with same being implemented some time in 1995:
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information. It is anticipated that this change will take effect approximately mid 1995. At that time the necessary changes to the computer program will have been made and implementation possible.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr
cc: Bylaws and Inspections Manager

PUBLIC HEARINGS

NO. 1

DATE: **OCTOBER 12, 1994**

TO: **CITY COUNCIL**

FROM: **CITY CLERK**

RE: **LAND USE BYLAW AMENDMENT 2672/X-94: NEW DOWNTOWN C1-B DISTRICT**

A Public Hearing has been advertised in regard to the above noted Land Use Bylaw Amendment. The Public Hearing is scheduled to be held in the Council Chambers on Monday, November 7, 1994, commencing at 7:00 p.m. or as soon thereafter as Council may determine.

Land Use Bylaw Amendment 2672/X-94 provides for a new C1-B District in the Downtown area.

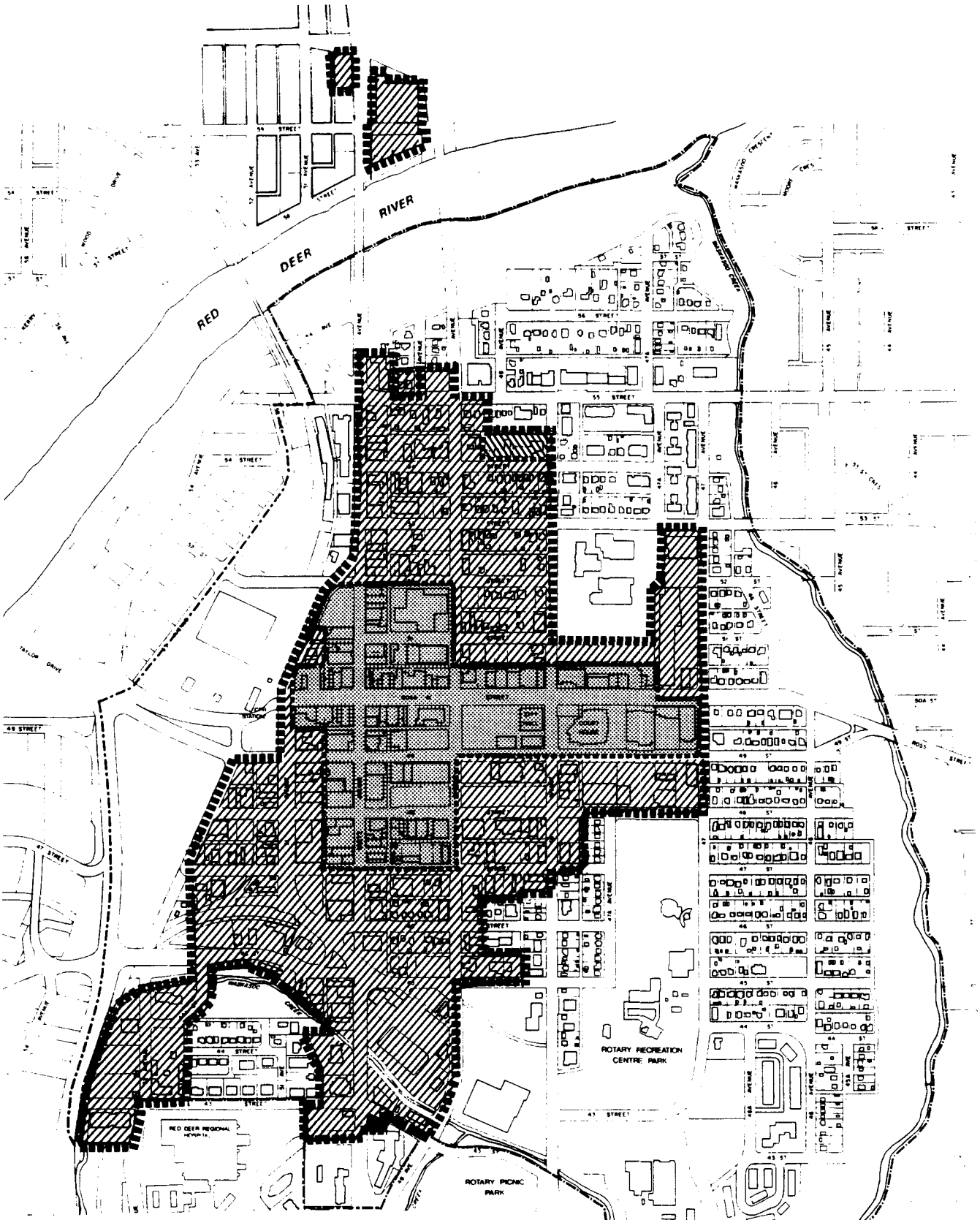
Attached is a report from the Planning Commission relative to the response from the Open House held for Bylaw 2672/X-94 and some suggested amendments to the Bylaw. In addition, they are recommending that after hearing from those persons at the November 7, 1994, Public Hearing, said Public Hearing be adjourned to December 5, 1994, at 7:00 p.m. or as soon thereafter as Council may determine to allow for a second Open House on November 17, 1994, to receive feedback on the amendments. If Council is in agreement, then a resolution would be passed during the Public Hearing to adjourn same to December 5.

KELLY KLOSS
City Clerk

KK/ds

Encl.

LAND USE DISTRICT MAP NO. 8/94



Current C1 Zoning Boundary

Proposed C1 Zoning Area

Proposed C1b Zoning Area

Proposed R3 Zoning Area

Proposed C4 Zoning Area

MAP NO. 8/94

Bylaw No. 2672/X-94

RED DEER
REGIONAL PLANNING COMMISSION

2830 BREMNER AVENUE, RED DEER,
ALBERTA, CANADA T4R 1M9

DIRECTOR: W. G. A. Shaw, ACP, MCIP

Telephone: (403) 343-3394
Fax: (403) 346-1570

MEMORANDUM

DATE: October 31, 1994

TO: City Council

FROM: Paul Meyette, Principal Planner
Phil Newman, Associate Planner

SUBJECT: CIB DISTRICT - BYLAW 2672/X-94

Background

The C1B District was originally conceived by the Downtown Planning Committee as a means by which to ensure that Downtown businesses provide their own parking outside of a downtown core area. The core area which would not be required to provide parking was determined by the committee members and was intended to remain in the C1 designation. The remaining lands which are currently zoned C1 would be redesignated to C1B. In addition to requiring businesses to provide their own parking, the District includes setbacks which are designed to allow for an above ground electrical system.

First Reading

Council reviewed Bylaw 2672/X-94 on October 11, 1994, and gave the Bylaw first reading. A copy of the proposed bylaw was mailed to all affected property owners and a public open house was held on October 25, 1994. The public hearing is scheduled for November 7, 1994.

Public Comments

There were 27 people at the open house and we received a large number of phone calls and letters. The concerns and our responses are as follows:

	CONCERN	RESPONSE
1.	Existing buildings should be exempt from the bylaw	Although this was intended, it was not explicitly stated in the Bylaw. Planning staff recommend that the Bylaw be amended to ensure that existing buildings are exempt.
2.	The proposed floor area of 1/3 site area is strongly opposed.	Planning staff recommend that this be changed to 3 times site area
3.	Clarify that developers could provide parking offsite.	The Bylaw allows for offsite parking in Section 4.10. An amendment to this section will however be required to give developers greater flexibility.
4.	Retail Parking Requirements are too onerous in the downtown	Planning staff have reviewed this issue. Downtown Parking requirements appear to be slightly higher than in other municipalities; an amendment is being proposed.
5.	There are numerous concerns regarding the setbacks	A number of people have misunderstood the setbacks. The setbacks are intended to provide for overhead power requirements. Where the power is underground, (most of the C1B District) the setbacks will be similar to the C1 District.

6.	Eliminate the 5% landscaping requirement	This is a minimal amount of landscaping which is intended to add to the aesthetics in the downtown. A landscape standard was recommended by the Downtown Planning Committee. The neighbouring C1A District has a landscaping requirement of 15%.
7.	Require Parking in the C1 Area	Planning staff do not support adding parking requirements to the C1 area as we are trying to develop a continuous shopping area in the downtown uninterrupted by large parking lots.
8.	Re-institute the Parking Fund for people who cannot provide parking on site and for redevelopment in the C1 Area	Planning staff recommend that this issue be referred to the Downtown Planning Committee for consideration
9.	Add residential use to the C1B District	Residential use above the ground floor is already proposed to be included in the District
10.	Change the C1 Boundary to include the Canadian Western Bank, Blinds Plus, and the Fixters Furniture area	Planning staff feel that the prior amendments will address most of the concerns, however, we agree with the desirability of adding the Blinds Plus property as it is surrounded on three sides by C1 property (the fourth is C1A).
11.	Allow a second storey addition on an exisiting building without triggering the parking requirements on the main floor.	An amendment of this nature has been discussed with the Development Officer and Planning staff are prepared to recommend the amendment to Council.
12.	Allow an existing building to rebuilt in the case of fire damage without having to meet the requirements of the land use bylaw.	Although the intent of this bylaw is to ensure that all new development will meet the requirements of the land use bylaw, we have received a submission from the

insurance industry that has caused us to look at an amendment which would allow owners to use the remaining outer walls in reconstructing their building.

Recommendation

Planning staff feel that the Bylaw requires significant revision. In view of this, we recommend that Council adjourn the public hearing regarding this Bylaw until the December 5th Council meeting. The delay will allow us to hold a second open house on November 17, 1994 to receive feedback on the amendments. It will also allow an opportunity for the Downtown Planning Committee to review the proposed amendments.

PAUL MEYETTE, ACP, MCIP
PRINCIPAL PLANNER, CITY SECTION

PHIL NEWMAN, ACP, MCIP
ASSOCIATE PLANNER, CITY SECTION

PM/sdd

DIFFERENCES BETWEEN THE "C1" AND "C1B" DISTRICTS

	C1 DISTRICT	C1B DISTRICT	CHANGES UNDER CONSIDERATION BASED UPON PUBLIC COMMENTS
Use	Identical	Identical	Identical; add "existing buildings"
Floor Area	Maximum: 3 times site area	Maximum: one third of site area	Maximum: 3 times site area
Minimum Front Yard:	Nil, subject to Section 4.4.	2.5 metres, subject to Section 4.4	2.5 metres, subject to Section 4.4
Minimum Side Yard	Commercial - Nil unless the side yard abuts a lane, in which case it shall be 1.5 metres Residential - as required by M.P.C.	2.5 metres where it abuts a street or lane, otherwise the side yard is zero.	2.5 metres where it abuts a street or lane, otherwise the side yard is zero. Notwithstanding the foregoing, the Development Officer may require a 3 metre sideyard for rear access if there is no rear lane
Minimum Rear Yard	Commercial - 1.5 metres Residential - as required by M.P.C.	2.5 metres	2.5 metres
Landscape Area:	Commercial - Nil	Commercial - 5%	Commercial - 5%
Parking:	Commercial - Nil Residential - Subject to Section 4.10	Subject to Section 4.10	Subject to Section 4.10 Add: Downtown Retail(excluding shopping malls) 3 spaces per 93^2 metres
Additional Setback Requirements	None, subject to Section 4.4	Any part of a building which exceeds 3.8 metres in height shall be set back 4.213 metres from the property line (s) which are adjacent to existing or proposed overhead electrical wiring. If there is no overhead wiring on the front, rear and/or sideyard of a building, M.P.C. may relax the setback requirements on the flankage where there are no electrical requirements. The front yard may be reduced from 2.5 metres to 1.5 metres while the side yard and rear yard may be reduced to zero.	Any part of a building which exceeds 3.8 metres in height shall be set back 4.213 metres from the property line (s) which are adjacent to existing or proposed overhead electrical wiring. If there is no overhead wiring on the front, rear and/or sideyard of a building, M.P.C. may relax the setback requirements on the flankage where there are no electrical requirements. The front yard may be reduced from 2.5 metres to 1.5 metres while the side yard and rear yard may be reduced to zero.

		In order to accommodate the electrical wiring and equipment, the registration of an easement may be required.	In order to accommodate the electrical wiring and equipment, the registration of an easement may be required.
Additional Regulations	Development		Existing buildings, landscaping, parking and yards are deemed to comply with this bylaw. No reductions to the existing landscaping, parking or yards will be permitted unless the resulting reduction meets the minimum landscaping, parking and yard requirements prescribed in this Bylaw. Renovations, including structural alterations, are allowed in all legally approved existing buildings. Where a second storey is added to an existing building, the parking requirements shall be calculated on the addition only. Where a building has been destroyed by over 75%, the Development Officer may allow the building to be reconstructed using the remaining outer walls even though these walls may not meet the setback requirements in this district(exisiting road widening setbacks may still have to be met). Any new walls to be constructed shall meet the bylaw requirements. Minor ground floor expansion of an existing building may be allowed without meeting the parking requirements of this District, providing existing parking is not removed.

Flanagan Sully Surkan

BARRISTERS, SOLICITORS, NOTARIES
200 Park Place — 4825 47th Street
RED DEER, ALBERTA T4N 1R3

* ALAN R. SULLY, B.A., LL.B.
ROGER N. SURKAN, B.A., LL.B.
(Also member of Saskatchewan Bar)

BRUCE A. BUCKLEY, B.A., LL.B.
* PATRICK G. FLANAGAN, B.A., B.Ed., LL.B.

Telephone 342-7711
FAX 347-5955

Rimbey Tuesdays
843-2676

Our File:

Your File:

October 31st, 1994 HAND DELIVERED

City of Red Deer
City Hall
Red Deer, Alberta

Attention: Kelly Kloss - City Clerk

Dear Sir:

Re: Proposed Land Use Bylaw Amended 2672/X-92;
C1-B Commercial Downtown District

Please be advised that the owners of Park Place Properties, being James Taylor Company (Red Deer) Ltd., Roger N. Surkan, Alan R. Sully, Patrick G. Flanagan and Larry A. Carr Professional Corporation wish to speak to Council on November 7th, 1994, in opposition to the above referenced proposed amendments.

It is our position that the proposed changes place owners of C1-B property at a disadvantage while favouring owners of C1 property.

The address for all of us is 4825 - 47th Street and it is intended that Alan R. Sully will speak on behalf of all owners.

Yours truly,

PARK PLACE PROPERTIES

PER:
ALAN R. SULLY

* DENOTES PROFESSIONAL CORPORATION
‡ DENOTES INDEPENDENT PRACTITIONER

Phone 346-5547
Fax 346-5507

Ing & McKee Insurance Ltd.

All Classes of General Insurance

5225 Gaetz Avenue • Box 698 • Red Deer, Alberta T4N 5G9

October 25, 1994

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

Attention: Kelly Kloss, City Clerk

Dear Sir:

Further to your proposed land use by-law amendment 2672/X-94, I would like to make the following points clear as a property owner and business located in the proposed C1-B district.

1. The investment we have is lost if we cannot recreate size and efficiencies of land site.
- A redeveloped site would have to comply with proposed zoning and would not generate sufficient revenue because of reduced square footage thus devaluating property.
- Existing bare land that is available would be worth much less because of the economics of development.

2. New development would be stifled because of economics of the development. You can't charge $16.00 to $20.00 per square foot for rent in this city which I calculate would be needed to make development viable under the proposed amendments.

3. Many or most property owners carry fire insurance subject to replacement cost coverage to allow them to rebuild totally new for old.
- Replacement cost is subject to the following
  a. Same site clause
  b. Building must be repaired or rebuilt to like kind and quality.
- By-laws coverage is available to cover
  - Increased building costs
  - Removal of undamaged portions

This cover is however quite expensive and could conceivably triple a landlords cost of insurance further weakening the economic viability of a property. This by-law also says existing structures which are damaged by more than 75% above foundation value would have to be built according to current by-law. This should be made known to all property owners. All these points lead back to a very serious devaluation of property values.

In talking to Paul Meyette, he felt existing building would be grandfathered - that on the surface may prove adequate but continuing redevelopment, further investment in existing properties and the potential arising out of unforeseen loss i.e. fire, causes a great deal of concern for the future.

If parking is a cause of concern, perhaps more reasonable guidelines should be considered.

If the electrical grid system is part of the problem forcing a need for change, there has to be alternate options.

By segregating downtown into two zones, you have effectively limited any potential for future downtown improvement. New developments such as Mooney's on 45th Street do not even meet the criteria re 1/3 of site area. My property here would be cut back to a building of less than half of it's existing square footage. The five city lots to the rear of my office could only support a 5,156 square foot building in a site which is over 15,000 square feet.

Further study and consideration is obviously needed to fully comprehend the desired goals and effects of any plan.

continued .....

As proposed, this plan is certainly not viable. I trust further study will be undertaken to resolve the concerns. As long term taxpayers who have invested time, money, created jobs and contributed reasonably to our fair city, we object to this plan.

Yours very truly,

Tom Skinner, C.I.B. (Alta.)
President, Ing and McKee Insurance Ltd.

Ken Ing and Tom Skinner
Principals of Don Shar Holdings Ltd.

cc: Mayor Gail Surkan, City of Red Deer
cc: Paul Meyette, Red Deer Regional Planning Commission
cc: John Ferguson, Town Centre Association

Submitted to City Council
Date: Nov 7/94

CROWE DUHAMEL MANNING

TELEPHONE (403) 343-0812
FAX (403) 340-3545

DENNIS W. CROWE*
DOUGLAS M. DUHAMEL*
DONALD J. MANNING*
KEITH R. LAYCOCK*
DONALD A. PETERSEN*
GERRY N. FEEHAN*
ROBERT J. WARRENDER*
JAMES A. GLASS
GLEN D. CUNNINGHAM

BARRISTERS, SOLICITORS, NOTARIES

2nd Floor, 5233 - 49th Avenue
Red Deer, Alberta, Canada T4N 6G5

Our File No.

40410 DMD
November 1, 1994

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

Attention: Kelly Kloss, City Clerk's Office

Dear Sir:

Re: Proposed Land Use ByLaw Amendment 2672/X-94
C1-B Commercial Downtown District

Please be advised that Ducrom Corporation Limited objects to the proposed land use bylaw amendment.

We have spoken with the Red Deer Regional Planning Commission who indicate they are already preparing revisions.

Kindly advise as to whether the public hearing scheduled for Monday, November 7, 1994 will be proceeding in light of the fact that the proposal itself has not been resolved.

In terms of our objection to the proposed revision, it should be quite obvious that all lands being re-zoned from C1 to C1-B will be detrimentally affected.

We understand that the revised proposal will be circulated once they have been completed and all affected parties should be given a reasonable opportunity to review the revisions prior to any hearing.

Yours very truly,

CROWE DUHAMEL MANNING
Per:

DOUGLAS M. DUHAMEL

DMD/kp

CANADIAN WESTERN BANK

October 24, 1994

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

Attention: Kelly Kloss, City Clerk

Dear Sir:

Re: Proposed Land Use By-Law
Amendment 2672/X-94
C1-B Commercial Downtown District

Canadian Western Bank opposes the rezoning of our property at 5013-49 Avenue Red Deer; From C1
To C1-B for the following reasons:

1.) When we purchased the property in December 1993 existing zoning C1 allowed for expansion of the building C1-B zoning would restrict the building to its present size.

2.) Our location is half block North of Ross Street and must be considered in the Downtown Core.

3.) Properties located across 49 avenue (West) from our location are proposed as C1 along with properties one and a half blocks North while our site is proposed C1-B.

4.) The C1 boundary extends only half block North of Ross on the East side of 49 Street and 2 blocks North on the West side.

5.) We propose the boundary be moved at least one half block North to 51 Street rather than running down the back alley.

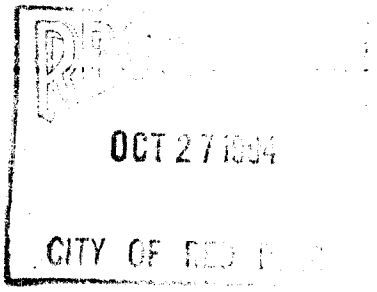
6.) The Canadian Western Bank property has more on site parking for customer and staff and Landscaped side yards than the bulk of the C1 property in the Downtown Core.

5013 - 49 Avenue, Red Deer, Alberta T4N 3X1 Telephone (403) 341-1000 Fax (403) 343-9588

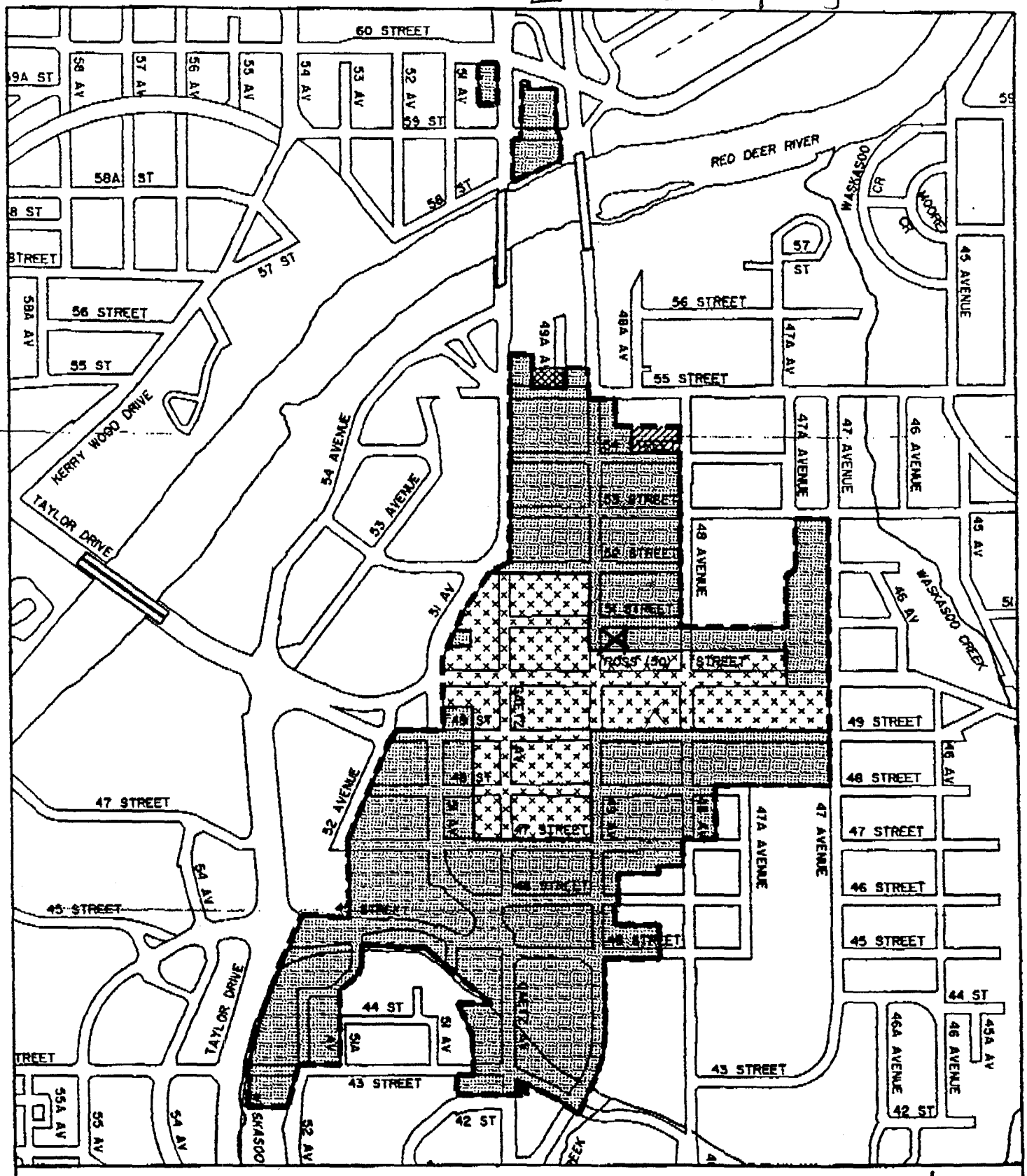
Consider this notice of our objection to the proposed rezoning of our property from C1 to C1-B.

Yours Truly,

D. J. Odell
Assistant Vice President & Branch Manager



[X] CWB Property 5013 49 Ave



Kendon Holdings

4718 - 43A Avenue, Red Deer, Alberta T4N 3G8 ☆ Phone 346-3198

October 25, 1994

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

Attention: Kelly Kloss, City Clerk

Dear Sir:

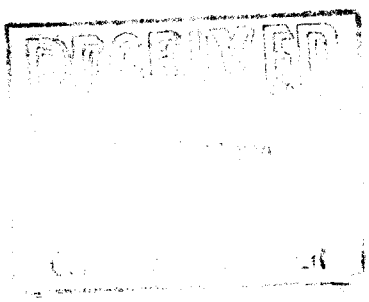
Further to your proposed land use by-law amendment 2672/X-94, I would like to make the following points clear as a property owner and business located in the proposed C1-B district.

1. The investment we have is lost if we cannot recreate size and efficiencies of land site.
- A redeveloped site would have to comply with proposed zoning and would not generate sufficient revenue because of reduced square footage thus devaluating property.
- Existing bare land that is available would be worth much less because of the economics of development.

2. New development would be stifled because of economics of the development. You can't charge $16.00 to $20.00 per square foot for rent in this city which I calculate would be needed to make development viable under the proposed amendments.

3. Many or most property owners carry fire insurance subject to replacement cost coverage to allow them to rebuild totally new for old.
- Replacement cost is subject to the following
  a. Same site clause
  b. Building must be repaired or rebuilt to like kind and quality.
- By-laws coverage is available to cover
  - Increased building costs
  - Removal of undamaged portions

continued .....



This cover is however quite expensive and could conceivably triple a landlords cost of insurance further weakening the economic viability of a property. This by-law also says existing structures which are damaged by more than 75% above foundation value would have to be built according to current by-law. This should be made known to all property owners. All these points lead back to a very serious devaluation of property values.

In talking to Paul Meyette, he felt existing building would be grandfathered - that on the surface may prove adequate but continuing redevelopment, further investment in existing properties and the potential arising out of unforeseen loss i.e. fire, causes a great deal of concern for the future.

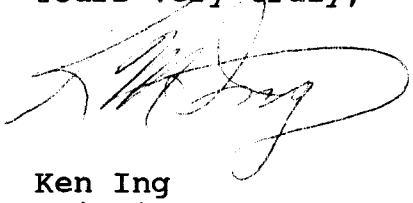
If parking is a cause of concern, perhaps more reasonable guidelines should be considered.

If the electrical grid system is part of the problem forcing a need for change, there has to be alternate options.

Further study and consideration is obviously needed to fully comprehend the desired goals and effects of any plan.

As proposed, this plan is certainly not viable. I trust further study will be undertaken to resolve the concerns. As long term taxpayers who have invested time, money, created jobs and contributed reasonably to our fair city, we object to this plan.

Yours very truly,



Ken Ing
Principal Ken Don Holdings Ltd.

cc: Mayor Gail Surkan, City of Red Deer
cc: Paul Meyette, Red Deer Regional Planning Commission
cc: John Ferguson, Town Centre Association

M & C Joint Venture

2nd Floor, 5913 - 50 Avenue
Red Deer, Alberta
T4N 4C4

October 26, 1994

The City Clerk
City of Red Deer
Box 5008
RED DEER AB T4N 5E9

Dear Sir:

Re: Proposed Land Use Bylaw Amendment 2672/X-94
Regarding 5913 - 50 Avenue, Red Deer Proposed Rezoning from C1 to C1B

We are responding to your letter of October 19,1994 advising us that Council of The City of Red Deer propose to consider Land Use Bylaw Amendment 2672/X-94. The essence of this proposal is to rezone our property to the new designation C1B to be established as Section 6.2.1-B - C1B Commercial Downtown District under the provisions of ***The Planning Act 1980.***

The proposal as we understand it, following discussion with the Red Deer Regional Planning Commission staff, concerns us greatly. We believe a C1B zoning will result in a significant devaluation of our property. We purchased the property on the understanding that it was zoned C1 with all the uses allowed under The Planning Act 1980 of such a zoned property. Our concerns are explained below with a little history provided as background.

5913 - 50 Avenue was built by the Alberta Motor Association (AMA) in two stages, the first part was built in 1956 with an addition on the east side added in 1976. Parking in front of the building (approximately 10,000 sq.ft. - 36 individual stalls) was leased from the City by the AMA.

In 1980 A. Clive Matthew Professional Corporation and William G. Craig Professional Corporation purchased 5913 - 50 Avenue ("the property"). The property was zoned C1 at the time of purchase and consisted of a two floor office building of approximately 4,200 sq.ft. per floor (Total 8400 sq.ft.), together with a garage of approximately 1,600 sq.ft. and 600 sq.ft. of parking located at the rear of the building. In all approximately 6,400 sq.ft. of land which would be considered the site area.

The reasons for acquiring the property were that it was a good investment considering its location and C1 zoning, it would meet the needs of our accounting practice with space to grow and give us control over our office needs.

In 1993 we purchased the City parking lot in front of the building (formerly leased). This land , which is zoned C1, was purchased with the caveat that it could only be used as a parking lot.

Given this background we are extremely concerned that the proposed zoning change from C1 to C1B will adversely affect the value of our property. This concern is based on the restriction placed on the floor area allowed on the property. Under C1 zoning a building equal to a maximum of three times the site area can be constructed whereas under the proposed C1B zoning a building will be restricted to one third the site area. This is obviously a significant change which will impact any valuation of the property.

In theory, we could currently build a three storey building of approximately 6,400 sq.ft. per floor which equals the site area excluding the parking lot. Under the proposed rezoning to C1B we would be restricted to building of one third the site area or 2,133 sq.ft. in total. This hardly seems fair given the fact that the original property was purchased on the understanding that the zoning was C1 which allowed for a three storey building of approximately 19,200 sq.ft.

While recognizing that the rezoning to C1B is meant to only apply to new developments there is the issue of equity to those owners of existing property, such as ours, that was purchased on the basis of a C1 zoning and the development standards that go with such a zoning. Consider the situation of the building being destroyed by fire. Under the current zoning we could use the insurance proceeds to rebuild the building to a maximum size of 19,200 sq.ft. However, under a C1B zoning the new building would be restricted to 2,133 sq,ft. and further we understand that the insurance proceeds would be restricted to the cost of the replacement building. There would be a significant loss in insurance coverage and a replacement building that could not provide for the purposes to which the original investment was made. We do not believe this should be the intended result of the Amendment to Bylaw 2672/X-94.

In summary, we are concerned that the proposed amendment to Bylaw 2672/X-94 will result in an immediate devaluation of our property and a great deal of uncertainity as to the adequacy of our space should a disaster strike requiring replacement of the building. We trust Council will take these very real concerns into consideration when deciding on this proposal.

One of our members attended the open house last night and we understand that many of our concerns are being addressed. Please keep us informed with regard to this matter.

Should you reuire any clarification or further explanation please call.

Yours very truly,

M&C Joint Venture

William G. Craig Professional Corporation
A. Clive Matthew Professional Corporation
Michael G. Davies Professional Corporation
A. Collins Professional Corporation

ACM/ce
c.c. Paul Meyette, Red Deer Regional Planning Commission

HAMILL'S DAIRY QUEENS

Head Office:
4202 Gaetz Avenue
Red Deer, Alberta
T4N 3Z3

Office: (403) 346-7718 Fax: (403) 341-3711

October 31, 1994

Mayor Gail Surkan and Red Deer City Council

Locations:

RE: Land use bylaw amendment C1-B

Does the city realize the serious effect this zoning change will have on property values and could thereby affect the financial stability of some property owners.

South Hill Dairy Queen
4202 Gaetz Avenue
Red Deer, Alberta
346-3518

Many of us purchased C1 zoned property which was not developed or at least not fully developed. The property was valued high because of its potential for full development. Our financial arrangements were made on the basis of the value of C1 zoning. Banks and mortgage companies will have some concern if the value of our property is to be lowered by this rezoning.

Deer Park Dairy Queen
Dunlop St. & 30th Ave.
Red Deer, Alberta
342-6200

My property is 4202 Gaetz Avenue and is the location of my family owned Dairy Queen business which we have operated since 1967. The property has been assembled over the years but it has all been purchased as C1 zoning.

In 1973 when I redeveloped my property I positioned my building in relation to 43 Street and Gaetz Avenue in such a way as to allow future expansion. The requirements for minimum side yard and front yard setbacks under C1B now take away any potential for expansion. There is absolutely no possibility of expansion to the south because of the layout of the business inside the building and it would also wipe out approximately 1/3 of our parking.

D.Q./O.J. Treat Centre
Bower Place Mall
Red Deer, Alberta
343-9399

My family and I are taking the position that if your rezoning of my property to C1B, in any way limits the expansion of our existing building or the future development of our property or creates any re-financing difficulties, we will in fact be seeking damages from the city of Red Deer.

