



# **CITY COUNCIL**

## **AGENDA**

Monday, April 29, 2019 – Council Chambers, City Hall

Call to Order: 2:30 PM  
Recess: 5:00 PM to 6:00 PM

### **1. IN CAMERA MEETING (approximately 1 hour and 45 minutes)**

#### **1.1. Motion to In Camera**

1.1.a. City Manager Recruitment – FOIP 19(1) Confidential Evaluations

1.1.b. Committee Appointments – FOIP 17(1) Disclosure Harmful to Personal Privacy

1.1.c. Land Matter – FOIP 27(1)(a) Privileged Information

#### **1.2. Motion to Revert to Open Meeting**

### **2. MINUTES**

2.1. Confirmation of the Minutes of the April 15, 2019 Regular Council Meeting  
(Agenda Pages 1 – 19)

### **3. POINTS OF INTEREST**

### **4. REPORTS**

4.1. 2018 Annual Financial Report

(Agenda Pages 20 – 113)

- 4.2. Community Housing and Homelessness Integrated Plan Ad Hoc Committee Appointments  
(Agenda Pages 114 – 115)
- 4.3. Community Housing Advisory Board Recommendation - Request for Additional Funding  
(Agenda Pages 116 – 119)

**5. BYLAWS**

- 5.1. Business Improvement Area Business Tax Bylaw Amendment 3196/A-2019  
(Agenda Pages 120 – 132)
  - 5.1.a. Consideration of Second Reading of the Bylaw
  - 5.1.b. Consideration of Third Reading of the Bylaw
- 5.2. 2019 Tax Rate Bylaw  
(Agenda Pages 133 – 147)
  - 5.2.a. Consideration of Second Reading of the Bylaw
  - 5.2.b. Consideration of Third Reading of the Bylaw
- 5.3. Proposed amendments to create a new land use district in the Queens Business Park area – Bylaw 3357 / N-2019  
Proposed amendments to:  
Bylaw 3398/A-2019 – West QE2 Major Area Structure Plan (MASP)  
Bylaw 3399/A-2019 – Queens Business Park Industrial Area Structure Plan (IASP)  
Bylaw 3469/A-2019 – Queens Business Park SE 36 Industrial Area Structure Plan (IASP)  
(Agenda Pages 148 – 199)
  - 5.3.a. Consideration of First Reading of Bylaw 3357/N-2019
  - 5.3.b. Consideration of First Reading of Bylaw 3398/A-2019
  - 5.3.c. Consideration of First Reading of Bylaw 3399/A-2019
  - 5.3.d. Consideration of First Reading of Bylaw 3469/A-2019
- 5.4. Proposed Land Use Bylaw Amendment (site exception) to allow a Freestanding Dynamic Sign as a discretionary use on 75 Burnt Park Drive  
Bylaw 3357/R – 2018

(Agenda Pages 200 – 227)

5.4.a. Consideration of First Reading of Bylaw 3357/R-2018

5.5. Bylaw 3357D-2019 Amendment to Direct Control District No. 27 and  
Clearview Market Square Phase 2 Site Plan and Design Package

(Agenda Pages 228 – 262)

5.5.a. Consideration of First Reading of Bylaw 3357/D-2019

5.6. Appeals Board Bylaw 3619/2019 and Clarifying Amendments Bylaw 3619/B-  
2019

(Agenda Pages 263 – 278)

5.6.a. Consideration of First Reading of Bylaw 3619/B-2019

## **6. ADJOURNMENT**



**UNAPPROVED - M I N U T E S**

**of the Red Deer City Council Regular Meeting  
held on Monday, April 15, 2019  
commenced at 2:35 P.M.**

**Present:** Mayor Tara Veer  
Councillor Buck Buchanan  
Councillor Michael Dawe  
Councillor Tanya Handley  
Councillor Vesna Higham  
Councillor Lawrence Lee  
Councillor Frank Wong  
Councillor Dianne Wyntjes

Interim City Manager, Tara Lodewyk  
Acting Director of Communications & Strategic Planning, Tara Shand  
Director of Community Services, Sarah Cockerill  
Director of Corporate Services, Lisa Perkins  
Director of Development Services, Kelly Kloss  
Director of Human Resources, Kristy Svoboda  
Acting Director of Planning Services, Emily Damberger  
Director of Protective Services, Paul Goranson  
City Clerk, Frieda McDougall  
Deputy City Clerk, Samantha Rodwell  
LS Committees Coordinator, Lynn Van Laar  
Controller – Property Taxation, Roxane Preedin  
Emergency Services Manager, Ken McMullen  
Engineering Services Manager, Konrad Dunbar  
Recreation, Parks & Culture Manager, Shelley Gagnon  
Revenue & Assessment Manager, Joanne Parkin  
Senior Planner, Christi Fidek  
Senior Planner, Kimberly Fils-Aime

**Absent:** Councillor Ken Johnston



## I. IN CAMERA

### I.1. Motion to In Camera

Moved by Councillor Buck Buchanan, seconded by Councillor Dianne Wytjies

Resolved that Council of The City of Red Deer hereby agrees to enter into an In-Camera meeting of Council on Monday, April 15, 2019 at 2:35 p.m. and hereby agrees to exclude the following:

- All members of the media; and
- All members of the public; and
- All non-related staff members

to discuss City Manager Recruitment – FOIP 19(1) Confidential Evaluations

**IN FAVOUR:** Mayor Tara Veer, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wytjies

**ABSENT:** Councillor Buck Buchanan

MOTION CARRIED

Councillor Buck Buchanan arrived at 2:36 p.m.

#### I.1.a. City Manager Recruitment - FOIP 19(1) Confidential Evaluations

The following people were in attendance as the topic under discussion related to their position within the organization:

Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wytjies

City Clerk, Frieda McDougall  
Tim Hamilton, Boyden Calgary Inc.



Councillor Buck Buchanan left at 4:04 p.m.

**1.2. Motion to Revert to Open Meeting**

Moved by Councillor Dianne Wyntjes, seconded by Councillor Frank Wong

Resolved that Council of The City of Red Deer hereby agrees to enter into an open meeting of Council on Monday, April 1, 2019 at 4:05 p.m.

**IN FAVOUR:** Mayor Tara Veer, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

**ABSENT:** Councillor Buck Buchanan

MOTION CARRIED

Councillor Buck Buchanan returned to Council Chambers at 4:09 p.m.

Council recessed at 4:09 p.m. and reconvened at 4:14 p.m.

**2. MINUTES**

**2.1. Confirmation of the Minutes of the April 1, 2019 Council Meeting**

Moved by Councillor Lawrence Lee, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer hereby approves the Minutes of the April 1, 2019 Regular Council Meeting as transcribed.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED



### 3. BYLAWS

#### 3.1. Business Improvement Area Business Tax Bylaw Amendment 3196/A-2019

Moved by Councillor Dianne Wyntjes, seconded by Councillor Lawrence Lee

**FIRST READING:** That Bylaw 3196/A-2019 (an amendment to the Business Improvement Area (BIA) Business Tax Bylaw to set the BIA tax rates required to fund the 2019 Downtown Business Association (DBA) budget) be read a first time.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

#### 3.2. 2019 Tax Rate Bylaw

Moved by Councillor Frank Wong, seconded by Councillor Buck Buchanan

**FIRST READING:** That Bylaw 3622/2019 (the 2019 Tax Rate Bylaw, to authorize the levying of a tax upon all taxable property shown on the Assessment Roll and a supplementary property tax in respect for which Supplementary Assessments Roll has been prepared) be read a first time.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED



#### 4. REPORTS

##### 4.1. Notice of Motion - Bicycle Registration & Licensing

Moved by Councillor Buck Buchanan, seconded by Councillor Michael Dawe

Resolved that Council of The City of Red Deer hereby agrees to lift from the table consideration of the Notice of Motion – Bicycle Registration and Licensing.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO LIFT FROM THE TABLE CARRIED

The original Notice of Motion, as presented at the October 1, 2018 regular Council Meeting, was then on the floor.

Moved by Councillor Buck Buchanan, seconded by Councillor Dianne Wyntjes

Whereas bicycle thefts in Red Deer is a problem, with over 113 Red Deer bicycles reported stolen so far in 2018 and 112 stolen bicycles reported in 2017; and

Whereas actual found bikes in 2018 to date number 190 and in 2017 was 327 which demonstrates that most thefts are not reported to the police or bylaws; and

Whereas when you consider that most bikes today cost anywhere between \$500 and \$1200 on average and while many cyclists take the time to ensure their bikes are properly locked up but locks are cut, the bikes are stolen, and many bicycle owners may not have the serial number, photo or model information of their bicycle; and

Whereas the stolen bikes are often taken apart and bike parts are used in chop shops or bike parts are sold or used as a form of currency and traded for drugs; and

Whereas these bike parts when traded or sold are used to rebuild bikes to avoid



detection and police have little means to arrest and the assembled bikes don't have serial numbers, serial numbers have been removed and bikes are difficult to identify; and

Whereas the City of Red Deer's recent IPSO survey results rate crime as the number one priority along with policing/law enforcement, community safety/security and drugs receiving attention as city priorities for action; and

Whereas many other Canadian municipalities facing similar high crimes of bike thefts have initiated a bait bike initiative that has been reported as being successful or have implemented bicycle registration programs that have all new and resale bicycles registered with the local government, which helps as an anti-theft measure, minimizes the conversion of bikes and cities have seen a decline in bike thefts; and

Whereas the City and citizens must take on emboldened thieves and look to deterring bike thefts with repercussions for illegitimate activities;

Therefore be it Resolved that The City of Red Deer, working with the Central Alberta Crime Prevention Centre, initiate a Red Deer Bicycle Registration and Licensing on-line program along with community registration events and that this registry and licensing be cost effective for bicycle owners including family rates to register and license their bicycles; and

Be it Further Resolved that this anti-theft initiative will look to reducing bike thefts, support bike owners with a process that returns bikes to the owners, and provide additional enforcement law and intervention processes for City Community Peace Officers and RCMP when bicycles are seen disassembled, reassembled or modified; and

Be it Further Resolved that all lost and stolen bicycles that are recovered be stored and available for people looking to locate their stolen or missing property; and

Be it Further Resolved that all bicycles not recovered in a timely fashion be disposed through auction with proceeds going to support the program; and

Be it Further Resolved that a bylaw be presented that addresses bicycles that are rebuilt and not registered and allows for appropriate enforcement for Community



Peace Officers and the RCMP.

Councillor Buck Buchanan and Councillor Dianne Wyntjes agreed to withdraw the motion as presented.

MOTION WITHDRAWN

The following motion was then introduced.

Moved by Councillor Buck Buchanan, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer having considered the report from the Protective Services Division dated March 6, 2019 re: Notice of Motion – Bicycle Registration and Licensing hereby agrees to implement a voluntary registry system which will enable:

- access to an up to date, mobile database that supports police in the return of stole or recovered bicycles;
- access to an up to date, mobile database that supports police as an investigative and enforcement tool to address stolen or rebuilt bicycles;
- a free and voluntary Bicycle Registry that promotes bicycle registration, community engagement and awareness surround bicycle theft; and
- the reduction of bicycle thefts in our community.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Council recessed at 5:13 p.m. and reconvened at 6:00 p.m.

## 5. PUBLIC HEARINGS

- 5.1. **Land Use Bylaw 3357/H-2019  
R1 to R2 Rezoning at 4028 51 Street**



Mayor Tara Veer declared open the Public Hearing for Bylaw 3357/H-2019, an amendment to the Land Use Bylaw to redistrict 4028-51 Street (Lots 29-32, Block 9, Plan 3586AE) from R1 Residential (Low Density) District to R2 Residential (Medium Density) District. As no one was present to speak to this bylaw, Mayor Veer declared the Public Hearing closed.

Moved by Councillor Tanya Handley, seconded by Councillor Vesna Higham

**SECOND READING:** That Bylaw 3357/H-2019 (an amendment to the Land Use Bylaw to redistrict 4028-51 Street (Lots 29-32, Block 9, Plan 3586AE) from R1 Residential (Low Density) District to R2 Residential (Medium Density) District) be read a second time.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

**OPPOSED:** Councillor Tanya Handley, Councillor Vesna Higham

**MOTION CARRIED**

Moved by Councillor Tanya Handley, seconded by Councillor Vesna Higham

**THIRD READING:** That Bylaw 3357/H-2019 be read a third time.

Prior to voting on third reading of the bylaw, the following motion was introduced:

Moved by Councillor Michael Dawe, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer hereby agrees to table this matter for up to four weeks to allow administration to provide further information on the future use of the site.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe



**OPPOSED:** Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO TABLE DEFEATED

Third reading, as originally introduced, was then on the floor.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

**OPPOSED:** Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham

MOTION CARRIED

## 6. REPORTS – Continued

### 6.1. Aquatic Facility Planning Project - Scope

Moved by Councillor Lawrence Lee, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer having considered the report from Recreation, Parks & Culture dated April 15, 2019 re: Aquatic Facility Planning Project – Scope hereby agrees to the Scope for the Aquatic Facility Planning Project as follows:

The Scope/Concept Plan for the aquatic facility will consider the following:

- I. Function:
  - a. Support Council’s strategic goal statement “A Chosen Destination”
  - b. Enable Hosting Capabilities. Meet FINA and other relevant governing body standards for hosting sanctioned competitions at the following levels:
    - i. Swimming – Provincial Competitions
    - ii. Artistic Swimming and Water Polo – National Competitions
    - iii. Diving – Regional Competitions
  - c. Support Sport Excellence

- d. Be multi-functional, support concurrent uses and programming efficiencies
- e. Meet gaps in aquatic service
- f. Provide essential aquatic services as well as being an important regional asset for fitness, length swimming and competition training
- g. Consider demand vs capacity
- h. Incorporate sufficient spectator seating and other spaces to adequately support sporting events (i.e. meet office, deck marshalling space, wet/dry warm up areas, storage)
- i. Inclusion of an Outdoor Aquatic element (i.e. lap and/or leisure pool). Depending upon site recommendation, this may be incorporated into the aquatic facility or alternate location.

## 2. Identity

- a. Support Council's strategic plan goal statement "An Economic Leader"
- b. Maximize the benefit of the recommended site
- c. Connect spaces and places
- d. Support required parking and prioritize active transportation and connectivity
- e. Design as a civic landmark balanced with fiscal responsibility
- f. Support best practices in design

## 3. Sustainability

- a. Incorporate sustainability features and design for long term operational efficiencies
- b. Explore tested and proven technologies that contribute to environmental sustainability and energy efficiencies
- c. Site treatments help biodiversity
- d. Space is flexible and adaptable
- e. Building operations are efficient and resilient

## 4. Accessibility, Social and Cultural Inclusiveness

- a. Designed to be inclusive, welcoming and safe
- b. Designed to be accessible for all
- c. Designed to encourage social interaction and community connections



5. Administration will work with the consultant to deliver the site options, concept plan with options and itemized pricing, estimated capital and operating budgets, utilizing the above scope by June 2020.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

## 7. **BYLAWS – Continued**

### 7.1. **22 Gunn Street Bylaw 3357/J-2019**

Moved by Councillor Vesna Higham, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer hereby agrees to lift from the table consideration of Proposed Land Use Bylaw Amendment 3357/J-2019 to Redesignate 22 Gunn Street From AI Future Urban Development to R1 Residential (Low Density) and R2T (Town House).

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO LIFT FROM THE TABLE CARRIED

First reading, as introduced at the March 4, 2019 Regular Council Meeting, was then on the floor.

Moved by Councillor Frank Wong, seconded by Councillor Buck Buchanan

**FIRST READING:** That Bylaw 3357/J-2019 (an amendment to the Land Use Bylaw to redesignate 22 Gunn Street from AI Future Urban



Development to RI Residential (Low Density) and R2T Residential (Town House)) be read a first time.

Prior to voting on first reading of the bylaw, the following motion to amend was introduced.

Moved by Councillor Frank Wong, seconded by Councillor Buck Buchanan

Resolved that Council of The City of Red Deer hereby agrees to amend Bylaw 3357/J-2019 as follows:

By deleting clause 1 and clause 2 of the bylaw and replacing it with the following:

1. The land shown in the sketch attached as Schedule A to this Bylaw is redesignated from AI Future Urban Development District to RI Residential (Low Density) District and RIG Residential (Small Lot) District.
2. The "Land Use District Map K19" contained in "Schedule A" of the Land Use Bylaw is hereby amended in accordance with the Land Use District Map 6/2019 attached hereto and forming part of the bylaw.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

**MOTION TO AMEND CARRIED**

First reading, as amended, was then on the floor.

Moved by Councillor Frank Wong, seconded by Councillor Buck Buchanan

**FIRST READING:** That Bylaw 3357/J-2019 (an amendment to the Land Use Bylaw to redesignate 22 Gunn Street from the AI Future Urban Development District to RI Residential (Low Density) and RIG Residential (Small Lot) Districts) be read a first time, as amended.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham,



Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION AS AMENDED CARRIED

**7.2. Land Use Bylaw Amendment - Bylaw 3357/A-2019  
Recreation Vehicle Storage in AI District  
Equipment & Machinery Storage Site Exception**

Moved by Councillor Tanya Handley, seconded by Councillor Vesna Higham

**FIRST READING:** That Bylaw 3357/A-2019 (an amendment to the Land Use Bylaw for a site exception to allow outdoor storage of recreation vehicles, equipment and machinery at 10, 39063 C&E Trail, south of the Central Park neighbourhood) be read a first time.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Councillor Frank Wong left Council Chambers at 7:55 p.m. and returned at 7:58 p.m.

**7.3. Fireworks Bylaw 3623/2019**

Moved by Councillor Lawrence Lee, seconded by Councillor Buck Buchanan

Resolved that Council of The City of Red Deer hereby agrees to amend Bylaw 3623/2019 as follows:

- Section 3(d) by adding the wording “but does not include sparklers” at the end of the sentence;
- Adding in a new Section 9:
  9. No Person shall sell sparklers to persons who are less than 18 years of age.

and subsequently renumbering the bylaw and correcting section references throughout



the bylaw and schedules.

**IN FAVOUR:** Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Vesna Higham, Councillor Frank Wong

**OPPOSED:** Mayor Tara Veer, Councillor Tanya Handley, Councillor Lawrence Lee, Councillor Dianne Wyntjes

MOTION TO AMEND DEFEATED

Moved by Councillor Michael Dawe, seconded by Councillor Vesna Higham

SECOND READING: That Bylaw 3623/2019 (a bylaw to regulate the sale, possession and use of Fireworks and Firecrackers within the city for the safety and well-being of the community) be read a second time.

**IN FAVOUR:** Mayor Tara Veer, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham

**OPPOSED:** Councillor Buck Buchanan, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION DEFEATED

## 8. IN CAMERA

### 8.1. Motion to In Camera

Moved by Councillor Lawrence Lee, seconded by Councillor Dianne Wyntjes

Resolved that Council of The City of Red Deer hereby agrees to enter into an In-Camera meeting of Council on Monday, April 15, 2019 at 9:02 p.m. and hereby agrees to exclude the following:

- All members of the media; and
- All members of the public; and



- All non-related staff members

to discuss:

- Human Resource Matter – FOIP 24(1)(b)(i) Advice from Officials
- Council Appointments – FOIP 24(1)(a) and 24(1)(b)(ii) Advice from Officials
- Land Matter – FOIP 27(1)(a) Privileged Information

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Council recessed at 9:03 p.m. and reconvened at 9:07 p.m.

#### **8.1.a. Human Resource Matter – FOIP 24(1)(b)(i) Advice from Officials**

The following people were in attendance as the topic under discussion related to their position within the organization:

Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

Tara Lodewyk, Emily Damberger, Paul Goranson, Sarah Cockerill, Kelly Kloss, Tara Shand, Kristy Svoboda, Frieda McDougall, Samantha Rodwell, Lynn Van Laar, Lesley Kendall

#### **8.1.b. Council Appointments - FOIP 24(1)(a) and 24(1)(b)(ii) Advice from Officials**

The following people were in attendance as the topic under discussion related to their position within the organization:



Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

Tara Lodewyk, Emily Damberger, Kristy Svoboda, Paul Goranson, Sarah Cockerill, Tara Shand, Kristy Svoboda, Kelly Kloss, Frieda McDougall, Samantha Rodwell, Lynn Van Laar

### **8.1.c. Land Matter – FOIP 27(1)(a) Privileged Information**

The following people were in attendance as the topic under discussion related to their position within the organization:

Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

Tara Lodewyk, Emily Damberger, Kristy Svoboda, Paul Goranson, Sarah Cockerill, Kelly Kloss, Tara Shand, Frieda McDougall, Lynn Van Laar, Samantha Rodwell, Konrad Dunbar, Lesley Kendall

### **8.2. Motion to Revert to Open Meeting**

Moved by Councillor Dianne Wyntjes, seconded by Councillor Lawrence Lee

Resolved that Council of The City of Red Deer hereby agrees to enter into an open meeting of Council on Monday, April 1, 2019 at 10:15 p.m.

#### **IN FAVOUR:**

Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

**MOTION CARRIED**



## 9. ADD TO THE AGENDA

Moved by Councillor Tanya Handley, seconded by Councillor Frank Wong

Resolved that Council of the City of Red Deer hereby agrees to add consideration of City Manager Recruitment, Human Resource Matter and a Land Matter as discussed In Camera, to the April 15, 2019 City Council Agenda.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION TO ADD TO THE AGENDA CARRIED

Moved by Councillor Lawrence Lee, seconded by Councillor Buck Buchanan

Resolved that Council of The City of Red Deer, having considered a City Manager Recruitment matter item on April 15, 2019, hereby endorses the recommendation as presented and agrees that the contents of the report will remain confidential, as protected by the Freedom of Information and Protection of Privacy Act, section 19(1).

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Moved by Councillor Dianne Wyntjes, seconded by Councillor Buck Buchanan

Resolved that Council of The City of Red Deer having considered the report from Human Resources, dated April 15, 2019 re: International Brotherhood of Electrical Workers Local 254 and The City of Red Deer, hereby ratifies the Mediator's recommended terms of settlement, which provides for the following annual wage increases:

- January 1, 2019 – 1.0%



- January 1, 2020 – 2.0%

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

Moved by Councillor Frank Wong, seconded by Councillor Vesna Higham

Resolved that Council of The City of Red Deer having considered a Land Matter on April 15, 2019 hereby endorses Option 5 as presented In Camera and agrees that the contents of the report will remain confidential as protected by the Freedom of Information and Protection of Privacy Act, Section 27(1)(a).