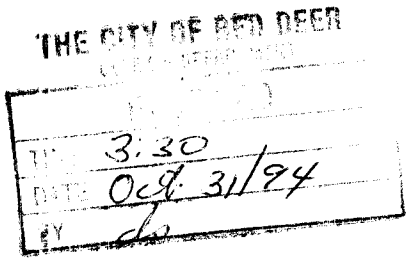
I would suggest that instead of creating the unfair two tier C1 and C1B zoning, you should treat everyone the same by returning to the practise of developers of C1 properties either providing parking to a certain standard or they pay into a city fund which the city could use to provide parking in the area.

If you don't do that, then I would suggest the very least that should happen is that no ones property zoning should be down graded. Properties which are zoned C1 should remain C1. If you are going to create the category C1B it should apply only to the other properties in the designated area. I say this without any study as to the effect this would have on people whose property zoning may be upgraded.

It would also seem to me that property owners in the proposed C1 area will be pleased with the protection provided to them with your proposed plan. It is certain to enhance the value of their property. I just wish it wouldn't be at my expense.

I hope that council will decide not to take away from people what they already have and have had for many years.

Yours,



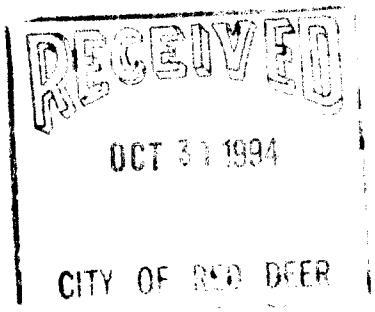
Gordon Hamill
President, 332390 Alberta Ltd.

102, 4915 - 54 STREET, RED DEER, ALBERTA T4N 2G7 403 346-4542

JOHN MURRAY ARCHITECTURAL ASSOCIATES

October 27, 1994

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



Attention: Kelly Kloss, City Clerk

Dear Sir;

Re: Proposed Land Use Bylaw Amendment 2672/X-94
C1-B Commercial Downtown District

I wish to formally object to the rezoning of the parcel of land north of 55th Street to C1B.

When I purchase this property, the zoning was R2B, and at this time I do not know why the City of Red Deer would want to rezone our land to commercial.

The reason for my objections are as follows:

1. The property along this section west of 49A Avenue is residential in character and maintains the residential character of 49A Avenue. There are many nice homes along this street and our home on the corner of 49A Avenue and 55th Street acts as an anchor for this residential area.

2. Rezoning of this property would ultimately indicate that the City is in favour of the demolition of the houses west of 49A Avenue, which means basic destruction of one of the nicest older homes in the City of Red Deer, which also has some historical significance.

3. Careful examination of C1B district setbacks would indicate that although they are limiting the development of the site area to 1/3 of its landscape, minimum front yard is 2.5 metres. This means that any new commercial building situated directly west of my property could be positioned 2.5 metres back from the property line which abuts onto a sidewalk which is the narrowest sidewalk in the City of Red Deer on one of the busiest road systems. It also means that the side yard with a 0 setback would result in the possibility of a solid concrete block wall almost right out to the front property line, restricting sight lines from my home and subjecting the house virtually to darkness right down our site boundary, including the rear yard area.

4. Additional setback requirements within the zoning would mean that the building could be two storey, three storey or six storey in height, which would make living in this location impossible.

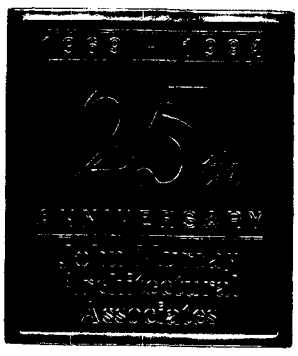
I should point out that when the City of Red Deer gave approval to the Taco Time commercial development it was necessary for them to purchase a residential property directly to the east of this commercial building due to its unsalability as it was devoid of sunshine or light. It was an error to zone the Taco Time property C1 due to the fact that it is adjacent to the river and City park, Waskasoo development, but because one error takes place does not condone further commercial developments north of 55th Street. My recommendation to Council at this time would be to delete zoning C1B as a zoning classification, and I am sure all of the residents along 49A Avenue would agree with my request.

I would like to make a presentation to City Council on Monday, November 7th, 1994 at 7:00 p.m. at your Public Hearing.

Yours faithfully,

John Murray, ARIBA, MRAIC

JLM/cf



M.J.R. HOLDINGS LTD.

4817 - 48 Street, Red Deer, Alberta T4N 1S6

October 31, 1994

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

Attention: Kelly Kloss
City Clerk

Re: Proposed Land Use Bylaw Amendment 2672/X-94
C1-B Commercial Downtown District
M.J.R. Holdings Ltd. & John O. Cuthbertson & Douglas B. Sandall
4815 - 48 Street
Red Deer, Alberta
T4N 1S6

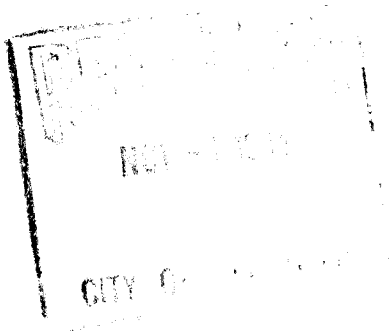
We are opposed to the changes as outlined in your correspondence of October 15, 1994 as the proposed changes from C1 District to C1B District will adversely affect our business.

Yours truly,

M.J.R. HOLDINGS LTD.

Douglas B. Sandall, C.A.

/jjo



DATE: **NOVEMBER 9, 1994**

TO: **PRINCIPAL PLANNER**

FROM: **CITY CLERK**

RE: **LAND USE BYLAW AMENDMENT 2672/X-94**
NEW DOWNTOWN C1B DISTRICT

At the Council Meeting of November 7, 1994, a Public Hearing was held concerning the above topic and at which hearing Council gave consideration to your report dated October 31, 1994, concerning this topic.

Prior to the closing of the Public Hearing, the following resolution was passed agreeing to adjourn said Public Hearing to December 5, 1994 at 7:00 p.m.:

> "RESOLVED that Council of The City of Red Deer hereby agrees that the Public Hearing for Land Use Bylaw Amendment 2672/X-94 be adjourned to the Council Meeting of December 5, 1994 at 7:00 p.m., or as soon thereafter as Council may determine."

This office will now be forwarding further letters outlining the changes referred to in your report, to all those parties affected. In addition, we will be advertising Council's intent to hold a Public Hearing on December 5, 1994, in the Red Deer Advocate on November 11 and November 17, 1994.

Trusting you will find this satisfactory. As this matter will again be presented to Council on December 5, 1994, I ask that you please submit your report to this office by November 28th so that same can be included on the agenda.

KELLY KLOSS
City Clerk

KK/clr

cc: Bylaws and Inspections Manager
E. L. & P. Manager
Land and Economic Development Manager
Council and Committee Secretary, S. Ladwig

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Mr. Ken Arnold
4205 - 46 Avenue
Red Deer, Alberta
T4N 3M7

Dear Sir:

RE: DOWNTOWN ELECTRICAL GRID CHARGES

Further to my letter of October 13, 1994 concerning the above topic, I would like to advise as follows.

As indicated in the above noted letter, Council passed a resolution agreeing to refund to you a portion of the amount you paid for underground power, subject to the passage of Land Use Bylaw Amendment 2672/X-94. The Public Hearing for this bylaw was held at the Council Meeting of November 7, 1994, however, said Public Hearing was adjourned to the Council Meeting of December 5, 1994 to allow for more input from the public. As a result, Land Use Bylaw Amendment 2672/X-94 was not passed, however, was deferred to the Council Meeting of December 5, 1994.

For your information, I am attaching hereto the report from the Red Deer Regional Planning Commission, concerning Land Use Bylaw Amendment 2672/X-94. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: E. L. & P. Manager

REPORTS

NO. 1

DATE: October 28, 1994

TO: Kelly Kloss, City Clerk

FROM: Alan Scott, Land and Economic Development Manager

RE: **APPLICATION TO PURCHASE**
LOT 5, BLOCK 8, PLAN 892-2959 (RIVERSIDE LIGHT)
STUCKEY CONSTRUCTION (RED DEER) LTD.

Attached is an offer from Stuckey Construction Ltd. to purchase a 0.304 hectare (0.75 acre) parcel in Riverside Light Industrial Park. The offer is for $68,000 and is subject to the following conditions:

1. Option period to run until May 30, 1995.

2. All services to be provided by the City in the roadway or easement adjacent to the property.

3. Purchase price to include all off-site charges.

4. There be no additional charges for relocation of the storm sewer, which presently crosses the property.

The property fronts on Riverside Drive at the intersection with 46A Avenue, and has remained in our inventory since Riverside Drive was re-aligned a number of years ago. The property is extremely low, requiring a significant amount of fill and, as a result, it has not been viable for development. The cost to the City of extending all services, including the relocation of the storm sewer, is $67,000, broken down as follows:

Electric Light and Power	$ 20,000
Sanitary Mains	24,000
Storm Sewer Relocation	12,400
Off-site Levies	10,600
	$ 67,000

In addition, the developer would be responsible for service connection charges, which are estimated at an additional $14,000. Based on our standard asking price in the Riverside Light Industrial Park of $75,000 an acre, it was very difficult for a developer to make the project work.

Stuckey Construction (Red Deer) Ltd. is of the opinion that even at a slightly higher land price, there may be an opportunity of putting together a viable project. Their offer of $68,000, while barely covering the cost of servicing the site, is equivalent to $90,667 per acre.

2/...

In spite of the servicing cost, we believe there are some advantages to the City in selling the site to Stuckey Construction. While our costs would barely be covered, with a very modest revenue of $1000 being generated for the Land Bank, the project would make a contribution of some $10,000 to the off-site levy account, and contribute on an on-going basis to property taxes, employment and the economy. As well, based on Stuckey's previous projects, the project would provide an attractive entrance to the Riverside Light Industrial Park.

RECOMMENDATION

We would therefore recommend that Council support the sale of Lot 5, Block 8, Plan 892-2959 to Stuckey Construction (Red Deer) Ltd. at a price of $68,000, subject to the following conditions:

1. The City entering into an option agreement with the purchaser, with the option to be exercised no later than May 30, 1995.

2. Any project proposed for the site to conform with Industrial 1 Zoning Standards, which apply to the area.

3. The City to be responsible for extending all services to the easement or roadway adjacent to the property.

4. The City to be responsible for the costs associated with the relocation of the storm sewer, which presently crosses the property.

5. All off-site levies and service costs to be include in the purchase price.

6. The purchaser entering into an agreement satisfactory to the City Solicitor.

Respectfully submitted,

Alan V. Scott

AVS/mm

Att.

Stuckey Construction (Red Deer) Ltd

83 Holmes Street Red Deer Alberta T4N 6E3 Ph 1 554 5745 Fax 346 2612

City of Red Deer
4914 48 Avenue
Red Deer, Alberta
T4N 3T3
Att: Mr. Alan Scott

September 13, 1994

Dear Sir,

This letter is to present an offer for the piece of land delineated on the attached drawing.We attach our cheque in the amount of $3,400.00 representing a 5% option fee related to our offer, which fee becomes part of the purchase price.

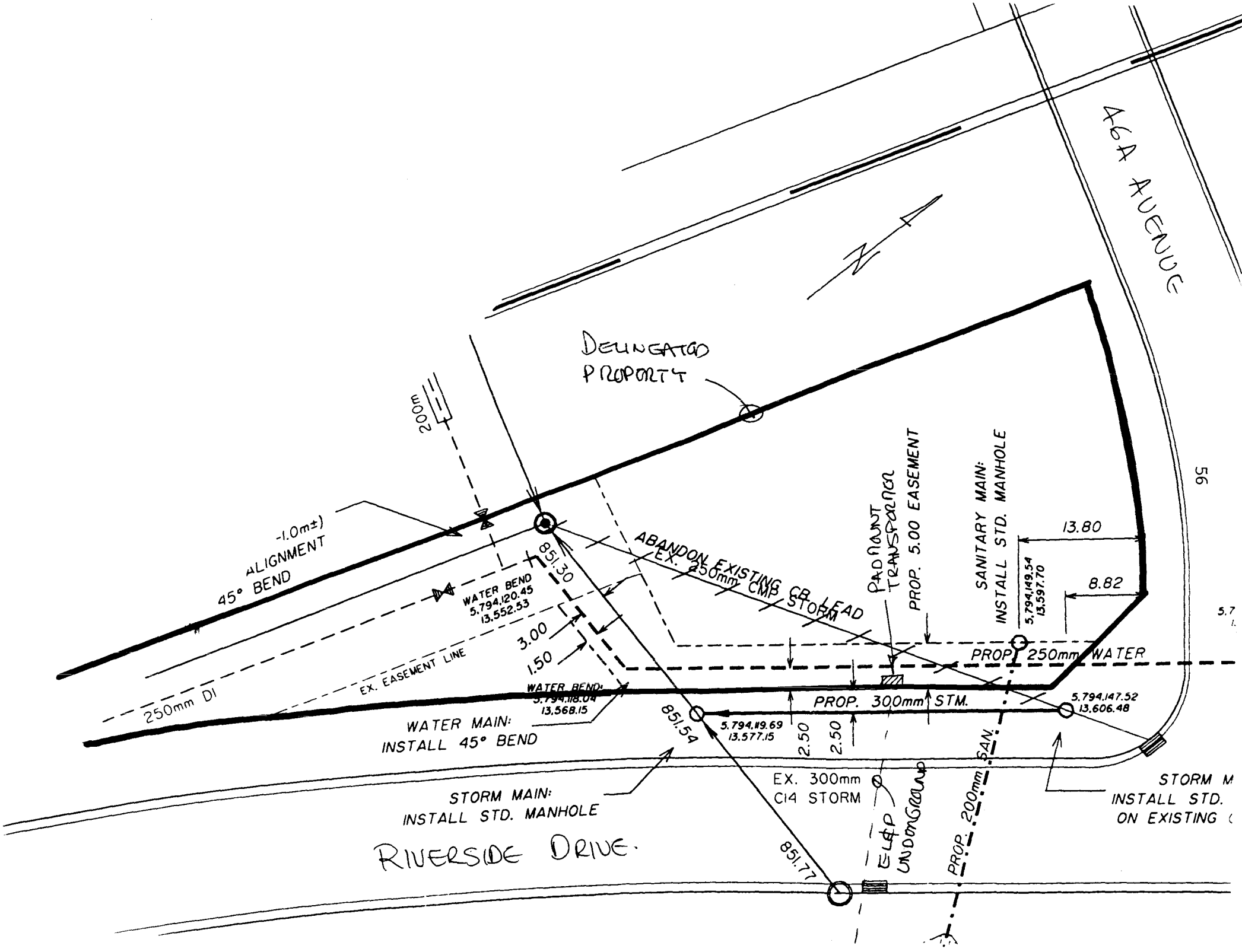
Our offer is for clear title to the delineated land in the subdivision known as Riverside Industrial Park at an upset cost to us of $68,000.00, subject to the following conditions:

1. Clear title free of all liens and other encumbrances.
2. Option excercise period to be extended to May 30,1995. Marketing of this property represents a significant challenge due to anticipated economic conditions, time of year and the high land development cost related to the size of structure that can be built on the lot.
3. The City provides water, storm, and sanitary services to the property line, without cost (including connection cost) to the developer.
4. The City provide power to the property line, where a pad mount transformer will be situated - including the pad mount transformer and connection cost - but not including the pad cost, at no cost to the developer.
5. Developer pays the cost of hydrant connection if required by code.
6. There being no charge for 'offsites'.
7. There being no City charge for relocation of the storm sewer, which is required for the development proposed.

There is a considerable development cost for this project as grades are low requiring considerable costs to fill and bring the lot up to building grade.
We propose the site be developed in accordance with I1 zoning. The structure proposed is a 2 storey warehouse building developed to ne lesser standard than our previous developments at 4646 Riverside Drive and 4608 62 Street.
The development will conform to the City of Red Deer Land Use Bylaw.
We trust you will find the above to be acceptable.

Yours Truly
Stuckey Construction Ltd

Jim Marke
President


46A AVENUE
DELINGATO PROPERTY
200m
-1.0m±)
ALIGNMENT
45° BEND
WATER BEND
5,794,120.45
13,552.53
851.30
ABANDON EXISTING
EX. 250mm CMP STORM
PAD MOUNT
TRANSFORMER
PROP. 5.00 EASEMENT
SANITARY MAIN:
INSTALL STD. MANHOLE
13.80
8.82
5,794,149.54
13,597.70
3.00
1.50
EX. EASEMENT LINE
250mm DI
PROP. 250mm WATER
WATER BEND:
5,794,118.04
13,568.15
PROP. 300mm STM.
5,794,147.52
13,606.48
WATER MAIN:
INSTALL 45° BEND
851.54
5,794,119.69
13,577.15
2.50
2.50
EX. 300mm
CI4 STORM
STORM MAIN:
INSTALL STD. MANHOLE
ELEP
UNDERGROUND
PROP. 200mm SAN.
STORM M
INSTALL STD.
ON EXISTING
RIVERSIDE DRIVE.
851.77
56

CS-4-456

DATE: **September 19, 1994**

TO: **ALAN SCOTT,**
Land & Economic Development Manager

FROM: **CRAIG CURTIS, Director**
Community Services Division

RE: **OFFER TO PURCHASE LOT 5, BLOCK 8, PLAN 892-2959:**
RIVERSIDE LIGHT INDUSTRIAL PARK
Your memo dated September 14, 1994 refers.

I have discussed the proposed offer to purchase with the Parks and Recreation & Culture Managers, and we have no objections from a Community Services perspective.

CRAIG CURTIS

:dmg

c Don Batchelor, Parks Manager
Lowell Hodgson, Recreation & Culture Manager

DATE: September 28, 1994

TO: A. Scott, Manager
Land and Economic Development

FROM: D. Scheelar
E. L. & P. Dept.

RE: Offer to Purchase Lot 5, Block 8, Plan 892 2959
Riverside Light Industrial Park

Our department has reviewed costs plus conditions as outlined in September 13, 1994 letter from Stucky Construction and comment as follows:

1. The E. L. & P. Department provides power to the property line for a cost of $20,000. This cost would probably be recovered from sale of land.

2. Customer would have an on-site cost of approximately $8,000 to be finalized once we receive final design plans.

Therefore in item 4 of their letter we would disagree with his statement about "no cost to developer", unless The City is prepared to absorb these costs from the sale of the land.

If there are further questions please advise.

Daryle Scheelar

Daryle Scheelar,
Distribution Engineer

DS/jjd

RED DEER
REGIONAL PLANNING COMMISSION

2830 BREMNER AVENUE, RED DEER,
ALBERTA, CANADA T4R 1M9

Telephone: (403) 343-3394
Fax: (403) 346-1570

DIRECTOR: W. G. A. Shaw, ACP, MCIP

MEMORANDUM

DATE: September 20, 1994

TO: Al Scott, Land Manager

c.c. K. Haslop, Engineering Manager
A. Roth, E.L. & P. Manager
C. Curtis, Director Community Services

FROM: Frank Wong, Planning Assistant

RE: **Offer To Purchase Lot 5, Block 8, Plan 892 2959**
Riverside Light Industrial Park

Please be advised that Planning staff have no objections to the sale of the above property to Stuckey Construction at fair market value.

Frank Wong

Frank Wong,
Planning Assistant
/cc

Commissioners' Comments

We concur with the recommendation of the Land & Economic Development Manager.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

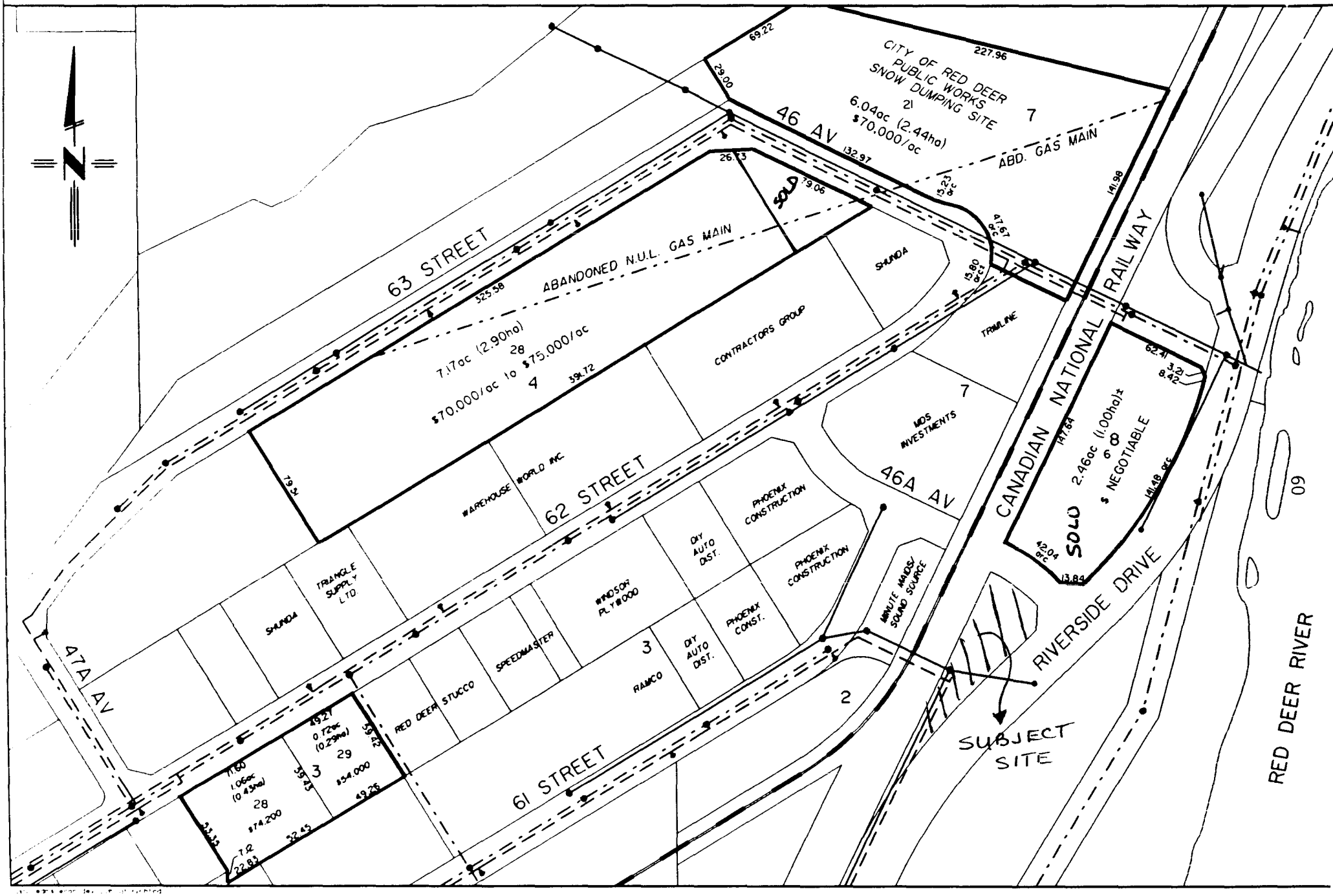
LOT DIMENSIONS and AREAS should be VERIFIED with REGISTERED PLANS and CERTIFICATE of TITLE documentation

RIVERSIDE LIGHT INDUSTRIAL PARK

SCALE 1:3000

15-JUN-1994

WATER
SANITARY
STORM



DATE: **NOVEMBER 9, 1994**

TO: **LAND AND ECONOMIC DEVELOPMENT MANAGER**

FROM: **CITY CLERK**

RE: **APPLICATION TO PURCHASE**
LOT 5, BLOCK 8, PLAN 892-2959 (RIVERSIDE LIGHT INDUSTRIAL)
STUCKEY CONSTRUCTION (RED DEER) LTD.

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 28, 1994, concerning the above topic and at which meeting the following motion was passed:

"RESOLVED that Council of The City of Red Deer, having considered report from the Land and Economic Development Manager dated October 28, 1994, re: Application to Purchase Lot 5, Block 8, Plan 892-2959 (Riverside Light Industrial), Stuckey Construction (Red Deer) Ltd., hereby approves the sale of Lot 5, Block 8, Plan 892-2959 to Stuckey Construction (Red Deer) Ltd. at a price of $68,000, subject to the following conditions:

1. The City entering into an option agreement with the purchaser, with the option to be exercised no later than May 30, 1995.

2. Any project proposed for the site to conform with Industrial 1 Zoning Standards, which apply to the area.

3. The City to be responsible for extending all services to the easement or roadway adjacent to the property.

4. The City to be responsible for the costs associated with the relocation of the storm sewer, which presently crosses the property.

5. All off-site levies and service costs to be included in the purchase price.

6. The purchaser entering into an agreement satisfactory to the City Solicitor,

and as presented to Council November 7, 1994."

.... / 2

The decision of Council in this instance is submitted for your information and appropriate action. I trust you will be advising Stuckey Construction of the above decision.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Director of Community Services
Director of Engineering Services
E. L. & P. Manager
Fire Chief
Bylaws and Inspections Manager
Public Works Manager
City Assessor
Principal Planner

NO. 2

DATE: **NOVEMBER 1, 1994**

TO: **CITY COUNCIL**

FROM: **CITY CLERK**

RE: **DOWNTOWN PLANNING COMMITTEE**

At the Organizational Meeting of October 24, 1994, the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer hereby appoints the following to serve on the Downtown Planning Committee for terms as indicated:

Ron Chikmoroff,	Citizen-at-large (term to expire October 1996)
Toby Lampard,	Citizen-at-large (term to expire October 1996)
Paolo Mancuso,	Citizen-at-large (term to expire October 1996)
Bill Vanson,	Citizen-at-large (term to expire October 1995)
Clarence Torgerson,	Citizen-at-large (term to expire October 1995)
Tim MacNeill,	Towne Centre Association Representative (term to expire October 1995)
Tim Snell,	Towne Centre Association Representative (term to expire October 1996)."

It has come to our attention that:

1. Toby Lampard, although appointed for a 2 year term, had requested a 1 year term; and

2. Clarence Torgerson, although appointed for a 1 year term, had requested a 2 year term.

... / 2

RECOMMENDATION:

As a result of the above, I am recommending that Council change the appointment of Toby Lampard to expire October 1995 and the appointment of Clarence Torgerson to expire October 1996.

KELLY KLOSS
City Clerk

KK/clr

Commissioners' Comments

We concur with the recommendation of the City Clerk.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **DOWNTOWN PLANNING COMMITTEE**

FROM: **CITY CLERK**

RE: **APPOINTMENTS TO DOWNTOWN PLANNING COMMITTEE**

At the City of Red Deer's Council Meeting held November 7, 1994, consideration was given to requests by Toby Lampard and Clarence Torgerson to have their terms on the Downtown Planning Committee slightly altered from the original resolution passed by Council on October 24, 1994.

At the November 7th meeting, the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the City Clerk dated November 1, 1994, re: Downtown Planning Committee, hereby agrees as follows:
>
> 1. That the appointment of Toby Lampard to the Downtown Planning Committee be changed to reflect an expiry date of October 1995;
>
> 2. That the appointment of Clarence Torgerson to the Downtown Planning Committee be changed to reflect an expiry date of October 1996,
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information.

KELLY KLOSS
City Clerk

KK/clr

cc: Mr. Toby Lampard
Mr. Clarence Torgerson

NO. 3

DATE: October 28, 1994

TO: Kelly Kloss, City Clerk

FROM: Alan Scott, Land and Economic Development Manager

RE: **OFFER TO PURCHASE RAIL RIGHT-OF-WAY ADJACENT TO FORMER FEDERAL PIONEER SITE BY SEIBEL CONSTRUCTION LIMITED**

Attached is a letter from Seibel Construction Limited offering to purchase 18.3 metres, made up of former railway right-of-way and lane right-of-way, adjacent to the former Federal Pioneer site, north of the Red Deer River. The property consists of 0.35 acre, and the offer is for $30,000. This works out to the equivalent of $85,714 per acre. The offer has no conditions attached, and the purchaser would be responsible for accepting the property in "as is" condition and for extending any services required to the property.

Seibel Construction Limited has indicated they intend to develop multi-family housing on the former Federal Pioneer site, and that the former railway right-of-way would be consolidated with the site to make it a more attractive development proposal.

The parcel in question is approximately half of the rail right-of-way width, and would leave sufficient property to allow an extension of the trail system from the former CP Rail bridge.

We have circulated all City departments and, subject to the conditions outlined, they support the sale of the property.

RECOMMENDATION

We would therefore recommend that Council support the sale of 18.3 metres of former CP Rail right-of-way to Seibel Construction Limited, with the following conditions to apply:

1. The purchaser accepts the property in "as is" condition.

2. Any extension of services and internal servicing of the site to be the responsibility of the purchaser.

3, Any easements required for existing water and sanitary mains to be provided to the City at no cost.

4. Access to the site will be permitted from 57 Street/58A Street intersection.

.../2

5. A second access to the site, proposed by the developer and located at the north-east corner, will require that the developer acquire an alignment from the City. Costs associated with the land acquisition to be at the developer's expense.

6. Consolidation of the right-of-way with the Pioneer site is required, and at the expense of the purchaser.

7. The purchase price to be $30,000, plus the cost of land required for the access.

8. The purchaser entering into an agreement with the City satisfactory to the City Solicitor.

Respectfully submitted,

Alan V. Scott

AVS/mm

Att.

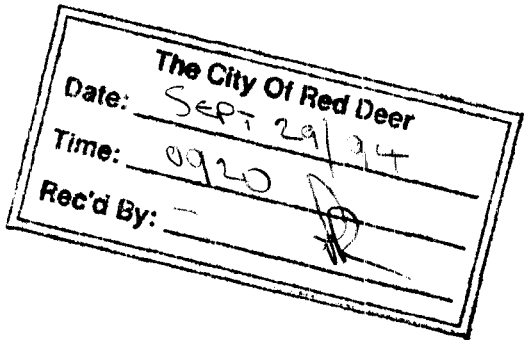
Seibel Construction Limited.
R. R. # 2
Red Deer, Alberta
T4N 5E2
Phone 346-4557
September 20, 1994

Economic Development:

I would like to buy 60' of railway right of way land from the City of Red Deer.
The land is on the North East corner of Federal Pioneer Electric property. I would be willing to pay $30,000.00 for this property.
Legal description of Federal Pioneer Electric is Lot 1A Plan 002278 - I.

Sincerely,

Seibel Construction Limited.

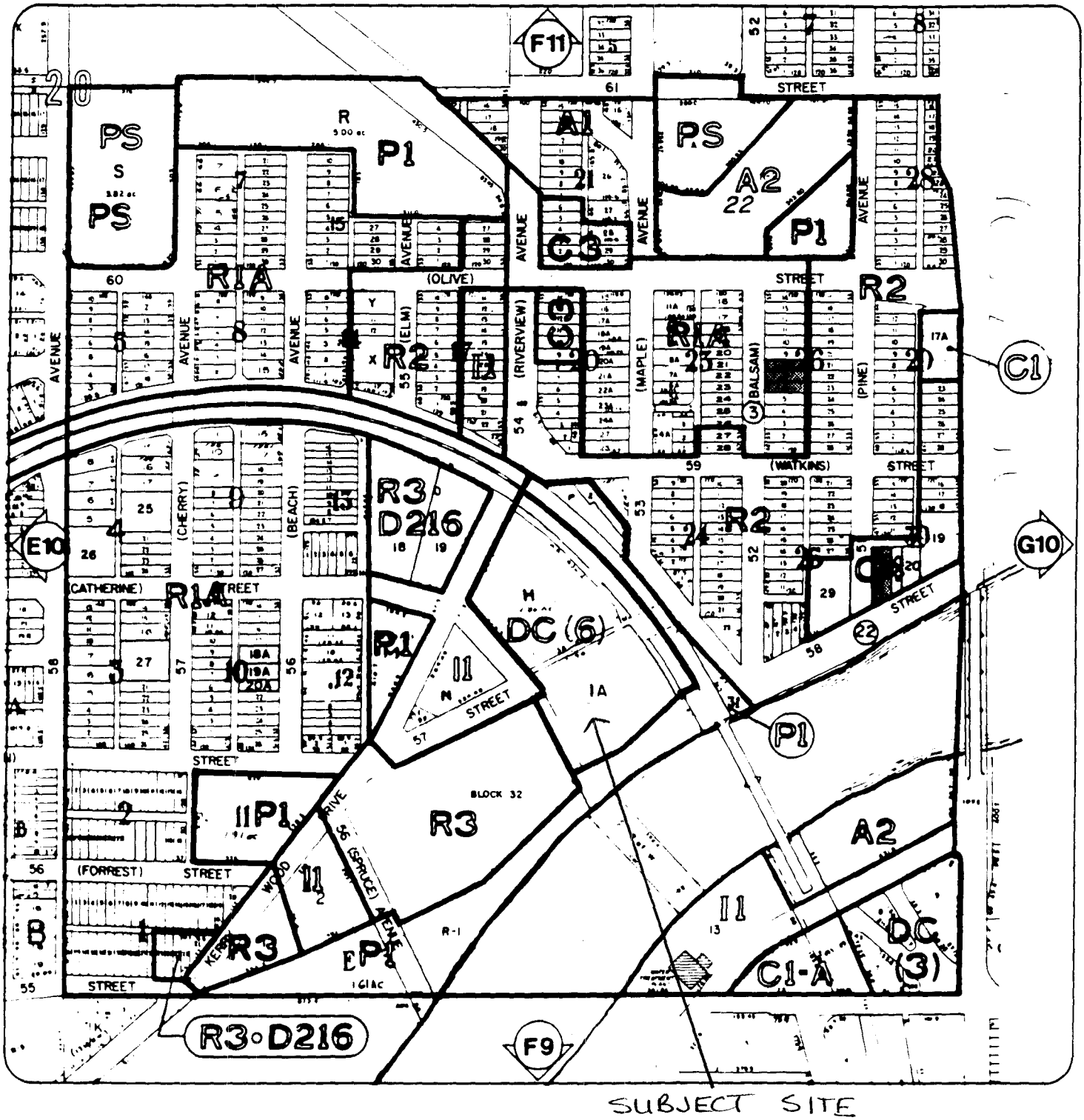


Cellular - 341-9789

City of Red Deer --- Land Use Bylaw

Land Use Districts

F10



scale in metres

Revisions :

2672/D-80 (15/9/80)
2672/P-80(10/NOV/80)
2672/J-82(13/9/82)
2672/Q-83(9/1/84)
2672/I-84(28/5/84)
2672/K-85(27/5/85)
2672/N-85 (8/7/85)
2672/B-88 (21/03/88)
2672/T-88 (12/12/88)
2672/C-93 (25/05/93)
2672/S-94 (29/08/94)

CS-4.465

DATE: October 3, 1994

TO: PETER ROBINSON
Land & Appraisal Coordinator

FROM: CRAIG CURTIS, Director
Community Services Division

RE: OFFER TO PURCHASE RAIL RIGHT-OF-WAY
ADJACENT TO FORMER FEDERAL PIONEER SITE
LOT 1A, PLAN 802-2781

I have discussed this proposal with the Parks and Recreation & Culture Managers, and we have no objections from a Community Services perspective. The proposal conforms with the C.P.Railway Lands Area Redevelopment Plan.

CRAIG CURTIS

:dmg

c Don Batchelor, Parks Manager
Lowell Hodgson, Recreation & Culture Manager

DATE: October 4, 1994

TO: Land and Appraisal Coordinator

FROM: Bylaws and Inspections Manager

RE: OFFER TO PURCHASE BY SEIBEL CONSTRUCTION
LOT 1A, PLAN 802-2781

We have received your memo dated September 29, 1994 in reference to the above offer to purchase by Seibel Construction.

We have no objections to the proposed sale.

Yours truly,

R. Strader
Bylaws and Inspections Manager
BUILDING INSPECTION DEPARTMENT

RS/cp

346-6195

DATE: October 6, 1994

TO: Pete Robinson
Land Dept.

FROM: D. Scheelar
E. L. & P. Dept.

RE: Offer to Purchase Rail Right-of-Way
Adjacent to Lot 1A, Plan 802-2781

E. L. & P. have an existing main aerial power line which crosses the former CPR R/W and also crosses the former Federal Pioneer site.

We are presently corresponding with Mr. Seibel on the costs of relocating this aerial power line outside of the Federal Pioneer site or alternately placing the line underground adjacent to the walkway crossing the Federal Pioneer site and CPR R/W. Mr Seibel also has the option of leaving the aerial line in the present alignment and designing his development such that the development is not within 5.0m of the center line of the aerial power line.

E. L. & P. have no objection to the sale of the former CPR R/W on the condition that an easement is provided to cover our existing aerial line. Should Mr. Seibel decide to place the aerial line underground, then an easement for that alignment would be required.

Daryle Scheelar,
Distribution Engineer

GF/jjd

RED DEER
REGIONAL PLANNING COMMISSION

2830 BREMNER AVENUE, RED DEER,
ALBERTA, CANADA T4R 1M9

Telephone: (403) 343-3394
Fax: (403) 346-1570

DIRECTOR: W. G. A. Shaw, ACP, MCIP

MEMORANDUM

DATE: October 5, 1994

TO: P. Robinson, Land and Appraisal Coordinator

CC: B. Jeffers, Director of Engineering Services
C. Curtis, Director of Community Services
R. Strader, Bylaws and Inspections Manager
A. Roth, E. L. & P. Manager
R. Oscroft, Fire Chief

FROM: Frank Wong, Planning Assistant

SUBJECT: Offer To Purchase Rail Right-Of-Way
Adjacent to Former Federal Pioneer Site
Lot 1A, Plan 802 2781

Planning staff have reviewed the offer from Seibel Construction to purchase the 20 feet lane and 40 feet of the abandoned rail right-of-way adjacent to Lot 1A, Plan 802 2781, for the purpose of developing a townhouse project. The proposed development basically follows the recommendation of the C.P. Railway Right-Of-Way Area Redevelopment Plan.

Planning staff supports the sale of the above noted lands at fair market value.

Frank Wong
Mr. Frank Wong
PLANNING ASSISTANT

FW/sdd

DATE: October 3, 1994

TO: Peter Robinson
Land Department

FROM: Fire Marshal

RE: Lot 1A, Plan 802-2781 (Rail Right of Way)

This department has no objection to the purchase of the Rail Right of Way for this proposed development.

Cliff Robson
Fire Marshal

CR/ks

Commissioners' Comments

We concur with the recommendation of the Land & Economic Development Manager.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **LAND AND ECONOMIC DEVELOPMENT MANAGER**

FROM: **CITY CLERK**

RE: **OFFER TO PURCHASE RAIL RIGHT-OF-WAY ADJACENT TO FORMER FEDERAL PIONEER SITE BY SEIBEL CONSTRUCTION LTD.**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 28, 1994, concerning the above topic and at which meeting the following motion was passed:

"RESOLVED that Council of The City of Red Deer, having considered report from the Land and Economic Development Manager dated October 28, 1994, re: Offer To Purchase Rail Right-Of-Way Adjacent to former Federal Pioneer Site by Seibel Construction Limited, hereby approves the sale of said land to Seibel Construction Limited, subject to the following conditions:

1. The purchaser accepts the property in "as is" condition.

2. Any extension of services and internal servicing of the site to be the responsibility of the purchaser.

3. Any easements required for existing water and sanitary mains to be provided to The City at no cost.

4. Access to the site will be permitted from 57 Street / 58 A Street intersection.

5. A second access to the site, proposed by the developer and located at the north east corner, will require that the developer acquire any alignment from The City. Costs associated with the land acquisition to be at the developer's expense.

6. Consolidation of the right-of-way with the Pioneer site is required, and at the expense of the purchaser.

7. The purchase price to be $30,000, plus the cost of land required for the access.

8. The purchaser entering into an agreement with The City satisfactory to the City Solicitor,

and as submitted to Council November 7, 1994."

... / 2

The decision of Council in this instance is submitted for your information and appropriate action. I trust you will be notifying Seibel Construction of the above decision.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Director of Community Services
Director of Engineering Services
City Assessor
Bylaws and Inspections Manager
E. L. & P. Manager
Parks Manager
Public Works Manager
Senior Planner

NO. 4

DATE: October 31, 1994

TO: Kelly Kloss, City Clerk

FROM: Alan Scott, Land and Economic Development Manager

RE: **LOT R, BLOCK 32, PLAN 5187 KS**

Attached is a letter from Avalon Homes (Red Deer) Inc., in which they advised they no longer have an interest in exploring the feasibility of developing the above parcel of land.

Council will recall that Avalon undertook to meet with residents in West Park to examine viable developments for this site. They have since chosen to terminate any further investigation.

This parcel was one of several considered for disposal by Council at their meeting of September 26, 1994. As the parcel was being considered for development, Council did not pass a resolution dealing with this specific parcel.

Council's direction is therefore requested.

Alan V. Scott

AVS/mm

Att.

HOMES (RED DEER) INC.

"Your Builder of Confidence"

October 18, 1994

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

ATTENTION: MR. AL SCOTT

Dear Sir:

RE: WESTPARK SITE

Please be advised that Avalon Homes (Red Deer) Inc. will not be pursuing the West Park Site.

We would appreciate the return of our $1000 deposit.

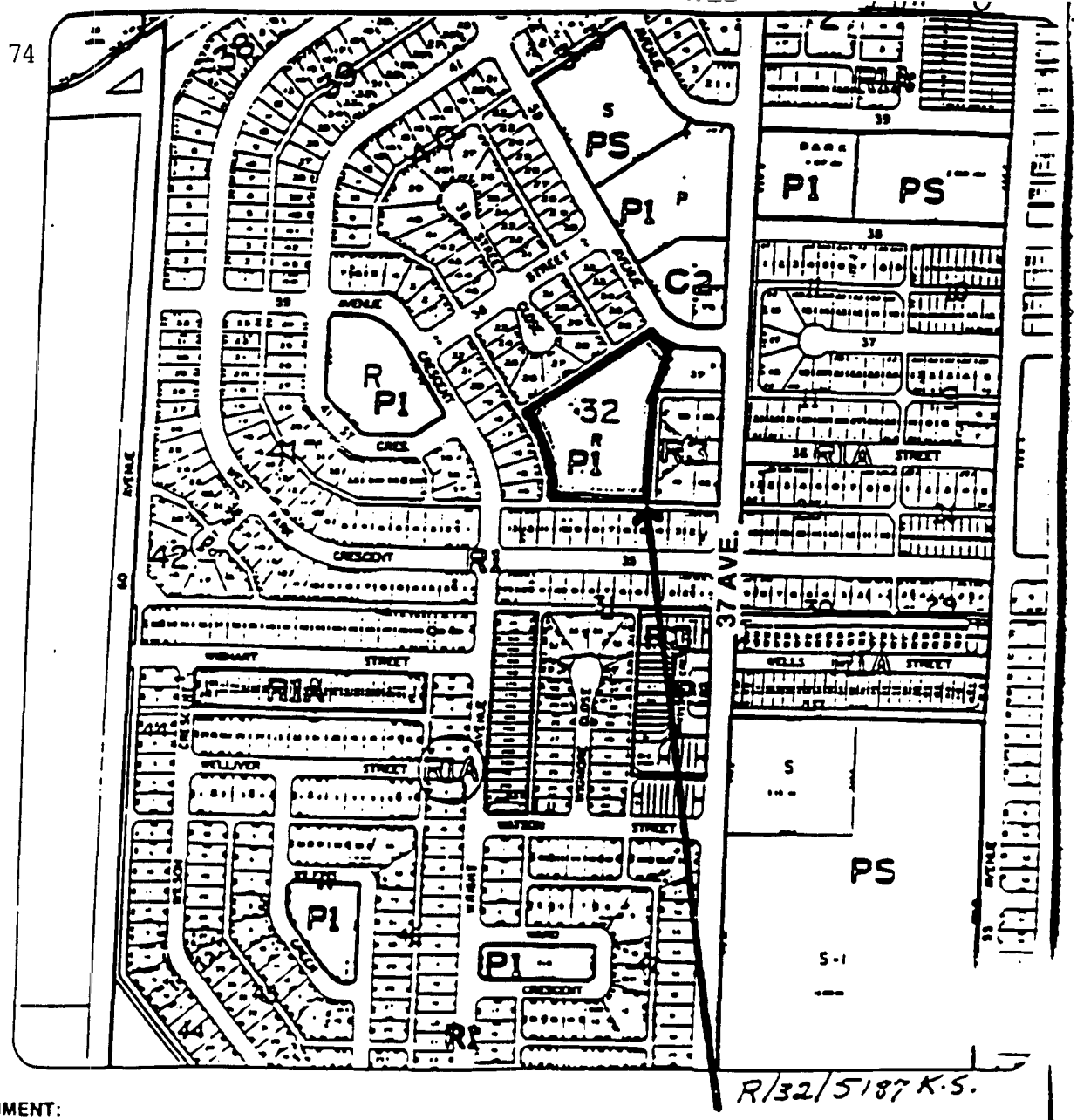
Yours truly,

AVALON HOMES (RED DEER) INC.

Albert W. DeFehr
President

ADF/slj

Filename:\WP51\ALBCORR\SCOTT10.18



COMMENT:

This public park reserve is zoned (P1) Parks & Recreation District. It was designated as a future water reservoir site when orginal West Park was developed. Since West Park did not require this reservoir, the local residents and schools have used the site as a sliding hill in the winter months. The site is grassed and contains a large hill. This parcel is not required for park purposes and is being considered as a private seniors residential development. The development appears to have general community support; public meetings are still being held.

RECOMMENDATION:

Sale of this park reserve should be considered subject to the following conditions:

- The community must demonstrate support for the sale of the municipal reserve and the development of an alternate land use project.
- Funds from the sale should be credited to the Public Reserve Trust Fund.
- Approximately $100,000 (1994 dollars) of the land sale funds should be allocated to the West Park neighbourhood for the development of a sliding hill on the Junior High School site and park upgrading in other parks in West Park.

WEST PARK - Map #6

"THAT the Finance & Audit Committee recommend that the West Park site - Map #6, be sold to a developer subject to that developer obtaining a reasonable level of support from the community for the development of an alternate land use project, with the funds from the sale being credited to the public reserve trust fund, and with the understanding that approximately $100,000 from the sale be dedicated to a sliding hill and the upgrading of other parks in West Park."

MAP 6
West Park (Lot R, Block 32, Plan 5187 KS)

Engineering

This site was originally set aside as the future location of a water reservoir. As this site is no longer required for that purpose, we would have no objection to its sale for residential development.

E. L. & P.

There are overhead lines on most sides of this irregular shaped lot which will require easements. We have no objections to the sale of this site if the easements are provided. Existing electrical servicing in this area is aerial.

Regional Planning

This site has been used as a park for the past 30 years. It was originally designated as a water reservoir site, however, the reservoir was never constructed. As Council is aware, the Planning staff have met with the community twice before regarding the sale and development of this particular property and there has been strong neighbourhood opposition to its development. In view of the fact that this site has been used as parkland for the past 30 years, Planning staff are reluctant to support the sale of this site unless it could be demonstrated that there is strong neighbourhood support for development.

May 13, 1994

West Park Association

Red Deer, AB

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

Re: Development of property known as 3706 - 58 Avenue, Red Deer, Alberta

To Mayor Surkan and Council

Attached please find a petition requesting the prevention of any residential development or high density development, as proposed by Avalon, of the above mentioned property.

The West Park Association is currently investigating the possibility of developing a community shelter or an Association building on this property. At this time, there is no formalized plan.

We request that you please take into consideration the disapproval of the residents of West Park towards Avalon's plans to develop this property.

If you have any questions or concerns in regards to this matter please contact DALE REID at 346 5986 HOME
346-1626 WORK

Thank you

MR. DALE REID
5530 - 37 Street
Red Deer. AB
T4N 0W2

94. June 02. 12:20 P.m.
QR

COMMISSIONERS' COMMENTS:

The attached letter from Avalon effectively ends any interest in this sight on the part that company. Council will recall that when dealing with the various parcels of land which have been offered for sale, they did not address this particular parcel because of an agreement with Avalon which was in place at that time and now is effectively terminated. We draw Council's attention to the recommendation from the Finance and Audit Committee that dealt specifically with this parcel:

> "THAT the Finance & Audit Committee recommend that the West Park site - Map #6, be sold to a developer subject to that developer obtaining a reasonable level of support from the community for the development of an alternate land use project, with the funds from the sale being credited to the public reserve trust fund, and with the understanding that approximately $100,000 from the sale be dedicated to a sliding hill and the upgrading of other parks in West Park."

At this point Council now must decide whether to endorse the recommendation and continue to leave the parcel open to possible development should an alternate developer be able to reach agreement with the community or effectively take the parcel out of circulation.

Also attached is a petition from residents of West Park indicating their opposition to the development of the parcel. It should be noted that this petition was raised prior to the recommendation of the Finance & Audit Committee with included a provision for a $100,000 dedication to the development of a sliding hill and associated park in West Park. It may be that the position of the community could alter given this consideration. Council's direction is requested.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DALE REID
5530-37 ST
RED DEER AB
T4N 0W2
PH 346-1626

CITY CLERK
CITY OF RED DEER
PO BOX 5008
RED DEER, AB
T4N 3T4

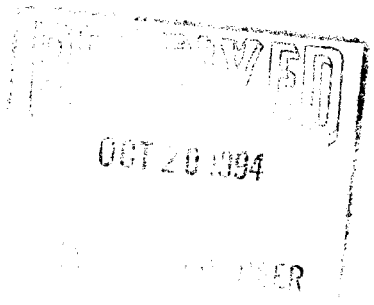
DEAR SIR,

RE: DEVELOPMENT OF PROPERTY KNOW AS 3706-58 AVE.

PLEASE BRING PETITION OF MAY 13, 1994 TO THE ATTENTION OF CITY COUNCIL.

THAN YOU

SINCERELY
Dale Reid



May 13, 1994

Mr. C. Arnold Ritchie, President
Avalon Homes (Red Deer) Inc.
4920 - 54 Street
Red Deer, Alberta
T4N 2G8

Dear Mr. Ritchie:

RE: WESTPARK RESERVOIR SITE

We acknowledge receipt of your letter of May 11, 1994, with respect to the above parcel.

The City of Red Deer will withdraw this parcel from the market for a period of 45 days, to allow Avalon Homes sufficient time to prepare an offer to purchase.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Alan V. Scott
Land and Economic Development Manager

AVS/mm

c: K. Kloss, City Clerk
Red Deer Regional Planning Commission
W. Lees, Land Supervisor

Avalon

HOMES (RED DEER) INC.

"Your Builder of Confidence"

May 11, 1994

City of Red Deer
Economic Development
P.O. Box 5008
Red Deer, AB
T4N 3T4

ATTENTION: ALLAN SCOTT

Dear Allan:

RE: WESTPARK RESERVOIR SITE

Further to our conversation of May 6 on price and purchase of the Westpark site, we are working on layouts and density so a cost analysis can be completed. We are reviewing the $140,000.00 per acre offer with dirt removed. An appraisal from Anderson Preece Appraisals is underway.

We have forwarded meeting information and comment sheets to the Red Deer Regional Planning Commission. A further information meeting for the Westpark Community Association will be held May 12, at 7:00 p.m. at the Westpark Elementary in the ECS or library.

Please hold this site for us until we can prepare an offer to purchase subject to rezoning.

Yours truly,

AVALON HOMES (RED DEER) INC.

C. Arnold Ritchie
President

CAR/slj
cc: Kelly Kloss - City Clerk

4920 - 54 Street, Red Deer, Alberta T4N 2G8 • Ph. (403) 347-3349 • Fax (403) 347-7040

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

March 11, 1994

Avalon Homes (Red Deer) Inc.
4920-54 Street
Red Deer, Alberta
T4N 2G8

Att: C. Arnold Ritchie, President

Dear Sir:

RE: WEST PARK RESERVOIR

Thank you for your letter of February 28, 1994 regarding the above topic. As you have chosen to proceed with the option of presenting your proposal to the West Park residents prior to coming to Council, may I suggest that you follow a procedure which is consistent with the practice of The City, concerning such developments.

In my letter of February 1, 1994 relative to Option #2, I indicated that you should present your proposal to the West Park residents. Presentation of such a proposal is normally done at a public meeting which has been advertised, usually in the local paper, with a notice being sent out to the Community Association and those properties adjacent to the site. Included in your report back to Council regarding any public meetings, you should include a list of attenders at any public meetings, individual comment sheets from each attender and an indication of the process of advertising of the meeting.

As indicated earlier, the preceding are normal requirements of The City in any major land use issue. I trust I have helped to clarify my letter of February 1, 1994. If you have any questions, please do not hesitate to call.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr
cc: Land and Economic Development Manager
Principal Planner

RED DEER
REGIONAL PLANNING COMMISSION

2830 BREMNER AVENUE, RED DEER,
ALBERTA, CANADA T4R 1M9

DIRECTOR: W. G. A. Shaw, ACP, MCIP

Telephone: (403) 343-3394
Fax: (403) 346-1570

DATE: March 4, 1994

TO: Kelly Kloss, City Clerk

FROM: Paul Meyette, Principal Planner

RE: **WEST PARK RESERVOIR SITE**

I am in receipt of Avalon Homes (Red Deer) Incorporated letter related to the West Park Reservoir Site.

In this letter it is indicated that input on the proposal to develop this site will be sought from the Community Association and those residents backing onto the site. There is no indication that the remainder of the residents in West Park would be allowed an opportunity for comment. Since this is a neighbourhood facility, it has been the City's past practice to allow anyone in the community an opportunity to provide comment. Public input has not, in the past, been restricted to the Community Association and those directly backing onto a development site.

In order to be consistent with past practice, I would suggest that the City require that Avalon Homes seek full public input on this issue, through an advertised public meeting. Your letter of February 1, 1994 seems to imply that the proposal should be presented to all West Park residents, but it is not specific that this should occur.

As a final point, the City should be clear as to the type of documented response expected from Avalon Homes, (your February 1, 1994 letter). I would suggest that the City should require a list of attendees at any public meeting, receipt of individual comment sheets from each attendee and an indication of the process of advertising any public meeting. These are normal requirements in any major land use issue.

Paul Meyette,
Principal Planner
/cc

HOMES (RED DEER) INC.

"Your Builder of Confidence"

cc: Director of Financial Services
Director of Community Services
Director of Engineering Services
Land and Economic Development Manager
Principal Planner
Mayor
City Commissioner

94/03/02
KK

February 28, 1994

City of Red Deer
City Clerks Department
P.O. Box 5008
Red Deer, AB
T4N 3T4

ATTENTION: KELLY KLOSS

Dear Sir:

RE: WEST PARK RESERVOIR SITE

In reply to your letter of February 1st, as an outcome of the January 31st council meeting, Avalon will be proceeding with option #2. Meetings will be scheduled with West Park residents to determine the best mix for the area in a seniors development.

We have contacted an architect to attend these meetings and will be inviting the Community Association as well as everyone backing onto the site for their input.

When we have determined the type and mix of the development, I will contact Al Scott to work out land pricing and date for a proposal to council.

Yours truly,

AVALON HOMES (RED DEER) INC.

C. Arnold Ritchie
President

CAR/jpl

HOMES (RED DEER) INC.

"Your Builder of Confidence"

February 28, 1994

City of Red Deer
City Clerks Department
P.O. Box 5008
Red Deer, AB
T4N 3T4

ATTENTION: KELLY KLOSS

Dear Sir:

RE: WEST PARK RESERVOIR SITE

In reply to your letter of February 1st, as an outcome of the January 31st council meeting, Avalon will be proceeding with option #2. Meetings will be scheduled with West Park residents to determine the best mix for the area in a seniors development.

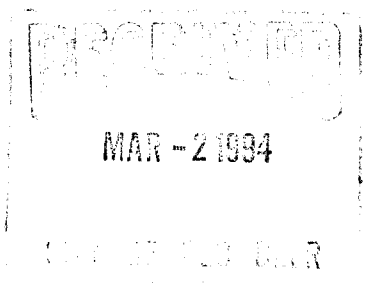
We have contacted an architect to attend these meetings and will be inviting the Community Association as well as everyone backing onto the site for their input.

When we have determined the type and mix of the development, I will contact Al Scott to work out land pricing and date for a proposal to council.

Yours truly,

AVALON HOMES (RED DEER) INC.

C. Arnold Ritchie
President



CAR/jpl

4920 - 54 Street, Red Deer, Alberta T4N 2G8 • Ph. (403) 347-3349 • Fax (403) 347-7040

HOMES (RED DEER) INC.

"Your Builder of Confidence"

cc: Director of Financial Services
Director of Community Services
Director of Engineering Services
Land and Economic Development Manager
Principal Planner
Mayor
City Commissioner

94/03/02
KK

February 28, 1994

City of Red Deer
City Clerks Department
P.O. Box 5008
Red Deer, AB
T4N 3T4

ATTENTION: KELLY KLOSS

Dear Sir:

RE: WEST PARK RESERVOIR SITE

In reply to your letter of February 1st, as an outcome of the January 31st council meeting, Avalon will be proceeding with option #2. Meetings will be scheduled with West Park residents to determine the best mix for the area in a seniors development.

We have contacted an architect to attend these meetings and will be inviting the Community Association as well as everyone backing onto the site for their input.

When we have determined the type and mix of the development, I will contact Al Scott to work out land pricing and date for a proposal to council.

Yours truly,

AVALON HOMES (RED DEER) INC.

C. Arnold Ritchie
President

CAR/jpl

4920 - 54 Street, Red Deer, Alberta T4N 2G8 • Ph. (403) 347-3349 • Fax (403) 347-7040

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

February 1, 1994

Avalon Homes (Red Deer) Inc.
4920 - 54 Street
Red Deer, Alberta
T4N 2G8

Att: C. Arnold Ritchie
President

Dear Sir:

RE: WEST PARK RESERVOIR SITE

Please be advised that at the Committee of the Whole of Red Deer City Council held on January 31, 1994, consideration was given to your request to place a development on the West Park Reservoir Site. At the above noted meeting, Council generally agreed with the concept of your proposal, however, no formal decision was made to sell this site to Avalon Homes. A decision such as this must be dealt with in an Open Meeting of Council.

In this regard, you have two options available to you:

1. To make a formal proposal, in Open Council, to purchase the West Park Reservoir Site, which would include such information as: price, proposed design, density, etc.

2. Prior to going to an Open Meeting of Council, present your proposal to the West Park residents to determine what type of development, if any, would be acceptable. This information and a formal proposal would then be presented to an Open Meeting of Council. The benefit of this option would be that your intent would not be made public prior to you approaching the West Park residents.

It is my understanding that prior to Council making their final decision on the sale of this site, they wish to have a documented response from both the general West Park Community and those persons backing on to the property, relative to any development on this site.

If it is your intent to first come to an Open Meeting of Council, we would require your proposal by Wednesday, February 2, 1994 if it is to go to the Council Meeting of Monday, February 14, 1994. The next Council Meeting scheduled is Monday, February 28, 1994. The deadline for submissions to that meeting would be Wednesday, February 16, 1994.

If you have any questions, or require additional information, please do not hesitate to contact the Land and Economic Development Manager, Al Scott, or the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Director of Community Services
Director of Engineering Services
Land and Economic Development Manager
Principal Planner

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

AC
GA

June 10, 1994

Mr. Dale Reid
5530 - 37 Street
Red Deer, Alberta
T4N OW2

LTR Bk32. Plan S187 KS

Dear Sir:

RE: DEVELOPMENT OF PROPERTY KNOWN AS 3706 - 58 AVENUE

Thank you for your letter of May 13, 1994, concerning the above topic. For your information, Avalon Homes have not made a formal presentation to City Council for the development of this land.

When this letter is submitted to City Council, we will include your letter and petition so that Council may be aware of same. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

Kelly Kloss
City Clerk

KK/ds

c.c. Land & Economic Development Manager

July 7, 1994

Mr. Arnold Ritchie, President
Avalon Homes (Red Deer) Inc.
4920 - 54 Street
Red Deer, Alberta
T4N 2G8

Dear Sir:

RE: OFFER TO PURCHASE WEST PARK RESERVOIR SITE
LOT R, BLOCK 32, PLAN 5187 KS
CITY OF RED DEER

Further to your letter of June 29, 1994, and your recent conversation with Mr. A. V. Scott, we advise as follows:

1. The City of Red Deer will retain the $1,000.00 deposit as part of an option fee, subject to City Council's approval of the sale of Lot R, Block 32, Plan 5187 KS to Avalon Homes (Red Deer) Inc.

2. Avalon Homes (Red Deer) Inc. to review their offer of $420,000.00 purchase price for a pre-levelled site.

3. The letter dated March 11, 1994, from the City Clerk to Avalon Homes (Red Deer) Inc. (copy attached) indicated that Avalon Homes would be reporting back to City Council on the status of their meetings with the West Park residents, and that the format of the report to Council would include a list of attenders at any public meetings, as well as individual comment sheets from each attender and an indication of the process of advertising of the meetings.

We thank you for your interest in the development of this site, and we look forward to confirmation of the purchase price for a pre-levelled site, as well as the information on the public meetings.

Sincerely,

William F. Lees
Land Supervisor
/pr

Encl.

Avalon
HOMES (RED DEER) INC.
"Your Builder of Confidence"

June 29, 1994

City of Red Deer
Box 5008
Red Deer, Alberta

ATTENTION: MR. AL SCOTT

Dear Al:

RE: OFFER TO PURCHASE WESTPARK RESERVOIR SITE

This is to confirm our intent to purchase the Westpark lands known as Lot R, Blk 32, Plan 5187KS for the sum of $420,000.00.

This is subject to the following conditions:

1. Approval of zoning for Avalon's 45 unit Senior's Apartment and 12 semi detached homes.

2. Construction financing.

3. City of Red Deer responsible for removal of the existing stock pile of dirt.

Enclosed is a deposit of $1000.00. The closing date will be six months following rezoning, or May 15, 1995 whichever is later.

Yours truly,

AVALON HOMES (RED DEER) INC.

C. Arnold Ritchie
President

CAR/slj

Encl.

Filename:\wp5\AVALON\WESTPRK.LET

The City Of Red Deer
Date: June 29/94
Time: 4 30 P.M.
Rec'd By: W. Lees

4920 - 54 Street, Red Deer, Alberta T4N 2G8 • Ph. (403) 347-3349 • Fax (403) 347-7040

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

June 10, 1994

Mr. Dale Reid
5530 - 37 Street
Red Deer, Alberta
T4N OW2

Dear Sir:

RE: DEVELOPMENT OF PROPERTY KNOWN AS 3706 - 58 AVENUE

Thank you for your letter of May 13, 1994, concerning the above topic. For your information, Avalon Homes have not made a formal presentation to City Council for the development of this land.