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

## 10. REPORTS – Continued

### 10.1. Council Representation on Federation of Canadian Municipalities (FCM)

Moved by Councillor Dianne Wyntjes, seconded by Councillor Vesna Higham

Resolved that Council of The City of Red Deer having considered the report from Legislative Services department, dated April 1, 2019 re: Council Representation on the Federation of Canadian Municipalities (FCM), hereby agrees to:

1. Endorse Councillor Lawrence Lee to represent The City of Red Deer on the Federation of Canadian Municipalities Board or a Committee;
2. Assume all costs (to a maximum of \$13,000/per Councillor) to be funded from



the Operating Reserve: Tax Supported.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

## II. ADJOURNMENT

Moved by Councillor Buck Buchanan, seconded by Councillor Michael Dawe

Resolved that Council of The City of Red Deer hereby agrees to adjourn the Monday, April 15, 2019 Regular Council Meeting of Red Deer City Council at 10:20 p.m.

**IN FAVOUR:** Mayor Tara Veer, Councillor Buck Buchanan, Councillor Michael Dawe, Councillor Tanya Handley, Councillor Vesna Higham, Councillor Lawrence Lee, Councillor Frank Wong, Councillor Dianne Wyntjes

MOTION CARRIED

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MAYOR

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CITY CLERK



April 29, 2019

## 2018 Annual Financial Report

Financial Services

### **Report Summary & Recommendation:**

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The 2018 annual financial statements are being presented to Council to:

1. Accept the 2018 financial statements and annual financial report for distribution to the public and other interested parties
2. Authorize the Mayor and one Councillor from the Audit Committee to sign the 2018 financial statements on behalf of Council
3. Authorize administration to forward the 2018 financial statements to Alberta Municipal Affairs, Alberta Capital Finance Authority, and Alberta Health Services by May 1, 2019

### **City Manager Comments:**

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I support the recommendation of the Audit Committee.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution**

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Resolved that Council of The City of Red Deer having considered the report from Financial Services dated April 29, 2019 re: 2018 Annual Financial Statements hereby agrees to:

1. Accept the 2018 financial statements and annual financial report for distribution to the public and other interested parties
2. Authorize the Mayor and one Councillor from the Audit Committee to sign the 2018 financial statements on behalf of Council
3. Authorize administration to forward the 2018 financial statements to Alberta Municipal Affairs, Alberta Capital Finance Authority, and Alberta Health Services by May 1, 2019



## Report Details

### **Background:**

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Section 276(1) of the Municipal Government Act (MGA) requires that municipalities prepare annual financial statements in accordance with Canadian public sector accounting standards.

Section 276(3) requires that each municipality make its financial statements, or a summary of them, and the auditor's report on the financial statements, available to the public.

Section 281(1) requires that the auditor for the municipality report to Council on the annual financial statements and the annual financial return.

### **Discussion:**

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Correspondence from the Audit Committee, recommending the acceptance of the 2018 financial statements and Annual Financial Report for distribution to the public and other interested parties will be provided at the Monday, April 29, 2019 Council meeting.



**DATE:** April 17, 2019  
**TO:** Red Deer City Council  
**FROM:** Audit Committee  
**SUBJECT:** Decision Letter from the April 17, 2019 Audit Committee Meeting re 2018 Annual Financial Report

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At the April 17, 2019 meeting of the Audit Committee, the following motion was introduced and passed:

Resolved that the Audit Committee, having considered the 2018 Annual Financial Report presented by Administration, hereby endorses the 2018 Annual Financial Report and forwards this report to Council for the April 29, 2019 Council meeting.

Sincerely,

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

Chair, Audit Committee

c: Dean Krejci, Chief Financial Officer  
Michelle Andrew, Corporate Controller  
Katie Barron, Financial Analyst

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## **FINANCIAL INFORMATION**

## MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of management of The City of Red Deer. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements includes best estimates and judgments of management. Financial information contained throughout this annual report is consistent with these financial statements.

Management is responsible for maintaining an adequate system of internal control that provides reasonable assurance that all transactions are accurately recorded, that the financial statements realistically report operating and financial results, and that assets are properly accounted for and safeguarded. As well, it is the policy of The City of Red Deer to maintain the highest standard of ethics in all its activities. The audit committee has approved the financial statements.

KPMG LLP, an independent firm of chartered professional accountants, was appointed by a vote of City Council to audit the consolidated financial statements and provide an independent auditors' opinion in accordance with Canadian generally accepted auditing standards.

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Tara Lodewyk  
Interim City Manager

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Dean Krejci  
Chief Financial Officer

## **INDEPENDENT AUDITORS' REPORT**





## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As at December 31, 2018 (in thousands of dollars)**

	2018	2017
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 2,870	\$ 18,623
Accounts receivable (Note 3)	47,854	59,663
Land held for sale (Note 4)	48,718	50,190
Investments (Note 5)	216,461	169,842
Loans receivable (Note 6)	4,310	4,327
	320,213	302,645
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	37,557	44,856
Deposits	3,192	2,670
Deferred revenue (Note 8)	63,931	44,048
Employee benefit obligations (Note 9)	15,880	14,724
Landfill closure and post-closure liability (Note 10)	5,288	4,973
Long-term debt (Note 11)	275,214	274,564
	401,062	385,835
<b>Net Debt</b>	(80,849)	(83,190)
<b>Non-financial Assets</b>		
Tangible capital assets (Schedule 1, Note 13)	2,062,830	2,022,765
Inventory held for consumption	8,302	9,809
Prepaid expenses	1,996	637
	2,073,128	2,033,211
<b>Accumulated Surplus</b> (Schedule 2, Note 15)	\$ 1,992,279	\$ 1,950,021

Contractual rights and obligations (Note 25)  
 Contingencies (Note 26)  
 Guarantees (Note 27)  
 Segmented disclosure (Schedule 3, Note 28)

Approved on behalf of City Council:

Tara Veer, Mayor

Tanya Handley, Councillor

See accompanying Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2018 (in thousands of dollars)

	Budget (Note 30)	2018	2017
<b>Revenues (Schedule 3)</b>			
Net municipal taxes (Note 16)	\$ 131,615	\$ 130,975	\$ 126,701
User fees and sale of goods (Note 17)	181,143	170,279	168,674
Operating government transfers (Note 18)	13,303	13,615	15,110
Investment earnings	5,643	2,793	3,177
Fines and penalties	6,224	6,650	5,937
Franchise fees	8,873	8,418	9,225
Licenses and permits	3,259	3,624	3,249
Other operating revenue	3,930	6,977	5,255
	353,990	343,331	337,328
<b>Expenses (Schedule 3, Note 19)</b>			
General government services	44,865	43,511	36,641
Protective services and parking	79,010	77,884	76,679
Transportation and fleet	77,025	79,998	78,367
Community services	13,515	12,645	15,376
Recreation, parks, and culture	49,765	50,328	50,896
Water and wastewater	40,427	35,258	36,187
Waste management	17,432	14,064	14,642
Subdivisions, land, and development	2,282	3,198	2,277
Electric light and power	44,734	41,030	39,322
	369,055	357,916	350,387
<b>Annual Deficit before Other</b>	(15,065)	(14,585)	(13,059)
<b>Other</b>			
Capital government transfers (Note 18)	23,679	32,185	28,481
Contributed tangible capital assets (Note 13)	7,497	19,325	7,325
Developer and customer contributions	3,725	5,088	6,995
Other capital revenue	138	245	956
<b>Annual Surplus</b>	19,974	42,258	30,698
<b>Accumulated Surplus, beginning of year</b>	1,950,021	1,950,021	1,919,323
<b>Accumulated Surplus, end of year</b>	\$ 1,969,995	\$ 1,992,279	\$ 1,950,021

See accompanying Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

**For the Year Ended December 31, 2018 (in thousands of dollars)**

	Budget (Note 30)	2018	2017
<b>Annual Surplus</b>	\$ 19,974	\$ 42,258	\$ 30,698
Acquisition of tangible capital assets	(103,353)	(97,585)	(126,850)
Contributed tangible capital assets	(7,497)	(19,325)	(7,325)
Proceeds on disposal of tangible capital assets	-	4,293	1,195
Amortization of tangible capital assets	63,867	74,536	66,686
Gain on disposal of tangible capital assets	-	(1,984)	(2)
	(46,983)	(40,065)	(66,296)
Net use of inventory held for consumption	-	1,507	171
Net use (acquisition) of prepaid expenses	-	(1,359)	3,537
	-	148	3,708
<b>Decrease (Increase) in Net Debt</b>	(27,009)	2,341	(31,890)
<b>Net Debt, beginning of year</b>	(83,190)	(83,190)	(51,300)
<b>Net Debt, end of year</b>	\$ (110,199)	\$ (80,849)	\$ (83,190)

See accompanying Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

**For the Year Ended December 31, 2018 (in thousands of dollars)**

	2018	2017
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 42,258	\$ 30,698
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	74,536	66,686
Gain on disposal of tangible capital assets	(1,984)	(2)
Contributed tangible capital assets	(19,325)	(7,325)
Non-cash charges to operations:		
Accounts receivable	11,809	(19,493)
Land held for sale	1,472	(1,479)
Loans receivable	17	548
Accounts payable and accrued liabilities	(7,299)	(703)
Deposits	522	(331)
Deferred revenue	19,883	2,772
Employee benefit obligations	1,156	600
Landfill closure and post-closure liability	315	680
Inventory held for consumption	1,507	171
Prepaid expenses	(1,359)	3,537
	<b>123,508</b>	<b>76,359</b>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(97,585)	(126,850)
Proceeds on disposal of tangible capital assets	4,293	1,195
	<b>(93,292)</b>	<b>(125,655)</b>
<b>Investing Activities</b>		
Net sales of investments	(46,619)	44,570
	<b>(46,619)</b>	<b>44,570</b>
<b>Financing Activities</b>		
Long-term debt issued	22,212	49,741
Long-term debt repaid	(21,562)	(20,447)
	<b>650</b>	<b>29,294</b>
<b>Change in cash and cash equivalents during the year</b>	<b>(15,753)</b>	<b>24,568</b>
<b>Cash and cash equivalents (bank indebtedness), beginning of year</b>	<b>18,623</b>	<b>(5,945)</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,870</b>	<b>\$ 18,623</b>

See accompanying Notes to the Consolidated Financial Statements

## SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2018 (in thousands of dollars)

	Land	Land Improvements	Buildings	Machinery, Equipment, and Furnishings	Vehicles	Engineered Structures	Assets Under Construction		
								2018	2017
<b>Cost:</b>									
Balance, beginning of year	\$ 352,426	\$ 107,062	\$ 373,231	\$ 92,433	\$ 50,369	\$ 1,877,097	\$ 123,442	\$ 2,976,060	\$ 2,849,406
Acquisition and contributions of tangible capital assets	1,013	17,045	22,863	19,499	18,045	65,955	(27,510)	116,910	134,175
Disposal of tangible capital assets	-	(153)	(2,696)	(1,700)	(3,896)	-	-	(8,445)	(7,521)
Balance, end of year	353,439	123,954	393,398	110,232	64,518	1,943,052	95,932	3,084,525	2,976,060
<b>Accumulated Amortization:</b>									
Balance, beginning of year	-	(46,601)	(113,538)	(47,479)	(24,355)	(721,322)	-	(953,295)	(892,937)
Amortization of tangible capital assets	-	(4,850)	(10,668)	(9,957)	(5,197)	(43,864)	-	(74,536)	(66,686)
Accumulated amortization on disposals	-	110	2,173	1,199	2,654	-	-	6,136	6,328
Balance, end of year	-	(51,341)	(122,033)	(56,237)	(26,898)	(765,186)	-	(1,021,695)	(953,295)
<b>Net book value of tangible capital assets</b>	<b>\$ 353,439</b>	<b>\$ 72,613</b>	<b>\$ 271,365</b>	<b>\$ 53,995</b>	<b>\$ 37,620</b>	<b>\$ 1,177,866</b>	<b>\$ 95,932</b>	<b>\$ 2,062,830</b>	<b>\$ 2,022,765</b>
2017 Net Book Value of Tangible Capital Assets	\$ 352,426	\$ 60,461	\$ 259,693	\$ 44,954	\$ 26,014	\$ 1,155,775	\$ 123,442	\$ 2,022,765	

See accompanying Notes to the Consolidated Financial Statements (Note 13)

## SCHEDULE 2 - CONSOLIDATED SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS

For the Year Ended December 31, 2018 (in thousands of dollars)

	Unrestricted deficit and capital to be financed	Reserves	Equity in Tangible Capital Assets	2018	2017
<b>Balance, beginning of year</b>	<b>(46,663)</b>	<b>220,943</b>	<b>1,775,741</b>	<b>1,950,021</b>	1,919,323
Annual Surplus	42,258	-	-	<b>42,258</b>	30,698
Unrestricted funds designated for future use	(79,569)	79,569	-	-	-
Restricted funds designated for operations	38,433	(38,433)	-	-	-
Restricted funds used for tangible capital assets	-	(42,142)	42,142	-	-
Current year funds used for tangible capital assets	(55,443)	-	55,443	-	-
Contributed tangible capital assets	(19,325)	-	19,325	-	-
Disposal of tangible capital assets	2,309	-	(2,309)	-	-
Amortization of tangible capital assets	74,536	-	(74,536)	-	-
Long term debt related to tangible capital assets issued	22,212	-	(22,212)	-	-
Long term debt related to tangible capital assets repaid	(19,346)	-	19,346	-	-
Change in accumulated surplus	6,065	(1,006)	37,199	<b>42,258</b>	30,698
<b>Balance, end of year</b>	<b>(40,598)</b>	<b>219,937</b>	<b>1,812,940</b>	<b>1,992,279</b>	1,950,021

See accompanying Notes to the Consolidated Financial Statements (Note 15)

## SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

**For the Year Ended December 31, 2018 (in thousands of dollars)**

	General government services	Protective services and parking	Transportation and fleet	Community services	Recreation, parks, and culture	Water and wastewater	Waste management	Subdivisions, land, and development	Electric light and power	<b>Total</b>
<b>Revenues</b>										
Net municipal taxes	\$ 8,220	\$ 54,395	\$ 32,423	\$ 5,717	\$ 30,220	\$ -	\$ -	\$ -	\$ -	\$ 130,975
User fees and sale of goods	299	14,595	6,077	471	9,305	57,832	18,024	2,952	60,724	170,279
Operating government transfers	720	3,562	549	7,732	1,052	-	-	-	-	13,615
Investment earnings	1,422	8	365	43	153	172	191	226	213	2,793
Fines and penalties	1,053	4,883	-	-	124	350	64	-	176	6,650
Franchise fees	8,343	-	-	-	75	-	-	-	-	8,418
Licenses and permits	100	3,474	28	22	-	-	-	-	-	3,624
Other operating revenue	364	2,471	(110)	1,344	1,950	159	394	393	12	6,977
	<b>20,521</b>	<b>83,388</b>	<b>39,332</b>	<b>15,329</b>	<b>42,879</b>	<b>58,513</b>	<b>18,673</b>	<b>3,571</b>	<b>61,125</b>	<b>343,331</b>
<b>Expenses</b>										
Salaries, wages, and benefits	23,229	43,801	28,465	4,075	29,241	10,604	1,149	645	5,171	146,380
Contracted services	7,568	4,422	5,153	703	4,642	3,034	11,259	33	3,673	40,487
Materials and supplies	1,197	1,398	7,849	324	5,540	4,722	176	2,154	27,681	51,041
Purchases from other governments	-	24,661	-	-	-	-	-	-	-	24,661
Grants to organizations	470	-	369	7,340	2,037	-	-	-	-	10,216
Financial charges	5,610	463	1,027	-	121	1,884	3	366	597	10,071
Amortization of tangible capital assets	5,298	2,984	37,078	206	8,711	15,014	1,241	-	4,004	74,536
Other expenses	139	155	57	(3)	36	-	236	-	(96)	524
	<b>43,511</b>	<b>77,884</b>	<b>79,998</b>	<b>12,645</b>	<b>50,328</b>	<b>35,258</b>	<b>14,064</b>	<b>3,198</b>	<b>41,030</b>	<b>357,916</b>
<b>Annual surplus (deficit) before other</b>	<b>(22,990)</b>	<b>5,504</b>	<b>(40,666)</b>	<b>2,684</b>	<b>(7,449)</b>	<b>23,255</b>	<b>4,609</b>	<b>373</b>	<b>20,095</b>	<b>(14,585)</b>
<b>Other</b>										
Capital government transfers	107	-	27,861	-	1,510	1,000	-	-	1,707	32,185
Contributed tangible capital assets	-	-	5,636	-	4,605	9,084	-	-	-	19,325
Developer and customer contributions	-	-	1,297	-	330	1,287	-	22	2,152	5,088
Other capital revenue	-	-	36	-	189	20	-	-	-	245
<b>Annual surplus (deficit)</b>	<b>\$ (22,883)</b>	<b>\$ 5,504</b>	<b>\$ (5,836)</b>	<b>\$ 2,684</b>	<b>\$ (815)</b>	<b>\$ 34,646</b>	<b>\$ 4,609</b>	<b>\$ 395</b>	<b>23,954</b>	<b>\$ 42,258</b>

See accompanying Notes to the Consolidated Financial Statements (Note 28)

## SCHEDULE 3 - CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

**For the Year Ended December 31, 2017 (in thousands of dollars)**

	General government services	Protective services and parking	Transportation and fleet	Community services	Recreation, parks, and culture	Water and wastewater	Waste management	Subdivisions, land, and development	Electric light and power	<b>Total</b>
<b>Revenues</b>										
Net municipal taxes	\$ 5,517	\$ 51,704	\$ 33,555	\$ 5,623	\$ 30,302	\$ -	\$ -	\$ -	\$ -	\$ 126,701
User fees and sale of goods	365	14,557	5,943	465	9,469	54,655	17,738	8,035	57,447	168,674
Operating government transfers	973	3,472	273	9,310	1,082	-	-	-	-	15,110
Investment earnings	1,497	-	659	55	160	134	252	105	315	3,177
Fines and penalties	1,014	4,270	-	-	93	262	58	44	196	5,937
Franchise fees	9,153	-	-	-	72	-	-	-	-	9,225
Licenses and permits	79	3,118	25	27	-	-	-	-	-	3,249
Other operating revenue	1,665	416	1,337	96	810	433	479	16	3	5,255
	<b>20,263</b>	<b>77,537</b>	<b>41,792</b>	<b>15,576</b>	<b>41,988</b>	<b>55,484</b>	<b>18,527</b>	<b>8,200</b>	<b>57,961</b>	<b>337,328</b>
<b>Expenses</b>										
Salaries, wages, and benefits	21,205	43,346	28,095	4,636	29,207	10,671	1,022	501	5,331	144,014
Contracted services	7,287	4,598	5,384	878	5,335	3,628	11,703	(59)	3,626	42,380
Materials and supplies	1,120	1,765	8,755	333	4,758	5,109	71	1,574	26,009	49,494
Purchases from other governments	-	23,534	-	-	-	-	-	-	-	23,534
Grants to organizations	483	-	410	9,209	4,163	-	-	-	-	14,265
Financial charges	4,839	491	1,125	-	149	2,037	3	261	603	9,508
Amortization of tangible capital assets	2,062	2,765	34,679	221	7,429	14,567	1,196	-	3,767	66,686
Other expenses	(355)	180	(81)	99	(145)	175	647	-	(14)	506
	<b>36,641</b>	<b>76,679</b>	<b>78,367</b>	<b>15,376</b>	<b>50,896</b>	<b>36,187</b>	<b>14,642</b>	<b>2,277</b>	<b>39,322</b>	<b>350,387</b>
<b>Annual surplus (deficit) before other</b>	<b>(16,378)</b>	<b>858</b>	<b>(36,575)</b>	<b>200</b>	<b>(8,908)</b>	<b>19,297</b>	<b>3,885</b>	<b>5,923</b>	<b>18,639</b>	<b>(13,059)</b>
<b>Other</b>										
Capital government transfers	50	-	26,251	-	592	186	-	-	1,402	28,481
Contributed tangible capital assets	-	-	2,949	-	3,400	976	-	-	-	7,325
Developer and customer contributions	-	-	4,986	-	421	592	-	-	996	6,995
Other capital revenue	-	-	58	-	895	2	-	1	-	956
<b>Annual surplus (deficit)</b>	<b>\$ (16,328)</b>	<b>\$ 858</b>	<b>\$ (2,331)</b>	<b>\$ 200</b>	<b>\$ (3,600)</b>	<b>\$ 21,053</b>	<b>\$ 3,885</b>	<b>\$ 5,924</b>	<b>\$ 21,037</b>	<b>\$ 30,698</b>

See accompanying Notes to the Consolidated Financial Statements (Note 28)

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **1 SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements (the "financial statements") of The City of Red Deer ("The City") are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant aspects of the accounting policies adopted by The City are as follows:

##### **(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in reserve balances, and change in financial position of the reporting entity. This entity is comprised of the municipal operations as well as all the organizations and committees that are controlled and therefore, accountable to City Council for the administration of their financial affairs and resources. They include the following:

##### **City Municipal and Utility Operations**

- ◆ General government services;
- ◆ Protective services and parking;
- ◆ Transportation and fleet;
- ◆ Community services;
- ◆ Recreation, parks, and culture;
- ◆ Water and wastewater;
- ◆ Waste management;
- ◆ Subdivisions, land, and development; and
- ◆ Electric light and power.

##### **Societies and Boards**

- ◆ Red Deer Public Library;
- ◆ Red Deer Downtown Business Association;
- ◆ Waskasoo Environmental Education Society;
- ◆ Red Deer and District Museum Society; and
- ◆ Red Deer River Bend Golf & Recreation Society ("River Bend Golf Course").

Interdepartmental and inter-entity transactions and balances are eliminated on consolidation.

The schedule of taxes levied includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **(b) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

##### *i. Net Municipal Taxes*

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act (MGA) and tax rates established annually by City Council. Taxation revenues are recorded at the time the tax billings are issued, except for local improvement taxes which are recognized as revenue in the year the capital project is completed and the Local Improvement Bylaw is approved. Assessments may change due to appeal or as a result of adjustments made by assessors to correct errors or omissions. Gains or losses on assessment changes or appeals are recorded as adjustments to tax revenue and tax receivables when a written decision is received from the authorized board or a change is generated by authorized assessment staff.

##### *ii. Government Transfers*

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with The City's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, The City complies with its communicated use of the transfer. Government transfers without terms for the use of the transfer are recorded as revenue when The City is eligible to receive the funds.

##### *iii. External Contributions*

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Developer contributions received from third parties are recognized as revenue when the related expenditures have been incurred. Offsite levy revenue from external developers is deferred in the appropriate offsite deferred revenue account and recognized as revenue as The City constructs the related offsite basins.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **(c) Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates and assumptions.

Significant financial statement areas requiring the use of management estimates include:

- ◆ landfill closure and post-closure liability;
- ◆ valuation of inventory;
- ◆ employee benefit obligations;
- ◆ useful life of tangible capital assets;
- ◆ accrued liabilities;
- ◆ liabilities for potential environmental obligations;
- ◆ allowance for doubtful accounts receivable; and
- ◆ fair value of contributed tangible capital assets.