When this letter is submitted to City Council, we will include your letter and petition so that Council may be aware of same. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

Kelly Kloss
City Clerk

KK/ds

c.c. Land & Economic Development Manager

COUNCIL MEETING OF NOVEMBER 7, 1994

ATTACHMENT TO REPORT ON OPEN AGENDA

RE:

WESTPARK SITE/ AVALON HOMES
PAGE 72

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
A. J. Robinson	A. J. ROBINSON	5942-41 STREET CRE.		
E.R Robinson	E. R ROBINSON	5942 - 41 Street Cre		
Jessie Brandgeest	JESSIE BRANDGEEST	5926 - 41 St Close		
Nicholas VanderHoek	Nicholas Vanderhoek	5918 - 41 st. cres		
Patricia S. Young	Patricia S Young	5906 41 St. Cres		
George A Young	George A Young	5906 - 41 St Close		
Orkney	Orkney	5938 - 41 St Close		

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Muriel Manser	MURIEL MANSER	5746 WEST PARK CRES	Diane Leis	D REIS
Carl Manser	CARL MANSER	5746 WEST PARK CRES	Diane Leis	D REIS
Rick Hartley	Rick HARTLEY	5750 WEST Park Cres.	Diane Leis	D REIS
Vicki Tinsley	VICKI TINSLEY	5750 WEST PARK CRES	Diane Leis	D REIS
Darlene Reis	DARLENE REIS	5742 WEST PARK CRES	Diane Leis	D REIS
T Swainson Parton	T. SWAINSON PARTON	5754 WEST PARK CRES.	Diane Leis	D REIS.
Cindy Elander	Cindy & Reg Elander	12 Watson St.	Diane Leis	D REIS
Muriel Chapman	Muriel Chapman	5718 West Park Cres.	Diane Leis	D REIS.
Chuck Robertson	Chuck Robertson	5610 - 39st West Park	[illegible]	D REID
Teresa Robertson	Teresa Robertson	5610 - 39 St West	[illegible]	D REID

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Shirley Hoffman	Shirley Hoffman	5773 West Park Cres		
B K Hoffman	B K HOFFMAN	5773 WEST PARK CRES	Shirley Hoffman	
Ute Pastor	Ute Pastor	38 Wiltshire Blvd	Shirley Hoffman	
Beverly Lassesen	BEVERLY LASSESEN	5769 West Park Cres	Shirley Hoffman	

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Vera Edgeworth	VERA EDGEWORTH	5501-36th Red Deer	Dale Reid	DALE REID
Karen Nett	KAREN NETT	5509-36 St Red Deer	Dale Reid	
Lee Wilkinson	Lee Wilkinson	5509-36 St Red Deer	Dale Reid	
B A Baird	BA BAIRD	5510-36 ST RD	Dale Reid	
Jo Hodgson	J.S. HODGSON	5514-36 St.	Dale Reid	
G. Kehdorfe	G. Kehdorfe	5526-36 ST	Dale Reid	
C MacSephney	C. MacSephney	3217-55 ave	Dale Reid	
J MacLean	J. MACLEAN	5526-36 ST	Dale Reid	
John Malpass	JOHN MALPASS	5530-36 ST	Dale Reid	
M McMullen	M. McMULLEN	5538-36 St.	Dale Reid	
Pat Connor	PAT CONNOR	5550-36 ST	Dale Reid	
Brian Downey	Brian Downey	5549 B 36 ST	Dale Reid	
Jan Kostek	JAN KOSTEK	5545 A-36 ST	Dale Reid	
Hilda Burton	HILDA BURTON	5541-36 ST		
John Burton	JOHN BURTON	" "		
H Goodlet	H. GOODLET	3519-37 ST	Dale Reid	

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Keith Wakman	KEITH WAKMAN	130 WELTON CRES	Dale Reid	DALE REID
Sheryll Friestadt	Sheryll Friestadt	77 Wiltshire Blvd	Dale Reid	DALE REID
B. Pierce	BERT PIERCE	5531 - 38 St	Dale Reid	DALE REID
Sharon Jensen	SHARON JENSEN	5501 - 38 ST.	Dale Reid	DALE REID
Gunnar Jensen	GUNNAR JENSEN	5501 - 38 ST	Dale Reid	DALE REID
Edna Fraser	EDNA FRASER	5511 - 38A St	Dale Reid	DALE REID
Sheila Smith	Sheila Smith	5547 - 38 St	Dale Reid	
E. Smith	ED Smith	5547 - 38 St	Dale Reid	
Deloris Smith	DELORIS SMITH	5549 - 37 A St	Dale Reid	
B E R Cook	B E COOK	5525 - 36 St.	Dale Reid	
C. M. Cook	C. M. COOK	5525 - 36 ST	Dale Reid	
Jason Schulte	JASON SCHULTE	5501 [illegible]	[illegible]	
John Doig	JOHN DOIG	5517 - 36 ST.	Dale Reid	
Sharon Doig	SHARON DOIG	5517 - 36 ST	Dale Reid	
Bertha Masters	BERTHA MASTERS	5513 - 36 St	Dale Reid	
Orval Edgeworth	ORVAL EDGEWORTH	5501 - 36 ST	Dale Reid	

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Gladys Carriere	GLADYS CARRIERE	5529. 37 st		DALE REID
Mike Carriere	MIKE J CARRIERE	5529 37 ST		" "
Glen Carriere	Glen Carriere	5529-37st		" "
Jack Pitchell	JACK PITCHELL	5533-37st		" "
[illegible]	ROSEMARY [illegible]	5533-37 St.		" "
Pat Boychuk	Pat Boychuk	5541-37 St.		" "
Stan Riley	STANLEY RILEY	6545-37 St		" "
[illegible]	GLENNIS LIDDELL	5553-37ST		" "
[illegible]	STEWART LIDDELL	5553-37St.		" "
ANDY JEANS	[illegible]	5546 37 ST		" "
Mary Carlyle	MARY CARLYLE	5542-37 ST.		" "
Nellie Gallop	NELLIE GALLOP	5538 37th st		" "
Barb Friesz	BARB FRIESZ	5714 West Park Cres		" "
Vera Kerchinsky	VERA KERCHINSKY	65 Wilkieboul		" "
[illegible]	[illegible]	[illegible]		" "

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Richard Hagel	Richard Hagel	5506 37 St. R.D.	Dale Reid	DALE REID
Dale Reid	DALE REID	5530-37ST	Dale Reid	" "
Amber Land	Amber Land	5526-37ST	Dale Reid	" "
Allen Johnson	ALLEN JOHNSON	5518-37ST	Dale Reid	" "
Charles Samuel	Charles Samuel	5514-37ST	Dale Reid	" "
Hoop Weiland	HOOP WEILAND	5514 37 St	Dale Reid	" "
T. Weiland	TETJE WEILAND	5514 37 St.	Dale Reid	" "
Violet Martin	VIOLET MARTIN	5510 37ST	Dale Reid	" "
Eugene Francis	EUGENE FRANCIS	5510-37ST	Dale Reid	" "
Dawn Hagel	Dawn Hagel	5506-37ST	Dale Reid	" "
Edna Liebig	Edna Liebig	5507-37 St.	Dale Reid	" "
Jake Liebig	JAKE LIEBIG	5507-37 St	Dale Reid	" "
Russ Gray	Russ GRAY	5515-37 St	Dale Reid	" "
Don Loewen	Don Loewen	5528 37ST	Dale Reid	" "
Lila Loewen	LILA LOEWEN	5525-37St	Dale Reid	" "

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
D.M McConnell	Dorothy McConnell	#13 3610 57 Ave.	Piché	F. Piché
Ken Thibeau	Ken Thibeau	#16 3610 57 Ave.	Piché	"
Bruce Gerrior	BRUCE GERRIOR	17-3610-57AVE	Piché	"
Gladys M Gerrior	GLADYS M. GERRIOR	#17-3610-57AVE	Piché	"
Diana Bruckeer	DIANA BRUCKEER	20-3610-57 AVE	Piché	"
Stella Sokal	STELLA SOKAL	22-3614-57 ave.	Piché	"
Rhonda M Castle	Rhonda M. Castle	24-3614-51 ave	Piché	"
Darren Dribnenki	Darren Dribnenki	#28 3620 57 ave	Piché	"

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
S Knapp	SHARON KNAPP	5938 - 41 ST CRES	Wicker	K Wicker
J Gray	J. GRAY	5914 - 41 ST CRES	Wicker	K Wicker
D J Towens	D. J. TOWENS	3512 - 59 Ave Close	Wicker	K Wicker
D K Bergquist	D. K. BERGQUIST	5873 WESTPARK CRES	Wicker	K [redacted] Wicker

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Peter Wieler	PETER WIELER	3523 - 59 AVE CR	F. Piche	F. Piche
Katherine Wieler	Katherine Wieler	3523 59 Ave	Piche	"
Romona Laboucane	Romona Laboucane	5734 35 St.	Piche	"
Anne Brunner	ANNE BRUNNER	5722-35St	Piche	"
Kay Brooks	KAY BROOKS	5718 - 35 St	Piche	"
D Sorensen	DENISE SORENSEN	5714 - 35 St.	Piche	"
R E Bowles	R. E. BOWLES	5710-35 St	Piche	"
J Schewaga	Julie Schewaga	5706-35 St	Piche	"
Marion Bowles	MARION BOWLES	5710 - 35 St.	Not opposed to Building	I am ~~opposed~~ to the high density Building
Nadine Watson	Nadine Watson	57th St 3602 #6	Piche	"
Darren Jensen	DARREN JENSEN	#5 3602 57 AVE	Piche	"
Melinda Martin	Melinda Martin	#5 3602-57 AVE	Piche	"
Sherry Meskey	Sherry Meskey	#11 3606 57 AVE	Piche	"
Crystal Kletke	CRYSTAL KLETKE	15 3610 57 AVE	Piche	"
Keith Wieler	Keith Wieler	3523-59 Ave	Piche	"

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
J A Christie	J. A. CHRISTIE	3539 59 AVE CRES	Wieler	K Wieler
Anne E. Lang-Hodge	Anne E. Lang Hodge	3543 - 59 Ave Cresc	Wieler	K Wieler
Pat Bauthmeimer	PAT BAUTHMEIMER	5742 35 ST.	Wieler	K Wieler
Sharla Harley	Sharla Harley	5738 - 35 St	Wieler	K Wieler
Rory Brown	RORY BROWN	5734 - 35 ST.	Wieler	K Wieler
	Darrel Massing	5734 35 St	Wieler	K Wieler
R.D. Knight	R.D. KNIGHT	3710 - 59 Ave.	Wieler	K Wieler
Bonnie Gardiner	BONNIE GARDINER	5815 38 St Close	Wieler	K Wieler
C. Doug. Carr	C. D. CARR	5839 - 38 St. Close	Wieler	K Wieler
Richard Heffernan	RICHARD HEFFERNAN	3570 59TH AVE CRES.	Wieler	K Wieler
Judith Heffernan	JUDITH HEFFERNAN	5520 - 59th Ave Cres	Wieler	K Wieler
Birk Sproxton	BIRK SPROXTON	5950 - 41 ST CRES	Wieler	K Wieler
Andrea Jarvis	ANDREA JARVIS	5946 41 St. Close	Wieler	K Wieler
Daryl Jarvis	DARYL JARVIS	5946 41 ST CRES.	Wieler	K Wieler

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council at the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipaily known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
Anne M Knight	ANNE M. KNIGHT	3710-58 AVE Red Deer	Piche	F. Piché
Crystal Lynch	Crystal Lynch	3722 - 58 AVE RD.	Piche	"
Samuel F.J. Lynch	Samuel F.J. LYNCH	" " " "	Piche	"
Pauline Molyneux	P. Molyneux	3722 - 58 ave RD	Piche	"
C Barnaby	Connie Barnaby	5823-38 ST Close	Piche	"
A Barnaby	A.E. BARNABY	5823-38 st close	Piche	"
Alex Stickel	Alex Stickel	5847-38 st. Close	Piche	"
F Piche	F. Piche	3527 - 59 ave	Wieler	K Wieler
Piche	Penny Piche	3527 - 59 Ave Ct.	Wieler	K Wieler
J Wahl	JOAN WAHL	3516 - 59 Ave. Cl.	Wieler	K Wieler
G Towers	GRIETJE TOWERS	3512 59 AVE CL	Wieler	K Wieler
R Hollebeke	RHEANNE HOLLEBEKE	3511 - 59 Ave CR.	Wieler	K Wieler
C Hollebeke	Cyril Hollebeke	3511 59 Ave CLOSE	Wieler	K Wieler
M Blasetti	M. BLASETTI	3515-59 Ave Close	Wieler	K Wieler
V Michael	V. MICHAEL	3531 59 AVE CR	Wieler	K Wieler

PETITION BY ELECTORS

(Pursuant to the Municipal Government Act)

To: The Mayor and Council of the City of Red Deer, Alberta

The undersigned persons, being electors of the City of Red Deer, Alberta, hereby petition coucil for:

Preventing any residential development and high density development as proposed by Avalon of the property municipally known as 3706 - 58 Avenue, Red Deer, Alberta which is presently classified as public reserve.

EACH PETITIONER by signing this petition certifies that he (or she) is an elector of the City of Red Deer, Alberta.

Signature of Petitioner	Printed Name	Complete Municipal Address	Signature of Adult Witness	Printed Name of Witness
	PATRICIA E BIMM SWEEN	25 WILTSHIRE BLVD.		DALE REID
	S. MAXSON	5534 37 ST.		" "
	GREG M. CARLYLE	5542 - 37 St		" "
	LLOYD BROOKES	5896 IN/P Cres		" "
	ORMA BROOKES	5896 Heritage Park Cres		" "
	STAN JEFFERIES	5535 - 38 STREET		" "
	JUNE JEFFERIES	5535 - 38 STREET		" "
	Linda Dolmage	5527 - 38 St		" "
	KEVIN RHODES	5539 - 38 St.		" "
	GLORIA RHOADS	5539 - 38 St		" "

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Mr. Dale Reid
5530 - 37 Street
Red Deer, Alberta
T4N 0W2

Dear Mr. Reid:

RE: LOT R, BLOCK 32, PLAN 5187 KS - WEST PARK PUBLIC PARK RESERVE

At the City of Red Deer's Council Meeting held November 7, 1994, consideration was given to the use of the above noted property and at which meeting the following motion was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Land and Economic Development Manager dated October 31, 1994, re: Lot R, Block 32, Plan 5187 KS (West Park Site), hereby agrees that Lot R, Block 32, Plan 5187 KS not be offered for sale and that said site remain as public park reserve, and as presented to Council November 7, 1994."

As outlined in the above resolution, this site will be taken off The City's inventory of lands for sale. On behalf of Council I would like to thank you for submitting the petition concerning this property and would also like to thank Mr. Piche for attending the Council Meeting.

I trust you will now advise your Association and Petitioners of Council's decision in this instance. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Land and Economic Development Manager

DATE: **NOVEMBER 9, 1994**

TO: **LAND AND ECONOMIC DEVELOPMENT MANAGER**

FROM: **CITY CLERK**

RE: **LOT R, BLOCK 32, PLAN 5187 KS (WEST PARK)**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 31, 1994, concerning the above topic and at which meeting the following motion was passed:

> "RESOLVED that Council of The City of Red Deer, having considered report from the Land and Economic Development Manager dated October 31, 1994, re: Lot R, Block 32, Plan 5187 KS (West Park Site), hereby agrees that Lot R, Block 32, Plan 5187 KS not be offered for sale and that said site remain as public park reserve, and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information. This office will be corresponding with the Community Association to advise them of Council's decision.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Community Services
Director of Engineering Services
Director of Financial Services
Parks Manager
E. L. & P. Manager
City Assessor
Bylaws and Inspections Manager
Principal Planner

NO. 5

075-099

DATE: October 31, 1994

TO: City Clerk

FROM: Engineering Department Manager

RE: WAR AND PEACE MEMORIAL AT 67 STREET AND HIGHWAY 2 SITE LOT 1, BLOCK 3, PLAN 912-3660 - EDGAR INDUSTRIAL SUBDIVISION DEVELOPMENT LEVIES

On August 29, 1994, City Council passed a resolution stating that

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from the Korean Veterans Association ... hereby agrees to grant to the Association a one year option for the lease of the subject site for a 25 year period at the sum of $1.00 per year and the payment of all necessary costs associated with extending services to the site; ..."

We believe that clarification is necessary with respect to "all necessary costs associated with extending services to the site". We have attached a drawing illustrating the site location, existing and proposed utilities, and the existing roadway, for Council reference. The following development levies would normally apply to a private developer wanting to develop this site:

Off-site Levies

For the use and benefits received from existing and/or proposed arterial roadways, trunk water mains, trunk sanitary sewers, and trunk storm sewers. The trunk facilities along 67 Street were built and paid for by the City to service new development areas such as this. The City has carried these costs in anticipation of recovering them from the new developments. The current off-site levy rate is $34,810/ha. Based on an area of 3.766 ha, the subject property would pay approximately **$131,100.**

Area Improvement Levies

For the use of municipal improvements constructed by others that benefit more than one developer in an area. In this case, the City extended water and sanitary mains to service the rail yards and the adjacent parcels. We anticipated recovering a portion of these costs from the adjacent parcels when they developed. Cost sharing is proportioned on an area basis. The share applicable to the subject property would be approximately **$43,400** in 1994 dollars.

Boundary Improvement Levies

For the use of municipal improvements constructed by others along the boundary of a property. In this case, the City extended a roadway (i.e. Edgar Industrial Drive) along the west boundary of the subject property. Cost sharing is based on 50% of the cost of the portion of road (including storm sewer) adjacent to the property. This equates to approximately **$106,900** in 1994 dollars.

Proposed Servicing

In order to service the parcel, water and sanitary mains will have to be extended to the site. We estimate this cost to be approximately **$170,000**, although this could vary depending on the specific servicing needs of the development.

We would normally recommend that the following development levies be assessed to the War and Peace Memorial when development proceeds on the site:

Off-site Levies	$131,100
Area Improvement Levies	$ 43,400
Boundary Improvement Levies	$106,900
Total	**$281,400**

These amounts are based in 1994 dollars. These rates would be adjusted for interest or inflation to the year that the development proceeds.

Off-site levies to be credited to the Off-site Levy account. Area and boundary improvement levies to be credited to the Major Continuous Corridor project account.

In addition, we would recommend that the developer be responsible to pay for the extension of all services to the site as per the current Council resolution. As indicated above, this cost is estimated at $170,000.

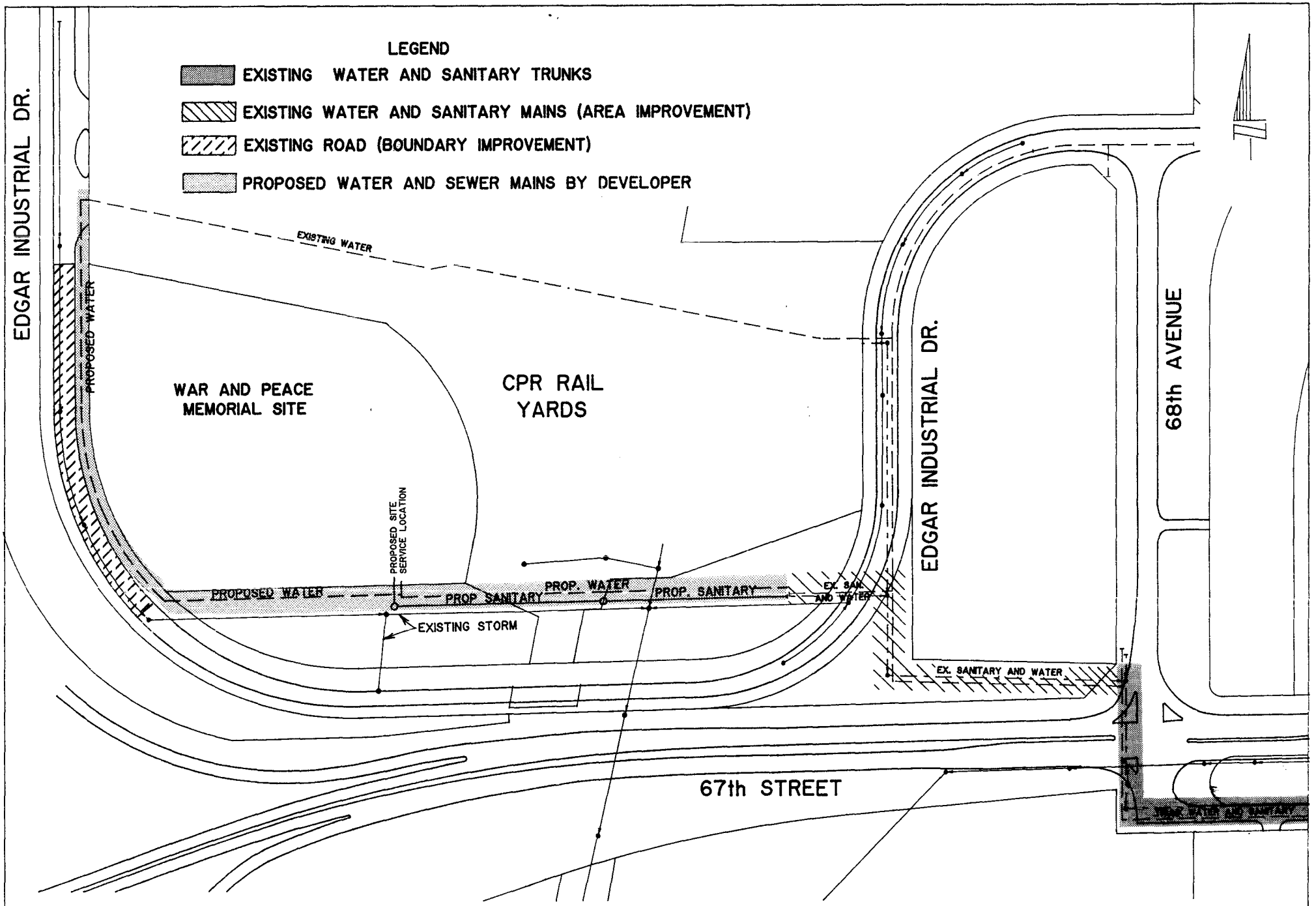
CONCERN

As this is a significant servicing cost and as the Korea Veterans Association of Canada Inc. may be under the impression that the improvement costs of $281,400 have been waived and the Association only has to pay for the water and sanitary main extension, confirmation of the above recommendations is respectfully requested.

The result of not assessing these levies is a recalculation of the off-site levies to absorb the shortfall. This would result in a small increase to future developers. The area and boundary improvement levies would be at cost to the Major Continuous Corridor Project.

Ken G. Haslop, P. Eng.
Engineering Department Manager

TCW/emg
c.c. Director of Financial Services
c.c. Subdivision Administrator
c.c. Land and Economic Development Manager



WAR AND PEACE MEMORIAL - DEVELOPMENT LEVIES

COMMISSIONERS COMMENTS:

We understand it was Council's intention to make this land available to the Korea Veterans Association in order to facilitate their proposal without it incurring out of pocket costs to the City. As Council can see in the report from the Engineering Department Manager, the offsite, area, and boundary improvement levies are substantial, amounting to some $280,000 plus the cost of extending services to the site which amounts to another $170,000. It was not our understanding that The City was to absorb these costs. We recommend that the Korea Veterans Association be advised of the above costs and that it is not Council's intention to absorb them.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **ENGINEERING DEPARTMENT MANAGER**

FROM: **CITY CLERK**

RE: **WAR AND PEACE MEMORIAL AT 67 STREET AND HIGHWAY 2 SITE (LOT 1, BLOCK 3, PLAN 912-3660) KOREA VETERANS ASSOCIATION**

At the Council Meeting of November 7, 1994, consideration was given to your report dated October 31, 1994, concerning the above topic and at which meeting the following resolution was passed:

> "RESOLVED that the matter relative to the report from the Engineering Department Manager dated October 31, 1994 re: War and Peace Memorial/67 Street and Highway 2/Korea Veterans Association, be tabled to allow the Korea Veterans Association to prepare a response to Council."

The decision of Council in this instance is submitted for your information. Once we receive a further report from the Korea Veterans Association, we will be forwarding same for comments, following which the item will again be presented to Council.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
Land and Economic Development Manager
Public Works Manager

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

The Korea Veterans Association
of Canada Inc.
71 Selkirk Boulevard
Red Deer, Alberta
T4N 0G5

Att: Gerald Steacy, President

Dear Sir:

RE: WAR AND PEACE MEMORIAL

At the City of Red Deer's Council Meeting held November 7, 1994, consideration was given to a report from the City's Engineering Department Manager dated October 31, 1994 regarding development and servicing levies for the War and Peace Memorial site at 67 Street and Highway 2. Prior to any decision being made regarding this matter, Council agreed to table further consideration until such time as the Korea Veterans Association has an opportunity to respond to the report as outlined in the following resolution:

> "RESOLVED that the matter relative to the report from the Engineering Department Manager dated October 31, 1994 re: War and Peace Memorial/67 Street and Highway 2/Korea Veterans Association, be tabled to allow the Korea Veterans Association to prepare a response to Council."

The upcoming dates for Council Meetings are November 21, December 5, December 19 and January 16, 1995. In order for your report to appear on a particular agenda, it must be received at least two Wednesdays prior to that Council Meeting date.

If you have any questions or require any additional information, please do not hesitate to contact the undersigned. I look forward to your report back to Council in due course.

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Engineering Services
Director of Financial Services
Land and Economic Development Manager

C O R R E S P O N D E N C E

NO. 1

Red Deer Cabs - Driver's Association
Contact - Mr. C. Simpson, 4411 - 46 Ave. Red Deer , T4N-3M9 Ph.350-7364

Attention: City Council Members
Mayor of Red Deer

Sept.19/94

Subject: Taxi Commission

We have finally managed to get through another Bylaw review (Taxi) and in retrospect I trust that each and everyone of us feels that things are progressing. I had forwarded a letter to Mr. J. Mitchell, Chairman of the Police Commission, asking him if it was at all possible to separate the Taxi Commission as a distinct entity of it's own. Mr. Mitchell had expressed verbal approval for such a move at the last Taxi Commission meeting. He has subsequently sent me a letter informing me that such a move must be approved by City Council.

I am therefore making a formal request to City Council to create a separate Taxi Commission, independent of the Police Commission. I would recommend that this Committee be comprised of ;

1) One member of City Council and an alternate.
2) One driver representative from each company. To be elected from each company.
3) Three citizens- at- large.
4) City Administration as needed, for support and information.

I feel that we have reached a time where we need to deal with the subject matter on an in depth basis, more frequently, and with more involvement from the industry representatives. One of the reasons that I feel this last review has taken so long is because the Police Commission must deal with other subject matters and there is only so much time that can be devoted to the business of the Taxi Industry. On occasion, additional meetings were needed because the subject required in depth discussion or there was a request by many representatives of the industry to attend a specific meeting. I am sure this was taxing on the Police Commission members and also required that they put in more hours than would have normally been expected. At present there is no members from the Taxi Industry itself that sit on the Taxi Commission. I feel that this has been an oversight and also deprives the Taxi Commission from the benefit of experienced advice. We currently have a Committee that recommends changes to an Industry of which no member has any experience within the Industry. I feel that this is a unique situation to the present Committee that needs to be changed. It is my understanding that in any other Committee that is responsible to City Council, that at least some of those members have current experience in that particular Committee.

I trust that City Council will take this request under advisement. I would be more than pleased to attend a meeting of City Council to further expand on the reasons as to why the Committees should be separated and this request is submitted on the understanding that it receives the

page.....1

support of the Police Commission. If there are any other questions or concerns relating to this topic that I can provide information on, please feel free to contact me at any time.

Sincerely,

C Simpson

Cliff Simpson

c.c. Bylaws & Inspections
License Inspector
City Clerk
file

DATE: OCTOBER 27, 1994

TO: CITY CLERK

FROM: POLICING COMMITTEE/TAXI COMMISSION

RE: **REQUEST FROM CLIFFORD SIMPSON OF RED DEER CABS THAT (1) A TAXI COMMISSION BECOME A SEPARATE COMMITTEE, AND (2) THAT REPRESENTATIVES OF THE TAXI INDUSTRY BE ALLOWED AS MEMBERS ON THE NEW TAXI COMMISSION.**

In response to your request for comments on the above item to be discussed by Council on November 7, 1994, the Taxi Commission offers the following comments:

1. The Policing Committee/Taxi Commission members agree that, although the creation of a separate Taxi Commission may have some merit, it is probable that after the 1995 Taxi Review, taxi issues requiring attention may be infrequent, and therefore, members of the Policing Committee can assist with such issues from time to time as required.

2. With regard to members of the taxi industry sitting on a newly established Taxi Commission, it was suggested that (1) there could be a conflict of interest, and (2) representation from each of the taxi companies could result in five members from the industry. In addition, if members of the taxi industry should ever wish to apply to serve on the existing Policing Committee/Taxi Commission, it is likely they would only be interested in items relative to the taxi industry.

3. With regard to Mr. Clifford Simpson's concern that taxi matters need to be dealt with in-depth and more frequently, the Policing Committee would again encourage taxi drivers to form one "Driver's Association", with driver-representation from each taxi company as members of said Association. It is believed that Mr. Simpson is desirous of having a structured committee where domestic taxi concerns can be discussed between members of the industry.

   The formation of a Driver's Association could also be beneficial to the Policing Committee/Taxi Commission as a means by which it can communicate directly with the drivers through their respective representatives.

.....2

Recommendation:

"THAT the Policing Committee/Taxi Commission recommend to City Council that Mr. Clifford Simpson's request that the Taxi Commission be a separate entity from the Policing Committee, and that members of the taxi industry be allowed to serve on said Committee, **be denied.**"

Respectfully submitted,

JAMES B. MITCHELL
CHAIRMAN
RED DEER POLICING COMMITTEE/TAXI COMMISSION

DATE: 29 SEP 94

TO: Kelly KLOSS - City Clerk

FROM: Insp. R.L. BEATON - Officer In Charge

RE: **RED DEER CABS - DRIVER'S ASSOCIATION TAXI COMMISSION**

Your memorandum dated September 26, 1994 and Mr. SIMPSON's letter of September 19, 1994 refers.

From a Police standpoint, I would support the concept of separate Committees if Council so directs. I do not, however, feel the annual Taxi Review over burdens the Police Committee.

It is obvious Mr. SIMPSON does not agree with recent decisions by the Committee and therefore wishes to stack the Committee in his favour. One member of Council sits on the Police Committee so that does not change. There are five citizens at large on the Committee for a total of six which is quite manageable. Mr. SIMPSON only wants three citizens at large. He suggests an elected driver representative from each company. He does not include any company owner in his recommendation and they are clearly an important part of the industry.

Mr. SIMPSON, in my opinion, under estimates the intelligence and reasoning power of the Police Committee members. They are very knowledgeable of the industry and cannot be swayed in favour of either the driver's or owners. Their main consideration is for our citizens and that is as it should be.

(R.L. BEATON) Insp.
Officer In Charge
Red Deer City Detachment

DATE: October 3, 1994

TO: City Clerk

FROM: Bylaws and Inspections Manager

RE: TAXI COMMISSION

In response to your memo regarding the above, we have the following comments for Council's consideration:

I can agree with Mr. Simpson, that the latest review of the Taxi Bylaw took an inordinate amount of time. I disagree with his conclusions on why so much time was spent.

To begin with, the reason any taxi issue takes considerable time to resolve is the considerable difference in opinions between the different groups in the industry and their reluctance to compromise. In my opinion, these groups will continue to press for changes to the Bylaw until their particular point of view is accepted into the Bylaw.

Again, in my opinion anyone connected with the taxi industry would be in a position of conflict of interest if they sat as a member of a taxi commission. Also, agreement on who should be on the committee from the taxi industry would be impossible to obtain from the industry.

A taxi commission as envisioned by Mr. Simpson would require staffing probably full-time, as their meetings would be monthly at least and would require staff reports, research, etc..

Frankly, what the taxi industry needs is not a full time "taxi" commission, but the members of that industry to start working together for the benefit of the industry and their customers.

Recommendation: - We do not support a full time taxi commission and, in order to lessen the workload for the existing commission, suggest that

1) yearly review of the Bylaw be rescinded, or
2) once a particular section is reviewed, at least 3 years must pass before it can be reconsidered.

If Council feels that a full time commission is needed then all taxi licenses should be increased to cover any related expenses.

Yours truly,

R. Strader
Bylaws and Inspections Manager
BUILDING INSPECTION DEPARTMENT

RS/cp

Commissioners' Comments

We concur with the comments of the Policing Committee and the Administration and their recommendations that Council not favor a separate Taxi Commission. At a time when Council is endeavoring to reduce the committee load, it would seem counter-productive to form yet another committee, especially when the Policing Committee has effectively advised Council on taxi issues in the past.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

Submitted to City Council
Date: Nov. 7, 1994

Red Deer Cabs - Driver's Association

Clifford Simpson, 4411-46 Ave. Red Deer, AB. T4N-3M9 357-0125 (8 - 4:30 p.m.)

City Council Meeting - Nov. 07/94

1700 hrs.

Subject - Separate Taxi Commission - Request to Review

My initial comments shall be on the letters submitted and attached to my request of City Council and of which were distributed to the members present here tonight.

MR. MITCHELL'S LETTER

1. Item #2 -(1) Mr. Mitchell refers to the possibility of a " conflict of interest " and (2) " could result in five members from the industry."

   In my opinion the conflict of interest is negated in that the proposed new Taxi Commission reports to the City of Red Deer and as such the City of Red Deer is the only body that has approval for any changes, to any Bylaw. Since citizens at large and industry representatives do not sit on City Council I fail to see where the conflict arises. Mr. Mitchell refers to five members from the industry as potential members while I am only suggesting that one representative from Associated Cabs, Red Deer Cabs and Alberta Gold Cabs sit on that Committee.

   Mr. Mitchell goes on to say " In addition, if members of the taxi industry should ever wish to apply to serve on the existing Policing Committee/Taxi Commission, it is likely they would only be interested in items relative to the taxi industry." I would say to Mr. Mitchell that the reverse could also be true in that members may apply to the Policing Committee/Taxi Commission and only be interested in Policing matters and not items relative to the taxi industry, as is demonstrated in my opinion, by Mr. Beaton's letter. The argument becomes a mute point in that if a separate Taxi Commission is created, then only those persons with a special interest would apply to sit on the respective Committee's.

   item #3 Mr. Mitchell refers to the development of a Driver's Association and to some extent great progress has been made in this area. To date Red Deer Cabs Drivers have formed their own Drivers Association and notification of this has been sent to the City of Red Deer and the Taxi Commission. Our next step is to talk to each of the remaining two Companies and negotiations have taken place in this regard for tentative meetings within the next couple of weeks.

MR. BEATON'S LETTER

2. I take particular exception to the letter forwarded by Inspector Beaton, Red Deer City Detachment. In his letter he refers to it " being obvious Mr. Simpson does not agree with recent decisions by the Committee and therefore wishes to stack the Committee in his favour. "

I would refer Mr. Beaton to a letter sent to the Taxi Commission, City of Red Deer, and Mr. Mitchell, dated Aug. 24/94 and signed by myself. This letter indicates at least two things;

1. General support for the decisions and recommendations of the Taxi Commission.

2. A follow up to a suggestion that was put forth at the Taxi Commission meeting and that was, to further investigate the possibility of creating a separate Taxi Commission.

Mr. Beaton makes reference to the " stacking " of a committee. I would remind Mr. Beaton that the suggestion for the creation of a separate Taxi Commission came from Mr. Mitchell and not from myself. On what basis does Mr. Beaton draw the conclusion that " I have underestimated the intelligence and reasoning power of the Police Committee Members"? No where in any of my correspondence or presentations have I ever made any suggestion to that effect. Mr. Beaton in his last sentence states " They are very knowledgeable of the Industry....." yet his own members state:

Mr. Mitchell - Advocate - Oct. 26/94

" he saw some benefits to having a separate body to deal with taxi matters such as Calgary or Edmonton, because it's members would build up knowledge of the industry. "

Mr. Patrick Todd - Advocate - Oct. 26/94

" as long as we keep it open so taxi people can make representation and educate us....."

It would appear that the members of the Police Commission are not as confident, sure and boastful of their knowledge as Mr. Beaton would have us believe.

I take exception to his whole letter and in particular to the tone and inflection of it. Mr. Beaton is in charge of a large public service and as such, in my opinion, should conduct himself in a more appropriate fashion when dealing with enquiries made of a committee that he sits on. His letter certainly sounds aggressive, defensive and paranoid and further, does nothing to assist this City Council in arriving at a decision on this matter.

MR. R. STRADER'S LETTER

Mr. Strader in his letter refers to " their reluctance to comprise."

I further reiterate our position in that every decision to date has been as a result of a compromise. No where in my correspondence am I suggesting that we want to continue to press for changes to the bylaw, particularly since we have just had a major review and

upgrade to the existing bylaw.

Mr. Strader goes on to say " A Taxi Commission envisioned by Mr. Simpson would...."

My opinion on this, is that everyone has already defined what they think I want, and what I want, is not what has been stated within the letters of non-support to this council. Is Mr. Strader suggesting that my "wants " are not comparable to his " wants " or for that matter, any of the " wants ", of the Committee members.

I would like to refer to a letter sent to Mr. Strader sent on Aug. 03/93 which I feel captures the intent and resolution process that I have sought through my request of City Council tonight.

READ LETTER.....

CONCLUSION

I had forwarded my request to City Council based on a discussion with Mr. Mitchell and a subsequent letter to the Taxi Commission. I was informed that I had to go through City Council vis-a-vis any requested changes to the make up of the Policing Committee. Mr. Mitchell provided me with the minimum figures required in order for a Committee to be struck. I had assumed that my request of City Council would be forwarded to the Policing Committee and at that time I would have an opportunity to have my case heard. Based on the opportunity to talk with the Policing Committee, I would stand by their decision/recommendation to City Council, as is mentioned in my letter.

It was and is my intent to seek some way to resolve the conflicts that the industry sees in the manner in which the bylaw is applied, and not to change the bylaw. To date there have been some issues in regards to what I consider to be " illegal plates " that I have been unable to resolve due to time constraints, as mentioned by Mr. Strader. All that I have ever sought of this process is an opportunity to be heard and explore how my perceptions are either right or wrong. I do not believe that this should be such a difficult process.

At this time I am asking Council to defer the original request by myself and to invite the Policing Committee to hear me out at a meeting, to which I have been invited. Allow me to share with them what my intent is and then I will abide by their recommendations.

Respectfully Submitted by:

C. Simpson

CLIFFORD SIMPSON
CHAIRMAN
RED DEER CABS - DRIVERS ASSOCIATION

FILE No.

THE CITY OF RED DEER
P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

September 28, 1994

Mr. Cliff Simpson
Red Deer Cabs - Driver's Association
4411 - 46 Ave.
Red Deer, Alberta
T4N 3M9

Dear Mr. Simpson:

I acknowledge receipt of your letter dated September 19, 1994, re: Taxi Commission.

This item will be discussed and possibly a decision made at the Meeting of Red Deer City Council on Monday, November 7, 1994. Council meetings begin at 4:30 p.m., and adjourn for the supper hour at 6:00 p.m., reconvening at 7:00 p.m.

In the event you wish to be present at the Council meeting, would you please telephone our office on Friday, November 4, and we will advise you of the approximate time that Council will be discussing this item.

Would you please enter City Hall on the park side entrance when arriving, and proceed up to the second floor Council Chambers.

This request has been circulated to City administration for comments, and should you wish to receive a copy of the administrative comments prior to the Council meeting, they may be picked up at our office on the second floor of City Hall on Friday, November 4, 1994.

If you have any questions in the meantime, please do not hesitate to contact the writer.

Yours sincerely,

Jeff Graves
Assistant City Clerk

JF/ds

DATE: September 26, 1994

TO:

	DIRECTOR OF COMMUNITY SERVICES
	DIRECTOR OF ENGINEERING SERVICES
	DIRECTOR OF FINANCIAL SERVICES
X	BYLAWS & INSPECTIONS MANAGER
	CITY ASSESSOR
	COMPUTER SERVICES MANAGER
	LAND AND ECONOMIC DEVELOPMENT MANAGER
	E.L. & P. MANAGER
	ENGINEERING DEPARTMENT MANAGER
	FIRE CHIEF
	PARKS MANAGER
	PERSONNEL MANAGER
	PUBLIC WORKS MANAGER
X	R.C.M.P. INSPECTOR
	RECREATION & CULTURE MANAGER
	SOCIAL PLANNING MANAGER
	TRANSIT MANAGER
	TREASURY SERVICES MANAGER
	PRINCIPAL PLANNER
X	CITY SOLICITOR
X	POLICING COMMITTEE

FROM: CITY CLERK

RE: RED DEER CABS - DRIVER'S ASSOCIATON
TAXI COMMISSION

Please submit comments on the attached to this office by October 31, 1994 for the Council Agenda of November 7, 1994.

"Kelly Kloss"
City Clerk

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Red Deer Cabs - Driver's Association
4411 - 46 Avenue
Red Deer, Alberta
T4N 3M9

Att: Mr. Cliff Simpson

Dear Sir:

At the City of Red Deer's Council Meeting held November 7, 1994, consideration was given to your correspondence dated September 19, 1994 concerning the creation of a separate taxi commission. At the above noted meeting the following resolution was only introduced:

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from Red Deer Cabs - Driver's Association dated September 19, 1994, re: Request to Create a Separate Taxi Commission Independent of the Policing Committee, hereby agrees that said request be denied and as presented to Council November 7, 1994."

Prior to voting on the above resolution, a resolution was passed agreeing that this matter be referred to the Policing Committee to allow you to make a presentation to the said Committee regarding the creation of a separate taxi commission.

In this regard you are invited to attend the Policing Committee / Taxi Commission's meeting of Tuesday, November 22, 1994 commencing at 7:00 p.m. in the basement of the Red Deer City R.C.M.P. Detachment building. Following your presentation to the Policing Committee, a further report will be submitted back to Council from the Committee for final consideration.

The information that you provided to Council will now be forwarded to the Policing Committee. If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr
cc: Bylaws and Inspections Manager
Insp. Beaton
Policing Committee

DATE: **NOVEMBER 9, 1994**

TO: **POLICING COMMITTEE / TAXI COMMISSION**

FROM: **CITY CLERK**

RE: **RED DEER CABS - DRIVER'S ASSOCIATION / CREATION OF A SEPARATE TAXI COMMISSION**

At the Council Meeting of November 7, 1994, consideration was given to correspondence from Red Deer Cabs - Driver's Association dated September 19, 1994, and at this meeting the following resolution was introduced:

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from Red Deer Cabs - Driver's Association dated September 19, 1994, re: Request to Create a Separate Taxi Commission Independent of the Policing Committee, hereby agrees that said request be denied and as presented to Council November 7, 1994."

Prior to voting on the above resolution, Council agree that same be referred to the Policing Committee to allow Mr. Cliff Simpson, representing the Driver's Association, to make a presentation to the Policing Committee regarding the creation of a separate Taxi Commission.

In this regard I have invited Mr. Cliff Simpson to attend the Policing Committee meeting of November 22, 1994 at 7:00 p.m., in order that he may address the above issue with the Committee. Following this presentation, I trust the Policing Committee will be making a further recommendation to Council regarding this matter.

Attached hereto for the Committee's consideration are the items that appeared on the Council Agenda of November 7, 1994 and in addition, a letter from the Driver's Association which was read out at said Council Meeting.

I look forward to your report in due course.

KELLY KLOSS
City Clerk

KK/clr
attchs.

cc: Bylaws and Inspections Manager
Insp. Beaton

TOWNE CENTRE • RED DEER'S • ORIGINAL • BUSINESS DISTRICT •

• TOWNE CENTRE ASSOCIATION • B3, 4901 - 48 ST • RED DEER, ALTA. • T4N 6M4 • (403) 340-TOWN (8696) • FAX (403) 340-8699 •

NO. 2

October 14th, 1994
City Council
City of Red Deer

1995 Budget Proposal
For the
Towne Centre Association

Dear Council,

The Board of Directors of the Towne Centre Association of Red Deer is pleased to submit for your approval our budget request for 1995, which will be the 12th successful year of the revitalization program begun in 1984. Our association is proud of the achievements made possible by the business/City partnership.

Statistics show that an average of more than $4 million a year for 11 years has been invested by the private sector in the continuing growth and vitalizing of our downtown business community. In 1994 that record of growth has continued and recently our Association received International recognition with an Award of Merit for Economic Development Projects.

The Board recognizes that we are now entering a brand new era of public private co-operation, if we hope to achieve both private and public sector goals in our community. The Association is committed to continuing our partnership with the City and are now preparing to undertake several new options in the effective operation of the downtown program.

This years budget request again contains no increase in the BRZ tax levy to our membership making '95 the 11th of 12 years with no cost increase to the business members. This tight approach to funding will cause some fundamental changes in the way the Association generates revenue. The first major change is the beginning of effective fund raising projects that will generate the money needed to finance many of the recommendations contained in the City's Downtown Concept Plan.

In '95, our business members face the first levy calculated on the new business assessment completed last year. As a result some individual members will face increases in their BRZ portion of the tax levy, while others will receive a decrease. Because the assessment value has increased substantially, we are requesting the same revenue total as '94, adjusted to reflect the business membership growth. Mr.Willcocks' department will recommend the appropriate mill rate to achieve this level of funding.

(cont'd)

The 1995 BRZ BUDGET
TCA Revenue for '95

BRZ TAX *(From Business Members)*	***$94,000.00***	
Provincial BRZ Grant In Lieu of Tax	***$17,000.00***	*(estimated)*
Christmas Grant for City Decorations	***$5,700.00***	*(as per '94 arrangement)*
Litter Contract	***$43,700.00***	*(no change)*
KIOSK RENTAL REVENUE	***$3,000.00***	
Misc.Revenues (Equip rental etc)	***$3,000.00***	
TOTAL BRZ REVENUE	***$166,400.00***	*('93 $165,000)*

1994 BRZ EXPENSE BUDGET

Organization *(Admin., Rent, etc)*	***$11,790.00***	*(2.9% increase)*
Promotion, Advertising, Design	***$100,410.00***	*(includes projects)*
Economic Development	***$10,500.00***	*(Includes anticipated support fee for the new economic development initiative)*
LITTER CONTRACT	***$43,700.00***	
TOTAL EXPENSES	***$166,400.00***	

(Each category described above contains percentages from overhead and staff costs to reflect the true total cost of each category item.)

In 1995, the Board will continue to bank up to a maximum of $6,000.00 for the fiscal year, to establish an account that can provide funding for either operating contingency or major projects. When funds are identified for specific projects, a further presentation will be made to Council.

In 1994, the Board initiated its first fundraising project with the production of a made in Red Deer Christmas Album. The revenue return on this project ranges from pure cost recovery at $7,500 to a gross return of $20,000 upon completion of a successful sales campaign. All of these funds will be dedicated to the contingency/project account, and one of the first projects identified for funding will be the Interim Plaza project contained in the Downtown Concept Plan.

The Board looks forward to a 12th progressive year of partnership with the City of Red Deer.

Sincerely yours,

per:

Barry Wilson, Chairman.

3

1995 BRZ BUDGET COST STATISTICS

Percentage of funds contributed by Business Members	***56.5%***
Percentage of funds raised by TCA programs	***43.5%***
Average cost per business member	***$177.79/yr***
Provincial Average cost to BRZ Business Members	***$277.00/yr***
Lowest Cost of BRZ Membership in Province	***$125.00/yr***
Highest Cost of BRZ Membership in Province	***$430.00/yr***
Average Cost in Communities between 20 & 70,000 pop	***$267.00/yr***
Red Deer Budget Level (166,400) compared to IDA average for same population	***64% of Av.***

Red Deer is the only BRZ in the Province to provide service for Christmas Decorations and Litter Control, by contract or otherwise.

DATE: **NOVEMBER 1, 1994**

TO: **CITY COUNCIL**

FROM: **CITY CLERK**

RE: **1995 TOWNE CENTRE ASSOCIATION BUDGET**

The proposed 1995 budget, as submitted by the Towne Centre Association, is attached hereto for Council's information.

Section 171.5 of the Municipal Government Act provides as follows:

> "171.5(1) At the time and in the form prescribed by the Council, a board shall submit to the Council for its approval the estimates of the board for the current year and may request of the Council any sums of money required to carry out its powers and duties.
>
> (2) On receipt of the estimates, the Council shall provide, in the form and manner it considers adequate, to every person assessed for business purposes in the area, notice of the estimates and the date and place of the Council Meeting at which the estimate will be considered."

In the past, Council has directed that individual notices be mailed to every person assessed for business purposes in the area. The cost of sending out notices individually approximates the cost of an advertisement. In addition, Council is requested to establish the date for the meeting.

In the new Municipal Government Act, which comes into effect on January 1, 1995, the procedures for budget approval and notification have not been formally approved by the Province to date. However, upon reviewing a draft of the new regulations, the intent is still to give notice to the businesses as set out in the current Municipal Government Act.

RECOMMENDATION:

1. That the Towne Centre Association's 1995 Budget be considered at the regular Council Meeting to be held on Monday, January 30, 1995, commencing at 7:00 p.m., or as soon thereafter as Council may determine.

2. That individual notices of the meeting date be mailed out as in the past.

Respectfully submitted.

KELLY KLOSS
CITY CLERK

KK/clr
attchs.

DATE: **October 19, 1994**

TO: **City Clerk**

FROM: **Director of Financial Services**

RE: **1995 TOWNE CENTRE BUDGET PROPOSAL**

The 1995 Budget proposal contains the following revenues from the City:

BRZ Business Tax	$ 111,000
Grant for Christmas Decorations	5,700
Litter Contract	43,700
	$ 160,400

The BRZ tax is collected by a levy on all the downtown businesses. The grant for Christmas decorations and the litter contract cost is budgeted to be paid by all property taxpayers.

The City only budgeted $42,070 for the litter contract in 1994 and is budgeting the same amount for 1995.

The grant for Christmas decorations is reduced from $6,200 in 1994 as was agreed last year with the Towne Centre Association.

The new Municipal Government Act becomes effective January 1, 1995 and could possibly change the procedures for budget approval by Council. Unfortunately, the regulations that will determine the procedures have not been issued yet by the Province.

Under the existing MGA, Council is required upon receipt of the budget request to provide, in the form Council considers adequate, notice of the budget estimates and the date and place at which Council will consider the budget.

In previous years Council has directed a copy of the budget be sent to each business affected. Normally a regular Council meeting has been used to discuss and approve the budget and the BRZ tax. The grant for Christmas decorations and the litter contract are normally considered during deliberations on the regular City budget.

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt
c:\data\alan\95bud\townecen.bud

CS-P- 5.759

DATE: **October 24, 1994**

TO: **KELLY KLOSS**
City Clerk

FROM: **DON BATCHELOR, Parks Manager**
CRAIG CURTIS, Director of Community Services

RE: **TOWNE CENTRE ASSOCIATION - 1995 BUDGET PROPOSAL**
Your memo of October 18, 1994 refers.

City Council, in considering the 1994 Towne Centre Budget, passed the following resolution in relation to the installation of Christmas decorations in the downtown by the Towne Centre Association:

> "That City Council support the Downtown Christmas Decoration Program for 1994, based on a $6,200 fee for service, which will be considered during the 1994 budget deliberations, on the understanding that this fee would be reduced by a minimum of $500 in 1995."

The reduction in the fee for service by $500 in 1995 was due to some one-time costs incurred in 1994 to provide suitable storage racks for the decorations which are stored in the Transit Garage off season. Mr. Kevin Joll, Acting Transit Manager, has indicated that this storage space will again be available for the storage of the decorations in 1995. However, he did indicate that if the bus fleet is increased in a subsequent year, storage requirements may have to be re-addressed.

We have no other comments to the proposed 1995 Towne Centre Association Budget.

RECOMMENDATION

1. That City Council support the proposed 1995 budget request for the Towne Centre Association to install, remove, repair and replace, as necessary, all Christmas decorations in the downtown area (City Hall Park excluded).

DON BATCHELOR

CRAIG CURTIS

DB/ad

PATH: gord\memos\tc-bdg95.cc
MASTERFILE: 3001.550

DATE: October 20, 1994

TO: City Clerk

FROM: Public Works Manager

RE: TOWNE CENTRE ASSOCIATION - 1995 BUDGET PROPOSAL

The Public Works Department aspect of the Towne Centre Association budget is the litter contract.

The Towne Centre Association is proposing a litter budget of $43 700 including G.S.T. , for 1995. This is a net to the City of $42 070, which is the amount we have inserted into the proposed 1995 operating budget.

RECOMMENDATION

If Council wishes to continue this service, we respectfully recommend this amount be approved for inclusion in the 1995 budget.

Gordon A. Stewart, P.Eng.
Public Works Manager

/blm

c Director of Community Services
Director of Engineering Services
Director of Financial Services
Land and Economic Development Manager
E.L. & P. Manager

DATE: October 19, 1994

TO: Kelly Kloss, City Clerk

FROM: Alan Scott, Land and Economic Development Manager

RE: **1995 BUDGET PROPOSAL - TOWNE CENTRE ASSOCIATION**

A review of the figures contained within the proposed budget from the Towne Centre Association, confirms that the grants requested from the City of Red Deer, are consistent with the amounts budgeted for 1995.

I would therefore support the proposed budget from the Towne Centre Association.

Alan V. Scott

AVS/mm

Commissioners' Comments

The attached letter and budget from the Towne Centre Association is submitted for Council's approval in due course. We concur with the recommendation of the City Clerk relative to notification of Towne Centre Association members which is consistent with the practise Council has adopted in the past.

"G. SURKAN"
Mayor

"M.C. DAY"
City Commissioner

f:\data\council\meeting\forms\comments

DATE 94 OCT 18

TO:

- [X] DIRECTOR OF COMMUNITY SERVICES
- [X] DIRECTOR OF ENGINEERING SERVICES
- [X] DIRECTOR OF FINANCIAL SERVICES
- [ ] BYLAWS & INSPECTIONS MANAGER
- [ ] CITY ASSESSOR
- [ ] COMPUTER SERVICES MANAGER
- [X] LAND AND ECONOMIC DEVELOPMENT MANAGER
- [X] E.L. & P. MANAGER
- [ ] ENGINEERING DEPARTMENT MANAGER
- [ ] FIRE CHIEF
- [ ] PARKS MANAGER
- [ ] PERSONNEL MANAGER
- [X] PUBLIC WORKS MANAGER
- [ ] R.C.M.P. INSPECTOR
- [ ] RECREATION & CULTURE MANAGER
- [ ] SOCIAL PLANNING MANAGER
- [ ] TRANSIT MANAGER
- [ ] TREASURY SERVICES MANAGER
- [ ] PRINCIPAL PLANNER
- [ ] CITY SOLICITOR
- [ ] _____

FROM: CITY CLERK

RE: *Towne Centre Association - 1995 Budget Proposal*

Please submit comments on the attached to this office by *October 31, 1994,* for the Council Agenda of *November 7, 1994.*.

KELLY KLOSS
City Clerk

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4 FAX: (403) 346-6195

City Clerk's Department (403) 342-8132

October 18, 1994

Towne Centre Association
B3, 4901 - 48 Street
Red Deer, Alberta
T4N 6M4

Att: Mr. Barry Wilson, Chairman

Dear Mr. Wilson:

RE: 1995 BUDGET PROPOSAL - TOWNE CENTRE ASSOCIATION

Receipt of your letter dated October 14, 1994 is hereby acknowledged.

This item will be discussed and possibly a decision made at the meeting of Red Deer City Council on Monday, November 7, 1994. Council Meetings begin at 4:30 p.m. and adjourn for the supper hour at 6:00 p.m., reconvening at 7:00 p.m.

In the event you wish to be present at this Council Meeting, please call our office on Friday, November 4, 1994 and we will advise you of the approximate time that Council will be discussing this item.

Please enter City Hall on the park side entrance upon arrival and proceed up to the second floor Council Chambers.

This request has been circulated to City Administration for comments. Should you wish to receive a copy of the administrative comments prior to the Council Meeting, they may be picked up at our office on the second floor of City Hall on Friday, November 4, 1994, or if it would be more convenient for you, please let us know and we will fax same to you.

If you have any questions please do not hesitate to contact the writer.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

0994/95

DATE: October 24, 1994

TO: City Clerk

FROM: Director of Engineering Services

RE: TOWNE CENTRE ASSOCIATION - 1995 BUDGET PROPOSAL

Please be advised that the Engineering Department has no comment with respect to the above noted.

for Bryon C. Jeffers, P. Eng.
Director of Engineering Services

/emg

DATE: October 24, 1994

TO: City Clerk

FROM: E. L. & P. Manager

RE: Towne Centre Association - 1995 Budget Proposal

The E. L. & P. Department has no comments respecting this matter.

A. Roth,
Manager

AR/jjd

DATE: **NOVEMBER 9, 1994**

TO: **NORM FORD,**
TAX COORDINATOR

FROM: **CITY CLERK**

RE: **1995 TOWNE CENTRE ASSOCIATION BUDGET**

Council has once again agreed that our office will notify every person assessed for business purposes in the BRZ area, advising of the date and place Council will be considering the 1995 Towne Centre Association's Budget.

As in previous years, would you please provide our Department with a complete mailing list and address labels by the end of this year. It is our intention to send the notices out by January 9, 1995.

Your assistance in this matter is appreciated.

KELLY KLOSS
City Clerk

KK/clr

cc: Assistant City Clerk

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Towne Centre Association
B3, 4901 - 48 Street
Red Deer, Alberta
T4N 6M4

Att: Barry Wilson, Chairman

Dear Sir:

At the City of Red Deer's Council Meeting held Monday, November 7, 1994, consideration was given to your correspondence dated October 14, 1994 concerning the Towne Centre Association's 1995 Budget proposal. At this meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from the Towne Centre Association dated October 14, 1994, re: 1995 Budget Proposal for the Towne Centre Association, hereby agrees as follows:
>
> 1. That the Towne Centre Association's 1995 budget be considered at the regular meeting of Council to be held Monday, January 30, 1995, commencing at 7:00 p.m., or as soon thereafter as Council may determine;
>
> 2. That individual notices be mailed to every person assessed for business purposes in the Business Revitalization Zone;
>
> and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information. This office will be sending out notices in accordance with the above resolution, in the new year.

Trusting you will find this satisfactory.

KELLY KLOSS
City Clerk

KK/clr
cc: Director of Financial Services

RED·DEER a delight to discover!

NO. 3

ALBERTA
ENERGY

Office of the Minister

October 18, 1994

Dear Stakeholder:

I am pleased to provide by way of attachment to this letter a copy of the report titled *Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry*, which I filed today in the Legislature. The report contains the consensus view of a multistakeholder Steering Committee for replacing the Electric Energy Marketing Act (EEMA) and making changes to our province's electric industry.

For more than four years, we have had extensive consultations and discussions on EEMA and the electric industry generally. These discussions have not been easy for anyone, including government. The issues are complex and the different points of view are strongly held. For the first time ever, however, we have a consensus for action. This is a very positive development and I know it could not have been possible without the hard work and spirit of co-operation we have had not only from the Steering Committee members but the organizations they come from and many other groups as well.

I welcome your comments regarding the proposed changes. Comments should be submitted directly to the Electricity Branch of the Alberta Department of Energy at the address listed in the report. The deadline for receiving comments is November 18, 1994. It is the government's intention to announce by year's end the changes it will introduce.

. . . /2

228 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 Telephone 403/427-3740

The Steering Committee was asked to identify not only a replacement for EEMA that would be fair to all consumers but structural and regulatory reforms to enhance the efficiency and competitiveness of the electric industry. We would appreciate receiving any comments or suggestions you may have for improvements to the proposals that would be in the best interest of the province as a whole. Also, if you do submit comments, please indicate whether they are to be kept in confidence.

I have discussed the proposals with members of the Mayors' Advisory Committee, a committee I established in January this year. It includes the mayors of the cities of Calgary, Edmonton, Fort McMurray, Grande Prairie, Lethbridge, Lloydminster, Red Deer and the Town of Peace River. It also includes leaders of the Alberta Association of Municipal Districts and Counties and the Oldman River Regional Planning Commission. The elected municipal leaders on the committee believe the package of proposals is ready to be released.

It is extremely important that we recognize the positive momentum that has been achieved. If there is anything I can do to be of help in this matter, please do not hesitate to get in touch with me.

Yours truly,

(Mrs.) Patricia L. Black
Minister of Energy

Attachment

PLB/lh

DATE: October 26, 1994

TO: City Clerk

FROM: E. L. & P. Manager

RE: Alberta Energy Report - "Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry"

The Alberta Minister of Energy filed a report in the legislature titled "Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry". Attached for reference is a copy of the Minister' letter of October 18, 1994 under which the report was filed. Also included with the Council Agenda is a full copy of the report.

Following is a brief and simple summary of the report.

OVERVIEW

The Alberta electric system has been the subject of discussion and review since 1990 with the Electric Energy Marketing Act (EEMA) being the most publicly debated issue. The utility companies, consumer groups, industry and the government all had some concerns over the entire structure of the electric utility system and in the fall of 1993 the Department of Energy was directed to work with the stakeholders to develop a comprehensive package of changes. The Minister established two broad goals for the review process:

1. Find a replacement for the current EEMA mechanism that is fair from a Province-wide perspective.

2. Introduce industry structure and regulatory reforms that preserve and enhance the "Alberta Advantage" of competitive electricity prices.

A Steering Committee representing a broad cross-section of stakeholders identified and reviewed alternative solutions. The Government also consulted mayors and municipal representatives in the process. The report outlines general direction only and the legislative and regulatory changes still remain to be drafted.

It should be noted that the Minister very clearly stated at the outset of the review process that some form of rate equalization across the province would be retained. Since 1982, the costs of generation and transmission of TransAlta Utilities, Alberta Power and Edmonton Power have been averaged under EEMA.

It is also noteworthy that the City of Medicine Hat is excluded from the changes as it was from the EEMA process.

PROPOSED CHANGES

The proposed package of changes has four main elements:

A) Replacement for EEMA

The current EEMA mechanism would be replaced by legislation and regulatory rules to achieve the following:

1) All Alberta consumers would continue to pay a common cost for transmission which is currently averaged under EEMA. However, all consumers and generators would have open access to the transmission grid.

2) All customers would continue to equitably share the low cost of existing generation which is currently averaged under EEMA. The cost of existing generation is less than the anticipated cost of electricity from future plants.

3) Future generation costs would not be averaged and each distribution utility would be responsible for obtaining their new generation needs on an open and competitive market basis. Some rate differences associated with generation costs could appear as new facilities are added, however, these differences are forecast to be minimal in comparison to those prior to 1982 when EEMA was initiated.

B) Open Competition for Generation

All generators would have access to the power pool through the transmission system as the market for their output. All new generation required by a distributor would be obtained from an open and competitive supply market.

C) Incentive Regulation

Existing regulatory legislation and regulation would be changed to enable the implementation of "incentive regulation" which aims at reducing costs by giving utilities stronger incentives to pursue efficiencies.

D) Study Customers' Options for New Generation

A study will be initiated in 1996 to assess the merits of allowing customers of distribution utilities the option to make their own pricing arrangements for any new power supply. This study is intended to be completed within one year. The study is to recognize the independence of municipal distributors such as Red Deer.

IMPACT OF PROPOSED CHANGE

The proposed changes are forecast to have the following implications:

a) There would not be any large rate impacts in the next few years with rates remaining stable.

b) In the longer term, rates would be held down due to increased competition among generators, lower regulatory costs, and increased incentives for efficiency due to regulatory changes.

c) Decisions made by one distributor for new generation would not impact the customers of other distributors as new generation costs would not be averaged.

d) All Alberta consumers would fairly share the advantages of existing low cost generation and averaged transmission costs.

e) I would add one further possible impact to the above four which were identified in the report. Customers may be permitted to make their own arrangements for power supply if the study to be initiated in 1996 makes such a recommendation and it is adopted. This could potentially result in the loss of customer load, and revenue, to The City of Red Deer if the autonomy of municipal distributors is not fully preserved.

COMMENTS

The report represents the consensus view of a broad cross-section of stakeholders after four years of consultation and discussion. The proposed direction for changes is, in my opinion, progressive and positive. Aside from the last item listed under Impacts of Proposed Change, which is the subject of further study, I feel that the report should be endorsed.

The legislation, regulations and the further study still remain to be completed. The City of Red Deer should be given the opportunity to participate in that process.

RECOMMENDATIONS

It is my recommendation that Council indicate its support of the proposed direction for changes contained in the report together with a request that Red Deer be given the opportunity to participate in the process of preparing the legislation and regulations as well as the further study which is proposed.

A. Roth,
Manager

AR/jjd

Attachments

DATE: **October 28, 1994**

TO: **City Clerk**

FROM: **Director of Financial Services**

RE: **ALBERTA ENERGY REPORT - ENHANCING THE ALBERTA ADVANTAGE**

The report is a proposal to replace the existing EEMA mechanism based on being fair to all consumers. It proposes some structural and regulatory reform to enhance the efficiency and competitiveness of the electric industry.

EEMA was introduced in 1982 primarily to reduce significant rate disparities between utility service areas. This was accomplished by requiring generation and transmission costs to be averaged province wide.

The proposal is the result of discussions with a number of stakeholder groups. It proposes to replace EEMA with legislation and regulatory rules to achieve the following changes:

COMPARISON OF EEMA WITH PROPOSAL		
Description	**EEMA**	**Proposal**
• Transmission Costs	• Averaged for all utilities	• Same
• Existing generation cost	• As above	• Same
• Cost of future additional generation	• As above	• Not averaged. Each utility would pay its own cost of additional generation

The only significant change is that each utility would pay the cost of additional future generation to meet its needs rather than having the costs averaged amongst all users.

It should be noted the report talks about "all Alberta consumers" sharing the costs. The City of Medicine Hat, however, is still not a party to the proposal. Medicine Hat power users will continue to pay lower rates than the rest of the Province. This is an inequity in that it creates a "Medicine Hat advantage" over the rest of the Province. Medicine Hat represents 2.3% of the Provincial power generation capacity.

....2

City Clerk
October 28, 1994
Page 2
Re: Alberta Energy Report - Enhancing the Alberta Advantage

The impact of the proposal on Red Deer for the next few years is expected to be minimal. Electricity rates are expected to remain stable and no significant increase in capacity is expected that could increase the costs for TransAlta customers.

The advantage of the proposal is that it does make individual utility companies more responsible for the cost of additional capacity and provides incentives to reduce costs.

The City would have lower costs if TransAlta, the City's power supplier, was not required to pool costs with the other power utility generators. The proposal represents a compromise that does not appear to create any significant changes for any Alberta power users.

The Minister of Energy is asking for comments on the proposal. The E. L. & P. Manager's comments would indicate if Red Deer has any significant concerns that should be commented on.

A. Wilcock, B.Comm., C.A.
Director of Financial Services

AW/jt

c. E. L.& P. Manager

c:\data\alan\memos\abenergy.clk

COMMISSIONERS' COMMENTS:

The attached report from the E. L. & P. Manager clearly outlines the proposal of the Minister to resolve a very complex problem. While this is not the optimum solution from the perspective of The City of Red Deer, it does represent a very reasonable compromise which was four years in the making. As outlined by the E. L. & P. Manager, the primary area of concern is the possible outcome of the study to be initiated in 1996. We concur with Mr. Roth's recommendation that Council support the proposed changes conditional upon our being able to participate in the study and that the autonomy of municipal distributors be preserved.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DATE: October 25, 1994

TO:

	DIRECTOR OF COMMUNITY SERVICES
	DIRECTOR OF ENGINEERING SERVICES
X	DIRECTOR OF FINANCIAL SERVICES
	BYLAWS & INSPECTIONS MANAGER
	CITY ASSESSOR
	COMPUTER SERVICES MANAGER
	LAND AND ECONOMIC DEVELOPMENT MANAGER
X	E.L. & P. MANAGER
	ENGINEERING DEPARTMENT MANAGER
	FIRE CHIEF
	PARKS MANAGER
	PERSONNEL MANAGER
	PUBLIC WORKS MANAGER
	R.C.M.P. INSPECTOR
	RECREATION & CULTURE MANAGER
	SOCIAL PLANNING MANAGER
	TRANSIT MANAGER
	TREASURY SERVICES MANAGER
	PRINCIPAL PLANNER
	CITY SOLICITOR

FROM: CITY CLERK

RE: ALBERTA ENERGY
REPORT - ENHANCING THE ALBERTA ADVANTAGE

Please submit comments on the attached to this office by November 1, 1994, for the Council of November 7, 1994.