#### **(d) Financial Instruments**

Financial assets are measured at amortized cost and consist of cash and cash equivalents, accounts receivable, investments, and loans receivable. Financial assets are tested annually for impairment. Impairment losses are recorded in the statement of operations. Any write-downs resulting from impairment are not reversed for subsequent increases in value.

Financial liabilities are measured at amortized cost and include accounts payable and accrued liabilities, deposits, and long-term debt.

##### *i. Cash and cash equivalents*

Cash and cash equivalents are comprised of cash on deposits with financial institutions including bank indebtedness and highly liquid investments with original term to maturity of three months or less.

##### *ii. Investments*

Investment income is recognized as revenue in the period earned. When required by an external funder, investment income earned on deferred revenue is allocated to the deferred revenue balance. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### *iii. Loans Receivable*

Loans are classified as impaired when, in management's opinion, there is no reasonable assurance of the timely collection of the full amount of principal and interest. The allowance for impairment is recorded against loans receivable. Changes in the allowance are recognized in the statement of operations. Interest is accrued on loans receivable to the extent it is deemed collectable.

The allowance for impairment represents management's best estimate of losses due to impaired loans. The provision is determined based on management's identification and evaluation of the doubtful accounts and estimated losses that exist in the portfolio. Loan write-offs must be approved by City Council.

#### **(e) Land Held for Sale**

Land held for sale is recorded at the lower of cost or net realizable value. Cost includes the acquisition costs of the land and the improvements required to prepare the land for servicing such as clearing, stripping, and leveling.

#### **(f) Requisition Over-levy and Under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. If the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

#### **(g) Employee Benefit Obligations**

The cost of employment benefits, pension benefits, compensated absences, and termination benefits are recorded as an expense at the time the event giving rise to the obligation occurs.

#### **(h) Local Improvement Charges**

Construction costs associated with local improvement projects are recovered through annual tax levies collectible from property owners for work performed by The City. Taxpayers may elect to pay over a number of years or immediately prepay the outstanding local improvement charges.

#### **(i) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water, sediment, a chemical, organic or radioactive material, or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **(j) Landfill Closure and Post-Closure Liability**

Pursuant to the Alberta Environmental Protection and Enhancement Act, The City is required to fund the closure of its landfill sites and provide for post-closure care of the facility. Closure and post-closure activities include final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and site inspection and maintenance. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

#### **(k) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the Consolidated Change in Net Debt for the year.

##### *i. Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Government contributions for the acquisition of tangible capital assets are reported as revenue and do not reduce the related tangible capital asset costs.

The cost, less residual value of the tangible capital assets, excluding land and landfill cells, are amortized on a straight-line basis over the estimated useful life as follows:

<b>ASSET TYPE</b>	<b>Years</b>
Land improvements	7-50
Buildings	10-50
Machinery, equipment, and furnishings	4-40
Vehicles	8-18
Engineered structures	
Roadway system	7-90
Water system	7-75
Wastewater system	7-75
Storm system	45-75
Electrical system	20-40
Fibre optics system	30

Amortization begins in the month the tangible capital asset is placed in service and ends in the month the tangible capital asset is disposed. Tangible capital assets under construction or development are reported as assets under construction with no amortization recorded until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to The City's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### *ii. Contributed Tangible Capital Assets*

Tangible capital assets received as contributions such as privately developed subdivisions including water systems, sanitary systems, storm systems, roads, and landscaping are recorded at their fair value at the date of completion and recorded as revenue on the Consolidated Statement of Operations.

#### *iii. Cultural and Historical Tangible Capital Assets*

Works of art for display, archived municipal records, and municipal historical artifacts are not recorded as tangible capital assets since a reasonable estimate of the future economic benefits associated with such property cannot be made. Acquisitions of cultural and historical assets are expensed in the period the related costs are incurred.

#### *iv. Leases*

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

#### *v. Inventory Held for Consumption*

Inventories held for consumption are recorded at lower of weighted average cost and replacement cost.

### **(l) Reserves**

Certain amounts, as approved by City Council, are set aside in accumulated surplus for future operating and capital purposes. Transfers to or from reserves are adjustments to the respective fund when approved.

### **(m) Adoption of New Accounting Standards**

The following accounting standards were adopted in 2018:

#### *i. Contractual Rights*

PS3380, *Contractual Rights* are defined as economic resources arising from agreements that will result in both an asset and revenue in the future. This standard was adopted on a prospective basis. Contractual rights for 2018 are disclosed in Note 25.

#### *ii. Related Party Disclosure*

PS2200, *Related Party Disclosure* requires the disclosure of the effect of financially material transactions between related parties, which include entities under common or shared control and key management personnel along with their affiliations and close family members. This standard was adopted on a prospective basis. No material transactions have occurred between The City and its identified related parties, therefore there is no requirement to disclose those transactions in 2018.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### *iii. Inter-Entity Transactions*

PS3420, *Inter-Entity Transactions*, specifically covers how to account for and report transactions between entities controlled by a government from both a provider and a recipient perspective. These transactions have been eliminated on consolidation and therefore this new standard has little impact on these financial statements.

#### **(n) Future Accounting Pronouncements**

The following summarizes upcoming changes to PSAS put forward by the Public Sector Accounting Board ("PSAB"). In the coming years, The City will assess the impact and prepare for the adoption of these standards. While the timing of adopting each new standard can vary, certain standards must be adopted concurrently.

##### *i. Restructuring Transactions*

PS3430, *Restructuring Transactions*, provides guidance in accounting for transactions arising from restructuring type transactions such as: amalgamation of entities or operations within the reporting entity, amalgamation of local governments, annexation or boundary alterations, transfers of operations or programs from one entity to another, and/or shared service arrangements entered into by local governments. The net effect of restructuring transactions should be presented as separate revenue and expense items in the Statement of Operations and sufficient detail of the nature and financial effects on financial position and operations should be disclosed. This standard is applicable for fiscal years beginning on or after April 1, 2018.

##### *ii. Financial Statement Presentation*

PS1201, *Financial Statement Presentation*, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for the fiscal years beginning on or after April 1, 2021.

##### *iii. Financial Instruments*

PS3450, *Financial Instruments*, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2021.

##### *iv. Foreign Currency Translation*

PS2601, *Foreign Currency Translation* must be adopted in conjunction with PS3450. It requires that monetary assets and liabilities be denominated in a foreign currency and non-monetary items included in the fair value category that are denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is applicable for fiscal years beginning on or after April 1, 2021.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### *v. Portfolio Investments*

PS3041, *Portfolio Investments* has removed the distinction between temporary and portfolio investments and was amended to conform to *Financial Instruments*, PS3450. Once PS3450 and PS3041 are adopted, *Temporary Investments* PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2021.

#### *vi. Asset Retirement Obligations*

PS3280, *Asset Retirement Obligations* defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard will effectively replace PS3270, *Solid Waste Landfill Closure and Post-closure Liability*. This standard is applicable for fiscal years beginning on or after April 1, 2021.

#### *vii. Revenue*

PS3400, *Revenue* establishes standards on how to account for and report on revenue, specifically in regards to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 2 CASH AND CASH EQUIVALENTS

	2018	2017
Cash	\$ 2,870	\$ 18,539
Cash in investment accounts	-	84
	<b>\$ 2,870</b>	<b>\$ 18,623</b>

The City has access to an unsecured line of credit of up to \$30,000 (2017 - \$25,000) with an interest rate of prime minus 0.75%, resulting in an effective rate of 3.20% (2017 - 2.45%) to cover any bank overdraft arising from day to day cash transactions. As at December 31, 2018, there was no amount outstanding on the line of credit overdraft (2017 - Nil).

#### 3 ACCOUNTS RECEIVABLE

	2018	2017
Property Taxes:		
Current taxes and grants in place of taxes	\$ 2,855	\$ 2,401
Arrears	523	503
Local improvement levies	3,694	3,902
	<b>7,072</b>	<b>6,806</b>
General	5,209	5,807
Utilities	17,789	11,560
Government transfers	14,683	32,746
Interest on investments	780	552
Other receivables	2,457	2,332
Allowance for doubtful accounts	(136)	(140)
	<b>40,782</b>	<b>52,857</b>
	<b>\$ 47,854</b>	<b>\$ 59,663</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 4 LAND HELD FOR SALE

	2018		2017	
Residential	\$	1,412	\$	1,050
Industrial and commercial		4,017		4,399
Land held ready for sale		5,429		5,449
Residential		26,403		27,855
Industrial and commercial		16,886		16,886
Land held not ready for sale	\$	43,289	\$	44,741
		48,718		50,190

Land held ready for sale is land in a condition to be sold, marketed for sale, and reasonably anticipated to be sold within one year. Land held not ready for sale is land held for future development and is not reasonably anticipated to be sold within one year.

#### 5 INVESTMENTS

	2018		2017	
	Cost	Market Value	Cost	Market Value
Short-term investments	\$ 69,181	\$ 69,452	\$ 24,272	\$ 24,328
Federal government	13,961	13,883	12,653	12,507
Provincial government	78,455	78,387	77,553	77,021
Municipal government	3,311	3,259	3,067	3,147
Canadian banks	40,000	38,869	39,182	39,311
Corporate	10,460	10,163	12,057	11,939
Other	1,093	1,085	1,058	1,048
	\$ 216,461	\$ 215,098	\$ 169,842	\$ 169,301

Short-term investments are reasonably liquid investments held in various financial institutions, notably Canadian Treasury Bills and Guaranteed Income Certificates. These investments have interest rates of 0.00% to 2.81% (2017 - 0.00% to 1.65%) with maturities of generally one year or less.

The remaining investments have interest rates of 0.50% to 6.47% (2017 - 1.00% to 10.25%) and mature in periods from January 14, 2019 to April 12, 2054 (2017 - April 2, 2018 to June 30, 2108).

Any declines in market value below cost are considered to be temporary and therefore no write-downs have been recorded.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 6 LOANS RECEIVABLE

	2018	2017
Central Alberta Theatre	\$ 12	\$ 17
Red Deer Gymnastics Club	-	22
Red Deer Curling Centre	45	-
Red Deer and District SPCA	701	736
2019 Canada Winter Games Host Society	3,552	3,552
	<b>\$ 4,310</b>	<b>\$ 4,327</b>

Principal amounts due are as follows:

2019	\$ 3,616
2020	66
2021	43
2022	41
2023	43
Thereafter	501
	<b>\$ 4,310</b>

(a) The City provided a loan to Central Alberta Theatre to pay for servicing and fire suppression apparatus to meet the requirements of the Alberta Building Code. The original term of the loan was 4 years and with an interest rate of 5.33% per annum. In 2014, City Council approved an amended loan bylaw that extended the loan term to 7 years and reduced the interest rate to 2.96%.

(b) The City had provided a loan to Red Deer Gymnastics Club for space in the Collicutt Centre. The term of the loan was 17 years bearing interest at an initial rate of 6.00% per annum and reduced to 3.75% effective January 2, 2012. This loan was paid in full in 2018.

(c) The City Council approved a loan to Red Deer Curling Centre to help make their facility exterior consistent with the adjacent Servus Arena. The original loan issued in 2018 was \$68, representing 50% of the Centre's share of installation costs. The loan terms are 3 equal payments of \$23 due October 1 of 2018, 2019, and 2020 and bearing 0.00% interest per annum.

(d) The City provided a loan to The Red Deer & District SPCA for the construction of a new facility. The term of the loan is 25 years and bears interest at a rate of 3.60% per annum, changed from 5.06% per annum upon an amended loan agreement signed in October of 2015. The interest rate is to be reviewed every three years on the anniversary date of the original agreement.

(e) In 2016, The City advanced funds to the 2019 Canada Winter Games Host Society (Host Society) for capital projects related to the 2019 Canada Winter Games (Games). The entire advance will be repaid by the end of 2019 with an interest rate of 0.00% per annum. For more information related to the Games and the Host Society, see Note 29.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018		2017
Trade	\$ 29,753	\$	35,917
Payroll and remittances	3,603		3,953
Goods and Services Tax	350		603
Liability for contaminated sites	2,771		2,922
Accrued interest	991		954
Other	89		507
	\$ 37,557	\$	44,856

The City owns properties that have undergone initial Environmental Site Assessments. Where the site assessments identified environmental contamination, liabilities for future environmental remediation were established.

Remediation activity for each contaminated site is as follows:

		2017	Remediation Costs		2018
Riverlands Development	\$	1,272	\$ 146	\$	1,126
P2 Parking Lot		450	-		450
P10 Parking Lot		1,200	5		1,195
Liability for contaminated sites	\$	2,922	\$ 151	\$	2,771

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 8 DEFERRED REVENUE

Deferred revenue is comprised of the funds noted below, the use of which are externally restricted or subject to stipulations from the funders.

	2017	Restricted contributions received including interest earned	Revenue recognized	2018
<b>Deferred Government Transfers</b>				
Basic Municipal Transportation Grant	\$ 998	\$ 2	\$ 935	\$ 65
Municipal Sustainability Initiative	14,659	32,485	14,225	32,919
Federal Gas Tax Fund	6,079	6,293	6,621	5,751
GreenTRIP	-	2,015	-	2,015
Water for Life Grant	450	1,000	1,000	450
Family and Community Support Services	229	3,108	3,121	216
Outreach Support Services Initiative	2,557	3,835	3,681	2,711
Other government	343	5,873	5,866	350
	<b>25,315</b>	<b>54,611</b>	<b>35,449</b>	<b>44,477</b>
<b>Other Deferred Revenue</b>				
Recreation amenity	2,774	279	331	2,722
Developer and customer contributions	11,584	6,450	4,757	13,277
Other	4,375	5,014	5,934	3,455
	<b>18,733</b>	<b>11,743</b>	<b>11,022</b>	<b>19,454</b>
	<b>\$ 44,048</b>	<b>\$ 66,354</b>	<b>\$ 46,471</b>	<b>\$ 63,931</b>

The Municipal Sustainability Initiative (MSI) is made up of capital and operating components. The capital component, in conjunction with Federal Gas Tax Fund are restricted to eligible capital projects as approved by the Province of Alberta and scheduled for completion in future years. MSI's operating component makes up \$650 (2017 - \$701) of the amount received in 2018.

For more information on government transfers received during the year, see Note 18.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 9 EMPLOYEE BENEFIT OBLIGATIONS

	2018	2017
Vacation, overtime, and earned days off	\$ 8,514	\$ 7,577
Retiring allowance	2,609	2,439
Other employment benefits	4,757	4,708
	\$ 15,880	\$ 14,724

##### (a) *Vacation, Overtime, and Earned Days Off*

The liability is comprised of vacation, overtime, and earned days off that employees are deferring to future years. Employees are entitled to these benefits within the next fiscal year.

##### (b) *Retiring Allowance*

The City provides a retiring allowance to employees consisting of one day of pay for each year of employment with The City as long as the employee has 15 years of service with The City and they retire into the Local Authorities Pension Plan. The retiring allowance is not currently funded. An actuarial valuation for the retiring allowance was completed by an independent actuary as at December 31, 2018 and extrapolated to December 31, 2020. Key actuarial assumptions used in the valuation were based on a number of assumptions about future events, which reflect management's best estimates.

The expected discount rate of 3.40% (2017 - 3.00%) and the expected salary escalations of 2.75% are used to determine the accrued benefit obligation. The accrued benefit obligation is \$2,811 (2017 - \$2,609) using projected benefit method prorated on services. The net actuarial loss of \$202 (2017 - \$170) is amortized on a straight line basis over 13 years starting with the year following its determination.

##### (c) *Other Employee Benefits*

Employees accumulate sick day entitlements up to maximums set in the various union agreements that may be used for casual or short term benefits. Employees are also eligible for Employee Disability Support Plan (EDSP) and sick plan benefits for longer-term disability. The liability is recorded on an accrual basis based on the most recent five-year average usage of sick time, EDSP, and sick plan benefits.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **10 LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

The estimated total landfill liability is based on the sum of discounted future cash flows for closure and post-closure activities for 40 years after closure using a discount rate of 2.84% (2017 - 2.94%) and annual inflation of 1.80% (2017 - 1.59%). The reported liability is based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses and will be recognized prospectively as a change in estimate when applicable.

The 1972 landfill site reached its full capacity and was permanently closed in 2002. It is estimated that post-closure care will be required for a period of 40 years from the time of closure. The present value of estimated future post-closure costs has been calculated and accrued.

The new waste management facility commenced operation in 2001 and consists of three phases of development. All three phases combined are estimated to provide capacity to 2050. Closure activities will be ongoing as the landfill reaches final design elevation. Closure and post-closure costs are based on an independent study conducted in 2012. Phase one of the landfill has an estimated capacity of 737,412 (2017 - 778,624) cubic metres remaining, which is projected to last until 2022 based on current growth and usage. It is estimated that post closure care will be required for a period of 40 years from closure. The present value of estimated future closure and post closure costs has been calculated and accrued.

The City has not designated assets for settling closure and post-closure liabilities.

The following summarizes the total net present value for the estimated costs of closure and post-closure care:

	1972 Site	2001 Site Phase One	<b>2018</b>	2017
Total estimated closure and post-closure costs	1,853	4,350	<b>6,203</b>	5,885
Estimated capacity used	100 %	79 %	<b>79 %</b>	77 %
Liability recognized as of December 31, 2018	1,853	3,435	<b>5,288</b>	4,973
Estimated capacity remaining	-%	21 %	<b>21 %</b>	23 %
Remaining estimated costs to be recognized	\$ -	\$ 915	<b>\$ 915</b>	\$ 912

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 11 LONG-TERM DEBT

Long-term debt is comprised of :

	2018	2017
Tax-supported debt	\$ 145,479	\$ 137,945
Self-supported debt:		
Offsites	34,142	39,697
Utilities	62,641	61,063
Land and other	32,952	35,859
	<b>\$ 275,214</b>	<b>\$ 274,564</b>

Current portion of long-term debt amounts to \$19,960 (2017 - \$21,547).

Tax-supported debt represents the amount funded by municipal taxes. Self-supported debt represents the amount funded through self-supported municipal operations including fleet, subdivisions, parking, offsite levies collected from developers, wastewater, waste management, and electric light and power.

Principal and interest repayments are as follows:

	Principal	Interest	Total
2019	\$ 19,960	\$ 9,764	<b>\$ 29,724</b>
2020	19,018	9,103	<b>28,121</b>
2021	19,662	8,459	<b>28,121</b>
2022	18,727	7,799	<b>26,526</b>
2023	18,564	7,146	<b>25,710</b>
Thereafter	179,283	58,312	<b>237,595</b>
	<b>\$ 275,214</b>	<b>\$ 100,583</b>	<b>\$ 375,797</b>

Long-term debt consists of debentures payable to Alberta Capital Finance Authority (ACFA).

Debentures mature in annual amounts to 2048 (2017 – 2047). Interest rates on these debentures range from 1.84% to 5.38% (2017 - 1.84% to 5.38%) per annum. The average annual interest rate is 3.54% (2017 - 3.55%). Debenture debt is issued on the credit and security of The City at large.

During the year, a total of \$22,212 (2017- \$49,741) was added through new debenture borrowings to fund capital projects. Interest expenses on long-term debt amounted to \$9,824 (2017 - \$9,212). Cash payments for interest and principal were \$9,786 (2017 - \$9,197) and \$21,562 (2017 - 20,447) respectively.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **12 DEBT LIMIT**

Section 276(2) of the MGA requires that debt and debt limits as defined by Alberta Regulation 255/2000 for The City be disclosed as follows:

	<b>2018</b>	<b>2017</b>
Total debt limit	<b>\$ 522,996</b>	\$ 517,919
Total debt	<b>275,214</b>	274,564
Percentage used	<b>53 %</b>	53 %
Total debt service limit	<b>87,166</b>	86,320
Total debt service	<b>29,724</b>	31,309
Percentage used	<b>34 %</b>	36 %

The debt limit is calculated at 1.5 times revenue of The City as defined in Alberta Regulation 255/2000 and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of The City. Rather, the financial statements must be interpreted as a whole.

Pursuant to section 6(1) of the Regulation, The City has elected to include revenue, total debt and debt service costs for controlled organizations in its debt limit and debt service limit calculations. The controlled organizations that have been included are Red Deer Public Library, Red Deer Downtown Business Association, Waskasoo Environmental Education Society, Red Deer and District Museum Society, and River Bend Golf Course.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 13 TANGIBLE CAPITAL ASSETS

	2018	2017
<b>Net book value</b>		
Land	\$ 353,439	\$ 352,426
Land improvements	72,613	60,461
Buildings	271,365	259,693
Machinery, equipment, and furnishings	53,995	44,954
Vehicles	37,620	26,014
Engineered structures		
Roadway system	414,906	412,537
Water system	208,882	206,898
Wastewater system	242,148	233,573
Storm system	215,667	211,705
Electrical system	94,902	90,033
Fibre optics system	1,361	1,029
	<b>1,966,898</b>	1,899,323
Assets under construction	<b>95,932</b>	123,442
	<b>\$ 2,062,830</b>	\$ 2,022,765

In 2018, \$19,325 (2017 - \$7,325) in land, building, and engineered structures were contributed to The City and were recorded at their fair value at the time received.

In 2018, \$249 (2017 - \$7) of works of art for display were acquired and then expensed as materials and supplies.

For additional information, see Schedule 1 - Consolidated Schedule of Tangible Capital Assets.

#### 14 EQUITY IN TANGIBLE CAPITAL ASSETS

	2018	2017
Tangible capital assets (Schedule 1)	\$ 3,084,525	\$ 2,976,060
Accumulated amortization (Schedule 1)	(1,021,695)	(953,295)
Long-term debt related to tangible capital assets	(249,890)	(247,024)
Equity in tangible capital assets (Schedule 2)	<b>\$ 1,812,940</b>	\$ 1,775,741

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 15 ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts including operating surplus, reserves, and equity invested in tangible capital assets.