"Kelly Kloss"
City Clerk

COUNCIL MEETING OF NOVEMBER 7, 1994

ATTACHMENT TO REPORT ON OPEN AGENDA

RE:

ALBERTA ENERGY
PAGE 98

Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry

October 1994

Alberta
ENERGY

Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry

Alberta Department of Energy

October 1994

CONTENTS

PREFACE

This report was prepared by the Alberta Department of Energy under the guidance of a Steering Committee representing a cross-section of the electric industry and consumer groups, supported by a Technical Group which provided detailed analysis. The Steering Committee comprised representatives from the following organizations:

Alberta Association of Municipal Districts and Counties
Alberta Department of Energy
Alberta Federation of Rural Electrification Associations
Alberta Power Limited
City of Calgary Electric System
City of Medicine Hat
Edmonton Power
Environmental Law Centre
Industrial Power Consumers Association of Alberta
Independent Power Producers' Society of Alberta
Northern Alberta Development Council
Public Institution Consumers of Alberta
TransAlta Utilities Corporation

The report begins with an overview of the elements of a proposed new structure for Alberta's electric industry, including a replacement for the Electric Energy Marketing Act (EEMA). Following the overview is a discussion of Alberta's current electric industry and how it compares with systems in other jurisdictions. The report's third section contains a more detailed discussion of the main elements of the proposed restructuring. Section four discusses the implications of the proposed changes, both for consumers and the industry.

This report is the culmination of extensive consultations with stakeholders across the province. These consultations have been on-going since 1990. The proposal represents the consensus of members of a multi-stakeholder Steering Committee, appointed in May 1994 to identify and review alternatives. Appendix A provides a summary of the stakeholder consultations that have occurred. Members of the Steering Committee are listed in Appendix B. A Glossary has been included to assist readers in understanding some of the technical terms used in the report.

The Government of Alberta is now seeking reaction to the proposed changes. Your comments are welcomed. You are asked to submit your comments by November 18, 1994, to:

ALBERTA DEPARTMENT OF ENERGY
Electricity Policy Branch
5th Floor, North Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta
T5K 2G6

Phone: **(403) 427-8177**
Fax: **(403) 427-8065**

1.0 OVERVIEW

Alberta's electric system has been the focus of intense discussion since 1990 involving utility companies, consumer groups, industry and government. In the early stages, discussion centred on how new generating plants are planned and approved, and how costs are averaged among utility companies through the Electric Energy Marketing Act (EEMA). Subsequently, the discussion broadened to include wider questions about the structure of Alberta's electric industry. It became clear none of the questions could be resolved in isolation, but had to be addressed through a comprehensive approach.

Debate about Alberta's system takes place against a backdrop of change in many other countries. In particular, several countries have made or are considering reforms to introduce more competition into the electric industry. This is especially true for the generating portion of the industry.

The challenge now facing Alberta is to preserve the very real strengths of our existing electric industry, while drawing on forces of competition to build an improved system for the future. On the one hand, Alberta currently benefits from a reliable system and electric rates that are among the lowest in North America. On the other hand, changes in industry structure and regulation are needed to take advantage of competition for the benefit of all consumers.

In the fall of 1993, the Minister of Energy directed the Department of Energy to work with stakeholders to develop a comprehensive package of changes. The Minister established two broad goals for the review process:

1. Find a replacement for the current EEMA mechanism that is fair from a province-wide perspective.

2. Introduce industry structure and regulatory reforms that preserve and enhance the *Alberta Advantage* of competitive electricity prices.

A Steering Committee representing a broad cross-section of industry and consumer groups, including utilities, was given the task of identifying and reviewing alternatives. The Committee was supported by a Technical Group that provided detailed analysis. These participants are listed in Appendix B. The Government has also consulted mayors and municipal representatives.

This report outlines the general direction agreed upon by the Steering Committee to move Alberta's electric industry towards the two goals identified above.

Alberta's Current Electric Industry Structure

Alberta is served by three large electric utilities that own generation plants, transmission lines and distribution systems: Alberta Power Limited, Edmonton Power and TransAlta Utilities. Each has its own service area in the province. Because they carry out all three utility functions,

they are called integrated utilities.[1] There are also several municipal distribution utilities that buy power from TransAlta and distribute it within their city boundaries.

Over the years, each of the integrated utilities arranged to have sufficient generating capacity to meet the needs of its own customers, usually by building their own generating plants. Since the 1970s, the three integrated utilities have operated interconnected systems. Planning of new generation has been done on a province-wide basis. Since 1982, the costs of generation and transmission of the three integrated utilities have been averaged under the Electric Energy Marketing Act. This means that all customers pay the same costs for generation and transmission no matter what service area they happen to be in.

Elements of the Proposed Industry Structure

The proposed new structure would recognize that the electric utilities have distinct generation, transmission and distribution functions for accounting and regulatory purposes. The transmission lines of the separate companies would be treated as parts of a single province-wide system. There would be three large utility generators: Alberta Power Limited, Edmonton Power and TransAlta Utilities. The regulatory treatment of distribution would remain the same. Alberta Power and TransAlta would continue to have their rates set by the Public Utilities Board.[2] The municipal distributors (e.g., Calgary, Edmonton, Lethbridge, Medicine Hat and Red Deer) would maintain the right to set their own rates.

Within this new structure, the proposed package of changes has four main elements. They include:

- **Replacement for the Electric Energy Marketing Act (EEMA)**
  The current EEMA mechanism would be replaced by legislation and regulatory rules to achieve the following:

  a) *All Alberta consumers would continue to pay a common cost for transmission.*
  Distribution utilities would pay the same transmission rates, so that their customers have the same access to generation regardless of their location in the province.

  b) *All customers -- old and new, no matter where they are located -- would continue to share in the low cost of existing generation.*
  Currently, the average cost of electricity from all of Alberta's existing plants is less than the anticipated cost of electricity from future plants. All customers in the province would share this low cost equitably.

---

[1]See Figure 4 on page 8. Medicine Hat is served by its own integrated municipal system, which is small by comparison to the others.

[2]The Public Utilities Board and the Energy Resources Conservation Board are being merged to form the Alberta Energy and Utilities Board.

c) *Future generation costs would not be averaged.*
The cost of future generation would *not* be averaged. Each distribution utility would be responsible for obtaining the new generating capacity needed to meet the growing needs of its customers.

This means that some rate differences associated with generation costs could appear after new generating facilities are added. This could occur if a distributor grows more quickly than the provincial average, and therefore acquires a greater proportion of new generation. New generation is expected to be more expensive than existing generation.

Nonetheless, potential differences are forecast to be minimal. This is because growth rates are not forecast to differ significantly and transmission rates would be the same for all distributors.

- **Open competition for generation**
Generation would be opened up in two ways:

a) All generators of electricity would have access to a power pool through the transmission system as the market for their output. Access to the pool through the transmission system must be set up so that no generator receives preferential treatment.

b) When new generation is required by distributors, they would obtain it through competition among suppliers.

- **Stronger performance incentives**
Other jurisdictions have introduced modifications to the traditional form of regulation currently used in Alberta. "Incentive regulation" aims to reduce costs by giving utilities stronger incentives to pursue efficiencies. Under the proposed restructuring, legislative barriers that currently limit the Public Utilities Board from providing stronger performance incentives to the utilities it regulates would be eliminated. A package of incentives that would best suit Alberta will be developed.

- **A study of customers' options for arranging new generation**
Distribution utilities continue to have the basic right and obligation to meet the power supply requirements of all customers in their distribution areas. None of the proposed changes outlined above would alter this.

Before the end of the decade, arrangements for new generation may be needed to meet growing power requirements. A number of customers have expressed a desire to make their own pricing arrangements for any new generation they need beyond their share of existing generation. They believe the benefits of competition could be enhanced by allowing customers to make their own choices for new supply.

The Steering Committee has agreed that it will study the merits of allowing customers of distribution utilities the option to make their own pricing arrangements for new power supply. The study would follow implementation of the three basic elements of the new electric system structure in January 1996. Drawing on Alberta's experience in implementing the new system, and the experience of other jurisdictions, the study would lead to recommendations about whether customers should have this option. It would also identify the conditions that need to be met, the appropriate timing, and recognize the independence of municipal distributors. The intent is to conclude the study as soon as practical, within a year if possible.

Implications of the Proposed Restructuring

The proposed direction for change has the following implications for Alberta consumers:

a) The proposal would not have a large impact on rates right away. Electricity prices are expected to be stable over the next few years.[3]

b) In the longer term, the proposed restructuring would help hold down electric rates, through:
   - increased competition among generators; and
   - lower regulatory costs and increased incentives for utility efficiency.

c) Distributors would be more clearly accountable for the costs of new generation in their rates. Decisions made solely by one distributor would not affect customers of any other utility.

d) Consumers throughout the province would share fairly in the advantages of the low cost associated with existing generation and in the costs of providing transmission.

Next Steps

Changes to the electric industry are complex, shaped by the emergence of new suppliers, evolving consumer needs and technical constraints. To maintain existing strengths *and* take advantage of new opportunities, Alberta cannot make structural changes in a piecemeal manner. All the components of the proposed structure fit together as part of a comprehensive package.

Many important details of the new structure must still be worked out. However, the Steering Committee agrees that the proposed direction is feasible and that it would permit Alberta's electric industry to respond well in a changing world environment. The Government of Alberta is seeking reaction to this report by November 18, 1994, and will decide the overall direction for change by the end of 1994. Your input is welcomed.

---

[3] The PUB is currently considering an application to include costs associated with a newly commissioned power plant, the second Genesee unit. A decision to include these costs would not have a significant effect on rates.

2.0 BACKGROUND ON ALBERTA'S ELECTRIC SYSTEM

To understand the proposed changes, it is useful to have some background about Alberta's electric industry and how it compares with electric systems in other jurisdictions.

Industries throughout the world are looking for new ways to remain competitive, and the electric industry is no exception. The changes taking place in the electric industry are shaped by the technical requirements of an electric system and the needs of individual countries. In Australia, New Zealand and the United Kingdom, the change involves breaking up government-owned monopolies. In the United States, excessively high electricity rates in some areas, and resulting large rate differences between utilities, are driving the introduction of competitive forces, particularly in the generation sector.

Alberta's circumstances are unique in that the province is already supplied by a mix of privately and publicly owned utilities. As shown in Figure 1 below, Alberta's prices are low in comparison to many other parts of Canada and the world.

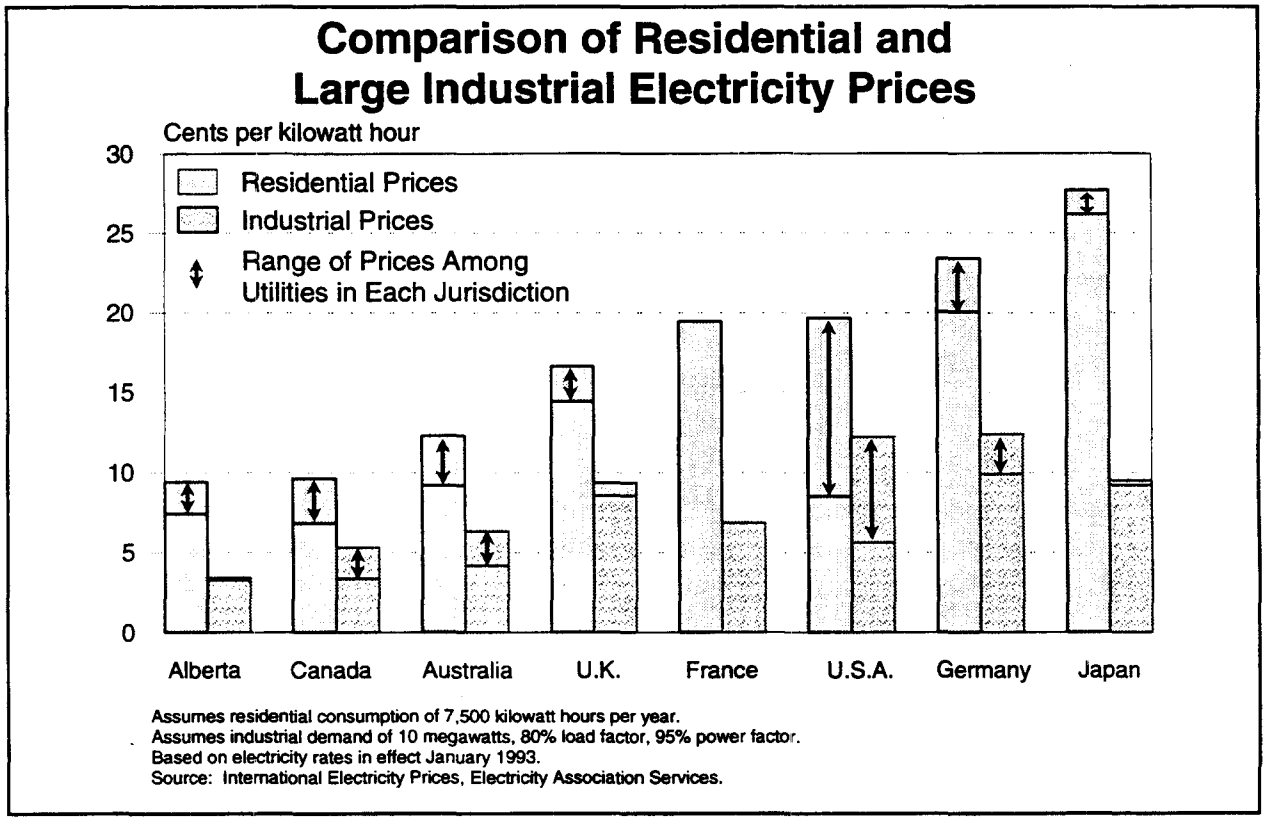


Figure 1

In general, Alberta is well positioned to adopt reforms that build on the strengths of our current system and take full advantage of competitive opportunities both inside and outside Alberta.

2.1 *How Electric Systems Work*

Physical characteristics of an electric system
Electricity has characteristics that are different from most other industries or commodities. For example:

- Electricity cannot be stored in useful quantities. Sufficient generating capacity must always be available to cover the highest demands on the system.

- The electric grid operates as a single integrated system. System frequency and voltage levels must be maintained within narrow tolerances. To maintain its stability and safety, the total amount of energy supplied to the system must always be in balance with the amount of energy demanded.

- There is no direct connection between the output of a particular generator and any particular load. Furthermore, service to an individual customer load cannot be tied to the actual output of a specific generator. In essence, all power from generating units is "pooled" to meet the total load of all customers on the system.

A useful mechanical analogy is to think of the electric system as a rotating shaft that must turn at a precise and constant rate (see Figure 2). Generating plants drive the shaft. Customers take energy by connecting their "load" to the shaft. It doesn't matter where the load is on the shaft or which generator changes its output to match -- all the loads and all the generators must be in balance.

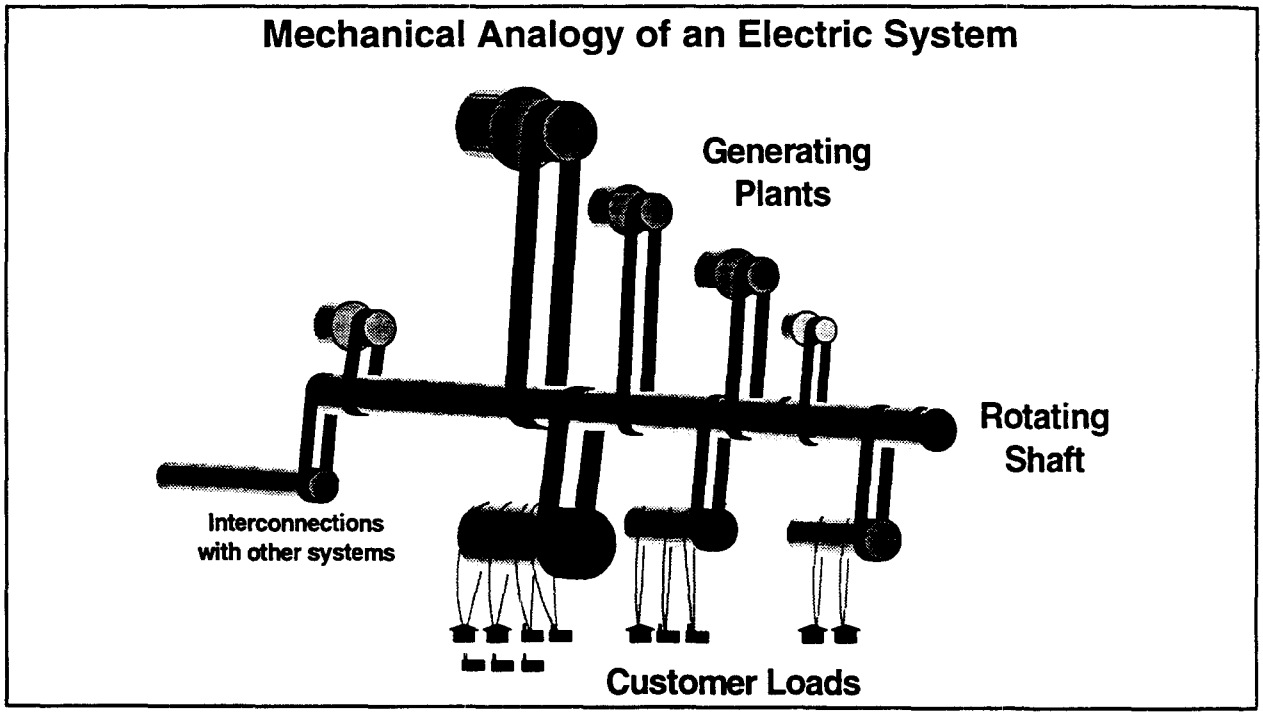


Figure 2

Main components of an electric system

Figure 3 shows the three main components that make up electric systems: generating plants, high-voltage transmission, and low-voltage local distribution. The transmission system serves to connect geographically diverse generating plants to customers located in distribution service areas.

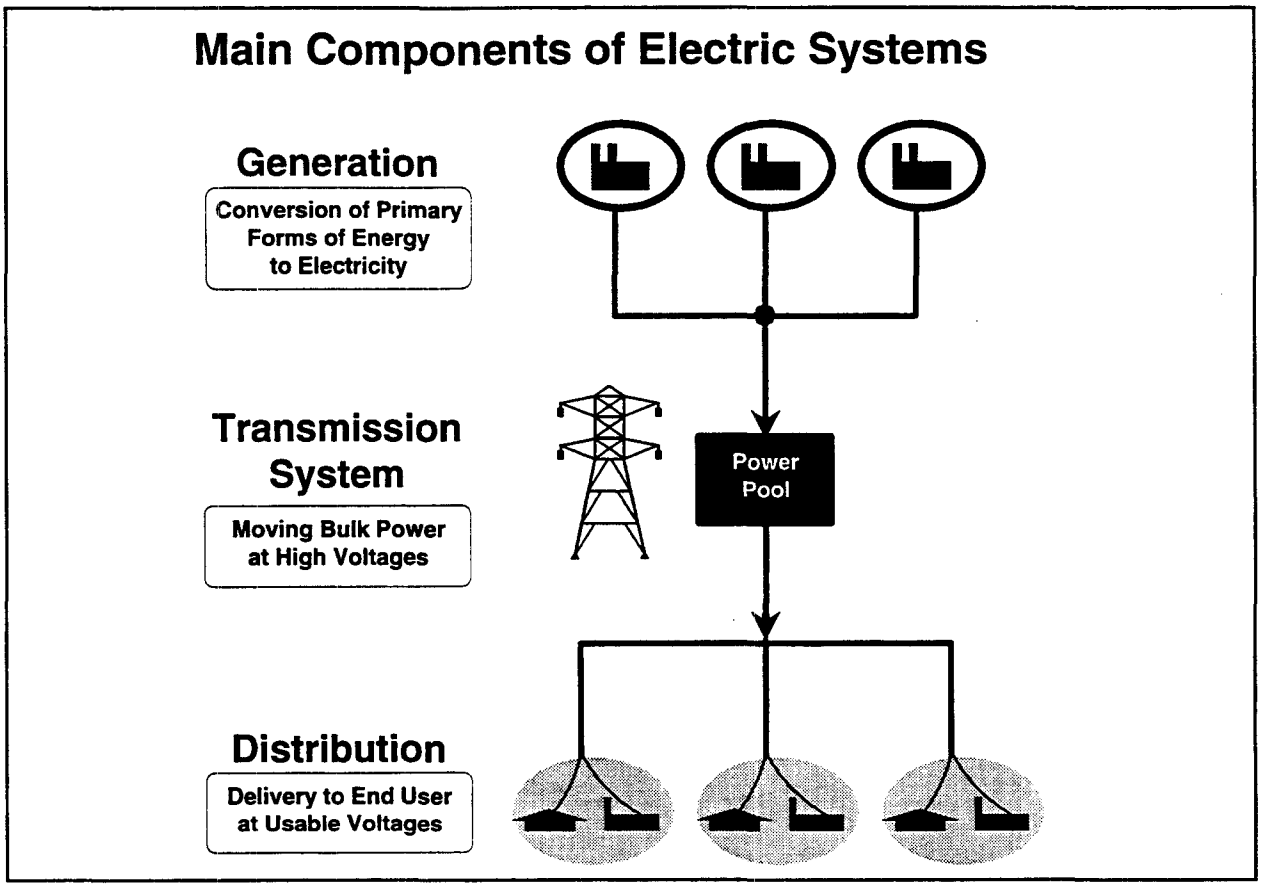


Figure 3

Distributors have an exclusive right and obligation to arrange for supply and distribution of electricity to all customers within their distribution areas. In many cases, distributors are "vertically integrated" utilities that also own and operate generating plants and transmission lines. In other cases, distributors arrange for power supply from other companies which they in turn resell to customers in their distribution areas.

Figure 3 also illustrates the role of the power pool. Through the pool, the output of generating plants is coordinated so that the total amount of energy supplied is kept in balance with the total load on the system. The pool also serves an economic function by ensuring that plants with lower running costs are brought on line before plants with higher running costs.

In effect, the pool helps to ensure that all customers receive reliable service, regardless of the performance of any particular generating plant. It also gives generators the opportunity of not running a plant if customers can be more economically served from another plant.

While generating units can be owned by any number of suppliers, central control of the dispatch function is necessary to operate the system efficiently and reliably.

Together, this means that utility service areas are, for generation purposes, artificial boundaries. A geographically defined service area is useful and necessary for deciding which utility is responsible for building the distribution infrastructure through which the needs of any given customer are met. However, all customers within the different service areas consume power from centrally dispatched plants, not simply the output of their own utility.

2.2 *How Alberta's Electric Industry is Structured*

Alberta's electric industry evolved around urban areas as populations grew. The investments required to serve small and isolated loads were most economically made by a single entity, so distributors were given the obligation and exclusive right to distribute electricity to all customers within specific geographic areas. These exclusive franchise service areas also provided an element of market stability that helped to underwrite the expansion of the system.

Figure 4 shows the distribution areas of the various utilities operating in Alberta today. Notice that Alberta Power Limited's distribution area involves three separate areas that include customers in east central and southern Alberta. TransAlta Utilities' service area also extends into northeastern Alberta.

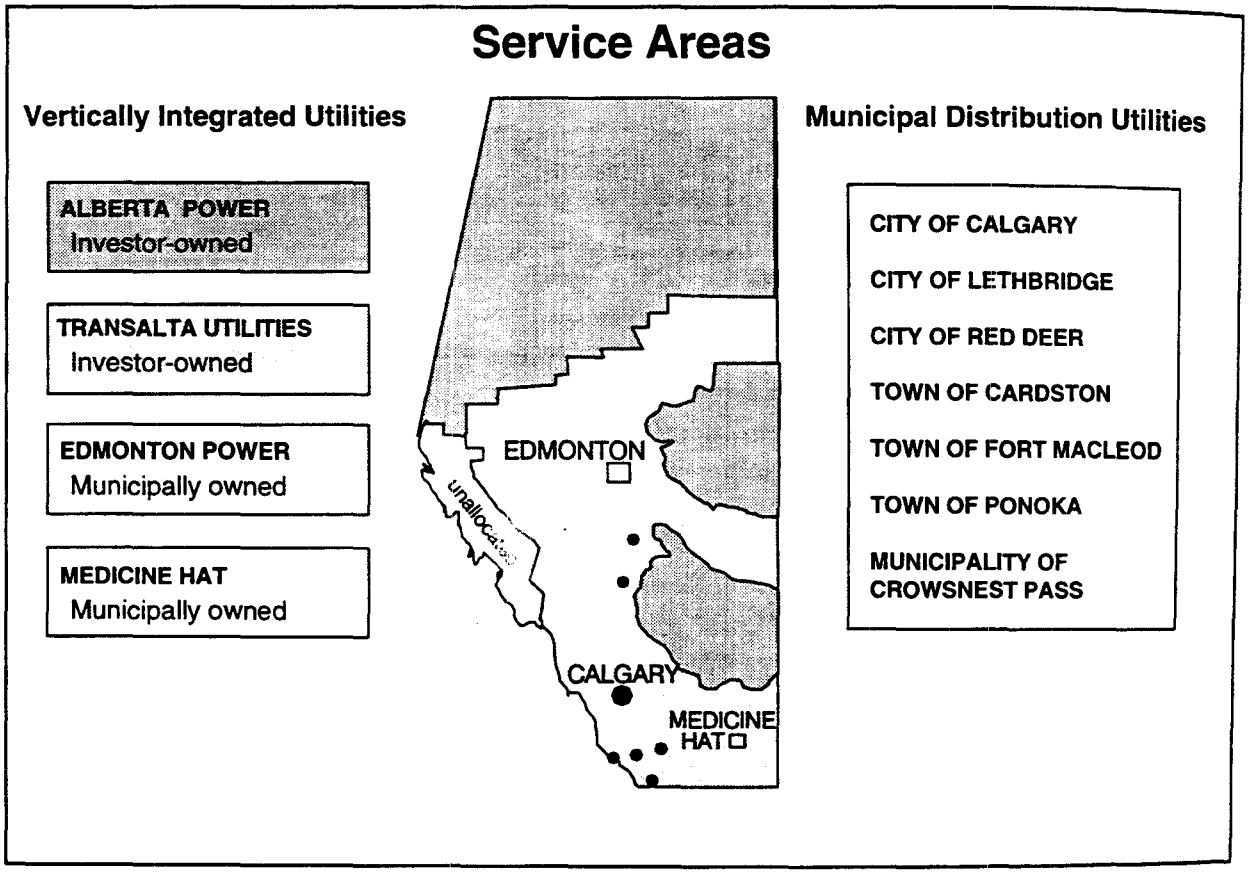


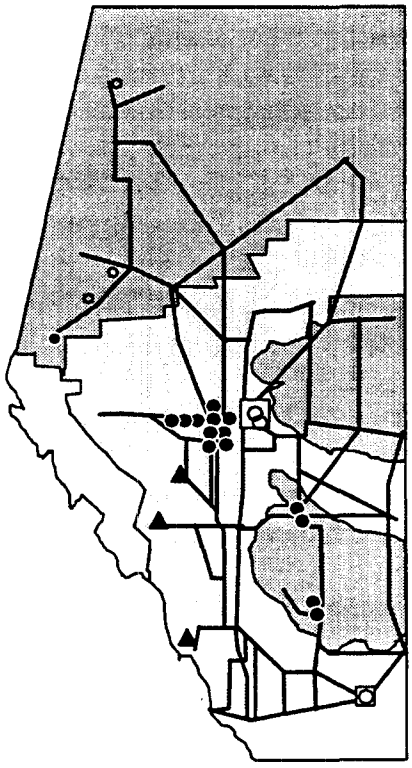
Figure 4

There are four vertically integrated utilities in Alberta (i.e., utilities that fulfil all three functions -- generation, transmission and distribution). Alberta Power Limited and TransAlta Utilities are investor-owned; Edmonton Power and Medicine Hat are municipally owned. Together, these utilities own most of the generation and transmission facilities in Alberta.

A number of municipalities own and operate their own distribution systems and buy power from TransAlta. The cities of Calgary, Lethbridge and Red Deer own some transmission facilities. Rural Electrification Associations also own distribution lines in areas served by TransAlta and Alberta Power.

As shown in Figure 5, about three-quarters of the generating capacity in Alberta is coal-fired, and most of this is centrally located.

Alberta Interconnected System



1993 Capacity

	● Coal	○ Gas	▲ Hydro	Total
		(Megawatts)		
Utility Generation				
Alberta Power	1250	125	1	1376
Edmonton Power	770	870	--	1640
Medicine Hat	--	182	--	182
TransAlta Utilities	3685	--	795	4480
	5705	1177	796	7678
Non-Utility Generation				
Industrial	--	--	--	753
Small Power	--	--	--	35
				788
Interconnections				
British Columbia	--	--	--	400
Saskatchewan	--	--	--	125
				525

— Major Transmission Lines

Figure 5

Generating capacity owned by non-utility generators makes up about 10 per cent of the provincial total. This includes units owned by industrial consumers. These are used almost exclusively to meet the power needs of their owners. A few companies have long-term contracts with utilities to supply power to the grid, although that could change as a competitive generating market develops. As well, some power is produced by small-scale wind and hydro units in southern Alberta under the Small Power Research and Development Program.

Alberta Power, Edmonton Power and TransAlta Utilities operate their generation and transmission facilities as part of a single Alberta Interconnected System (AIS). The AIS operates a central power pool that determines which generating units will run at any moment, regardless of who owns them. This ensures that the total amount of power generated matches the total amount used by customers as their requirements rise and fall.

The Alberta pool operates on the principle of "economic dispatch." In other words, units with lower running costs are dispatched to meet demand. Then more expensive units are brought on line as demand rises.

Alberta's electrical system is part of a vast network covering most of Canada, the U.S. and part of northern Mexico. Alberta's interconnections with this network through British Columbia and Saskatchewan serve three functions. First, these interconnections increase system reliability by providing Alberta with access to generating capacity in other regions if required. Second, they help to reduce costs. For example, one region may require lower capacity to serve peak load requirements because it can buy power from neighbouring regions whose peaks occur at a different time. Third, they allow Alberta to sell surplus power to other jurisdictions.

Importing and exporting power from neighbouring systems is an important consideration in the structure of Alberta's electric system.

2.3 How Alberta's Electric Industry is Regulated

The goals of regulatory policy are to foster safe and reliable service, fair rates, and efficient operation and planning. Two regulatory bodies are responsible for achieving these goals:

- The Public Utilities Board is responsible for rates charged by investor-owned utilities.
- The Energy Resources Conservation Board approves service area boundaries and oversees the addition of new generation and transmission capacity on the AIS system.

In addition, the utilities have formed the Electric Utility Planning Council (EUPC), which coordinates planning and forecasting of future load.

In 1982, Alberta introduced the Electric Energy Marketing Act (EEMA) to reduce substantial rate disparities that had arisen among the utilities. As illustrated in Figure 6, prior to EEMA, some customers in Alberta Power's distribution area were paying rates up to 50 per cent higher than nearby customers receiving similar services, but who happened to be within TransAlta's distribution area.

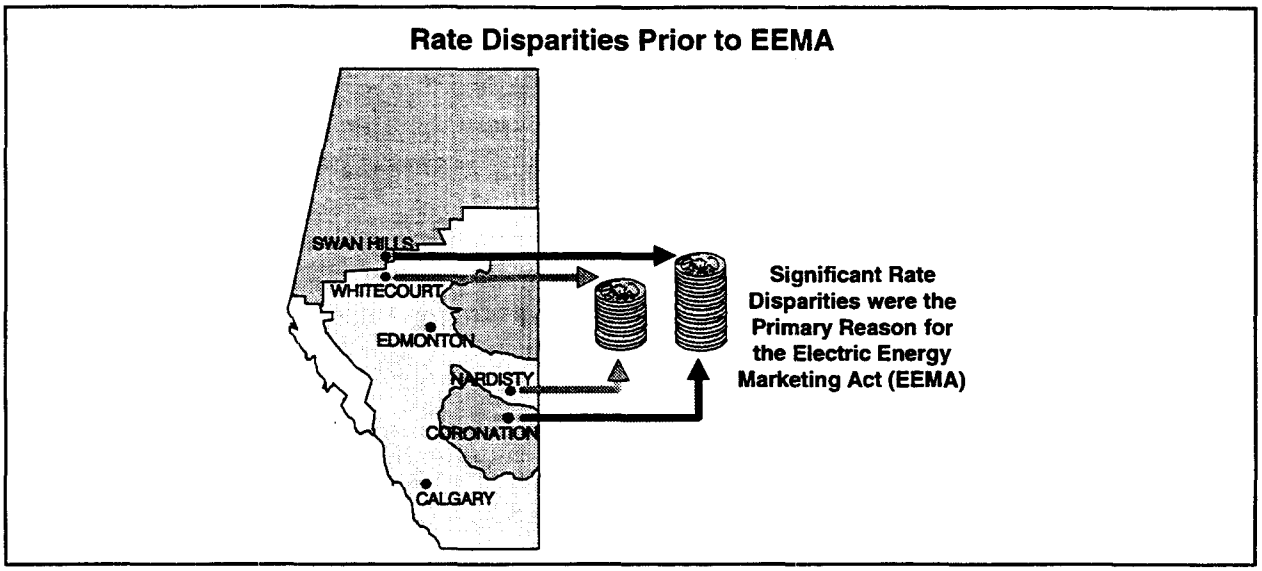


Figure 6

To reduce rate differences, generation and transmission costs for Alberta Power, TransAlta and Edmonton Power are averaged through the EEMA process.[4] Utilities sell power at their own cost, then buy it back for distribution at the average system cost. This results in transfer payments from the utilities with lower costs to those with higher costs. Figure 7 illustrates Alberta's current industry structure and regulatory framework.

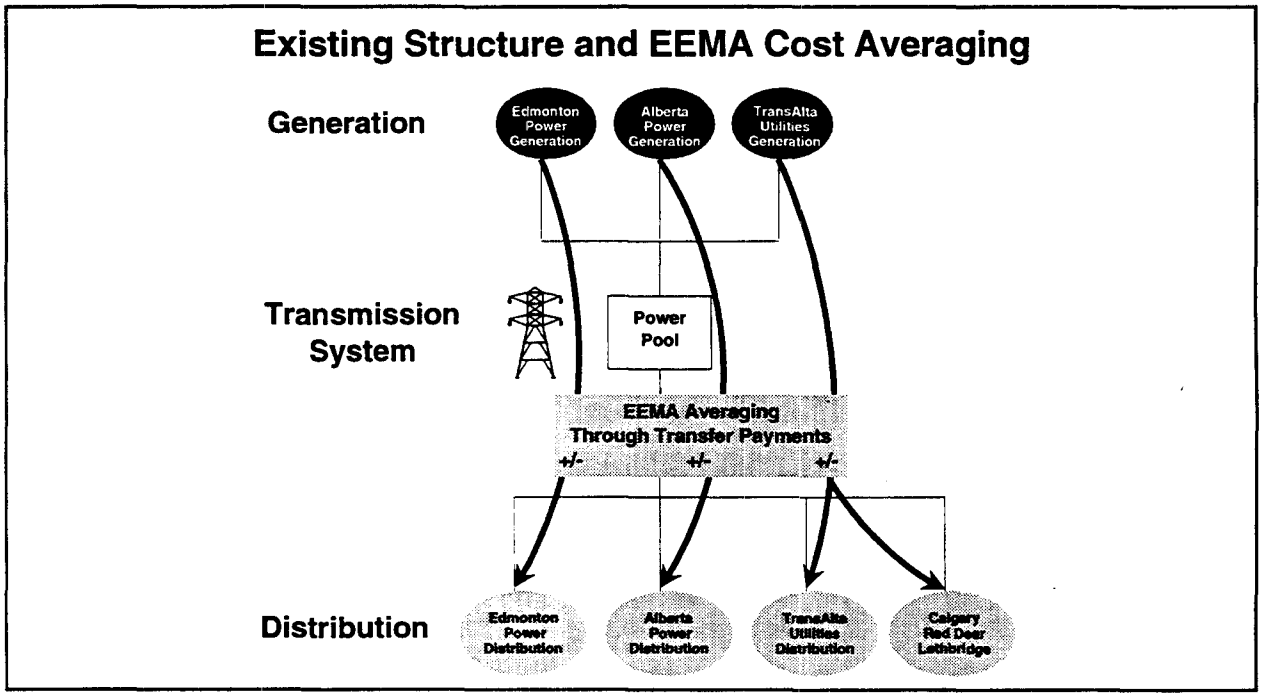


Figure 7

[4] Transmission costs of Calgary, Lethbridge and Red Deer are also included in EEMA. Medicine Hat is not part of EEMA.

2.4 *Existing Generation Costs and Capacity*

Industry restructuring in other countries has been complicated by the issue of "stranded investment." In areas where utilities' existing costs are higher than the cost of new generating capacity, utilities fear competition will force large write-offs of generating assets.

In Alberta, the average cost of power from Alberta's existing generation is expected to be less than the cost from new sources. As illustrated in Figure 8, the cost of power from new sources is expected to increase at about the rate of inflation. The cost of power from existing generation is expected to remain relatively stable over its remaining life.

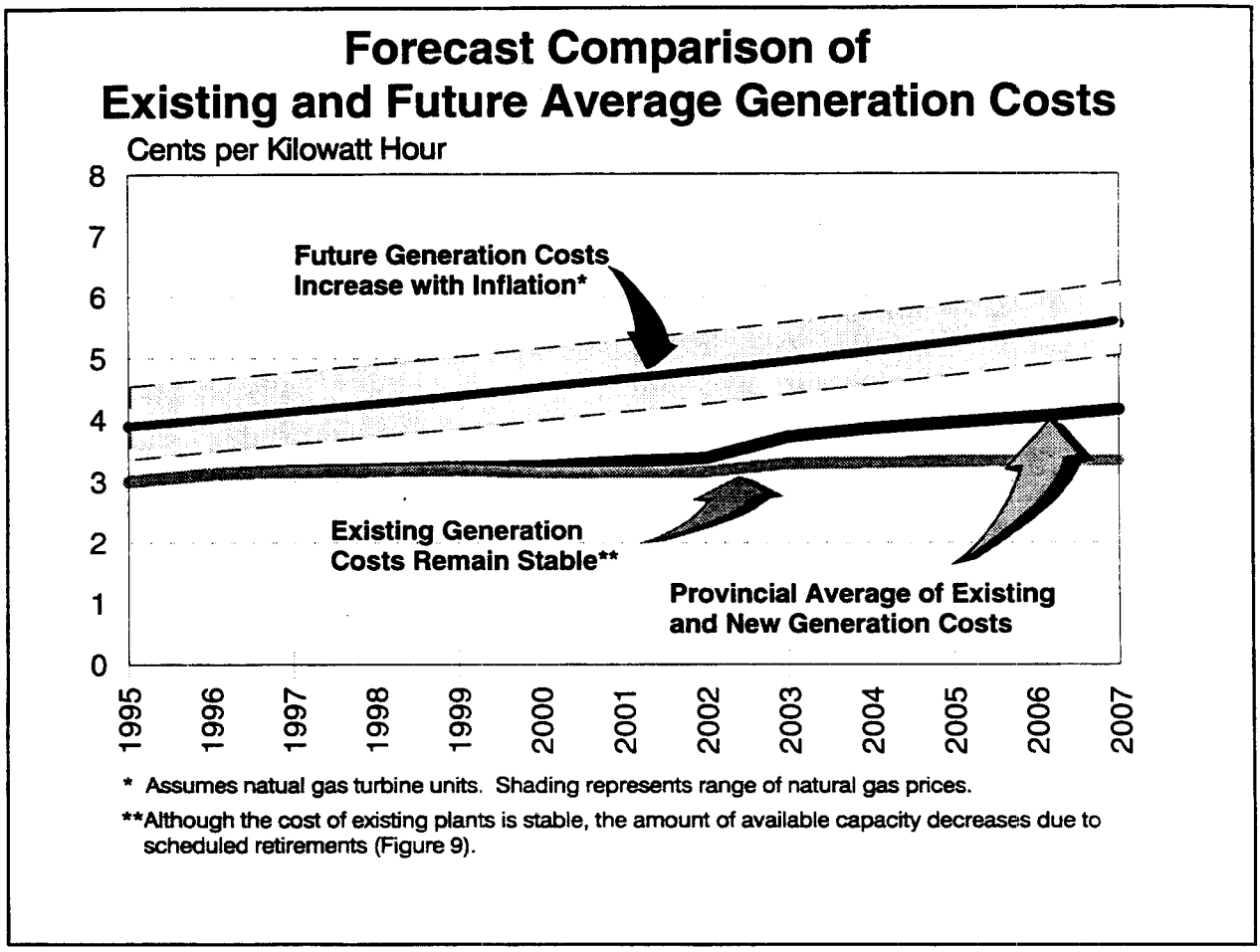


Figure 8

An important aspect of the restructuring is to ensure that all Albertans receive an equitable share of the low cost associated with existing generation.

Figure 9 shows the current forecast retirement dates for existing generation in Alberta. More work is needed on the circumstances under which the lives of these facilities could be extended. If it is cost-effective to extend an existing facility rather than retire it, there is general agreement that the savings from doing so must be shared by all Alberta electricity customers.

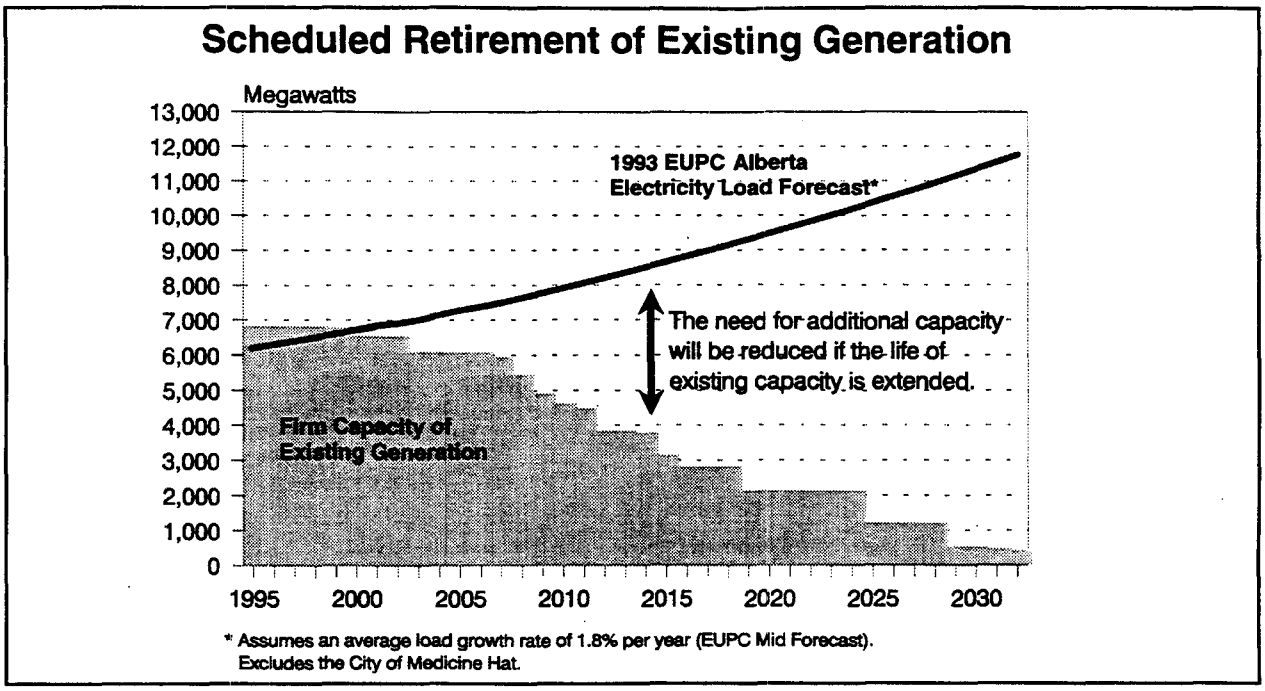


Figure 9

3.0 ELEMENTS OF THE PROPOSED STRUCTURE

During the discussions with stakeholders, a general picture of a new structure for Alberta's electric industry emerged. While many details of the implementation still have to be resolved, a consensus was reached on the general direction for a new structure.

The physical structure of Alberta's electric industry would not change. Generation, transmission and distribution would continue to be the main physical components of the system. The power pool would continue to coordinate the output of generating plants so that the total amount of energy supplied is kept in balance with the total load on the system. This is necessary to ensure the reliability and safety of the system.

The proposed restructuring focuses on changes that meet the broad goals of fairness and competitive prices for consumers, while preserving the strengths of Alberta's existing electric industry. The proposed direction for change has four elements:

1. open competition in generation;
2. incentive regulation;
3. replacement for EEMA; and
4. a study of customers' options for arranging new generation.

3.1 Element One: Open Competition for Generation

As shown in Figure 10, the new structure would increase the number of players in the generation sector by creating an open access power pool through the transmission system. Independent generators and importers could participate directly in the pool by being able to offer power on a non-discriminatory basis. This would create more open competition for generation.

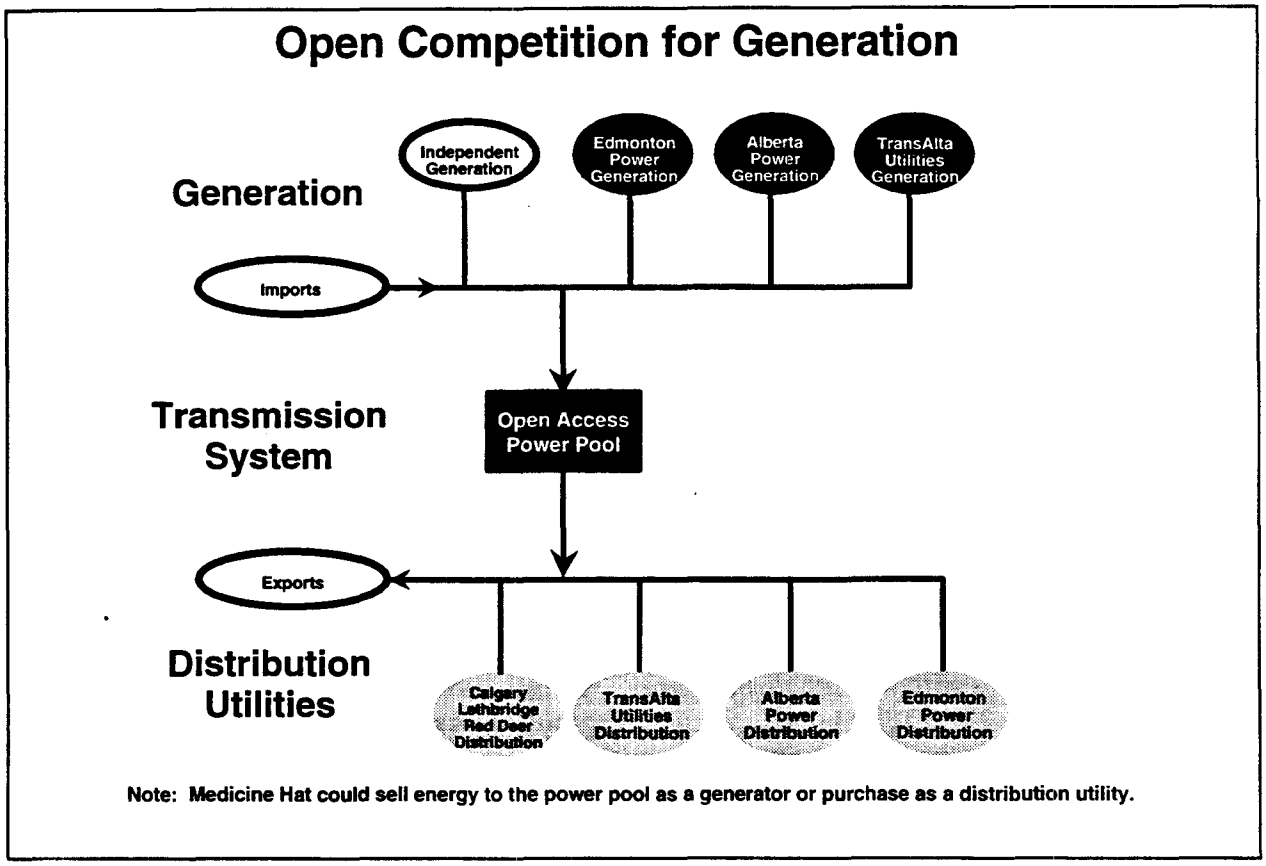


Figure 10

1. **Access to the power pool** -- Under current arrangements, independent generators have to negotiate with the existing utility generators to gain access to the power pool. This would be modified to allow all generators to supply the pool. All power moving on the transmission system would be exchanged and dispatched through the pool. The pool would establish a market price for hourly exchanges of power that would depend on what units were available to supply the load as customer demand rises and falls. The objective of the pool price is to reflect the hourly value of power.

   Under the proposed structure, the pool would be operated as a cooperative venture. A board made up of representatives from all participants in the pool would monitor pool operations to ensure that functions are carried out in a way that is open, transparent and fair to all users.

2. **Transmission access to the pool** -- All generators and importers would be able to supply power through the transmission system on a non-discriminatory basis to the pool, regardless of who owns any given portion of a power line. Distributors and exporters would have similar access to take power from the pool through the grid. In return, all parties would pay transmission rates.

   One set of rates would be established for the province and approved by regulators based on the following principles:

   - Distributors would pay the same rate for transmission out of the pool. In other words, all distributors throughout Alberta would pay the same price for transmission, regardless of how far they are from sources of generation. Exporters would pay location-based rates out of the pool.

   - To supply power *into* the pool, generators and importers would pay charges or receive credits based on the location of supply. This would encourage suppliers to locate facilities for the maximum efficiency of the system.

   TransAlta Utilities, Alberta Power and other transmission owners would continue the day-to-day physical operation of their respective transmission systems. Transmission access and rates, as well as the planning of new transmission facilities, would be monitored by an "Electric Transmission Council." This Council would include representatives from consumer groups, such as the Alberta Federation of Rural Electrification Associations, the Alberta Association of Municipal Districts and Counties, and the Industrial Power Consumers Association of Alberta, distribution companies, generators, and exporters. The Council would be responsible for ensuring that generators, importers, distributors and exporters have open access to the power pool on a non-discriminatory basis.

3. **Competition for new generation** -- Distributors would be responsible for forecasting the needs of their customers and making the appropriate supply arrangements. Investor-owned distributors would be required to choose new generation from competing sources. They would be accountable to their regulator for decisions they make on behalf of their customers.

3.2 Element Two: Incentive Regulation

While competition would control the cost of new generation, regulation would still be needed for many areas of the electric industry. Wherever possible, the new structure would modify current cost-of-service regulation to enhance the incentives for utilities to reduce costs and operate more efficiently.

Currently, investor-owned utilities forecast costs for a test period (typically two years). Regulators examine the forecasts and approve those costs they conclude are prudent; utilities must then meet their forecast in order to make their allowed return. This gives the utilities an

incentive to keep their costs below forecast in order to make more than their allowed return. Customers benefit from lower costs in subsequent test periods when regulators establish new rates that account for the utilities' improved performance.

The traditional cost-of-service approach would be modified to provide further incentives. However, it is essential that any further benefits by way of lower costs and increased efficiency be shared between customers and the utilities.

The proposal is to eliminate legislative barriers that currently limit the Public Utilities Board from approving stronger performance incentives to the utilities they regulate. A package of incentives which would best suit Alberta would be developed. The specific incentives adopted may vary for each component of the electric system.

Existing generation
Existing generating units would continue to be regulated, thereby ensuring that customers retain the benefits of their low cost.

One way of providing stronger incentives would be to make the test periods longer. Initially, test periods could be extended to three to five years or longer. In the longer term, test-period regulation could be replaced for each generator by performance-based agreements. Such agreements would recognize the cost and remaining life of the utilities' generating plants.

Transmission
The transmission system would continue as a natural monopoly since it does not make sense to build more than one transmission grid. Therefore the need to regulate transmission costs would continue. The operation of the transmission system would be monitored to ensure that no conflict of interest occurs among generators and distributors who are linked corporately.

Under the new structure, transmission costs would be regulated separately from generation and distribution. Transmission costs may also benefit from longer test periods and incentives for efficiency.

Distribution
The need to regulate distribution costs for investor-owned utilities would continue.[5] Once again, distribution systems constitute a natural monopoly. As well, the pricing arrangements that investor-owned utility distribution companies make for new generation would need regulatory review. Longer test periods and other incentives for controllable costs may be appropriate.

3.3 Element Three: Replacement for EEMA

The proposed structure would replace the existing EEMA mechanism with a three-element approach that includes:

[5] This would include cost allocation to customer rate classes.

1. **Common transmission rates for distributors**
   All distributors would pay the same transmission rates for power from the pool. These rates would cover the costs of all transmission facilities currently included under the EEMA mechanism. This ensures that all distributors would have access to the generation market on equal terms, regardless of their location in Alberta.

2. **Ongoing averaging of existing generation**
   Alberta consumers would share equally in the benefits of (and responsibilities for) the low cost of existing generating units.[6] Legislation would establish the link between each distributor and its share of existing generation capability. The result would be that all Albertans pay basically the same price for power from existing facilities.

   An important issue is the allocation of existing generation to the distributors. Distributors would need to know their future share of existing generation prior to making decisions about arranging for new generation.

   Under the proposed structure, each distributor would receive an allocation of existing generation in 1996 that is sufficient to meet the firm requirements of its customers. Since existing generation is expected to be in surplus until the end of the decade, a formula would also be established in 1996 under which the surplus would be allocated to distributors in accordance with their forecast load growth.

3. **Costs for new generation would not be averaged**
   Costs for power from future units would be based on contracts between generators and distributors. This means that averaging would be effectively phased out as new generation replaces existing facilities that are retired.

Figure 11 summarizes how financial flows would occur from generators to distributors under the proposed replacement for EEMA. Under the new structure, the existing vertically integrated utilities would be recognized as having distinct generation, transmission and distribution functions.[7]

The power pool would have a settlement process to make adjustments for differences between the obligation of generators to supply distributors and the actual amounts supplied to the pool. The power pool would also compensate new generators that can offer uncontracted power to the pool at competitive terms.

---

[6] This excludes Medicine Hat since they are not included in the current EEMA mechanism.

[7] This would not require divestiture. It only requires separate cost centres to allow the regulatory allocation of generation, transmission and distribution costs.

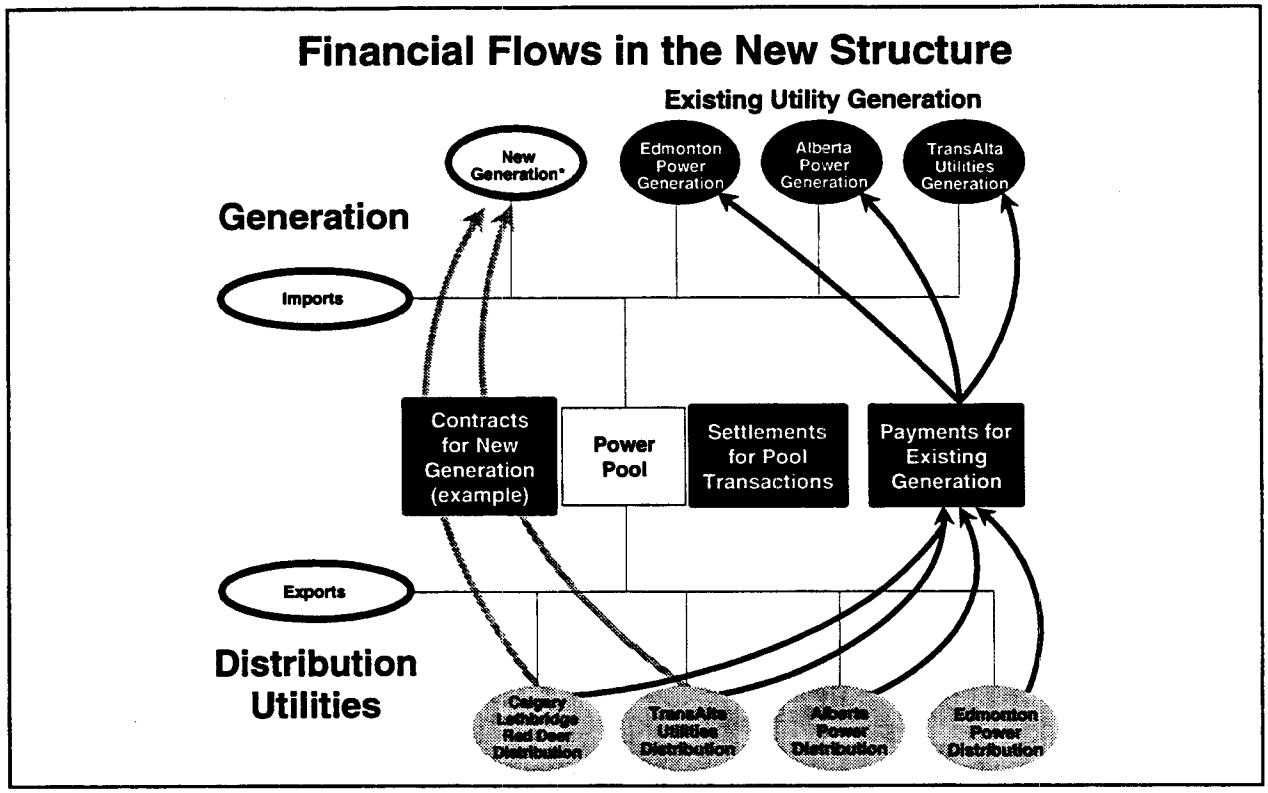


Figure 11

3.4 Element Four: A Study of Customers' Options for Arranging New Generation

Distribution utilities continue to have the basic right and obligation to meet the power supply requirements of all customers in their distribution areas. None of the proposed changes outlined above would alter this.

Before the end of the decade, arrangements for new generation may be needed to meet growing power requirements. A number of customers have expressed a desire to make their own pricing arrangements for any new generation they need beyond their share of existing generation. They believe the benefits of competition could be enhanced by allowing customers to make their own choices for new supply.

The Steering Committee has agreed that it will study the merits of allowing customers of distribution utilities the option to make their own pricing arrangements for new power supply. The study would follow implementation of the three basic elements of the new electric system structure in January 1996. Drawing on Alberta's experience in implementing the new system, and the experience of other jurisdictions, the study would lead to recommendations about whether customers should have this option. It would also identify the conditions that need to be met, the appropriate timing, and recognize the independence of municipal distributors. The intent is to conclude the study as soon as practical, within a year if possible.

4.0 IMPLICATIONS OF THE PROPOSED DIRECTION

The proposed new structure seeks to address the Government's goals of finding a fair replacement for the current EEMA mechanism and introducing changes that preserve and enhance the *Alberta Advantage* of competitive electricity prices. This section provides a brief summary of the implications of the proposed changes, including the impact on electricity prices.

4.1 Impact on Electricity Rates for Consumers

The immediate impact on rates would be minor.
The new structure, which would be implemented in 1996, would not result in any significant rate changes for any group of customers. This is felt to be consistent with the goal of finding a replacement for EEMA that is fair from a province-wide point of view.

Rates are expected to remain relatively stable for the balance of the decade.
This is principally because new generating capacity will not likely be required until the turn of the century. Figure 12 shows a forecast of generation and transmission costs to 2007. The forecast assumes there are no unexpected changes such as unexpectedly high load growth.

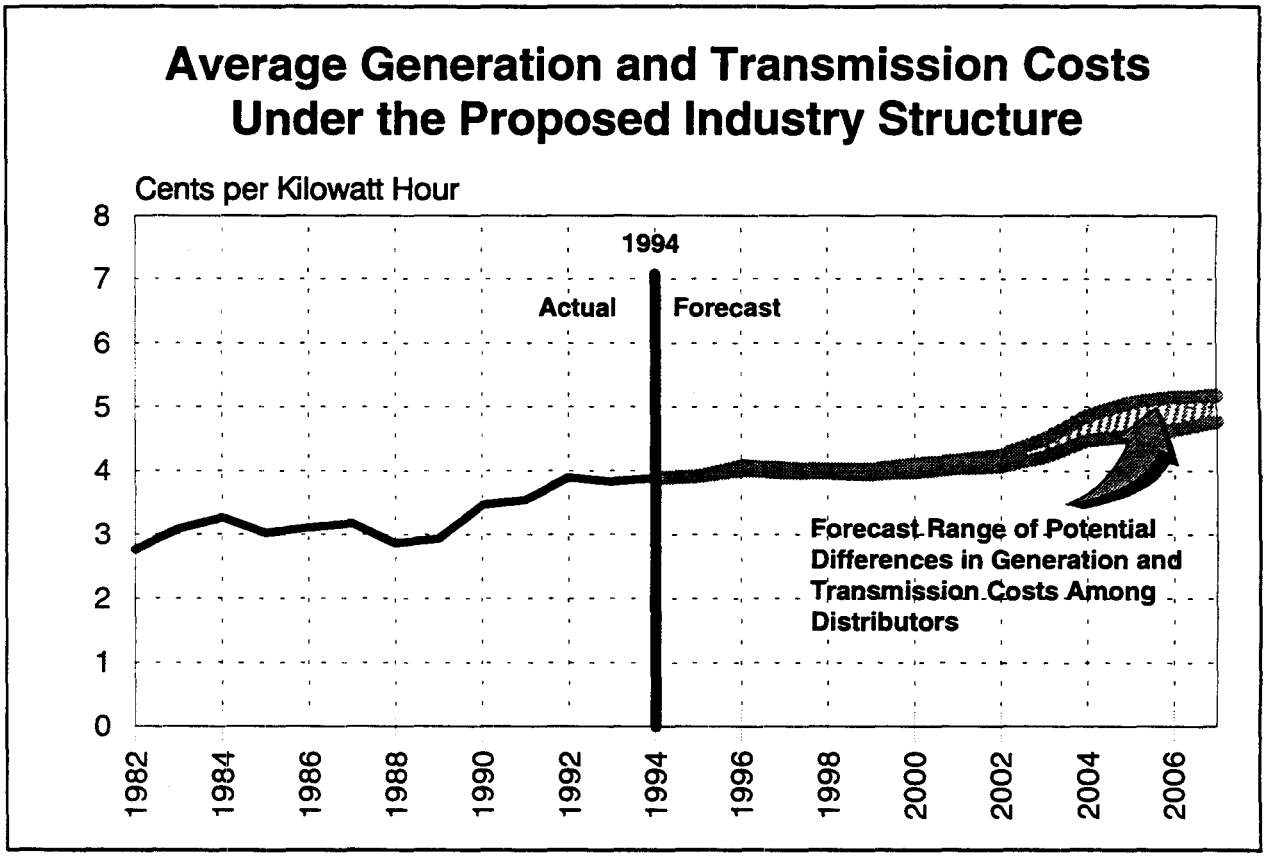


Figure 12

The new structure would help maintain a downward pressure on rates.
Increasing competition among generators would provide benefits as new generation facilities are added to Alberta's electric system. As a result, rate increases required when new generation is added would be less than they would otherwise be.

Lower regulatory costs and increased incentives for utility efficiency should have impacts in the shorter term. Incentive regulation should provide benefits soon after it is introduced.

Concerns about utility accountability for generation costs would be lessened.
Distributors would be more clearly accountable for the costs of new generation in their rates. Decisions made solely by one distributor would not affect customers of any other utility.

The portfolio of supply arrangements of investor-owned distributors would be subject to regulatory review.

Consumers throughout the province would share fairly in the advantages of the low cost of existing generation, and in the costs of providing transmission.
The proposed new structure ensures that the arbitrary nature of service area boundaries would not result in significant rate differences paid by customers who live near each other and receive similar services. All distributors, regardless of where they are located, would pay the same costs for transmission services and share in the low cost of existing generation.

Future rate differences due to generation costs are expected to be minor.
Figure 12 also illustrates current forecasts that the potential difference in generation and transmission costs between distribution areas is expected to be minor.

Since future generation costs would no longer be averaged province-wide, some rate differences associated with generation costs are expected to occur after new generation is added at the turn of the century. Differences develop when one distribution utility grows at a faster rate and has to blend in a higher proportion of new generation costs with its share of existing generation.

However, potential differences in generation and transmission costs between distribution utilities are expected to be minor relative to the differences that existed before the introduction of EEMA. This is because transmission costs will continue to be the same for all distribution utilities under the proposal, and differences in growth rates between services areas are expected to be smaller than in the past.

4.2 Other Implications for Alberta

Regulation where needed
The responsibilities of the regulator would be maintained where needed. This would include regulation of :

- existing generation -- to ensure that customers continue to benefit from the low cost associated with existing generation;

- transmission planning and rates; and

- investor-owned distributors' supply costs and customer rates.

Municipally owned distributors would have autonomy in making supply arrangements for new generation and setting electricity rates for customers.

Environmental considerations
The proposed structure would not preclude any future policy choices for addressing environmental matters that might be made by the Government. Stakeholders currently working on the Clean Air Strategy for Alberta have recommended that, in general, broad cross-sectoral, market-based approaches designed to directly address air quality priorities, hold more promise than narrow, sector specific approaches for improving the cost-effective management of emissions.

Opening access to the power pool through the transmission system would eliminate barriers identified by Independent Power Producers (including developers of renewable energy projects) that may have made it difficult for them to enter the process for selection of new generation.