	2018	2017
Unrestricted surplus in controlled agencies	\$ 148	\$ 170
Capital to be financed	(40,746)	(46,833)
Reserves		
Finance a specific purpose	1,854	1,783
Capital projects - tax supported	33,133	40,743
Municipal parkland	6,922	6,984
Operating - tax supported	33,838	31,757
Debt repayment	3,155	3,816
Capital asset replacement	20,234	27,209
Land development	63,009	65,430
Parking	1,637	372
Offsite	(6,257)	(10,012)
Power	24,148	19,878
Water	3,873	3,373
Wastewater	18,042	12,191
Solid waste management	16,349	17,419
Total reserves (Schedule 2)	219,937	220,943
Equity in tangible capital assets (Note 14)	1,812,940	1,775,741
Accumulated surplus (Schedule 2)	\$ 1,992,279	\$ 1,950,021

Effective in 2018, City Council approved of internal borrowing transfers of \$6,000 from the power reserve and \$4,500 from the capital asset replacement reserve to temporarily cover some of the shortfall in the offsite reserve. All internal loans have a term of 10 years and pay interest of 2.50% per annum.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 16 NET MUNICIPAL TAXES

	Budget (Note 30)	2018	2017
<b>Taxation</b>			
Real property taxes	\$ 172,621	\$ 172,068	\$ 169,616
Grants in place of taxes	1,561	1,561	1,504
Local improvement levies	-	-	(768)
Linear and other property taxes	3,286	3,286	1,681
	177,468	176,915	172,033
<b>Requisitions</b>			
Public schools	39,782	39,763	39,421
Catholic schools	5,566	5,672	5,511
Piper Creek Foundation	500	500	400
Designated industrial property	5	5	-
	45,853	45,940	45,332
	\$ 131,615	\$ 130,975	\$ 126,701

#### 17 USER FEES AND SALE OF GOODS

	Budget (Note 30)	2018	2017
Utility user fees	\$ 133,765	\$ 131,927	\$ 125,249
Land sales	10,741	2,871	7,975
Transit revenue	5,974	5,829	5,751
Ambulance and dispatch revenue	12,166	12,184	12,260
Facility user fees	6,428	5,133	5,374
Equipment and facility rental	3,900	4,026	3,651
Electrical transmission recovery	4,320	4,320	4,320
Other	3,849	3,989	4,094
	\$ 181,143	\$ 170,279	\$ 168,674

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 18 GOVERNMENT TRANSFERS

	Budget (Note 30)	2018	2017
<b>Operating transfers</b>			
Provincial	\$ 12,212	\$ 12,509	\$ 13,540
Federal	730	729	887
Other local	361	377	683
	13,303	13,615	15,110
<b>Capital transfers</b>			
Provincial	13,163	21,349	23,826
Federal	10,516	10,607	4,633
Other local	-	229	22
	23,679	32,185	28,481
	\$ 36,982	\$ 45,800	\$ 43,591

(a) The Homelessness Partnering Strategy (HPS) is a program offered by the Government of Canada to address local homelessness issues. It is run from April 1, 2017 to March 31, 2020. The revenue is recognized quarterly on a claim basis submitted to the Federal Government. In 2018, the amount claimed was \$729 (2017 – \$887) and has been recognized as operating government transfers.

(b) In 2018, the Green Transit Incentives Program (GreenTRIP) has paired with Public Transit Infrastructure Fund (PTIF) to support municipalities in providing sustainable public transit alternatives. For GreenTRIP, The City recognized \$6,365 (2017 - \$4,468) as provincial capital government transfers for 2018 and accrued \$5,933 (2017 - \$2,932) of that amount. For PTIF, The City recognized \$3,986 in federal capital government transfers for 2018 and accrued \$2,023 in government transfer receivable.

(c) Alberta Solicitor General and Public Security provides annual funding for supporting municipalities with the costs of policing services. The City received \$1,607 in 2018 (2017 - \$1,597), and the full amount was recognized as operating government transfers in 2018.

(d) Alberta Emergency Management Agency provides funding to The City under the 911 Grant Program, which must only be used in relation to 911 call answering services. In 2018, The City received \$1,496 (2017 - \$1,425) for the 911 Grant Program and recognized the entire amount in operating government transfers for 2018.

For government transfers deferred to future years, see Note 8.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018 (in thousands of dollars)**

**19 EXPENSES BY OBJECT**

	Budget (Note 30)	2018	2017
Salaries, wages, and benefits	\$ 151,694	\$ 146,380	\$ 144,014
Contracted services	48,937	40,487	42,380
Materials and supplies	55,102	51,041	49,494
Purchases from other governments	24,921	24,661	23,534
Grants to organizations	11,508	10,216	14,265
Financial charges	12,511	10,071	9,508
Amortization of tangible capital assets	63,867	74,536	66,686
Other expenses	515	524	506
	\$ 369,055	\$ 357,916	\$ 350,387

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 20 SALARIES AND BENEFITS DISCLOSURE

The following City Council and executive salaries and benefits are disclosed as required by Alberta Regulation 313/2000 of the MGA.

	Salaries (a)	Benefits (b), (c)	2018	2017
<b>Mayor:</b>				
T. Veer	\$ 105	\$ 20	\$ 125	\$ 123
<b>Councillors:</b>				
S. Buchanan	58	13	71	70
M. Dawe	60	10	70	10
T. Handley	58	13	71	70
P. Harris	-	-	-	55
V. Higham	58	9	67	10
K. Johnston	58	13	71	70
L. Lee	64	13	77	71
L. Mulder	-	-	-	61
F. Wong	58	9	67	66
D. Wyntjes	58	13	71	70
	<b>472</b>	<b>93</b>	<b>565</b>	<b>553</b>
<b>City Manager</b>	<b>419</b>	<b>26</b>	<b>445</b>	<b>307</b>
<b>Designated Officer</b>	<b>123</b>	<b>26</b>	<b>149</b>	<b>162</b>
	<b>\$ 1,119</b>	<b>\$ 165</b>	<b>\$ 1,284</b>	<b>\$ 1,145</b>

(a) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.

(b) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short-term disability plans, professional memberships, tuition, and car allowance. Benefits and allowances also include supplementary employee retirement plan payments and moving and relocation allowances.

(c) Benefits for City Councillors include accidental death and dismemberment, group life, health care, dental coverage, registered savings plan, internet and phone allowances, transit, and Canada Pension Plan.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **21 LOCAL AUTHORITIES PENSION PLAN**

Employees of The City participate in the Local Authorities Pension Plan (LAPP), which is a multi-employer plan governed by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The City is required to make current service contributions to LAPP of 10.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 14.84% for the excess. Employees of The City are required to make current service contributions of 9.39% to the YMPE and 13.84% thereafter.

Total current service contributions by The City to LAPP in 2018 were \$12,592 (2017 - \$13,498). Total contributions by the employees of The City to LAPP in 2018 were \$11,538 (2017 - \$12,428).

As at December 31, 2017, LAPP reported an actuarial surplus of \$4.8 million (actuarial deficit 2017 - \$637 million). This amount is not specifically allocated to the participating government organizations. The 2018 actuarial balance was not available at the date these financial statements were released.

#### **22 APEX SUPPLEMENTARY PENSION PLAN**

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003, and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP.

Contributions are made by the prescribed class of employees and The City. Employees and The City are required to make current service contributions to APEX of 2.84% and 3.78% respectively (2017 - 2.84%, 3.78%) of individual pensionable earnings up to \$147 (2017 - \$146).

Total current service contributions by The City to APEX were \$543 (2017 - \$551). Total current service contributions by the employees of The City were \$408 (2017 - \$414).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement age of employees. The costs of post-retirement benefits are fully funded.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **23 MUNI SUPPLEMENTARY EMPLOYEE RETIREMENT PLAN**

Muni SERP is a supplementary employee retirement plan (SERP) defined by The City and administered by the Alberta Municipal Services Corporation (AMSC). The plan commenced on January 1, 2003, and provides supplementary retirement benefits to a prescribed class of employees in excess of the limits of the Income Tax Act (Canada). The supplementary benefit takes the form of a lump sum cash payment upon retirement or death. Muni SERP supplements APEX and LAPP and is a voluntary, non-contributory defined benefit employee retirement plan. The total current and past service liability to The City as at December 31, 2018 is estimated at \$702 (2017 - \$1,245).

A projected accrued benefit cost with prorating on service method is used to determine the accrued benefit obligation. Key actuarial assumptions used in the valuation were based on actuarial estimates. Those assumptions involve forecasts of expected future inflation rates, discount rates, wage and salary increases, maximum pension limit under the Income Tax Act, and employee turnover and mortality. Key assumptions are as follows: expected discount rate of 4.75% (2017 - 4.75%), expected salary escalations of 3.50% (2017 - 3.50%) per year, and inflation rate of 2.25% (2017 - 2.25%).

#### **24 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS**

The City's financial instruments consist of cash and cash equivalents, accounts receivable, investments, loans receivable, accounts payable and accrued liabilities, deposits, and long term debt. It is management's opinion that The City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to taxes and grants in place of tax receivables, loans receivable, and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which The City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

#### 25 CONTRACTUAL RIGHTS AND OBLIGATIONS

As at December 31, 2018, The City had the following capital contractual rights and obligations:

<b>Construction Contracts</b>	<b>Commitment Amount</b>
Infrastructure projects	\$ 6,458
Water and Wastewater treatment plant upgrades	5,694
Parks and facility improvements	3,250
Transit system upgrades	2,874
Commercial development	2,840
Street Improvements	2,680
North highway connector	2,492
Power substation upgrades	2,330
Fleet purchases	2,266
Roadway rehabilitation	1,169
Network and IT Upgrades	794
Subdivision development	576
City Hall Improvements	392
Central Elementary School	383
CNG Fuelling station and bus purchases	161
Other minor projects	960
	<b>\$ 35,319</b>

The City entered into various developer agreements where engineered structures will be contributed to The City as at the date of their completion. Developer agreements in effect in 2018 that will result in future contributed assets total \$1,101.

The following are The City's significant operating contractual rights and obligations:

*(a) Solid Waste and Recyclables Collection Contracts*

The City's solid waste and recyclables collection contracts are based on a percentage of the utility billing for the year and will expire in May 2019 to make way for the new green, blue, and black cart programs. The green cart program is already in effect and expires March 31, 2023 with an option to renew for another two years. The black and blue cart programs are set to commence May 6, 2019. The estimated annual costs for the contracts in effect in 2018 total \$7,254 (2017 - \$9,546). The Waste Management Facility operations contract has an annual estimated cost of \$2,107 (2017 - \$2,074) and an expiry date of December 31, 2020.

*(b) RCMP Contract*

The City pays 90% of the operating costs for RCMP services through to March 31, 2032. The estimated annual contract cost for 2018 is \$25,637 (2017 - \$24,776).

*(c) ENMAX Contract*

In 2017, The City entered into a two year agreement with ENMAX Power Corporation to provide Meter Data Management Services to The City until February 29, 2020. The estimated remaining cost of the contract is \$3,093 (2017 - \$5,587).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For the Year Ended December 31, 2018 (in thousands of dollars)

*(d) Red Deer College*

In 2016, The City entered into a contract with Red Deer College to provide \$11,500 over nine years toward the construction of sporting facilities related to the Games. As at December 31, 2018, The City has paid \$5,500 (2017 - \$4,500) of this contractual obligation.

The payment schedule is as follows:

2019	\$	1,000
2020		1,000
2021		1,000
2022		1,000
2023		1,000
2024		1,000
	<b>\$</b>	<b>6,000</b>

The Host Society will provide The City with \$5,000 for their portion of the contract amount in 2019. For contractual rights and obligations related to the Games and the Host Society, see Note 29.

*(e) Traffic Enforcement Program*

In 2017, The City entered into a four year agreement with Conduent Business Services Canada Inc. (formerly Xerox Business Services Canada Inc.) to provide services as they relate to the Automated Traffic Enforcement Program until April 9, 2021. The estimated remaining cost of the contract is \$1,436 (2017 - \$2,419).

*(f) Lease Obligation*

In 2013, The City entered into a ten year lease agreement with Gold Bar Investments Ltd. for three floors in the Professional Building in downtown Red Deer. The annual lease amount is \$2,687 (2017 - \$3,304) until December 31, 2022.

*(g) Lease Rights*

The City has agreements to lease land to the Westerner Exposition Association with an expiry date of May 1, 2059 and to the Alberta Sports Hall of Fame Museum Society with an expiry date of November 9, 2042. At the time of expiry or lease termination, all buildings and other improvements on these properties will be contributed to The City.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **26 CONTINGENCIES**

##### *(a) Environmental Contingencies*

*i.* A pre-existing, non-PCB hydrocarbon plume was discovered beneath Substation 12 as a result of an initial incident in 2009 that was remediated. A plan has been submitted to Alberta Environment to allow The City to continue to monitor the contamination. No official response has been received as at the date of these financial statements, therefore, no estimation for the cost of monitoring can be made at this time.

*ii.* Subsurface contamination has been found as part of the Ross Street and Taylor Drive project. More delineation is required by The City's geotechnical consultant. Initial reports state that in-site remediation will be possible. The extent of the remediation requirements is still unknown, therefore, no estimation for the cost of remediation can be made at this time.

*iii.* The Queen's Business Park - NE and SE, the current fire training grounds, the Bellevue Reservoir, and the NE corner of 46 Street and 49 Avenue all have contamination issues. The extent of the remediation requirements for these sites is still unknown, therefore, no estimation for the cost of remediation can be made at this time.

*iv.* The City has had significant, ongoing transactions and agreements with an oil company that has gone into receivership filing for protection under the Companies' Arrangement Act in 2016. Several abandoned wells and battery sites have potential contamination issues. The City may face detriment should the Receiver fail to continue with their commitments and representations made to The City. The extent of remediation costs as well as the potential impact on The City's financial position is still unknown as at the date of these financial statements.

*v.* The City received notification that high levels of contamination had been found on a landowner's property adjacent to City land previously used for rail operations. The City is performing additional tests to determine the extent of the contamination and cost of remediation if necessary. No estimation for the cost of remediation can be made at this time.

##### *(b) Land Expropriation Compensation*

In 2009, The City acquired land under the Expropriation Act from several property owners in connection with various road development projects. Seven property owners have since filed with the Alberta Land Compensation Board for compensation to which they believe they are entitled. At this time, The City cannot determine the amount or the likelihood of the remaining compensation in these cases, therefore, no liability has been accrued in these financial statements.

##### *(c) Active Lawsuits*

During 2018, there were various legal claims pending against The City, arising in the ordinary course of its operations. The City defends all claims made against it, but the outcome of these cases is presently indeterminable. At this time, The City cannot estimate the financial impact of these cases and therefore, no liability has been accrued in these financial statements.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **27 GUARANTEES**

The City has issued an irrevocable standby letter of credit for \$5,800 (2017 - \$5,500) as required by its supplier, The Alberta Electric System Operator, in the event of payment default for electrical distribution charges. The letter of credit has not been utilized to date.

The City has issued two irrevocable standby letters of credit for \$584 and \$884 to the Receiver General of Canada on behalf of Fisheries and Oceans Canada. The letter of credit is for two separate projects in waterways in The City to guarantee work completion and quality. The letters have not been utilized to date.

For guarantees related to the Games and the Host Society, see Note 29.

#### **28 SEGMENTED DISCLOSURE**

The City is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, The City's operations and activities are organized and reported by functions and services provided. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. Investment earnings are allocated to each segment based on an average of fund balances. Net tax revenue is allocated to each tax-supported segment based on the budgeted expenditures in those segments.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information, see Schedule 3 - Consolidated Schedule of Segmented Disclosure.

Certain functions that have been disclosed in the segmented information, along with the services provided, are as follows:

*(a) General Government Services*

This category of functions is used to report activities that provide for the overall operation of The City, which are common to, or affect all of the services provided by The City, including Council and legislative, general administration, property assessment, taxation administration, licensing, elections, and municipal census.

*(b) Protective Services and Parking*

This category of functions is used to report activities that provide for the public safety of the inhabitants of The City, including police, bylaw enforcement, and disaster management services as well as fire, ambulance, and parking authority.

*(c) Transportation and Fleet*

This category of functions is used to report activities related to public transportation, including roads and streets, public transit, storm sewers and drainage, and the equipment pool.

*(d) Community Services*

This function is used to report activities related to the development and management of social issues in the community, including public housing, research, and addressing at-risk group needs.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

*(e) Recreation, Parks, and Culture*

This function is used to report activities related to providing recreational and cultural opportunities to the community.

*(f) Water and Wastewater*

These functions report activities related to acquiring, treating, and supplying water as well as collection or removal and treatment and disposal of sanitary sewage.

*(g) Waste Management*

This function is used to report activities related to the collection of recyclables, garbage, and other waste material, the maintenance and operation of sanitary landfill sites, and management of solid waste landfill closure and post-closure.

*(h) Subdivisions, Land, and Development*

This function is used to report activities related to the development of land and infrastructure for use by The City or for resale.

*(i) Electric Light and Power*

This function is used to report activities related to the operation and maintenance of electric transmission and distribution facilities and delivery of power.

## **29 DISCLOSURE SUMMARY FOR THE 2019 CANADA WINTER GAMES**

The City was selected by the Canada Winter Games Council as Host City for the 2019 Canada Winter Games (Games). This commitment includes capital and operating components from 2014 through to 2019. The Host Society was formed in 2015 to manage and deliver the Games. The City has entered into an agreement with the Host Society, signed March 2017 and amended March 2018 and December 2018, that outlines the roles and responsibilities of the two parties and the transactions between them.

The agreement is summarized as follows:

*(b) Contribution from the Host Society*

The Host Society has committed to contribute \$9,552 to The City to fund various capital projects related to the Games. The funding is allocated as follows:

<b>Capital Project</b>	<b>Allocation Amount</b>
Red Deer College (Note 25)	\$ 5,000
Great Chief Park	3,000
Canyon Ski Resort	558
River Bend Golf Course	426
Other	568
	<b>9,552</b>

The City received \$3,000 to date from the Host Society for Great Chief Park. The remainder will be received in separate instalments: \$2,600 on April 1, 2019 and \$3,952 on December 31, 2019.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### *(c) Contribution to the Games*

The City has committed to a contribution of \$5,923 toward various capital projects related to the Games on the Host Society's behalf. As at December 31, 2018, \$3,552 (2017 - \$3,552) remains on this commitment.

#### *(d) Loan to Host Society*

In 2016, The City advanced \$5,355 to the Host Society in which a loan receivable was established. As at December 31, 2018, the ending balance of this loan was \$3,552 (2017 - \$3,552) and will be received in full by December 31, 2019. See Note 6.

#### *(e) Value in Kind*

The City has agreed to provide value in kind up to \$2,000 for the Games through its operations. In 2018, \$157 (2017 - \$114) worth of administrative support services was provided to the Host Society. As at December 31, 2018, \$1,675 (2017 - \$1,832) remains on this commitment.

#### *(f) Games Plaza*

In 2016, The City has contributed \$1,000 to the Host Society toward the construction of a permanent Games Plaza. The plaza will become property of The City upon the Plaza's completion in 2019. The estimated value of the contributed asset to be contributed at that time will be \$2,600.

#### *(g) Guarantee*

In 2014, The City signed an Agreement to Undertake with the Canada Games Council, which The City has agreed to assume responsibility for the financial deficit, if any, associated with the operating and capital expenses incurred by the Host Society. It is management's assessment that the risk of significant loss to The City is low.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Year Ended December 31, 2018 (in thousands of dollars)**

#### **30 BUDGET**

The reported budget information has been derived from the capital cash flow budget and the operating budget approved by Council on September 4, 2018. These budgets do not include subsequent amendments by Council, internal fund transfers, debt issuance and repayment, and other internal recoveries. The table below reconciles The City's final budget to the reported budget presented in the financial statements.

	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Reported budget surplus (deficit)</b>	\$ (15,065)	\$ 35,039	\$ 19,974
Contributed tangible capital assets	7,497	(7,497)	-
Net amendments	(1,907)	-	(1,907)
<b>Final budget surplus (deficit) before funding transfers</b>	<b>(9,475)</b>	<b>27,542</b>	<b>18,067</b>
<b>Add (less) funding transfers:</b>			
Net transfers between capital and operating	(22,241)	927	(21,314)
Net reserve transfers	(4,627)	53,447	48,820
Internal recoveries from capital	3,201	-	3,201
Tangible capital asset transfers	56,371	-	56,371
Long term debt repaid	(23,229)	-	(23,229)
Long term debt issued	-	21,437	21,437
<b>Final budget surplus</b>	<b>\$ -</b>	<b>\$ 103,353</b>	<b>\$ 103,353</b>

#### **31 COMPARATIVE INFORMATION**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

#### **32 APPROVAL OF FINANCIAL STATEMENTS**

City Council has approved these financial statements on April 29, 2019.

## **STATISTICAL INFORMATION**

**GENERAL MUNICIPAL DATA - UNAUDITED**  
**(2014-2018) (in thousands of dollars)**

	2018	2017	2016	2015	2014
Population	99,832	99,832	99,832	100,807	98,585
Assessed valuation	\$ 15,724,614	\$ 15,756,231	\$ 15,987,628	\$ 15,666,694	\$ 14,882,334
Per capita assessed valuation	\$ 158	\$ 158	\$ 160	\$ 155	\$ 151
Mill rates (commercial)					
Municipal	13.7448	13.4570	13.1457	12.6665	12.2177
Education Foundation	3.8047	3.7298	3.6836	3.6200	3.5416
Piper Creek Foundation	0.0321	0.0256	0.0273	0.0107	0.0079
	17.5816	17.2124	16.8566	16.2972	15.7672
Taxes paid by the largest single taxpayer	\$ 3,275	\$ 3,177	\$ 3,146	\$ 3,059	\$ 2,942
Percent of taxes	1.84 %	1.83 %	1.86 %	1.89 %	1.93 %
Property taxes					
Current levy	\$ 178,423	\$ 174,065	\$ 169,570	\$ 162,199	\$ 152,819
Current collected	\$ 176,315	\$ 172,017	\$ 167,917	\$ 160,628	\$ 152,661
Percent of current levy	99 %	99 %	99 %	99 %	100 %
Gross tax collections	\$ 178,491	\$ 173,924	\$ 170,524	\$ 161,702	\$ 153,780
Taxes outstanding	\$ 2,676	\$ 2,335	\$ 1,954	\$ 2,255	\$ 2,198

No municipal census was conducted in the last two years. The 2016 census results are being used for 2016-2018 statistical information.

**CAPITAL FUND ACTIVITIES - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Capital expenditure by segment:					
General government services	\$ 3,077	\$ 3,873	\$ 4,046	\$ 4,102	\$ 2,420
Protective services and parking	2,167	5,339	13,704	1,814	1,036
Transportation and fleet	37,285	46,618	63,943	51,235	46,772
Water and wastewater	16,820	14,681	15,649	30,897	39,474
Waste management	3,373	1,095	1,632	2,576	164
Community services	131	-	(4)	289	162
Subdivisions, land, and development	3,390	6,374	2,741	13,045	13,722
Recreation, parks, and culture	20,708	36,330	16,065	6,334	6,855
Electric light and power	9,390	10,688	9,430	19,427	11,537
<b>Total Capital Spending</b>	<b>\$ 96,341</b>	<b>\$ 124,998</b>	<b>\$ 127,206</b>	<b>\$ 129,719</b>	<b>\$ 122,142</b>
Financing Sources Applied:					
Developer contributions	5,088	6,995	6,442	8,777	10,015
Government transfers	32,185	28,481	50,218	44,179	38,120
Other capital revenue	848	2,094	3,458	891	1,172
Debt issued	24,427	45,852	26,664	10,000	27,247
From (to) operating	(2,262)	1,808	(2,222)	(635)	7,678
From (to) reserves	42,142	30,636	20,809	50,680	44,879
<b>Total Funding</b>	<b>102,428</b>	<b>115,866</b>	<b>105,369</b>	<b>113,892</b>	<b>129,111</b>
Increase (decrease) in fund balance	6,087	(9,132)	(21,837)	(15,827)	6,969
Capital fund balance, beginning of year	(46,833)	(37,701)	(15,864)	(37)	(7,006)
<b>Capital fund balance, end of year</b>	<b>\$ (40,746)</b>	<b>\$ (46,833)</b>	<b>\$ (37,701)</b>	<b>\$ (15,864)</b>	<b>\$ (37)</b>

In 2018 and 2017, comparative information has been reclassified to conform to the current year's presentation.