5.0 NEXT STEPS

The proposed structure is intended to preserve the strengths of the existing industry -- strengths that include low costs, efficient transmission planning and economic operation of the power pool. At the same time, the proposal should improve the efficiency of regulation and increase opportunities for competition. Independent power producers would have the opportunity to compete to supply electricity to the Alberta grid.

Many important details of the new structure must still be worked out. However, the Steering Committee agrees that the proposed direction is feasible and that it would permit Alberta's electric industry to respond well in a changing world environment. The Government is seeking reaction to this report by November 18, 1994, and will decide the overall direction for change by the end of 1994. Your input is welcomed.

APPENDIX A: A SUMMARY OF STAKEHOLDER CONSULTATIONS

Over the past four years, the Department of Energy has undertaken three broad interrelated initiatives concerning Alberta's electric industry:

1. A review of how the industry is regulated.

2. A review of the Electric Energy Marketing Act (EEMA). This included establishing a panel to obtain input through a series of hearings in May and June, 1992.

3. The restructuring of Alberta's electric industry and replacing the EEMA mechanism.

Regulatory Review

In 1990, the Department of Energy began a review of how the electric power industry in Alberta is regulated. The purpose was to determine whether the current regulatory framework and industry structure was appropriate for the future.

A task force, made up of electric utilities, consumer groups and other interested parties, was formed to help clarify the issues and identify the alternatives. During a series of workshops in the spring of 1991, two main concerns were raised:

1. A perceived lack of coordination between the two bodies responsible for approving new generating plants: The Energy Resources Conservation Board (ERCB), responsible for establishing the need for new generating units; and the Public Utilities Board (PUB), responsible for permitting utilities to recover the cost of new facilities through electric rates.

2. A perception that the EEMA cost-pooling mechanism has a detrimental effect on utility planning and accountability.

As a result of these discussions, the Department circulated a discussion paper to all interested parties in April 1992: *"Regulatory Framework for the Electric Power Industry."* This paper outlined options identified by the task force to improve the existing regulatory framework, along with alternatives for the future structure and regulation of the electric power industry in Alberta.

Stakeholder responses were received at the end of July 1992. They paralleled the diversity of views expressed during the EEMA Review public hearings, which were taking place at the same time. Submitters felt that recommendations on the scope and nature of the planning process should not precede a decision on the future of EEMA. However, there was general agreement on the need to clarify and better coordinate the responsibilities of the ERCB and PUB. Legislation to begin the process of merging the two boards was passed in the spring of 1994, creating the Alberta Energy and Utilities Board.

EEMA Review
In April 1992, concerns about EEMA led to the creation of an independent panel to review whether the objectives and implementation of EEMA were still valid for the 1990s.

EEMA was introduced in 1982 primarily to reduce significant rate disparities that had arisen between utility service areas. EEMA reduced the disparities by requiring that generation and transmission costs be averaged province-wide.

Following a series of public hearings and more than 500 written submissions, the panel recommended that Alberta move to partial equalization of generation and transmission costs. This recommendation found little support with the electric utilities or customer groups. Some felt it did not address their concerns with ongoing averaging under the EEMA mechanism. Others were concerned that partial equalization would immediately re-open the rate disparities that EEMA had been introduced to address. It was realized that the reform of EEMA was part of a broader issue of industry structure.

Utility Discussions
Meanwhile, additional issues related to industry structure were emerging. In December 1992, TransAlta filed an application with the PUB to introduce separate rates for transmission and distribution services. The rates would have given customers in TransAlta's distribution area the option of buying power from third-party generators located in TransAlta's service area, using TransAlta's transmission and distribution lines to deliver the power.

This was perceived by many as a significant step towards deregulating the utilities' monopoly franchise to supply electricity. In December 1993, TransAlta withdrew its network access application,. This was in response to concerns that this issue should be decided as part of the broader public debate about the future direction of the electric industry in Alberta.

Earlier that year, Alberta's four largest electric utilities had asked for an opportunity to develop an alternative to the EEMA review panel's recommendation for partial averaging. Talks broke off at the end of August 1993, partly because of uncertainty about future industry structure and the potential implications of TransAlta's application.

A Comprehensive Approach
Following the breakdown in talks among the utilities, the Minister of Energy in consultation with the Government's Standing Policy Committee on Natural Resources and Sustainable Development directed the Department of Energy to identify a comprehensive solution.

The Department was directed to look for a comprehensive solution that would meet the following objectives:

1. *Replace the current EEMA mechanism*
   a) The replacement must address province-wide concerns regarding fairness, such as:
      - the perception that transfers under the current mechanism are unfair; and
      - the possibility that differences in embedded generation costs could contribute to rate disparities across service area boundaries.

b) The replacement must address concerns that the current mechanism reduces utility accountability.

c) Replacement must be compatible with industry structure and regulatory reforms.

2. *Introduce industry structure and regulatory reforms that preserve and enhance the Alberta Advantage of competitive electricity prices*

a) Consider reforms that enhance the development and reliance on competitive market forces in the electric industry so that:

- existing generators are allowed to operate on a less regulated and more commercial basis.
- market access is improved for independent generators.
- some or all end-use customers are provided with the opportunity to buy power from the supplier of their choice on an unregulated commercial basis.

b) Where regulation is needed, streamline the regulatory system and create incentives that promote efficiency.

Mayors' Advisory Committee

At the end of January 1994, the Minister of Energy met with mayors and municipal officials from across Alberta. There was general agreement that, in addition to fairness, the efficiency of the electric system should be a major criterion for evaluating alternatives to the current system.

The Minister met with the Mayors' Advisory Committee again at the beginning of May to review the options and the process for assessing them.

Options Paper

In March 1994, the Government circulated a paper titled *Identifying Options for the Alberta Electric Industry*. That paper outlined three basic options for a new industry structure.

The options shared a number of common elements. For example, each option proposed open access to the power pool through the provincial transmission grid so that all potential competitors have full access to the electricity market on a non-discriminatory basis. The options also proposed that existing generation, transmission and distribution be regulated in a manner that creates stronger incentives for efficiency and reduced regulatory costs.

The main differences among the options were in how arrangements for new generation were made. The variations were:

Option A: ***Regulated Provincial Wholesaler arranges for all generation***

Under this option, existing and future generation and transmission costs would be averaged province-wide. A regulated provincial wholesaler, acting as agent for all distributors, would contract for new generation (as well as existing) and re-sell the power to distributors at a common blended price.

Option B: ***Distribution utilities arrange for new generation***

Under this option, the cost of new generation would not be averaged province-wide. Each distribution utility would be responsible for making new supply arrangements on behalf of the customers in its franchise area. Existing and new customers would continue to have access to the low cost of existing generation on an equitable basis. The proportion of generation costs averaged province-wide would phase out over time as load grows and existing plants are retired and replaced by new supply arrangements that are not averaged.

Option C: ***Distribution utilities, other suppliers and customers arrange for new generation***

Under this option, end-use customers would have the option of making their own arrangements for their share of new generation as required. All customers would continue to have the right to their share of the low cost of existing facilities. Customers who did not wish to make such arrangements would not be adversely affected; their distribution utilities would continue to obtain new generation for them.

Stakeholders were asked whether their vision for the future direction of the Alberta electric industry was covered by the options. Their responses confirmed that these options generally spanned their range of visions, but a more technical assessment of the options was required.

A Technical Group was formed to develop additional detail on the options so that stakeholders would have a meaningful basis of information. A Steering Committee comprising a broad cross-section of stakeholders was formed to help guide the work of the group. Their work over the summer of 1994 led to the proposal outlined in this discussion paper. The wider stakeholder community is invited to comment on this proposal.

APPENDIX B: MEMBERS OF THE STEERING COMMITTEE

	Steering Committee	Technical Group
Alberta Association of Municipal Districts and Counties (AAMD&C)	Roelof Heinen Larry Goodhope	Mick Davies
Alberta Department of Energy	Rick Hyndman Larry Charach Guy Bridgeman	Guy Bridgeman Bryan DeNeve
Alberta Federation of REAs	Herman Schwenk	Mick Davies
Alberta Power	Dick Frey	Richard Stout
City of Calgary Electric System	Nigel Chymko	Andy Norlander
City of Medicine Hat	Winston Kerr	
Edmonton Power	David Foy	Rick Cowburn
Environmental Law Centre	Howard Samoil Fred Gallagher	
Industrial Power Consumers Association of Alberta (IPCAA)	Sherrold Moore Doug Wilson	Mark Drazen Lynn Pearson
Independent Power Producers' Society of Alberta (IPPSA)	Guido Bachmann	
Northern Alberta Development Council (NADC)	Frank Lovsin	
Public Institutional Consumers of Alberta (PICA)	Michael Higgins Raj Retnanandan	
TransAlta Utilities	Walter Saponja	Dick Way

APPENDIX C: GLOSSARY

Alberta Interconnected System	Those plants and loads that are interconnected by a continuous transmission system in Alberta.
Capacity	The maximum output a generating unit can deliver at a point in time.
Dispatch	Having a plant supply power to the system when directed by the power pool operator.
Distribution	The power lines and related facilities that carry power from the transmission grid to end-use customers.
Grid	The high-voltage transmission system connecting generators to distributors.
Independent Power Producer	A non-utility owner of generating facilities.
Load	Total electricity demand for service on a utility system at any given time.
Natural monopoly	A market in which the cheapest production costs are achieved only if the product or service is provided by a single supplier.
Power Pool	The body responsible for coordinating the output of generating units throughout the province with consumer demand as it rises and falls.
Rate base	The costs of plant, property and equipment which the PUB allows the utilities to recover through consumer rates.
Reserve	Additional generating capacity kept on the system in case of plant failure or unexpected surges in demand.
Service area	Territory in which a utility company has the exclusive right to supply or make available its utility service.
Spot market	The market for a product or service which is traded for immediate delivery.
Spot price	The price of a product in a spot market.
Transmission	The system of high-voltage power lines and related facilities that links generating units throughout the province.

FILE No.

THE CITY OF RED DEER

P. O. BOX 5008, RED DEER, ALBERTA T4N 3T4

City Clerk's Department
(403) 342-8132 FAX (403) 346-6195

November 9, 1994

Alberta Energy
Electricity Policy Branch
5th Floor, North Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta
T5K 2G6

Dear Sir/Madam:

RE: REPORT / ENHANCING THE ALBERTA ADVANTAGE: A COMPREHENSIVE APPROACH TO THE ELECTRIC INDUSTRY

At the City of Red Deer's Council meeting held on November 7, 1994, consideration was given to the above report and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered correspondence from Alberta Energy dated October 18, 1994, re: Report - Enhancing the Alberta Advantage: A Comprehensive Approach to the Electric Industry, hereby agrees with the proposed direction for changes contained within said report, with said support being conditional upon The City of Red Deer being able to participate in the study and that the autonomy of municipal distributors is preserved, and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information and appropriate action. Thank you for the opportunity to provide comments on this report.

I trust that you will be contacting The City of Red Deer in due course as to what level of involvement we can expect in this study.

Sincerely,

KELLY KLOSS
City Clerk

KK/clr

cc: Director of Financial Services
E. U. & P. Manager

DATE: NOVEMBER 1, 1994

TO: CITY COUNCIL

FROM: CITY CLERK

RE: NOTICE OF MOTION: ALDERMAN STATNYK
CHANGE TO TAXI BUSINESS BYLAW

At the Council meeting of October 11, 1994, the following resolution was passed concerning the above topic:

> "RESOLVED that Council of The City of Red Deer hereby agrees that the Taxi Commission review the inclusion of the following sentence at the end of paragraph 6 of Schedule "B" of the Taxi Business Bylaw:
>
> > 'This provision shall not apply to a vehicle in respect of which a Wheelchair Accessible Vehicle Taxi License Plate has been issued.' "

For Council's information, paragraph 6 of Schedule "B" currently reads as follows:

> "Where a person requesting Taxi services requests the use of a motor vehicle commonly known as a "station wagon", or a "van", then the fare charged for the first 100 metres shall be $7.20. This provision shall not apply to a station wagon or a van when it is being used for the transportation of a physically handicapped passenger."

If Council agreed with the above change, we recommend that the new paragraph 6 read as follows:

"6 Where a person requesting taxi services requests the use of a motor vehicle commonly known as a "station wagon", or a "van", then the fare charged for the first 100 metres shall be $7.20. This provision shall not apply to:

a) a station wagon or a van when it is being used for the transportation of a physically handicapped passenger

b) a vehicle in respect of which a Wheelchair Accessible Vehicle Taxi License Plate has been issued."

Attached is the Taxi Commission's report relative to this matter.

Kelly Kloss
City Clerk

DATE: OCTOBER 27, 1994

TO: CITY CLERK

FROM: TAXI COMMISSION

RE: **NOTICE OF MOTION: ALDERMAN STATNYK - CHANGE TO TAXI BUSINESS BYLAW.**

Members of the Taxi Commission, at their meeting of October 25, 1994, reviewed the Notice of Motion submitted by Alderman Statnyk, and offer the following resolution introduced and passed regarding same:

> "THAT the Policing Committee/Taxi Commission disagree with the proposed amendment to paragraph 6 of Schedule 'B' of the Taxi Business Bylaw, on the grounds that
>
> - there is currently a provision in the Bylaw ensuring a 10% reduction from the regular fare for seniors and all persons mentally or physically handicapped, (see paragraph 3 (c) of Schedule 'B'); and
>
> - paragraph 64.2 provides that "Priority for the use of Wheelchair Accessible Vehicle Taxis shall be given to persons with physical disabilities who are in wheelchairs". Therefore, if a van is specifically requested and is *available*, including a wheelchair accessible van, a driver should be allowed to charge the extra fee; and
>
> - if the extra fee is prohibited when using a Wheelchair Accessible Van to transport goods, it will be the driver and not the broker, who will lose the extra revenue."

Respectfully submitted,

JAMES B. MITCHELL
Chairman
RED DEER POLICING COMMITTEE/TAXI COMMISSION

Commissioners' Comments

The attached is submitted for Council's information as requested.

"G. SURKAN", Mayor
"M.C. DAY", City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **POLICING COMMITTEE / TAXI COMMISSION**

FROM: **CITY CLERK**

RE: **NOTICE OF MOTION: ALDERMAN STATNYK - CHANGE TO TAXI BUSINESS BYLAW**

At the Council Meeting of November 7, 1994, consideration was given to the above Notice of Motion which would add the following statement to paragraph 6 of Schedule "B" of the Taxi Business Bylaw:

> "This provision shall not apply to a vehicle in respect of which a wheelchair accessible vehicle taxi licence plate has been issued."

At the above noted meeting Council did not support including this statement and as such no changes were made to the Taxi Business Bylaw.

This is submitted for your information.

KELLY KLOSS
City Clerk

KK/clr

cc: Bylaws and Inspections Manager
Insp. R. Beaton
Red Deer Cabs Ltd.
Associated Cabs, Chinook Cabs, City Cabs
Alberta Gold Taxi Ltd.

NO. 2

DATE: NOVEMBER 1, 1994

TO: CITY COUNCIL

FROM: CITY CLERK

RE: NOTICE OF MOTION: ALDERMAN STATNYK
RED DEER COLLEGE STUDENT PARKING IN
WEST PARK SUBDIVISION

At the Council Meeting of September 26, 1994, the following resolution was passed concerning the above topic:

> "WHEREAS the residents of West Park adjacent to the Red Deer College have students from Red Deer College parking in front of their homes; and
>
> WHEREAS during the months of September through April the residents of this area are concerned with student parking;
>
> NOW THEREFORE BE IT RESOLVED that the Council of The City of Red Deer hereby agrees in principle to the installation of "2 hour only" parking signs in the West Park Subdivision along 55 Avenue and 57 Avenue as outlined on the maps submitted to Council September 26, 1994, subject to consultation with those West Park residents affected and a further report being presented back to Council which includes the funding source."

Attached is a further information for Council consideration relative to this matter.

Kelly Kloss
City Clerk

DATE: October 25, 1994

TO: City Clerk

FROM: Bylaws & Inspections Manager

RE: 2 HOUR PARKING - WESTPARK

Council, at a previous meeting, directed this department to contact property owners in the area of 55 Avenue -57 Avenue and 32 Street. Their comments regarding the installation of 2 hour parking zones were requested.

A total of 64 letters were sent out and 20 replies were received. Eleven were against the proposal, 6 were in favour, 2 were in favour if the hours were restricted to 8:00 am - 5:00 pm, and one letter was received that we have attached for Council's information.

We trust this is the information required.

Yours truly,

R. Strader
Bylaws & Inspections Manager
BUILDING INSPECTIONS DEPARTMENT

RS/cp
Att.

3233 - 55 Avenue
Red Deer, Alberta
T4N 5L3

October 17, 1994

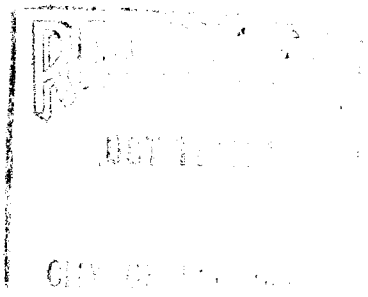
Bylaws and Inspection Department
City of Red Deer
P.O. Box 5008
Red Deer, Alberta
T4N 3T4

Re: Two Hour Parking Restriction in West Park on 55th and 57th Avenues

I have occasionally experienced some parking problems in front of my residence on 55th Avenue, but those problems are probably more related to activities at West Park Junior High School than to Red Deer College. I resent the City of Red Deer's attempt to dictate that I can no longer have guests in my home for more than two hours unless they utilize public transportation. I can however appreciate that some homes owners further south on 55th Avenue are experiencing problems and suggest that a two hour parking restriction would provide a solution only if the affected residences are provide with a minimum of two **free** residential parking permits on placards that could be placed on the dashboards of vehicles parked in front of homes in the affected areas.

I have been told that a two hour parking restriction was imposed around the hospital some time ago and that any residents who received tickets could take them to City Hall and have them voided or cancelled. That solution does nothing for guests as they cannot prove, using vehicle registrations for example, that they had legitimate reasons for parking. Of greater import, such a solution suggests that the city government believes itself to be able to selectively enforce laws, which clearly demonstrates a lack of respect for the law and an absence of any morals or ethics.

J. H. Allan



cc/ G. Surkan, Mayor

DATE: September 20, 1994

TO: City Clerk

FROM: Bylaws and Inspections Manager

RE: NOTICE OF MOTION - WESTPARK PARKING

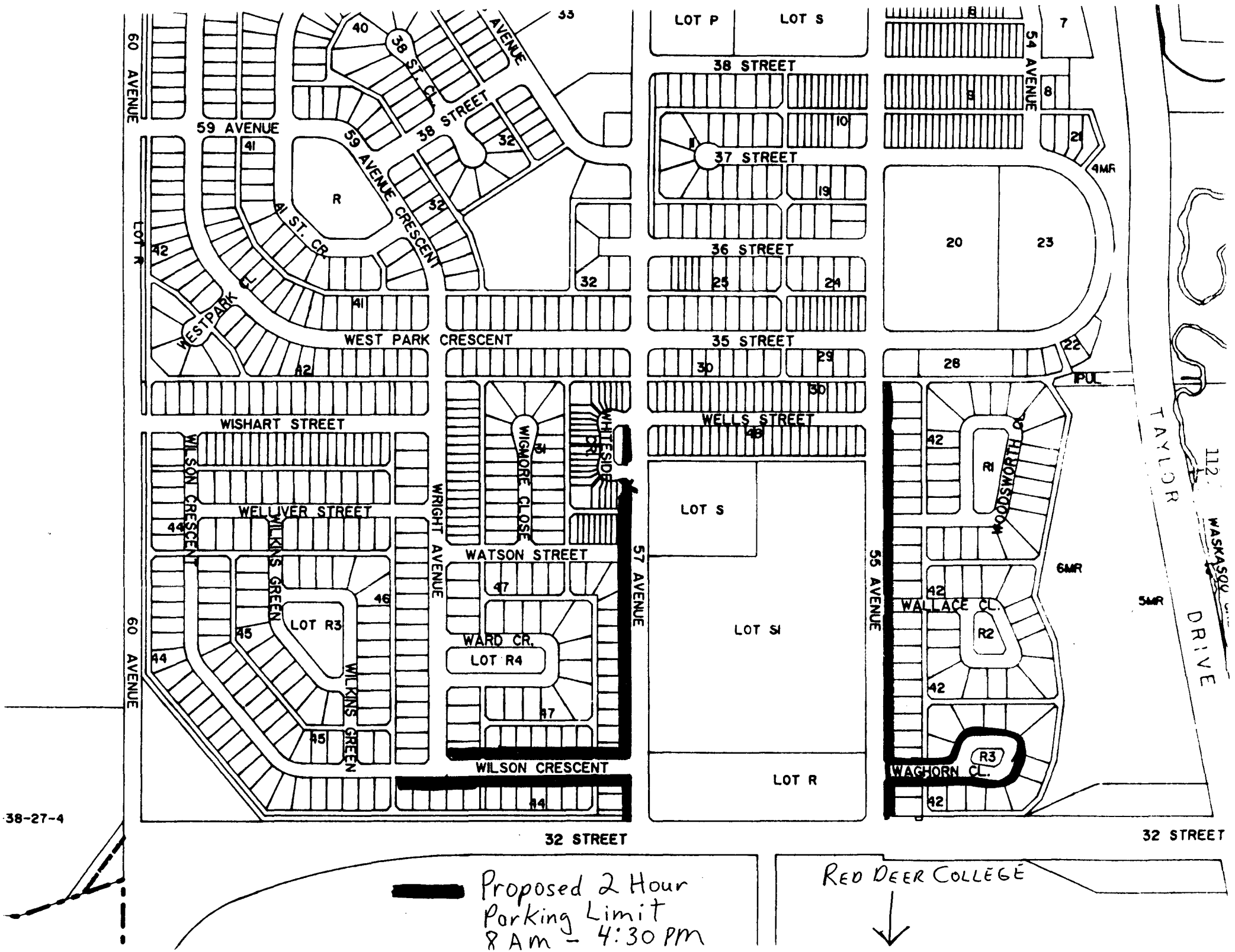
Two hour parking zones have been installed in response to complaints from residents near the hospital. The response seems to be good in that we receive very few complaints from either people being ticketed or residents after the zones are installed.

There have been no funds identified for either sign installation or for enforcement of the signed areas. The hourly rate for a commissionaire is $9.91 including a vehicle while costs for installing signs would be $100.00/sign with a suggested spacing of 150 feet. The sign costs would be a one time cost of $3,200.00, monthly costs for commissionaires would be $495.00. The Commissionaires cost was based on a patrol being performed every 2 hours, which would be required for at least the first month as classes start at various time at the college. The area around the hospital was patrolled once in the morning and once in the evening, but in that situation the problem was attributed to workers on fixed schedules.

Yours truly,

R. Strader
Bylaws & Inspections Manager
BUILDING INSPECTION DEPARTMENT

RS/cp


60 AVENUE
59 AVENUE
38 ST. CL.
38 STREET
59 AVENUE CRESCENT
41 ST. CR.
WESTPARK
WEST PARK CRESCENT
WISHART STREET
WILSON CRESCENT
WELLIVER STREET
WILKINS GREEN
LOT R3
WRIGHT AVENUE
WIGMORE CLOSE
WHITESIDE DR.
WATSON STREET
WARD CR.
LOT R4
57 AVENUE
WILSON CRESCENT
LOT R
LOT P
LOT S
38 STREET
37 STREET
36 STREET
35 STREET
WELLS STREET
LOT S
LOT SI
LOT R
55 AVENUE
54 AVENUE
WOODSWORTH CR.
WALLACE CL.
R1
R2
R3
WAGHORN CL.
4MR
5MR
6MR
IPUL
TAYLOR DRIVE
WASKASOO
112
32 STREET
32 STREET
38-27-4
Proposed 2 Hour Parking Limit 8 AM - 4:30 PM
RED DEER COLLEGE

COMMISSIONERS' COMMENTS:

Given that only six of the 64 residents contacted supported the proposal, we cannot recommend that it be implemented. If residents in the area wish to pursue the matter further, perhaps they could come to an agreement through their community association on an appropriate solution. This could then be presented back to Council for consideration.

"GAIL SURKAN"
Mayor

"H. M. C. DAY"
City Commissioner

DATE: **NOVEMBER 9, 1994**

TO: **BYLAWS AND INSPECTIONS MANAGER**

FROM: **CITY CLERK**

RE: **TWO HOUR PARKING - WEST PARK**

At the Council Meeting of November 7, 1994, consideration was given to the above topic and at which meeting the following resolution was passed:

> "RESOLVED that Council of The City of Red Deer, having considered the report from the Bylaws and Inspections Manager dated October 25, 1994, re: Two Hour Parking - Portion of West Park Subdivision, hereby agrees that two hour parking restrictions in West Park on 55 Avenue and 57 Avenue not be implemented at this time and as presented to Council November 7, 1994."

The decision of Council in this instance is submitted for your information.

KELLY KLOSS
City Clerk

KK/clr

BYLAW NO. 2672/X-94

Being a Bylaw to amend Bylaw No. 2672/80, the Land Use Bylaw of The City of Red Deer

NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE CITY OF RED DEER, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, ENACTS AS FOLLOWS:

That Bylaw 2672/80 be amended as follows:

1. The "Use District Map" as referred to in Section 1.4 is hereby amended in accordance with the Use District Map No. 8/94 attached hereto and forming part of the Bylaw.

2. Add the following section:

6.2.1-B C1-B COMMERCIAL DOWNTOWN DISTRICT (2672/X-94)

6.2.1.1-B General Purpose of District

To facilitate the development of a range of land uses, similar to the C1 District but with greater requirements for parking, landscaping and setbacks. Generally, the land uses are to serve the City and the region, as a whole, and will be developed at a lower density than C1 lands.

6.2.1.2-B Permitted Uses

(1) Commercial entertainment facility
(2) Commercial recreation facility
(3) Commercial service facility
(4) Dwelling units above the ground floor
(5) Food and/or beverage service facility
(6) Hotel, motel or hostel
(7) Institutional service facility
(8) Merchandise sales and/or rental, excluding agricultural and industrial motor vehicles or machinery, and fuel
(9) Office
(10) Service and repair of goods traded in the district, excluding motor vehicles
(11) Sign

Identification and local advertising on the following types of signs (see Section 4.12): (2672/T-89)
A-Board signs
Awning, canopy and marquee signs
Under canopy signs
Fascia signs

Free standing signs
Neighbourhood identification signs
Painted wall signs
Projecting signs
Roof signs
Wall signs

6.2.1.3-B Discretionary Uses

(1) Accessory building or use
(2) Detached dwellings and their accessory buildings existing legally at the time of adoption of the By-law
(3) Home occupation
(4) Motor vehicle service and repair, excluding agricultural or industrial motor vehicles or machinery
(5) Multiple family building
(6) Parking lot/parking structure
(7) Sign

General advertising and directional information on the following types of signs (see Section 4.12): (2672/T-89)
Painted wall signs
Wall signs

(8) Transportation, communication or utility facility

6.2.1.4-B Regulations

(1)	Floor Area:	Minimum -	Dwelling Units 37 m²
		Maximum -	A third of site area
(2)	Building Height:	Maximum -	As approved by MPC
(3)	Front Yard:	Minimum -	2.5 metres
(4)	Side Yard:	Minimum -	2.5 metres where it abuts a street or lane, otherwise the side yard is zero
(5)	Rear Yard:	Minimum -	2.5 metres
(6)	Landscape Area:	Minimum -	Commercial - 5%
		Residential -	15%
(7)	Parking:	Subject to Section 4.10	

(8)	Loading Spaces:	Minimum -	One opposite each loading door with a minimum of one
(9)	Site Area:	Minimum -	278 m²
(10)	Frontage:	Minimum -	7.5 m

6.2.1.5-B Site Development

(1) The site plan, the relationship between buildings, structures and open spaces; the architectural treatment of buildings; the provision and architecture of landscaped open space; and the parking layout shall be subject to approval by the Development Officer or Municipal Planning Commission.

Additional Setback Requirements

(2) Any part of a building which exceeds 3.8 metres in height shall be set back 4.21 metres from the property line(s) which are adjacent to existing or proposed overhead electrical wiring.

(3) If there is no overhead wiring on the front, rear and/or sideyard of a building, M.P.C. may relax the setback requirements on the side(s) where there are no electrical requirements. The front yard may be reduced from 2.5 metres to 1.5 metres while the side yard and rear yard may be reduced to zero.

(4) In order to accommodate the electrical wiring and equipment, the registration of an easement may be required.

3. This Bylaw shall come into full force and effect upon the passage of third reading.

READ A FIRST TIME IN OPEN COUNCIL this 11 day of October A.D. 1994.

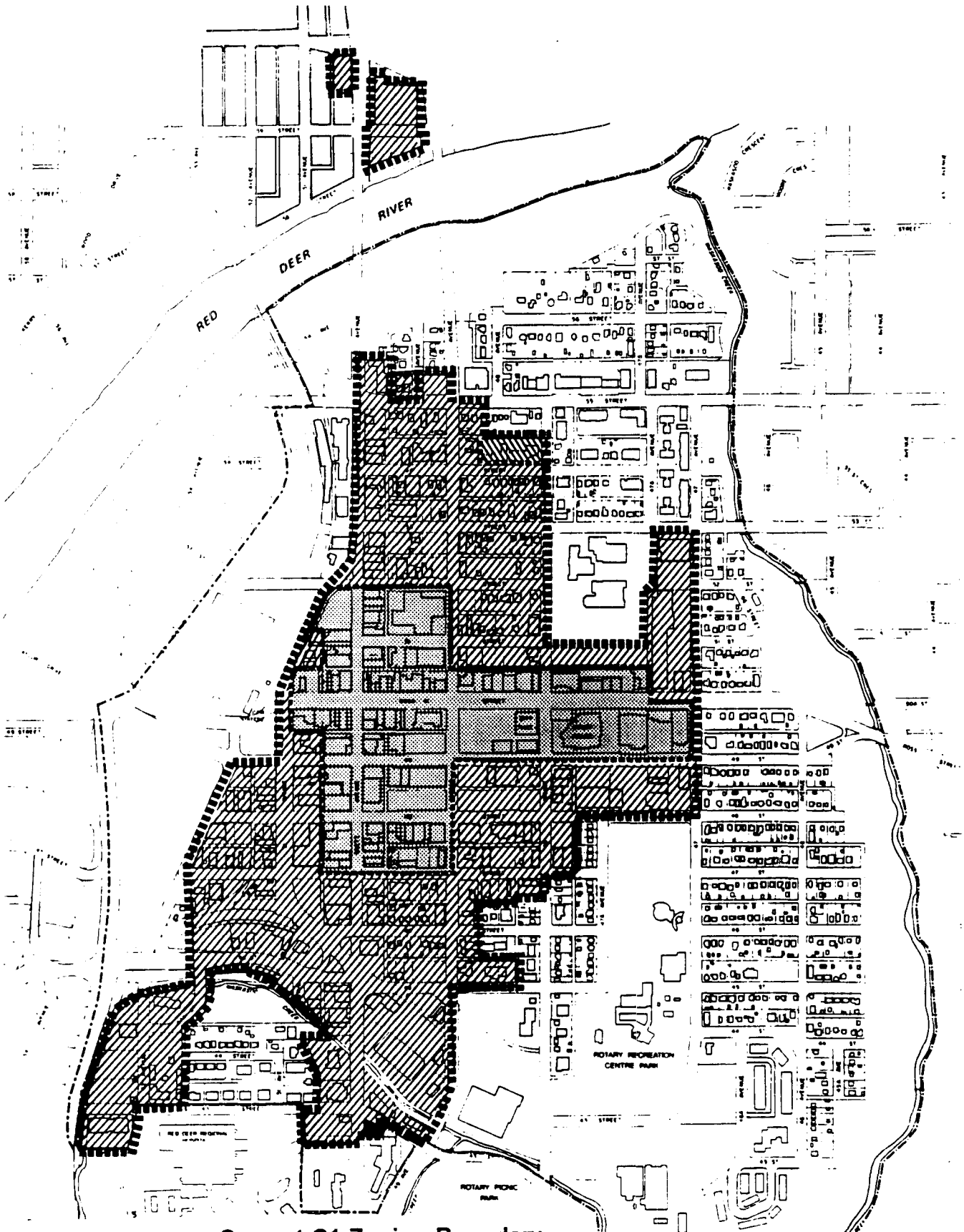
READ A SECOND TIME IN OPEN COUNCIL this day of A.D. 1994.

READ A THIRD TIME IN OPEN COUNCIL this day of A.D. 1994.

MAYOR

CITY CLERK

LAND USE DISTRICT MAP NO. 8/94



Current C1 Zoning Boundary

Proposed C1 Zoning Area

Proposed C1b Zoning Area

Proposed R3 Zoning Area

Proposed C4 Zoning Area

MAP NO. 8/94

Bylaw No. 2672/X-94