**CONSOLIDATED REVENUE BY SOURCE - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Operating Revenue:					
Net municipal taxes	\$ 130,975	\$ 126,701	\$ 124,346	\$ 123,923	\$ 112,537
User fees and sale of goods	170,279	168,674	161,388	161,889	172,911
Operating government transfers	13,615	15,110	19,198	12,301	11,061
Investment earnings	2,793	3,177	6,981	4,893	5,151
Fines and penalties	6,650	5,937	6,148	5,928	5,870
Franchise fees	8,418	9,225	7,848	7,394	7,441
Licenses and permits	3,624	3,249	3,558	3,283	3,690
Other operating revenue	6,977	5,255	5,935	4,092	5,521
<b>Total Operating Revenue</b>	<b>343,331</b>	<b>337,328</b>	<b>335,402</b>	<b>323,703</b>	<b>324,182</b>
Capital Revenue:					
Capital government transfers	32,185	28,481	50,218	44,179	38,120
Contributed tangible capital assets	19,325	7,325	7,330	9,389	34,284
Other capital contributions	5,333	7,951	9,301	9,108	10,406
<b>Consolidated Revenue</b>	<b>\$ 400,174</b>	<b>\$ 381,085</b>	<b>\$ 402,251</b>	<b>\$ 386,379</b>	<b>\$ 406,992</b>

**CONSOLIDATED OPERATING EXPENSES BY FUNCTION - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Operating Expenses:					
General government services	\$ 43,511	\$ 36,641	\$ 37,545	\$ 34,146	\$ 33,260
Protective services and parking	77,884	76,679	74,421	66,949	65,796
Transportation and fleet	79,998	78,367	85,706	76,805	73,741
Community services	12,645	15,376	13,572	11,504	11,401
Recreation, parks, and culture	50,328	50,896	51,924	46,892	45,074
Water and wastewater	35,258	36,187	34,542	31,710	29,979
Waste management	14,064	14,642	14,524	13,991	12,410
Subdivisions, land, and development	3,198	2,277	2,534	2,023	11,640
Electric light and power	41,030	39,322	35,884	34,048	32,933
Total operating expenses	\$ 357,916	\$ 350,387	\$ 350,652	\$ 318,068	\$ 316,234

In 2018, comparative information has been reclassified to conform to the current year's presentation.

**CONSOLIDATED EXPENSES BY OBJECT - UNAUDITED**  
**2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Operating Expenses:					
Salaries, wages, and benefits	\$ 146,380	\$ 144,014	\$ 141,093	\$ 133,027	\$ 127,294
Contracted services	40,487	42,380	41,998	41,084	44,533
Materials and supplies	51,041	49,494	48,784	47,996	52,135
Purchases from other governments	24,661	23,534	23,217	18,754	18,869
Grants to organizations	10,216	14,265	20,970	8,687	8,955
Financial charges	10,071	9,508	9,317	9,130	9,037
Amortization of tangible capital assets	74,536	66,686	63,758	58,576	53,809
Other expenses	524	506	1,515	814	1,602
<b>Total operating expenses</b>	<b>\$ 357,916</b>	<b>\$ 350,387</b>	<b>\$ 350,652</b>	<b>\$ 318,068</b>	<b>\$ 316,234</b>

**FINANCIAL POSITION AND ANNUAL SURPLUS - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Financial assets	\$ 320,213	\$ 302,645	\$ 308,168	\$ 328,313	\$ 342,988
Liabilities	401,062	385,835	359,468	357,745	358,589
Net debt	(80,849)	(83,190)	(51,300)	(29,432)	(15,601)
Non-financial assets	2,073,128	2,033,211	1,970,623	1,897,156	1,815,014
Accumulated surplus	1,992,279	1,950,021	1,919,323	1,867,724	1,799,413
Annual surplus	\$ 42,258	\$ 30,698	\$ 51,599	\$ 68,311	\$ 90,758

Land held not ready for sale had been reclassified from non-financial assets to financial assets in 2016. Comparative information has been reclassified to conform to the current year's presentation.

**CONSOLIDATED ACCUMULATED SURPLUS - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Unrestricted deficits in controlled agencies	148	170	10,979	20,168	(135)
Capital to be financed	\$ (40,746)	\$ (46,833)	\$ (37,701)	\$ (15,864)	\$ (37)
Reserves	219,937	220,943	222,260	210,830	215,273
Equity in tangible capital assets	1,812,940	1,775,741	1,723,785	1,652,590	1,584,312
Total	\$ 1,992,279	\$ 1,950,021	\$ 1,919,323	\$ 1,867,724	\$ 1,799,413

In 2018 and 2017, long term debt not used to purchase tangible capital assets has been reclassified from equity in tangible capital assets to capital to be financed. Comparative information has been reclassified to conform to the current year's presentation.

**CONSOLIDATED RESERVES - UNAUDITED**  
**2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Finance a specific purpose	\$ 1,854	\$ 1,783	\$ 2,388	\$ 2,287	\$ 2,211
Capital projects - tax supported	33,133	40,743	41,060	31,589	25,033
Municipal parkland	6,922	6,984	6,710	6,464	5,450
Operating - tax supported	33,838	31,757	33,454	33,294	24,441
Debt repayment	3,155	3,816	2,471	4,718	12,642
<b>Tax-supported reserves</b>	<b>78,902</b>	<b>85,083</b>	<b>86,083</b>	<b>78,352</b>	<b>69,777</b>
Capital asset replacement	20,234	27,209	36,317	31,356	27,499
Land development	63,009	65,430	54,447	48,593	50,363
Parking	1,637	372	158	663	1,369
Offsite	(6,257)	(10,012)	(2,068)	7,947	12,659
<b>Self-supported reserves</b>	<b>78,623</b>	<b>82,999</b>	<b>88,854</b>	<b>88,559</b>	<b>91,890</b>
Power	24,148	19,878	17,997	16,885	21,534
Water	3,873	3,373	3,383	7,858	9,385
Wastewater	18,042	12,191	8,949	3,001	6,169
Solid waste management	16,349	17,419	16,994	16,175	16,518
<b>Utility-supported reserves</b>	<b>62,412</b>	<b>52,861</b>	<b>47,323</b>	<b>43,919</b>	<b>53,606</b>
<b>Total reserves</b>	<b>\$ 219,937</b>	<b>\$ 220,943</b>	<b>\$ 222,260</b>	<b>\$ 210,830</b>	<b>\$ 215,273</b>

In 2014, City Council approved a reserve consolidation for tax-supported and self-supported operations. Comparative information has been reclassified to conform to the current year's presentation.

**LONG-TERM DEBT ISSUED BY FUNCTION - UNAUDITED****2014-2018 (in thousands of dollars)**

	2018	2017	2016	2015	2014
Protective services and parking	\$ -	\$ 1,082	\$ 15,030	\$ -	\$ -
Transportation and fleet	1,500	8,042	9,500	3,000	4,968
Recreation, parks, and culture	10,235	33,482	895	11,500	-
Water and wastewater	4,971	1,565	-	3,800	14,579
Subdivisions, land, and development	-	5,570	4,600	11,990	-
Electric light and power	5,506	-	-	-	8,000
<b>Total</b>	<b>\$ 22,212</b>	<b>\$ 49,741</b>	<b>\$ 30,025</b>	<b>\$ 30,290</b>	<b>\$ 27,547</b>

In 2016, comparative information has been reclassified to conform to the current year's presentation.

**LONG-TERM DEBT - UNAUDITED****2014-2018 (in thousands of dollars)**

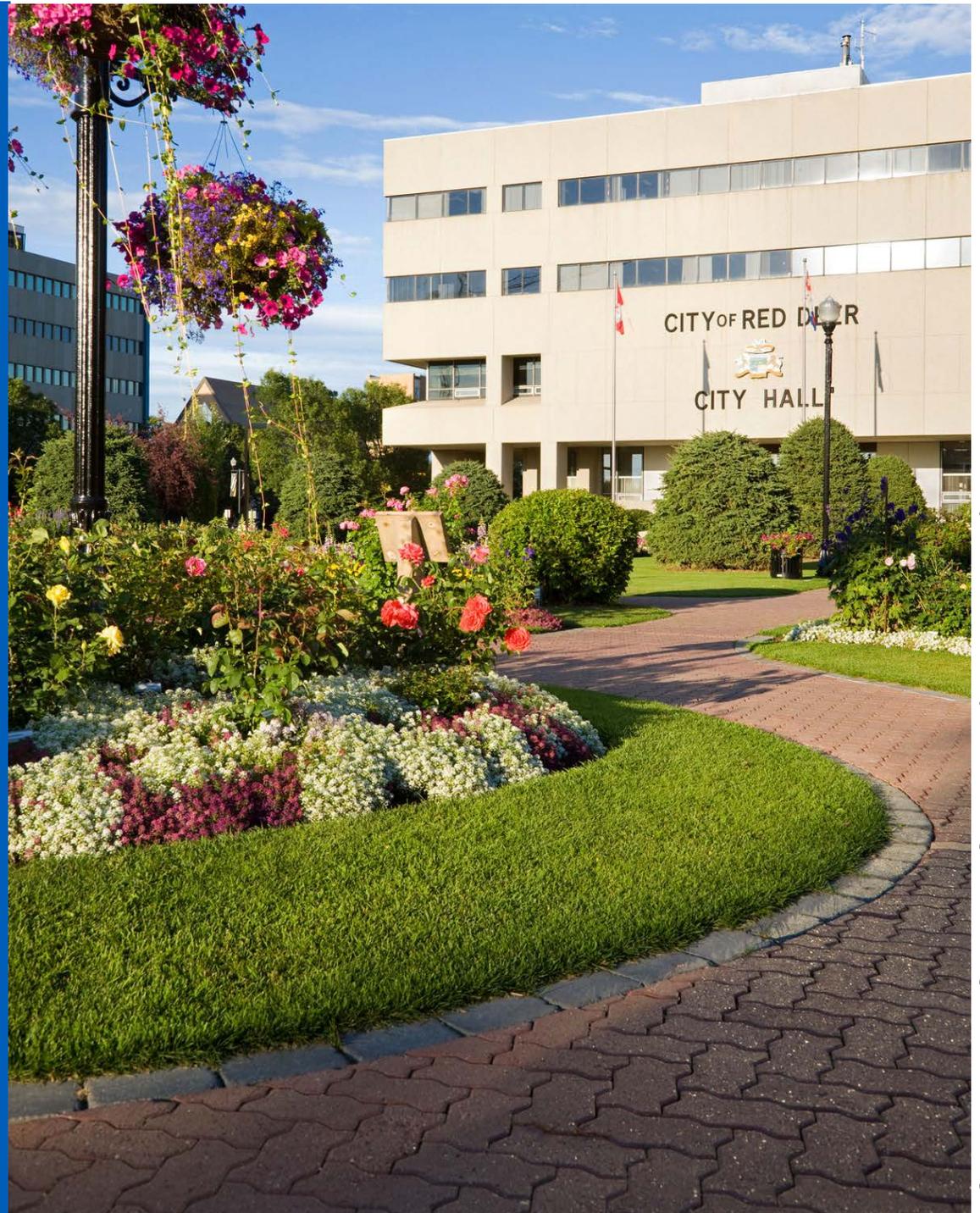
	2018	2017	2016	2015	2014
Tax-supported debt	\$ 145,479	\$ 137,945	\$ 107,041	\$ 84,043	\$ 67,434
Self-supported debt	129,735	136,619	138,228	149,835	152,744
<b>Total long-term debt</b>	<b>275,214</b>	<b>274,564</b>	<b>245,269</b>	<b>233,878</b>	<b>220,178</b>
Population	99,832	99,832	99,832	100,807	98,585
Long-term debt per capita	2,757	2,750	2,457	2,320	2,233
Debt limit per regulation	522,996	517,919	517,055	499,217	501,882
Debt limit unused	247,782	243,355	271,786	265,339	281,704
Percentage of debt limit used	53 %	53 %	47 %	47 %	44 %
Service on debt limit	87,166	86,320	86,176	83,203	83,647
Service on existing debt	29,724	31,309	29,223	27,536	25,233
Service on debt limit unused	57,442	55,011	56,953	55,667	58,414
Percentage of service on debt limit used	34 %	36 %	34 %	33 %	30 %
Percentage of expenses	8 %	9 %	8 %	9 %	8 %



# City of Red Deer

Audit Findings Report  
for the year ended December 31, 2018

Prepared April 10, 2019 for the  
Council meeting on April 29, 2019



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The contacts at KPMG in connection with this report are:

**Robyn Eson, CPA, CA**  
Audit Engagement Partner  
Tel: 780.429.6074  
reeson@kpmg.ca

**Sallie Klein, CPA, CA**  
Audit Senior Manager  
Tel: 780.429.7363  
stklein@kpmg.ca

# Executive summary



## Purpose of this report\*

The purpose of this Audit Findings Report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the consolidated financial statements of The City of Red Deer as at and for the year ended December 31, 2018.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee on November 5, 2018.



## Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.



## Areas of audit focus

We discussed with you at the start of the audit a number of areas of audit focus including:

- Recognition of revenue amounts subject to external restrictions;
- Completeness of accounts payable and accrued liabilities;
- Accuracy and valuation of investments;
- Existence and accuracy of capital expenditures against planned capital projects; and
- Risk of management override of controls.

These areas of audit focus have been addressed in our audit.

See pages 4 - 6.



## Critical accounting estimates

Overall, we are satisfied with the reasonability of critical accounting estimates subject to uncertainty as described in note 1c) to the consolidated financial statements.

See pages 7 - 8.



# Executive summary



## Adjustments and differences

During our audit, we identified differences that remain uncorrected and adjustments that were communicated to management and subsequently corrected in the financial statements. Refer to page 12 - 13 and Appendix 1b for adjustments.



## Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. We have provided recommendations for other observations. Please refer to pages 14 – 16.



## Independence

We confirm that we are independent with respect to the City (and its related entities), within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

We confirm that we have extensive quality control processes in place, and that we have provided complete transparency on all services, and followed the Audit Committee's approved protocols.



## Significant accounting policies and practices

There have been three new significant accounting policies that have been adopted by the City of Red Deer that have been disclosed in note 1(m) to the consolidated financial statements:

PS 3380 – Contractual Rights

PS 3420 – Inter-Entity Transactions

PS 2200 – Related Party Disclosure

Refer to page 10 for further details over these new accounting policies.

As well, future accounting pronouncements applicable to the City have been disclosed in note 1(n) to the consolidated financial statements.



# Executive summary



## Finalizing the Audit

As of April 17, 2019, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include amongst others:

- Receipt and analysis of certain agency auditor reporting packages;
- Receipt and analysis of legal letter responses from external and in-house legal counsel;
- Review of the final financial statements;
- Obtaining a signed management representation letter;
- Completing our discussions with Mayor and Council;
- Obtaining evidence of Council's approval of the financial statements;
- Obtaining information on any subsequent events to the date of the auditors' report; and
- Obtaining and reviewing the annual report and any other publications containing the consolidated financial statements.

We will update the Audit Committee, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

We will also separately report on the following:

- City of Red Deer Municipal Financial Information Return (FIR) which is prepared to comply with Section 277 of the Municipal Government Act R.S.A. 2000, c.M-26, as amended (December 31, 2018);
- City of Red Deer Local Authorities Pension Plan (LAPP) compliance with the Management Employees Pension e-guide (December 31, 2018);
- City of Red Deer APEX Supplementary Pension Plan compliance (December 31, 2018);
- Family and Child Support Services (FCSS) grant schedule (December 31, 2018);
- Homelessness Partnering Strategy (HPS) statement of funding and expenditures as required under the Homeless Partnering Strategy Contribution Agreement – Community Entity Model Amendment (March 31, 2019); and
- Outreach and Support Services Initiative (OSSI) statement of funding and expenditures as required under the Outreach and Support Services Initiative Conditional Grant Funding Agreement (March 31, 2019).

\*This Audit Findings Report should not be used for any other purpose or by anyone other than the Council. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





# Audit risks and results

We highlight our findings in respect of areas of audit focus as identified in our discussion with you in the Audit Plan.

Area of audit focus	Why?
Recognition of revenue amounts subject to external restrictions	There may be inappropriate revenue recognition of amounts received with external restrictions attached to them (government transfers and other amounts).

**Our response and findings**

We inspected the recognition of amounts subject to external restrictions to assess whether they had been recognized appropriately. We confirmed all significant government transfers and examined related agreements. We inspected capital grant agreements and related expenditures and ensured the funds are appropriately recognized against specific capital projects.

During the audit, we were informed by management of an item related to funding from a 2013 local improvement project that had been incorrectly funded through a government grant. Management corrected this item in the current year. Refer to “uncorrected differences” on page 13.

We did not identify any other significant differences in our testing and have no further audit findings to report.

# Audit risks and results

Area of audit focus	Why?
Completeness of accounts payable and accrued liabilities	There is a risk that inappropriate cut-off of accrued liabilities may occur.
Accuracy and valuation of investments	There is a risk that investments are not appropriately valued; specifically that impairment is not assessed and recorded where appropriate.
Existence and accuracy of capital expenditures against planned capital projects	There is a risk that capital expenditures are not appropriately recorded in the financial statements and are not appropriately applied against the planned capital projects.

## Our response and findings

### Completeness of accounts payable and accrued liabilities

- We used our understanding of the City's operations, discussions with management and our inspection of Council minutes to assess if the completeness of accruals has been achieved as at December 31, 2018.
- We completed a search for unrecorded liabilities (through review of unprocessed transactions and payments subsequent to year-end) and performed an analysis of key accruals.
- In their year-end review process, management informed us of three invoices for which an accrual was not made. Management has chosen not to correct this citing they are not material. We concur with management's assessment; however, we have included them within our schedule of "uncorrected differences" on page 13.
- We did not identify any significant inconsistencies in the way that accounts payable and accrued liabilities were recorded and are satisfied that the City is accruing costs in the appropriate period.

### Accuracy and valuation of investments

- We obtained third-party confirmations for the cost and market value of all investments, and agreed the confirmations to the financial record and financial statements.
- We noted that as at December 31, 2018, investments that were purchased at a premium or discount were not being recorded at amortized cost. Investment premiums and discounts are required to be amortized over the term of the respective investments, which is the City's policy and consistent with PSAS. Management has quantified the error and it remains uncorrected as at the 2018 year-end. Refer to page 13 for the effect of the uncorrected misstatements.

# Audit risks and results

## Our response and significant findings (continued)

- We noted several investments had a market value that was lower than their carrying value. Investments are required to be written down if there is an other-than-temporary decline in value. Management determined that a write-down was not required due to the intention that these investments will be held to maturity and the decline is expected to be temporary. We concur with management's assessment.
- We did not note any other errors or issues in our testing and have no further audit findings to report.

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### Existence and accuracy of capital expenditures against planned capital projects

- We inspected a sample of capital expenditures during the testing of tangible capital assets to determine if they were appropriately applied against the specific capital projects and did not note any significant differences between expenditures against the planned capital projects.
  - We performed project reviews for select projects with the City's project managers to evaluate the assessment of the project's status at year end and any remaining commitments.
  - As a result of our audit procedures, we identified three projects that had been completed and put into use in 2018 but were still included in Assets under Construction (AUC):
    - Construction costs of \$2.6M related to the Biogas Co-generator, which was substantially completed in October 2018, were still included in AUC;
    - LED street light conversion project costs were identified as having been substantially completed and in use in 2018. Retrofitting of the street lights began in 2016; however, street light conversions with project costs of \$4.4M that were completed were also still included in AUC; and
    - Lastly, the construction of the ice oval facility at Great Chief Park was substantially completed in 2018 but the costs of \$9.2M had not been moved out of AUC.
  - Management has appropriately corrected all three of the above by reclassifying each of the above assets to the appropriate asset class; however, as each asset was completed prior to the year-end date, the related amortization expense should have been recorded. As the amortization expense did not have a material impact, it was not corrected. Please refer to the "corrected differences" in the management representation letter in Appendix 1b.
  - Through our work on depreciation expense and discussions with management, we noted that certain assets were inappropriately moved out of AUC during the year resulting in an overstatement of depreciation expense for the year of \$1.2M. Please refer to the "corrected differences" in the management representation letter in Appendix 1b.
  - Through discussions with management, we noted that an asset management system that had been in use since 2011 had been sitting in AUC in 2018. This was noted and corrected by management. However, the cumulative depreciation expense for 2011 – 2018 was booked in 2018. This has resulted in an overstatement of depreciation expenses in 2018 by \$2.3M. Please refer to the "uncorrected differences" on page 13 and "other observations" on page 15.
- 



# Critical accounting estimates

Under PSAS (PSAS 2130.05), management is required to disclose information in the consolidated financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year. Generally, these are considered to be “critical accounting estimates.”

We have summarized our assessment of the subjective areas.

Asset / liability	Balance (\$'000s)
— Landfill closure and post-closure liability	— \$5,288 (2017 - \$4,973)
— Valuation of inventory	— \$nil (2017 - \$nil)
— Employee benefit obligations	— \$15,880 (2017 - \$14,724)
— Useful life of tangible capital assets	— NBV \$2,061,958 (2017 - \$2,022,765)
— Accrued liabilities	— \$12,255 (2017 - \$13,502)
— Carrying value of investments	— \$216,461 (2017 - \$169,842)
— Liabilities for contaminated sites	— \$2,771 (2017 - \$2,922)
— Allowance for doubtful accounts receivable and loans receivable	— \$136 (2017 - \$140)
— Fair value of contributed assets	— \$19,325 (2017 - \$7,325)

## KPMG comment

- Landfill closure and post-closure liability: The City obtains information from various consulting parties who specialize in landfill closure and post-closure issues when determining the amount of the obligation. There have been no significant changes in how the obligations are estimated year over year.
- Valuation of inventory: The City records an allowance for any obsolete inventory meeting the criteria necessary for a write down to be recorded. There have been no significant changes in how the allowance is determined.
- Employee benefit obligations: The City relies on an actuary to determine the future employee benefit obligation. The City provides the necessary data to the actuary to determine an appropriate future obligation for the City to record which we have agreed to note 9 to the financial statements. There have been no changes to the method used to estimate employee benefits obligations from the prior year.



# Critical accounting estimates (continued)

## KPMG comment

- Useful life of tangible capital assets: The City estimates the useful life of tangible capital assets and reviews the amortization policy on a regular basis. The City reviews tangible capital assets for impairment on an annual basis. There have been no changes to the manner in which this estimate is determined.
- Accrued liabilities: The City estimates its unsettled obligations as at December 31. There has been no change in the method the City uses to assess its accrued liabilities from the prior year.
- Carrying value of investments: The City reviews the ratings on the City's investments on an annual basis, and corresponds with the City's investment managers regularly in order to identify any impairment. There have been no changes to the method used from the prior year. A deviation from the City's policy of recording investments at amortized cost was noted. Please see "Adjustments and differences" for the impact of this deviation.
- Liabilities for contaminated sites: The City monitors various sites with environmental issues and obtains information from various consulting parties who specialize in determining extent of the contamination and extent and estimates for future remediation costs. There have been no significant changes in the current year.
- Allowance for doubtful accounts receivable and loans receivable: The City estimates allowances for doubtful accounts receivable and loans receivable based on historical collections and examination of aged balances that are greater than 90 days past due. There have been no changes in the manner in which this estimate is determined.
- Fair value of contributed assets: The City typically relies on the value of the contributed asset as outlined on the Construction Completion Certificate which is signed by the developer. Contributed land is determined by an ascribed value as indicated on a signed land title certificate. There have been no changes in the manner in which the estimate is determined.

We consider management's process for identifying critical accounting estimates to be adequate.



# Technology in the audit

As previously communicated in our Audit Planning Report, we have utilized technology to enhance the quality and effectiveness of the audit.

 Areas of the audit where Technology was used	
Tool	Our results and insights
<b>KPMG Clara Client Collaboration</b>	This was the second year we utilized the KPMG Clara Client Collaboration site. Using the KPMG Clara collaboration site allows for both management and the audit team to have a full access of all items requested and provided which reduces or eliminates any repeat requests of information.

# Significant accounting policies and practices



## Initial selections

The following new significant accounting policies and practices were selected and applied during the period:

### PS2200 *Related Party Disclosures*

PS2200 defines a related party and establishes disclosures required for related party transactions. Related parties include key management personnel and close family members, through their relationship with the key management personnel, as they have the ability to influence and impact the City's policies, operations and strategic decisions.

Through discussion with management, key management personnel of the City have been identified as the Mayor, City Councillors, City Manager and Deputy City Managers for the purpose of this reporting. An external entity becomes a related party to the City when the key management personnel and/or their close family member have the ability to influence and impact the policies, operations and strategic decisions of the external entities.

For the year ended December 31, 2018 there were no material transactions to disclose that occurred between related parties at a value other than or terms different from that which would have been arrived at if the parties were unrelated.

### PS3380 *Contractual Rights*

Defines and establishes disclosure standards on contractual rights.

Contractual rights are rights of the City to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Through discussion with management, and audit procedures performed over the disclosure, it has been determined that the significant contractual rights of the City include future government transfers and lease revenues. Management included disclosure over contractual rights in Note 25 of the consolidated financial statements.

### PS3420 *Inter-Entity Transactions*

This standard provides how to account for and report transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and a recipient perspective.

Through discussion with management, since the majority of these types of transactions are eliminated on consolidation, there was not a material impact on the adoption of this standard.

For the year ended December 31, 2018, as a result of the adoption of this standard, there was a minor change to note 1 a) to the consolidated financial statements.





# Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the City's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

## Form, arrangement, and content of the financial statements

We provided management with our comments on the City's preliminary draft consolidated financial statements, particularly with respect to manually prepared notes such as the salaries and benefits disclosure. Management has taken our comments into consideration. We have no significant concerns with respect to the form, arrangement, and content of the final draft consolidated financial statements.

## Application of accounting pronouncements issued but not yet effective

Forthcoming standards were included in Appendix 4 of the Audit Plan we presented to you. We have no concerns at this time regarding future implementation.

# Adjustments and differences



Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

## Corrected adjustments

The management representation letter in Appendix 1b includes all adjustments identified as a result of the audit, communicated to management and subsequently corrected in the consolidated financial statements.

## Uncorrected differences

The management representation letter includes the Summary of Uncorrected Audit Misstatements, which disclose the impact of all uncorrected differences considered to be other than clearly trivial.

# Adjustments and differences



Based on both qualitative and quantitative considerations, management have decided not to correct certain differences and represented to us that the differences —individually and in the aggregate—are, in their judgment, not material to the financial statements.

As at year ended December 31, 2018	Income effect	Financial position		
Description of differences greater than \$545 individually (in '000s)	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Equity (Decrease) Increase
To reflect the prior year impact of not recognizing investments at amortized cost.	\$(1,152)	–	–	–
To recognize investments at amortized cost as at December 31, 2018.	\$2,380	\$2,380	–	–
To correct the overstatement of depreciation expense.	\$2,256	–	–	–
To accrue invoices related to 2018.	\$(586)	–	\$586	–
To correct the understatement of revenue related to the Sullivan project change in funding.	\$4,115	–	–	–
To accrue for settlement of legal dispute over land expropriation.	–	\$825	\$825	–
<b>Total differences</b>	<b>\$7,013</b>	<b>\$3,205</b>	<b>\$1,411</b>	<b>–</b>

We concur with management's representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors' report.



# Other observations



Item	Observation
Agency reporting	<p>During the 2018 audit, and as in prior years, we requested reporting packages from the auditors of the City's controlled Agencies. These packages were requested to be received by March 15, allowing for enough time to incorporate the results into the audit of the consolidated financial statements of the City. This also allows the financial reporting team of the City to perform their consolidation process in a timely manner for us to perform our procedures over the consolidation process. However, as the Annual General Meetings (AGMs) for each agency were later than in prior years, we have not yet received all of the requested information and in addition nor had the City received the information in a timely manner to perform the consolidation process they undertake to create the consolidated financial statements. The dates of the approval of the financial statements for each of the agencies related to the December 31, 2018 year end are as follows:</p> <ul style="list-style-type: none"> <li>— Red Deer River Bend Golf &amp; Recreation Society – March 19, 2019</li> <li>— Red Deer Downtown Business Association – March 21, 2019</li> <li>— Red Deer Public Library – March 27, 2019</li> <li>— Waskasoo Environmental Education Society – March 28, 2019</li> <li>— Red Deer Museum and Art Gallery – April 17, 2019</li> </ul> <p>We recommend that the City set timelines for the Agencies related to the approval of their respective financial statements to ensure that there is appropriate alignment with the timelines for the City's consolidated financial statement process and approvals.</p>

# Other observations (continued)



Item	Observation
Tangible capital assets (previously reported)	<p>During the 2016 audit, a corrected adjustment and uncorrected error were noted with respect to substantially completed projects that remained in assets under construction (AUC) as at December 31, 2016. We recommended that management have clear lines of communication with the project managers and accountants to assess the completion of each project (or major asset) and ensure that management is aware when projects are nearing completion.</p> <p>As well, unusual balances such as the negative AUC balances were noted during prior year audits. We recommended these balances should be identified and followed-up with the project managers in a timely manner. The reviewer should obtain appropriate explanations and implement corrections before the preparation of the financial statements.</p> <p>During the performance of the 2017 audit procedures, we identified three substantially completed projects that remained in AUC as at December 31, 2017 that met the criteria to be moved into the appropriate asset class and the commencement of depreciation.</p> <p>We did not observe significant negative AUC balances as at December 31, 2017.</p> <p><b>Current Year Findings</b></p> <p>During the performance of the 2018 audit procedures, we tested a sample of 6 projects and identified 3 substantially completed projects that remained in AUC as at December 31, 2018 that met the criteria to be moved into the appropriate asset class and the commencement of depreciation. As this asset transfer had not occurred, depreciation expense for the year was understated.</p> <p>As part of our audit procedures over depreciation expense, we identified certain assets that had been inappropriately transferred out of AUC and accordingly, the annual depreciation expense was overstated. In addition, management identified two assets that had not commenced amortization when they were put into service in 2011 and 2013. As a result, management recorded depreciation expense through to 2018 within the 2018 year which overstates the depreciation expense for the year ended December 31, 2018.</p> <p>Additionally, we noted that there are several systems that contain information regarding tangible capital assets. As these systems do not directly interface to each other, it is possible for there to be discrepancies between systems. As certain systems are used for asset management purposes, it is important for the information within them be as accurate and complete as possible. Our previous recommendation therefore remains unchanged.</p> <p>We did not observe significant negative AUC balances as at December 31, 2018.</p>

# Other observations (continued)



Item	Observation
------	-------------

Budgeting process (previously reported)	In prior years, we noted a number of areas where the City’s approved budget differed significantly from actual results for several years:
---	---

<i>Budgeting Area</i>	<i>Variances from budget to actual (%)</i>				
	2017	2016	2015	2014	2013
<i>Acquisition of tangible capital assets</i>	-29%	-43%	-33%	3%	2%
<i>Contributed tangible capital assets</i>	-73%	-69%	-52%	-26%	9%
<i>Land sales</i>	-45%	-63%	-87%	-60%	-27%

- The budget for acquisition of tangible capital assets was significantly greater than actual results for the past 3 years. In 2017, there was a variance of \$52M.
- The budget for contributed tangible capital assets forms part of the operating budget and was based on a four year historical average. For the past 4 years, the budget had been significantly greater than actual contributions. In 2017, there was a variance of \$20M.
- The budget for land sales was significantly greater than actual sales for the past 5 years. In 2017, there was a variance of \$6M.

We recommended that management assess its budgeting methodology for these items to increase the usefulness of the City’s budget. Through inquiry with management, we noted that management’s budgeting process had been improved and observed that variances between budget and actual results have decreased; hence, we consider this recommendation to be implemented.

# Appendices



**Appendix 1: Required communications**



**Appendix 1a: Draft Auditors' Report**



**Appendix 1b: Draft management representation letter**



**Appendix 2: Audit Quality and Risk Management**



**Appendix 3: Introducing Comprehensive Accounting Advisory**

# Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit.

These include:



**Auditors' Report**

The conclusion of our audit is set out in our draft auditors' report as attached.



**Management representation letter**

In accordance with professional standards, copies of the management representation letter are provided to the Audit Committee. The management representation letter is attached.



**[CPAB Audit Quality Insights Report \(October 2018\) \(formerly the "Big Four Firm Public Report"\)](#)**

# Appendix 1a: Draft Auditors' Report



## INDEPENDENT AUDITORS' REPORT

To Her Worship the Mayor and Members of Council of The City of Red Deer

### ***Opinion***

We have audited the consolidated financial statements of The City of Red Deer (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the “financial statements”).

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

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors' Responsibilities for the Audit of the Financial Statements***” section of our auditors' report.

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

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

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Financial Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Financial Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

***DRAFT***

Edmonton, Canada

April 29, 2019

# Appendix 1b: Draft management representation letter



KPMG LLP  
Enbridge Centre  
2200, 10175 – 101 Street  
Edmonton, AB T5J 0H3

April 29, 2019

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as “financial statements”) of the City of Red Deer (“the City”) as at and for the period ended December 31, 2018.

**GENERAL:**

We confirm that the representations we make in this letter are in accordance with the definitions as set out in this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**RESPONSIBILITIES:**

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated August 4, 2017, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
    - (i) the names of all related parties and information regarding all relationships and transactions with related parties; and

- (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
- c) providing you with unrestricted access to such relevant information.
- d) providing you with complete responses to all enquiries made by you during the engagement.
- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that management, and others within the City, did not intervene in the work the internal auditors performed for you.

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

#### **FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

#### **SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the City's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**GOING CONCERN:**

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the City's ability to continue as a going concern.

**MISSTATEMENTS:**

- 11) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in Attachment II.

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

- 13) We confirm that the City is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the City will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**COMMITMENTS & CONTINGENCIES:**

- 14) There are no:
  - a) Other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation
  - b) Guarantees, whether written or oral, under which the City is contingently liable.

**OTHER:**

- 15) The City has satisfactory title to all owned assets and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as disclosed in the financial statements or notes to the financial statements.
- 16) We have no knowledge of any plans or intentions that may materially affect the carrying value or classification of assets and liabilities, except as disclosed in the financial statements or notes to the financial statements.
- 17) All contractual obligations as at December 31, 2018 have been appropriately disclosed in the financial statements.
- 18) We have reviewed all assets under construction and there are no projects that are substantially complete that would require reclassification as at December 31, 2018.

Yours very truly,

---

Dean Krejci, Chief Financial Officer

---

Tara Lodewyk, Interim City Manager

cc: Audit Committee

## Attachment I – Definitions

### MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an Entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### RELATED PARTIES

In accordance with Canadian Accounting Standards for Public Sector (PSAS) *related party* is defined as:

- when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members.

In accordance with Canadian Accounting Standards for Public Sector (PSAS) a *related party transaction* is defined as:

- a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transactions are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.



## Attachment II – Summary of Audit Misstatements Schedules

### Uncorrected differences

As at year ended December 31, 2018 Description of differences greater than \$545 individually (in '000s)	Income effect (Decrease) Increase	Financial position		
		Assets (Decrease) Increase	Liabilities (Decrease) Increase	Equity (Decrease) Increase
To reflect the prior year impact of not recognizing investments at amortized cost.	\$(1,152)	–	–	–
To recognize investments at amortized cost as at December 31, 2018.	\$2,380	\$2,380	–	–
To correct the overstatement of depreciation expense.	\$2,256	–	–	–
To accrue invoices related to 2018.	\$(586)	–	\$586	–
To correct the understatement of revenue related to the Sullivan project change in funding.	\$4,115	–	–	–
To accrue for settlement of legal dispute over land expropriation.	–	\$825	\$825	–
<b>Total differences</b>	<b>\$7,013</b>	<b>\$3,205</b>	<b>\$1,411</b>	<b>–</b>

## Corrected differences

As at year ended December 31, 2018	Income effect	Financial position		
Description of differences greater than \$545 individually (in '000s)	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Equity (Decrease) Increase
To reclass capital asset additions that were inappropriately included as part of assets under construction (AUC) even though the projects were complete and assets were in or ready for use.	–	16,124 (16,124)	–	–
To reclass assets that were inappropriately transferred out of AUC and correct the related depreciation expense.	872	(7,592) 7,592 872	–	–
Total differences	872	872	–	–

# Appendix 2: Audit Quality and Risk Management



KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the six key elements of our quality control system.

Visit our [Audit Quality Resources page](#) for more information including access to our most recent [Audit Quality Report](#).

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits

Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

# Appendix 3: Introducing comprehensive accounting advisory



## Introducing Comprehensive Accounting Advisory

Meet the CPD requirements for your Finance team, and have on demand access to public sector accounting specialists. All your Finance capacity needs addressed at once. Flexible options. One low fixed price.



Led by our National Leader of Public Sector Accounting Advisory Services. KPMG's Professional Practice Partner for PSAB matters, Bailey is also an experienced lecturer, with more than 12 years of experience teaching accounting, auditing and financial management at several Canadian universities.

### Contact us



**Bailey Church**  
Partner, Accounting Advisory Services  
T: 613-212-3898  
E: [bchurch@kpmg.ca](mailto:bchurch@kpmg.ca)

Email Bailey to join his Public Sector Accounting newsletter distribution list

### Comprehensive Accounting Advisory gives you access to

1. 10 hours of in-depth CPD-eligible training tailored to your Finance team. Go beyond the standards to get the latest on technical interpretations, financial reporting and more. Collaborate with your peers across the public sector on best practices. In class sessions in certain locations, or available by video on demand Our 2019 training calendar includes:
  - March 2019 – Financial statement workshop. *Streamline your financial statement notes and walk through key reporting and disclosure issues.*
  - May 2019 – Complex issues and audit prep. *We roll up our sleeves and dig into some complex issues that have arisen in the year end reporting process. We will also talk about effective approaches for auditor engagement.*
  - October 2019 – Deep dive on PSAB's ongoing projects. *Learn more about the projects underway with PSAB, and get the inside track on how these will shape future standards development.*
  - December 2019 – Hot topic. *A workshop on some of the hot topics of the day from KPMG's specialists. Whether it is advanced data analytics or cyber security, we've got you covered.*
  - One flat fee. Training sessions open to all members of your Finance leadership team. Classroom or webinar delivery available dependent on registration demand.
2. One annual licence to access KPMG Learnings's extensive online course catalogue. All CPD eligible, and updated in real time.
  - A 100+ course catalogue. Our Standard Canadian catalogue is available through web-based self-study and offers an extensive selection of courses from IFRS to US GAAP, SEC Matters to Business Management and Information Technology. The online platform also provides access to KPMG webcasts and thought leadership.
  - Competitive pricing. Unlike other training programs, KPMG is not credit-based – so there is no limit to the number of courses that can be taken. You will have access to our entire course catalogue.
  - Updates in real-time. Our Canadian catalogue is updated as legislation and trends change. Webcasts are typically issued as a new standard is in development; while training courses are available shortly after that new standard is passed.
3. On-call accounting advice. PSAB advice, position paper development, or audit support. We have you covered.



[kpmg.ca/audit](http://kpmg.ca/audit)



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Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Dean Krejci, Chief Financial Officer  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** 2018 Annual Financial Report

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**Reference Report:**

Financial Services, dated April 29, 2019

**Resolution:**

At the Monday, April 29, 2019 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered the report from Financial Services dated April 29, 2019 re: 2018 Annual Financial Statements hereby agrees to:

1. Accept the 2018 financial statements and annual financial report for distribution to the public and other interested parties
2. Authorize the Mayor and one Councillor from the Audit Committee to sign the 2018 financial statements on behalf of Council
3. Authorize administration to forward the 2018 financial statements to Alberta Municipal Affairs, Alberta Capital Finance Authority, and Alberta Health Services by May 1, 2019

**Report back to Council:**

No.

**Comments/Further Action:**

None.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

Frieda McDougall  
Manager

c. Director of Corporate Services



April 23, 2019

## 2019/2020 – Citizen Representative Appointments to Committees

Legislative Services

### Report Summary & Recommendation:

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At the March 18, 2019 meeting of Red Deer City Council, Council adopted the Terms of Reference and membership for the Community Housing and Homelessness Integration Plan (CHHIP) Ad Hoc Committee. Recruitment for this Committee has now concluded and a number of representatives of various interest groups and the community at large will be recommended by the Nomination Review Committee for appointment to this Committee.

In addition, Council’s endorsement is sought for the two Council representatives and the two Community Housing Advisory Board representatives that have been recommended by that Board.

### City Manager Comments:

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Council’s direction is requested.

Tara Lodewyk  
Interim City Manager

### Proposed Resolutions

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Resolved that Council, having considered the report from Legislative Services dated April 17, 2019 re: 2019/2020 – Citizen Representative Appointments to Committees, endorses the recommendations of the Nomination Committee as presented to the Monday, April 29, 2019 meeting of Council, as follows:

- Community Housing Advisory Board representative: \_\_\_\_\_
- Community Housing Advisory Board representative: \_\_\_\_\_
- Indigenous community representative: \_\_\_\_\_
- Business community representative: \_\_\_\_\_
- Homeless service agency representatives: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- Community member at large: \_\_\_\_\_
- \_\_\_\_\_
- Housing public entity representative: \_\_\_\_\_
- Member of the faith community: \_\_\_\_\_
- \_\_\_\_\_



With terms of these appointments to conclude at the completion of this work.

Resolved that Council, having considered the report from Legislative Services dated April 17, 2019 re: 2019/2020 – Citizen Representative Appointments to Committees, hereby agrees to appoint the following Council representatives to the Community Housing and Homelessness Integration Plan Ad Hoc Committee:

Council representative: \_\_\_\_\_  
 Council representative: \_\_\_\_\_

With terms of these appointments to conclude at the completion of this work.

## Report Details

### **Background:**

This newly formed committee will help guide the development of a strategic and innovative housing plan to help achieve the community's housing plan goal. This plan will encompass the full non-market housing spectrum and will focus on the integration of housing assets, support services, community planning, and governance and fund administration.

While Council appoints citizens to the various committees, boards, commissions, community engagement groups, and societies, the names of the people nominated are submitted in confidence. The Nomination Review Committee reviewed all applications against the Terms of Reference of the Committee and the Committee's recommendations will be presented to Council at the April 29, 2019 regular meeting.

### **Discussion:**

The following summary indicates the appointments which are to be made:

The Community Housing and Homelessness Integration Plan (CHHIP) Ad Hoc Committee will consist of a minimum of ten members and will include:

- 2 members of City Council
- 2 members of the Community Housing Advisory Board
- 1 Indigenous community representative (to be endorsed by UAVS)
- 1 business community representative
- 1 homeless service agency representative
- 1 community member at large
- 1 housing public entity representative
- 1 member of the faith community



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Samantha Rodwell, Deputy City Clerk  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Community Housing and Homelessness Integrated Plan Ad Hoc Committee Appointments

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**Reference Report:**

Legislative Services, dated April 23, 2019

**Resolution:**

At the Monday, April 29, 2019 Regular Council Meeting, Council passed the following Resolutions:

Resolved that Council, having considered the report from Legislative Services dated April 17, 2019 re: 2019/2020 – Citizen Representative Appointments to Committees, endorses the recommendations of the Nomination Committee as presented to the Monday, April 29, 2019 meeting of Council, as follows:

Community Housing Advisory Board representative:	Yvonne Peebles
Community Housing Advisory Board representative:	Sandi Chalmers
1 Indigenous community representative:	Tanya Schur
1 business community representative:	No applications received
3 homeless service agency representatives:	David Murphy Sandy Proseilo Christine Stewart
2 community members at large:	Amanda Chamberlain Philippa Gregoire
1 housing public entity representative:	Don Wielinga
1 member of the faith community:	Chris Roth

With terms of these appointments to conclude at the completion of this work.

Council further directs Administration to seek additional Business Community Representation for further recommendation by the Nomination Review Committee.

Resolved that Council, having considered the report from Legislative Services dated April 17, 2019 re: 2019/2020 – Citizen Representative Appointments to Committees, hereby ratifies the appointment of the following Council representatives to the Community Housing and Homelessness Integration Plan Ad Hoc Committee:

Council representative:

Council representative:

Alternative Council representative:

Councillor Lawrence Lee

Councillor Ken Johnston

Councillor Buck Buchanan

**Report back to Council:**

No.

**Comments/Further Action:**

No.



Frieda McDougall  
Manager

- c. Social Planning Manager  
Director of Community Services  
Social Planning Supervisor – Resource & Capacity Development  
Committees Coordinator



April 15, 2019

## Shoestring Warehouse – Request for Additional Funding

SOCIAL PLANNING

### **Report Summary & Recommendation:**

---

In January and March 2019, the Community Housing Advisory Board (CHAB) considered a request from Central Alberta Women's Outreach Society (CAWOS) for \$50,000 in additional Outreach & Support Services (OSSI) funds for the Shoestring Warehouse program. The organization is requesting the funding to develop a business plan to adopt a social enterprise model for the program.

As an existing funded program, this request would require additional OSSI funds and a contract amendment. As per City practice, CAWOS's request was first brought to CHAB. CHAB considered the request in January 2019 and requested additional information to fully consider CAWOS's proposal. CAWOS provided the additional information. At its March 2019 meeting, CHAB passed a motion supporting the \$50,000 request, and is submitting a recommendation for City Council's consideration.

### **City Manager Comments:**

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I support the recommendation of Administration.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution**

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Resolved that Council of The City of Red Deer, having considered the report from Social Planning dated April 15, 2019 re: Shoestring Warehouse – Request for Additional Funding and the recommendation of the Community Housing Advisory Board, hereby endorses the Central Alberta Women's Outreach Society for \$50,000 of funding to be funded from the Outreach & Support Services funds.



## Report Details

### **Background:**

---

The Shoestring Warehouse provides furniture and essential household items to individuals and families transitioning from homelessness to permanent housing. Clients, often with their case manager, visit the warehouse and choose their own furniture and household items. The program coordinates move-in, move-outs, and small repairs of the furniture, if needed. The program has been funded since January 1, 2017.

The program receives \$120,000/year through the Province of Alberta's OSSI grant that The City administers locally. Other OSSI-funded programs use the warehouse, in addition to other community and government organizations. The use of the program by non-OSSI-funded entities helps support the financial viability of the program.

In 2017 and 2018, the program supported a total of 687 requests. The program had self-generated revenues of \$80,795.15 (April 1, 2018 – March 12, 2019), and expenses of \$164,143.89. This resulted in a net income of \$36,651.26 for this period. All of this net income is re-invested in the program (e.g., subsidize operations, start-up costs associated with purchasing tools and shelving).

### **Discussion:**

---

The program currently operates on a model that requires OSSI grant support to remain viable. However, CAWOS's request to develop a business plan could enable it to operate on self-generated revenues (a social enterprise). It's hoped that this may result in a decrease of OSSI funds in the future to support this service for individuals leaving homelessness and moving into housing.

Social enterprise is an organizational form that uses business-type of practices in environmental and/or social purposes. It is different from a traditional charitable model, for example, as it focuses on developing self-generated revenue through business-type activities (e.g., sales). Furthermore, a social enterprise is different from a traditional business model, for example, as it focuses on creating social value rather than shareholder value (e.g., funds generated are re-invested in the organization to support its on-going work). Supporting CAWOS's business plan development for the Shoestring Warehouse could serve as an example elsewhere in Red Deer for transitioning from the traditional charitable model to a social enterprise model. Social enterprise is being increasingly adopted globally to address complex social challenges.

### **Analysis:**

---

The Shoestring Warehouse program currently receives \$120,000/year of City-administered provincial OSSI funds. In its current agreement with The City, an outcome of the program is to become self-



sufficient and successful as a social enterprise. This funding request would support the program in meeting this outcome. The goal of this additional \$50,000 one-time request would be to enable the program to be fully self-sufficient for the next round of OSSI funding allocations. This would mean that the current \$120,000/year allocation could be allocated to other programs and supports in the community in the future. Based on the program's current financial statements, a needs assessment, and that the program is creating an income which suggests that a social enterprise model is viable for the program. CAWOS's Board of Directors and Executive Director believe that the program cannot fund the business plan from its current program budget as it is using the self-generated income to purchase start-up tools and supplies to become self-sufficient (e.g., tools, shelving).

There is sufficient unallocated OSSI funding available for this request, should City Council wish to support the request. This is an eligible expense under the Province's OSSI funding guidelines.



Council Decision – April 29, 2019

**DATE:** May 1, 2019

**TO:** Ryan Veldkamp, Social Planning Supervisor – Resource & Capacity Development

**FROM:** Frieda McDougall, Legislative Services Manager

**SUBJECT:** Community Housing Advisory Board Recommendation - Request for Additional Funding

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**Reference Report:**

Social Planning, dated April 15, 2019

**Resolution:**

At the Monday, April 29, 2019 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer, having considered the report from Social Planning dated April 15, 2019 re: Shoestring Warehouse – Request for Additional Funding and the recommendation of the Community Housing Advisory Board, hereby endorses the Central Alberta Women’s Outreach Society for up to \$50,000 of funding to be funded from the Outreach & Support Services funds.

**Report back to Council:**

No.

**Comments/Further Action:**

No.

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall  
Manager

- c. Social Planning Manager  
Director of Community Services



**Community Housing Advisory Board  
Decision – March 26, 2019**

**DATE: March 26, 2019**

**TO: Red Deer City Council**

**FROM: Sandi Chalmers, Chair, Community Housing Advisory Board**

**SUBJECT: Shoestring Warehouse – Request for Additional Funding**

---

At the March 26, 2019 meeting of the Community Housing Advisory Board, the following motion was introduced and passed:

Resolved that the Community Housing Advisory Board, having considered the letter dated March 18, 2019 from the Central Alberta Women's Outreach Society re the Shoestring Warehouse, hereby endorses \$50,000 in additional Outreach & Support Services (OSSI) funding be allocated to develop the Shoestring Warehouse into a social enterprise, and forwards this to Council for consideration.

The foregoing is submitted to Council for consideration.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sandi Chalmers', with a large loop at the end.

Sandi Chalmers  
Chair, Community Housing Advisory Board

c: Tricia Hercina, Social Planning Manager  
Ryan Veldkamp, Social Planning Supervisor - Resource & Capacity Development



April 18, 2019

## Business Improvement Area Business Tax Bylaw Amendment

### 3196/A-2019

Legislative Services

#### **Report Summary & Recommendation:**

---

##### **Summary:**

The attached report is being brought forward from the Monday, April 15, 2019 City Council meeting.

##### **Recommendation:**

That Council considers second and third readings to Business Improvement Area Business Tax Bylaw Amendment 3196/A-2019.

##### **Background:**

At the Monday, April 15, 2019 City Council meeting, Council gave first reading to Bylaw 3196/A-2019, an amendment to the Business Improvement Area (BIA) Business Tax Bylaw to set the BIA tax rates required to fund the 2019 Downtown Business Association (DBA) budget).

#### **Proposed Resolution:**

---

That Bylaw 3196/A-2019 be read a second and third time.



Originally submitted at the  
April 15, 2019 Regular  
Council Meeting

April 15, 2019

## Business Improvement Area Business Tax Bylaw Amendment 3196/A-2019

Revenue and Assessment Services

### **Report Summary & Recommendation:**

---

The Business Improvement Area (BIA) Business Tax Bylaw sets the BIA tax rates required to fund the 2019 Downtown Business Association (DBA) Council approved budget. BIA tax rates must be set by Council in order for administration to prepare and send the BIA tax notices and collect the approved funding.

### **Recommendation:**

Administration respectfully recommends that Council give first reading to Bylaw No. 3196/A-2019 Business Improvement Area Business Tax Bylaw, with a return to Council April 29, 2019 for 2<sup>nd</sup> and 3<sup>rd</sup> readings.

### **City Manager Comments:**

---

I support the recommendation of Administration. If first reading of Bylaw 3196/A-2019 is given, this bylaw will come back for second and third reading at the Monday, April 29, 2019 Council Meeting.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution:**

---

That Bylaw 3196/A-2019 be read a first time.



## **Background:**

---

### **Principles of Taxation:**

- Fairness and equity
- Predictability and stability
- Competitiveness
- Sustainability of revenues raised and
- Simplicity, transparency and efficiency of the tax system

### **Alberta Regulation 93/2016**

Section 11 requires the Downtown Business Association (DBA) board to submit a budget for each calendar year to Council for approval.

Section 14 requires the municipality to transfer to the board the amount identified in the Council approved budget as revenue to be received from the municipality.

Section 21 Council must pass a Business Improvement Area (BIA) tax rate bylaw. The BIA tax rate must be sufficient to raise the amount that the board is to receive from the municipality in respect of the BIA tax as set out in the board's approved budget.

### **Council Direction**

In 1983 Council adopted Bylaw 2827/83 establishing Red Deer Downtown Business Association Zone.

January 9, 2017 Council resolved to calculate and collect from the BIA an over or under collection of BIA taxes for 2018 and beyond.

December 10, 2018 Council approved the 2019 DBA budget requiring a tax levy of \$409,656 from the taxable businesses operating within the Downtown BIA.

### **Downtown Business Association (DBA) Direction**

October 1, 2018 DBA Board advised the City of the board's approval to maintain the 2019 minimum tax levy at \$187.25. A copy of the letter was included in the December 10, 2018 Council Report for consideration in Council's approval of the 2019 DBA budget.



**Discussion & Analysis:**

The primary purpose of amending the bylaw is to modify the taxation rates for 2019.

There are four drivers that can impact the BIA Tax Rate:

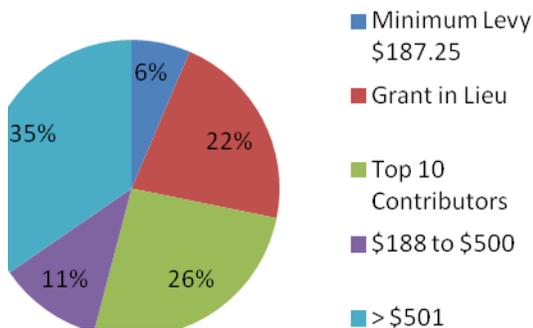
Drivers	2019
1) Council approved DBA Budgeted Revenue from Tax	\$409,656
2) Over/Under Collection of BIA Tax	\$6,388
3) Taxable Assessed Value	\$20,971,700
4) Minimum BIA Tax Levy set by the DBA Board	\$187.25

The total taxation revenue to be generated for the DBA from the taxation of business operating with the BIA for 2019 is \$416,044.

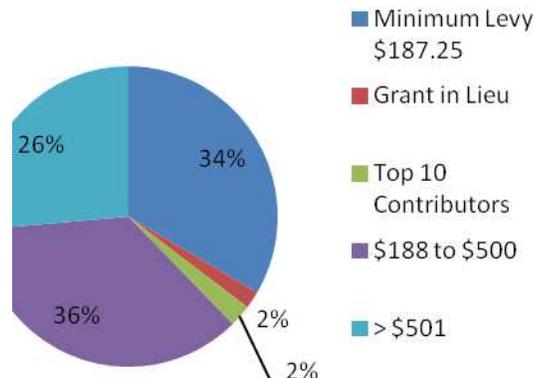
	Tax Levy	Taxable Assessed Value	Tax Rate
BIA Tax Minimum Levy	\$ 26,590	\$ 724,000	
BIA Tax	\$ 389,454	\$ 20,247,700	0.0192345
<b>TOTAL TAX LEVY</b>	<b>\$ 416,044</b>	<b>\$ 20,971,700</b>	

Impact to the Average Tax Payer	2018	2019	BIA Tax Increase
BIA Tax Minimum Levy	\$ 187.25	\$ 187.25	0%
BIA Tax (Based on the median assessed value of 15,100)*	\$ 279.59	\$ 290.44	4%

**BIA Tax Distribution \$**



**BIA Tax Distribution # of Rolls**





**BYLAW NO. 3196/A-20182019**

Being a bylaw to provide for a business assessment for properties within the City of Red Deer's Business Improvement Area;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CITY OF RED DEER, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, ENACTS AS FOLLOWS:

**Short Title**

- 1 This bylaw may be cited as "The Business Improvement Area Business Tax Bylaw".

**Definitions**

- 2 In this bylaw, unless the context otherwise requires:
  - (a) "Assessor" means the Assessor of The City of Red Deer.
  - (b) "Business" means
    - (i) a commercial, merchandising or industrial activity or undertaking,
    - (ii) profession, trade, occupation, calling or employment, or
    - (iii) an activity providing goods or services, however organized or formed, including a co-operative or association of persons.

- (c) "Business Assessment" means the assessment of a business located within the Business Improvement Area, for business tax purposes.
- (d) "Business Day" means a day on which The City of Red Deer is open for business.
- (e) "Business Tax" means the tax levied pursuant to this bylaw on any person carrying on a business within the City of Red Deer's Business Improvement Area, including Supplementary Business Tax and penalties.
- (f) "City" means The City of Red Deer.
- (g) "Floor Space" means the superficial area of every floor in the premises in which business is carried on and includes the superficial area of any land not forming the site of a building but occupied or used for the purpose of or incidental to the exercise or carrying on of a business.
- (h) "Person" includes a corporation or partnership.
- (i) "Premises" means the store, office warehouse, factory, building, enclosure, yard or any space occupied or used by a person for the purpose of a business.

**Assessment Roll**

- 3 The Assessor shall prepare a business tax assessment roll showing the business tax assessment for each business operating within the Business Improvement Area.

**Calculation of Business Assessment**

- 4 The business assessment shall be a sum equal to 100% of the net annual rental value of the premises occupied by the business.

**Business Improvement Area Tax**

- 5 For the purpose of meeting the 2019 annual approved expenditures of the Downtown Business Improvement Area (Bylaw 2827/83):

- a) A business improvement area tax rate of 0.0192345 is hereby imposed on all business tax assessments for the year 2019; and
- b) A minimum tax levy on any business tax assessment for the year 2019 shall be \$187.25 whichever is the greater sum.

- ~~5 For the purpose of meeting the 2018 annual approved expenditures of the Downtown Business Revitalization Zone (Bylaw 2827/83):~~

- ~~a) A business improvement area tax rate of 0.0185156 is hereby imposed on all business tax assessments for the year 2018; and~~
- ~~b) A minimum tax levy on any business tax assessment for the year 2018 shall be \$187.25 whichever is the greater sum.~~

**Obligation to Pay Business Tax**

- 6 Every Person operating a Business within the boundaries of the Business Improvement Area shall pay the full amount of the Business Tax to the City on or before the due date stated on the Business Improvement Area Tax notice.

- 7 A person who takes over the operation of a business shall be liable to pay the business tax imposed in respect of that business from the date the person took over operation of the business and for the remainder of the year.
- 8 Where, in the opinion of the Assessor, it is not practical to levy a Business Tax or Supplementary Business Tax on individual tenants or sub-tenants as a result of the short term of their tenancies, then the Business Tax or Supplementary Business Tax shall be levied on the owner or tenant or sub-tenant, as the Assessor deems appropriate.
- 9 A person who ceases to carry on business shall notify the City in writing within 90 days to be eligible for proration of tax.

### **Supplementary Business Tax**

- 10 The Assessor may prepare a Supplementary Business Tax Assessment Roll at any time or times during the year, for the purpose of assessing businesses.
- 11 A Supplementary Business Tax shall be levied at the same rate as the Business Tax rate for that year:
- (a) on each person who operates a business for a temporary period and whose name is not entered on the business tax roll;
  - (b) on each person who moves into new premises or opens new premises or branches of an existing business, although the person's name is entered on the business tax roll;

- (c) on each person who begins operating a business and whose name is not entered on the business tax roll;
- (d) on each person who increases the storage capacity or floor space of the premises occupied for the purposes of a business after the business tax roll has been prepared.

### **Proration of Taxes**

- 12 Notwithstanding anything contained herein, a person who is liable to pay Business Tax or Supplementary Business Tax shall be liable to pay the greater of the minimum tax or the prorated amount of tax based on the number days in the year in which the person operated the business.
- 13 Notwithstanding anything contained herein, a person who operates a business for a period of time not exceeding 30 days in total during the course of a year shall not be liable to pay either Business Tax or Supplementary Business Tax.

**Penalties for Late Payment of Taxes**

14 For the purpose of this bylaw, any payment of business tax forwarded by mail shall be deemed to be paid on the same date as the postmark on the envelope in which the said payment is mailed.

15 A penalty shall be levied on the amount of any current year business taxes which remain outstanding on the following dates:

<i>Tax</i>	<i>July 1</i>	<i>7%</i>
	<u><i>September 1</i></u>	<u><i>7%</i></u>
	<b><u>Total</u></b>	<b><u>14%</u></b>

Penalties imposed in the current calendar year will not be compounded during that year.

16 A penalty shall be levied on the amount of any business taxes and accumulated penalties that remain unpaid after December 31<sup>st</sup> of the year in which they were imposed on the following dates:

<i>Tax Arrears</i>	<i>January 1</i>	<i>7%</i>
	<u><i>July 1</i></u>	<u><i>7%</i></u>
	<b><u>Total</u></b>	<b><u>14%</u></b>

- 17            A refund of overpayment or a rebate of business tax shall be made only on written application from the taxable business to the City. No refund of overpayment or rebate of business tax shall be made without verification of the business moving out of the Business Improvement Area or after January 31 of the year following the year the tax is levied.

**Consequential Provisions**

- 18            Bylaw No. 3128/95 and all amendments thereto are hereby repealed.
- 19            The provisions of the General Penalty Bylaw shall not apply to Business Tax, Supplementary Business Tax and penalties.

READ A FIRST TIME IN OPEN COUNCIL this            day of            2019.

READ A SECOND TIME IN OPEN COUNCIL this            day of            2019.

READ A THIRD TIME IN OPEN COUNCIL this            day of            2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this            day of            2019.

\_\_\_\_\_  
DEPUTY MAYOR

\_\_\_\_\_  
CITY CLERK

FILE COPY



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Roxane Preedin, Controller – Property Taxation  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Business Improvement Area Business Tax Bylaw Amendment 3196/A-2019

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**Reference Report:**

Legislative Services, dated April 18, 2019 and Revenue and Assessment Services, dated April 15, 2019.

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council gave second and third reading to the following Bylaw:

**Bylaw 3196/A-2019** an amendment to the Business Improvement Area (BIA) Business Tax Bylaw to set BIA tax rates required to fund the 2019 Downtown Business Association (DBA) budget.

**Report back to Council:**

No.

**Comments/Further Action:**

Administration will amend the Bylaw and distribute in due course.

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall  
Manager

- c. Revenue & Assessment Manager  
Director of Corporate Services  
Corporate Meeting Support



April 18, 2019

## Tax Rate Bylaw 3622/2019

Legislative Services

### **Report Summary & Recommendation:**

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#### **Summary:**

The attached report is being brought forward from the Monday, April 15, 2019 City Council meeting.

#### **Recommendation:**

That Council considers second and third readings to Tax Rate Bylaw 3622/2019.

#### **Background:**

At the Monday, April 15, 2019 City Council meeting, Council gave first reading to the 2019 Tax Rate Bylaw to authorize the levying of a tax upon all taxable property shown on the Assessment Roll and a supplementary property tax in respect for which Supplementary Assessments Roll has been prepared.

### **Proposed Resolution:**

---

That Bylaw 3622/2019 be read a second and third time.



April 15, 2019

Originally submitted at the  
April 15, 2019 Regular  
Council Meeting

## **Tax Rate Bylaw 3622/2019**

Revenue & Assessment Services

### **Report Summary & Recommendation**

The 2019 Tax Rate Bylaw sets the property tax rates required to collect the funds approved for the 2019 Operating Budget, and requisitions required to be remitted to the Piper Creek Foundation and Alberta Government for funds collected on their behalf. Tax rates must be set by Council in order for administration to prepare and send tax notices to collect the required revenue.

#### **Recommendation:**

Administration respectfully recommends that Council give consideration to first reading of Tax Rate Bylaw 3622/2019 to establish the property tax rates for 2019.

### **City Manager Comments**

I support the recommendation of Administration. If first reading of Bylaw 3622/2019 is given, this bylaw will come back for second and third reading at the Monday, April 29, 2019 Council Meeting.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution**

That Bylaw 3622/2019 be read a first time.



## **Background**

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### **Principles of Property Taxation:**

- Fairness and equity,
- predictability and stability,
- competitiveness,
- sustainability of revenues raised, and
- simplicity, transparency and efficiency of the tax system.

### **Municipal Government Act (MGA):**

**Section 353** requires each council pass an annual property tax bylaw to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of the expenditures and transfers set out in the budget and requisitions.

**Section 354** requires that the property tax bylaw must set and show separately all of the tax rates that must be imposed to raise the revenue required.

**Section 355** requires that a tax rate is calculated by dividing the amount of revenue required by the total assessment of all property on which that tax rate is to be imposed.

**Section 356** requires that the amount of tax to be imposed in respect of a property is calculated by multiplying the assessment for the property by the tax rate to be imposed on that property.

**Section 359** requires Council to accordingly reduce or increase the amount of revenue to be raised for requisitions in the next tax year if too much or too little tax revenue has been collected in the current year.

### **Governance and Policy Committee Direction:**

- Multi Family property be a separate sub class of residential
- No other subclasses of residential property
- No subclass of vacant land be established for Non Residential
- No set ratios be adopted for Multi Family or Non Residential
- Administration prepare 4 to 5 options

## **Discussion**

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The Tax Rate Bylaw has three key components:

### **I. Municipal Property Tax**

The approved 2019 Operating Budget requires collection of general municipal tax revenue of \$136,417,008, a tax levy increase of 2.16% from 2018. General municipal tax revenue funds the programs and services delivered to Red Deer citizens every day.



## 2. Requisitions

### a. **Education: \$46,255,278**

Under Municipal Government Act authority and direction from The Province, the 2019 education requisition has been estimated for purposes of tax collection as a result of the delay in the provincial budget. The Alberta Government will not be adopting a provincial budget until sometime after the provincial election, potentially as late as fall. Administration's best estimate for purposes of tax collection is an increase of \$906,966 (2.00%) in the requisition for the 2019 taxation year. The actual requisition amount and tax rate are set by the Province during the annual provincial budget process, and once adopted, municipalities will be required to remit the approved education amount. Any shortfalls in education tax collection will be interim funded from reserves in 2019.

Requisitions are collected and remitted to the Province to fund education. Collection of requisitioned funds is reconciled and adjusted each year to ensure that only those taxes requisitioned are collected. Any over or under collection of education revenue in 2019 will be adjusted through the over/under levy in 2020 and tax rates and reserves will be adjusted accordingly.

### b. **Piper Creek Foundation: \$575,000**

The Piper Creek Foundation requisitions The City to collect funds for affordable senior's housing. The City is required under Ministerial Order to collect this funding on behalf of the Foundation to fund operating deficits and reserves. The 2019 requisition has increased to \$575,000 from \$500,000 in 2018 (15%). A name change is currently underway and the new foundation name will be Bridges Community Living once it is complete.

### c. **Designated Industrial Property: \$12,273**

The City of Red Deer is also legislatively required to collect monies on behalf of the Province to fund the cost of the assessment of Designated Industrial Property (DIP). The tax rate is set by The Province and will be applied to the tax notices of DIP only.

## 3. Annexed Property

The Tax Rate Bylaw provides for specific taxation conditions for annexed property:

- a. Order in Council 432/2004 requires the taxation of certain 2004 annexed property at the lower of County or City municipal tax rates until 2029.
- b. Order in Council 531/2009 amended by 477/2010 and 103/2011 requires the taxation of certain 2009 annexed property at County municipal tax rates until 2034.

## Analysis

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Council approved the total tax requirement when the 2019 Operating Budget was approved. Setting the tax rates is about finding a fair and equitable balance of allocating the total approved tax requirement (municipal operating budget + requisitions) amongst the classes. Important considerations in assessing the options are:

- 1) Predictability and stability of tax impacts
- 2) Comparability to provincial counterparts
- 3) Impact of requisitions on the overall tax increases



The analysis looks at a number of indicators because no one indicator tells the complete story. It is necessary to consider a combination of all indicators, holistically, to determine a fair, predictable and competitive tax rate.

## 2018

	Red Deer	Calgary	Edmonton	Grande Prairie	Medicine Hat	Lethbridge	Average
<b>Municipal Tax Rates (per \$1000)</b>							
Residential	\$6.63	\$3.90	\$6.20	\$10.21	\$6.66	\$8.48	\$7.01
Multi Family	\$6.84	N/A	\$7.13	\$10.21	\$8.46	\$12.69	\$9.07
Non Residential	\$13.74	\$15.32	\$17.44	\$16.37	\$15.31	\$19.94	\$16.35
<b>Tax Revenue/\$1,000 Taxable Total Assessed Value</b>							
Total Tax Level	\$8.42	\$6.56	\$9.03	\$12.07	\$8.18	\$10.83	\$9.18
Residential	\$4.55	\$2.99	\$4.18	\$6.48	\$4.86	\$6.31	\$4.90
Multi Family	\$0.40	N/A	\$0.51	\$0.39	\$0.26	\$0.43	\$0.40
Non Residential	\$3.47	\$3.57	\$4.34	\$5.12	\$3.05	\$4.09	\$3.94
<b>Tax Rate Ratio (municipal only)</b>							
Non Residential	2.07	3.93	2.81	1.60	2.30	2.35	2.51
Multi Family	1.05	N/A	1.15	1.00	1.24	1.47	1.18

<b>Tax Policy/Governance</b>							
Multi-Family Class							
Management Body Tax							
Business Tax							
M&E Tax							
Special Taxes							
Annexation Order							

The last published Calgary Property Tax and Utilities Survey is based on 2017 data and therefore the information is dated and has not been included for purposes of the analysis. Fewer Alberta municipalities are participating, and as the survey has become more out of date and more focused on comparing Calgary nationwide, it has limited value. We continue to utilize this report as a reasonability check however the data above provides the same information in a more concrete, timely and reliable manner.

### Residential (RS)

Overall, Red Deer has about average residential property taxes in comparison to other Alberta cities. However, Residential taxpayers pay a higher portion of the tax requirement than Non Residential tax payers when the overall tax requirement is allocated to the classes in the Tax Rate Bylaw. In total, 54% of property tax revenue, not including Multi Family, comes from the Residential property class.

### Multi Family Residential (MF)

The Multi Family tax rate and ratio are significantly below the average of other municipalities. Multi Family residential properties in Red Deer pay a lower share of the tax requirement than in other municipalities. In total 5% of property tax revenue comes from the Multi Family property class.



The average 2018 tax rate for Multi Family properties in other cities was 9.07 mils. Red Deer was 6.84 mils which is 25% below the average. No municipalities have a Multi Family tax rate that is less than the tax rate for the entire Residential property class, a ratio of less than 1.0.

Multi Family property are properties that have three (3) or more living units on one property (Land Title). Condominiums, duplexes and manufactured homes are classified and taxed at Residential property tax rates. Multi Family properties are income producing and therefore property tax is a deductible expense for income tax purposes. Typically, Multi Family property is classified separately from other residential properties so as to apply a higher municipal tax rate than that of the Residential property class.

### **Non Residential (NR)**

Red Deer continues to have low Non Residential property taxes as compared to other cities in Alberta. The average Non Residential tax rate in Red Deer was 16% lower than in comparison municipalities. In total 41% of property tax revenue comes from the Non Residential property class.

Red Deer's 2018 commercial ratio was among the lowest in the province at 2.07 in comparison to the average of 2.51 – 18% lower. A low commercial ratio does not necessarily translate to low taxes or a lower tax rate. For example, Grande Prairie's commercial ratio was 1.60, however the tax rate in 2018 was \$16.37 mils, 19% higher than Red Deer. The commercial ratio compares the municipal Non Residential tax rate to the municipal Residential tax rate which only compares the distribution of taxes between the classes, not the level of tax borne by each class.

Further increasing the non residential tax advantage in Red Deer is that The City does not charge Business Tax, Machinery & Equipment tax or have any Special Taxes. These taxes increase overall tax paid by Non Residential properties beyond what is shown in the chart for Calgary, Grande Prairie and Lethbridge.

### **Summary**

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Red Deer has a very reasonable level of overall property taxation with Residential paying a proportionately larger share than Non Residential property. This translates into an average Residential property tax level and a highly attractive Non Residential property tax level when compared with other cities.

### **Key Considerations:**

1. The 2019 Tax Rate Bylaw includes an estimated 2% education requisition increase.
2. The level of tax was set when the 2019 Operating Budget was adopted.
3. Tax Rate Bylaw only determines how much of the tax requirement will be paid by each class.
4. A decrease in assessed value does not mean a decrease in taxes.
5. Property taxes for Non Residential and Multi-Family properties qualify for an income tax deduction as a business expense, whereas residential taxes must be paid with after-tax income.



## **Options**

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The purpose in setting different tax rates for different property classes is to distribute the required tax amongst the classes. Experience tells us that property owners focus on total property taxes payable. In keeping with the Principles of Property Taxation and GPC direction, Administration has prepared four options in Appendix A for Council's consideration.

### **Option 1 – Same Total Increase for Residential and Non Residential**

- Same total tax increase Residential and Non Residential of 1.89%
- Equalizes education impact on total tax increase between Residential and Non Residential
- Maintains MF ratio at 1.0 (same tax rate as RS) - higher increase to Multi Family

### **Option 2 – Same Non Residential and Multi Family Ratios as 2018**

- Maintains Non Residential and Multi Family ratios the same as 2018 - NR 2.07, MF 1.03
- Results in a shift of tax burden to Multi Family and Non Residential

### **Option 3 – Same Municipal Increase All Classes**

- Same municipal increase for each class – 2.16%
- Results in a shift of tax burden to Multi Family and Non Residential as a result of education requisition

### **Option 4 – Same Total Increase for All Classes**

- Same total tax increase for all classes – 2.00%
- Results in Multi Family tax rate dropping below the Residential tax rate – a ratio of less than 1.0

## **Administrative Recommendation**

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Option 1 - Same Total Increase for Residential and Non Residential



**Appendix A**



**Administrative Recommendation**

	<b>OPTION # 1</b>		<b>OPTION # 2</b>		<b>OPTION # 3</b>		<b>OPTION # 4</b>	
	MF ratio of 1.00. Res & NR same total		Same NR and MF ratios as prior year		Same Municipal Increase		Same Total Increase	
<b>Residential</b>								
	<u>Muni Only</u>	<u>Total</u>	<u>Muni Only</u>	<u>Total</u>	<u>Muni Only</u>	<u>Total</u>	<u>Muni Only</u>	<u>Total</u>
2018	\$ 679	951	\$ 679	951	\$ 679	951	\$ 679	951
2019	\$ 695	969	\$ 684	958	\$ 694	968	\$ 696	971
Increase	\$ 16	18	\$ 5	7	\$ 15	17	\$ 17	19
% Increase	<b>2.32</b>	<b>1.89</b>	<b>0.68</b>	<b>0.72</b>	<b>2.16</b>	<b>1.77</b>	<b>2.47</b>	<b>2.00</b>

<b>Multiple Family</b>								
	<u>Muni Only</u>	<u>Total</u>						
2018	\$ 671	931	\$ 671	931	\$ 671	931	\$ 671	931
2019	\$ 695	969	\$ 706	981	\$ 685	960	\$ 675	950
Increase	\$ 24	38	\$ 35	50	\$ 14	29	\$ 4	19
% Increase	<b>3.57</b>	<b>4.09</b>	<b>5.29</b>	<b>5.33</b>	<b>2.16</b>	<b>3.07</b>	<b>0.66</b>	<b>2.00</b>
<b>2019 MULTI FAMILY RATIO</b>	<b>1.00</b>		<b>1.03</b>		<b>0.99</b>		<b>0.97</b>	

<b>Non-Residential</b>								
	<u>Muni Only</u>	<u>Total</u>						
2018	\$ 1,367	1,749	\$ 1,367	1,749	\$ 1,367	1,749	\$ 1,367	1,749
2019	\$ 1,391	1,782	\$ 1,418	1,808	\$ 1,396	1,787	\$ 1,393	1,784
Increase	\$ 24	33	\$ 51	60	\$ 29	38	\$ 26	35
% Increase	<b>1.77</b>	<b>1.89</b>	<b>3.73</b>	<b>3.42</b>	<b>2.16</b>	<b>2.19</b>	<b>1.91</b>	<b>2.00</b>
<b>2019 COMMERCIAL RATIO</b>	<b>2.00</b>		<b>2.07</b>		<b>2.01</b>		<b>2.00</b>	

(tax amounts are per \$100,000 of 2019 assessed value)

	<b>OPTION # 1</b>		<b>OPTION # 2</b>		<b>OPTION # 3</b>		<b>OPTION # 4</b>	
<b>Monthly tax increase for a \$325,000 property:</b>	RS	\$ 4.87	RS	\$ 1.85	RS	\$ 4.57	RS	\$ 5.15
	MF	\$ 10.32	MF	\$ 13.45	MF	\$ 7.76	MF	\$ 5.04
	NR	\$ 8.96	NR	\$ 16.20	NR	\$ 10.37	NR	\$ 9.48

**BYLAW NO. 3622/2019**

WHEREAS, pursuant to section 353 of the *Municipal Government Act*, R.S.A. 2000, c.M-26 (the "MGA") Council must pass a property tax bylaw annually authorizing Council to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of the expenditures and transfers as set out in the budget of the municipality and the Requisitions;

AND WHEREAS, section 369 of the MGA provides that Council must pass a supplementary property tax bylaw annually to authorize the levying of supplementary property tax in respect for which Supplementary Assessments have been made;

AND WHEREAS, the tax rate to be established on areas annexed to The City of Red Deer (the "City") is set by the Orders in Council by which those areas were annexed to the City;

NOW THEREFORE COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

**PART 1 – TITLE, PURPOSE AND DEFINITIONS****Title**

1. This bylaw may be referred to as the "2019 Tax Rate Bylaw".

**Purpose**

2. The purpose of this bylaw is to authorize the levying of a tax upon all taxable property shown on the Assessment Roll and a supplementary property tax in respect for which Supplementary Assessments Roll has been prepared.

**Definitions**

3. In this bylaw, unless the context otherwise requires:
  - (a) "**Assessment Roll**" means assessment roll as set out in section 303 of the MGA;
  - (b) "**Designated Industrial Property**" means designated industrial property as set out in Section 284 of the MGA;
  - (c) "**Designated Manufactured Home**" means designated manufactured home as set out in Section 284 of the MGA;
  - (d) "**Farm Land**" means farm land as set out in Section 297 of the MGA;

- (e) **“Machinery and Equipment”** means machinery and equipment as set out in Section 297 of the MGA;
- (f) **“Manufactured Home Community”** means manufactured home community as set out in Section 284 of the MGA;
- (g) **“MGA”** means the *Municipal Government Act*, R.S.A. 2000, c. M-26 as may be amended.
- (h) **“Multiple Family Residential”** means a sub-class of property classified as Class 1 – residential, as set out in Section 297 of the MGA, which includes property or a portion of the property that contains:
  - (i) all residential property where the total number of dwelling units on the parcel of land, whether contained in a single building or more than one building, exceeds two dwelling units; or
  - (ii) Manufactured Home Communities, excluding the individual Designated Manufactured Homes; or
  - (iii) vacant residential land held for the development of the above uses; or
  - (iv) residential portion of Non Residential Property.
- (i) **“Non Residential”** means non-residential property as set out in Section 297 of the MGA;
- (j) **“Provincial Assessor”** means provincial assessor as defined in Section 284 of the MGA;
- (k) **“Requisition”** means requisition as set out in Section 326 of the MGA;
- (l) **“Residential”** means residential as set out in Section 297 of the MGA;
- (m) **“Single Family Residential”** means a sub-class of property classified as Class 1 – residential, as set out in Section 297 of the MGA, which includes property or a portion of the property that contains:
  - (i) residential property where the total number of dwelling units on the parcel of land, whether contained in a single building or more than one building, does not exceed two dwelling units;
  - (ii) registered residential condominium units;
  - (iii) single family dwelling with basement suite;
  - (iv) residential portion of Non Residential Property;

- (v) vacant residential land held for the development of the above uses;  
and
  - (vi) Designated Manufactured Home located on a site in a Manufactured Home Community.
- (n) **“Supplementary Assessment”** means supplementary assessment as set out in Section 314 of the MGA;
- (o) **“Supplementary Assessment Roll”** means supplementary assessment roll as set out in Section 315 of the MGA;

## **PART II - ASSESSMENT CLASSES AND TAX RATES**

### **Assessment Classes and Sub-Classes**

4. For the purpose of the 2019 tax levy and supplementary tax levy, all assessed property within the City of Red Deer is hereby divided into one of the following assessment classes and subclasses:
- (a) Residential
    - (i) Single Family Residential
    - (ii) Multiple Family Residential
  - (b) Non-Residential
  - (c) Farmland
  - (d) Machinery and Equipment

### **Allowance for non-Collection of Taxes**

5. Pursuant to Section 359(2) of the MGA, for the 2019 tax levy and supplementary tax levy there may be an allowance for the non-collection of taxes at a rate not exceeding the actual rate of taxes uncollected from the previous year's tax levy as determined at the end of the year.

### **Levy of Tax Rates**

6. The City Manager is hereby authorized to levy the tax rates set out in Schedule “A” against the assessed value of all taxable property shown on the Assessment Roll and the Supplementary Assessment Roll and classified according to this bylaw.

**Annexed Property**

- 7. There shall be assessed, imposed and collected for the year of 2019, on those properties annexed to the City which are still subject to the following Orders in Council, those rates which are provided in each of the Orders in Council:
  - (a) Order in Council 432/2004 dated September 22, 2004;
  - (b) Order in Council 531/2009 dated October 28, 2009, as amended by Order in Council 477/2010 dated December 16, 2010, and Order in Council 103/2011 dated March 23, 2011.

**PART III – GENERAL**

**Effective Date**

- 8. This bylaw comes into force on the day it is passed.

READ A FIRST TIME IN OPEN COUNCIL this 15 day of April 2019.

READ A SECOND TIME IN OPEN COUNCIL this 29 day of April 2019.

READ A THIRD TIME IN OPEN COUNCIL this 29 day of April 2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this 29 day of April 2019.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

**BYLAW 3622/2019**

**SCHEDULE  
"A"**

<b>2019 Municipal Tax Rates</b>			
<b>Assessment Class</b>	<b>Tax Levy</b>	<b>Taxable Assessment</b>	<b>Tax Rate</b>
Single Family Residential	\$ 73,814,350	10,624,438,650	0.0069476
Multiple Family Residential	\$ 6,638,854	955,560,700	0.0069476
Non Residential	\$ 55,947,419	4,021,493,470	0.0139121
Farm Land	\$ 16,301	1,770,900	0.0092050
Machinery & Equipment <sup>1</sup>	\$ -	37,085,170	0.0139121
<b>TOTAL TAX LEVY</b>	<b>\$ 136,416,924</b>	<b>15,640,348,890</b>	
Allowance for non-collections	\$ -		
Approved tax requirement	\$ 136,417,008		
<b>2019 Education Tax Rates</b>			
(Requisitions by Alberta School Foundation and Red Deer Catholic Region)			
<b>Assessment Class</b>	<b>Tax Levy</b>	<b>Taxable Assessment</b>	<b>Tax Rate</b>
Single Family Residential	\$ 28,772,753	10,618,035,810	0.0027098
Multiple Family Residential	\$ 2,507,970	925,518,500	0.0027098
Non Residential	\$ 15,138,131	3,914,898,770	0.0038668
Farm Land	\$ 4,799	1,770,900	0.0027098
Machinery & Equipment <sup>1</sup>	\$ -	37,085,170	-
<b>TOTAL TAX LEVY</b>	<b>\$ 46,423,653</b>	<b>15,497,309,150</b>	
Prior year over/under levy	-\$ 168,351		
Estimated tax requirement	\$ 46,255,278		
<b>2019 Management Bodies Tax Rates</b>			
(Requisition by Piper Creek Foundation)			
<b>Assessment Class</b>	<b>Tax Levy</b>	<b>Taxable Assessment</b>	<b>Tax Rate</b>
Single Family Residential	\$ 396,053	10,618,035,810	0.0000373
Multiple Family Residential	\$ 34,522	925,518,500	0.0000373
Non Residential	\$ 146,026	3,914,898,770	0.0000373
Farm Land	\$ 66	1,770,900	0.0000373
Machinery & Equipment <sup>1</sup>	\$ -	37,085,170	
<b>TOTAL TAX LEVY</b>	<b>\$ 576,666</b>	<b>15,497,309,150</b>	
Prior year over/under levy	-\$ 1,268		
Approved tax requirement	\$ 575,000		
<b>Designated Industrial Property Requisition Tax Rate</b>			
<b>Assessment Class</b>	<b>Tax Levy</b>	<b>Taxable Assessment</b>	<b>Tax Rate</b>
Non Residential <sup>2</sup>	\$ 12,273	156,149,300	0.00007860
<b>TOTAL TAX LEVY</b>	<b>\$ 12,273</b>	<b>156,149,300</b>	
Approved tax requirement	\$ 12,273		

<sup>1</sup> Exempt from taxation per Bylaw 3211/98

<sup>2</sup> Designated Industrial Property assessment and tax rate are set by the Provincial Assessor



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Joanne Parkin, Revenue & Assessment Manager  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** 2019 Tax Rate Bylaw

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**Reference Report:**

Legislative Services, April 18, 2019 and Revenue and Assessment Services, dated April 15, 2019

**Resolution:**

At the Monday, April 29, 2019 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer hereby agrees to amend Schedule A by deleting "Piper Creek Foundation" and replacing it with "Bridges Community Living".

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council gave second and third reading to the following Bylaw:

**Bylaw 3622/2019** the 2019 Tax Rate Bylaw, to authorize the levying of a tax upon all taxable property shown on the Assessment Roll and a supplementary property tax in respect for which Supplementary Assessments Roll has been prepared

**Report back to Council:**

No.

**Comments/Further Action:**

Administration will amend the Bylaw and distribute in due course.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

Frieda McDougall  
Manager

c. Director of Corporate Services  
Corporate Meeting Support



April 1, 2019

Proposed amendments to create a new land use district in the Queens Business Park area – Bylaw 3357 / N-2019

*Proposed Amendments:*

Bylaw 3398/A-2019 –*West QE2 Major Area Structure Plan (MASP)*

Bylaw 3399/A-2019 –*Queens Business Park Industrial Area Structure Plan (IASP)*

Bylaw 3469/A-2019 –*Queens Business Park SE 36 Industrial Area Structure Plan (IASP)*

Planning Department

### **Report Summary & Recommendation**

An external application has been made to expand the current uses considered on lands backing onto the QE2 Highway in the Queens Business Park area. Currently the *MASP* and *IASPs* show the future uses for these lands as only a vehicle dealership district. The current zoning for these lands include *I1 Industrial (Business Park)*, *A1 Future Urban Development*, and *DC (24)*. Only the *DC (24)* district allows for dealerships to be developed. Since the *MASP* was adopted in 2007, the economic demand for vehicle dealerships has changed and may no longer be the best *single* land use for this area. The intent of the application is to expand the development potential to allow for parcels along the QE2 Highway to have both *I1* uses and vehicle dealership opportunities.

Administration recommends the following action:

1. Council approves first reading of Bylaw 3357/N-2019 (*LUB*) – See *Appendix 1 – Proposed Bylaws*
2. Council approves first reading of Bylaw 3398/A-2019 (*MASP*) – See *Appendix 1 – Proposed Bylaws*
3. Council approves first reading of Bylaw 3399/A-2019 (*Queens Business Park IASP*) – *Appendix 1 – Proposed Bylaws*
4. Council approves first reading of Bylaw 3469/A-2019 (*Queens Business Park SE 36 IASP*) – See *Appendix 1 – Proposed Bylaws*

### **City Manager Comments**

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I support the recommendation of Administration. If first reading of Bylaw 3357/N-2019, Bylaw 3398/A-2019, Bylaw 3399/A-2019 and Bylaw 3469/A-2019 are given, these bylaws will be advertised for 2 consecutive weeks with a Joint Public Hearing to be held on Monday, May 27, 2019 at 6:00 p.m. during Council's regular meeting.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution**

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That the following bylaws be read a first time:

- Bylaw 3357/N-2019
- Bylaw 3398/A-2019
- Bylaw 3399/A-2019
- Bylaw 3469/A-2019

## Rationale for Recommendation

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**1. Reflects the current economic demand of the subject lands**

Since initial planning was done for this area, the demand for vehicle dealerships has changed. This series of bylaws reflect that change and allows more flexibility in the future in response to market demands and economic drivers.

**2. Proposed amendment is in keeping with intent of the *West QE2 MASP, Queens Business Park IASP, and Queens Business Park SE 36 IASP* to have all of the lands within the same land use district**

The *MASP* and *IASPs* show these lands all with the same development potential due to the location adjacent to the highway. The *LUB* amendment will redesignate all of the *DC (24)* and applicable *I1* properties to the same new proposed combined district.

**3. Supported by impacted landowners**

No planning related concerns have been expressed by affected landowners.

## Discussion

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### Background

In 2007 the City annexed the lands now developed as Queens Business Park. Later that year the City adopted the *West QE2 MASP* and the *Queens Business Park IASP* which replaced previous plans adopted by Red Deer County for the area.

At the time of the adoption of the *MASP* there was discussion about allowing vehicle dealerships within the area due to an existing dealership in place prior to annexation. It was also noted that vehicle dealerships were an allowed use under the County's *LUB* and some property owners were seeking to retain this opportunity. Through review and analyzation it was determined for many reasons that parcels with frontage along the QE2 Highway, given the visibility and large parcel size, would be suitable for vehicle dealership use.

Based on these discussions, Council had identified an area which would allow industrial uses as well as a unique area adjacent to the highway for only vehicle dealerships, along the same lines as what the County had previously allowed. Previous to this vehicle dealerships within the City were only allowed within commercial areas. As a result, in 2007, the *MASP* identified three parcels as vehicle dealerships (*DC (24)*). See *Appendix 2 – Development Concepts* for these statutory plans.

In February 2010 amendments related to the dealership area in the *MASP* and the *Queens Business Park IASP* were approved by Council. One of the intents of the amendment was to clarify the types of uses allowed within the dealerships area to prevent potential land uses conflicts as well as to expand the area where vehicle dealerships could be considered. Expansion was considered as there was landowner interest for more vehicle dealerships. As a result, vehicle dealerships were expanded to include the southern-most parcel within the *Queens Business Park IASP* backing onto the QE2 Highway, all the way south to the City-County border (see *Appendix 2*).

In April 2015 the *Queens Business Park SE 36 IASP* was adopted by Council. This plan was consistent with the *MASP* in that all of the lands backing onto the QE2 Highway were identified as a future vehicle dealership (see *Appendix 2 – Development Concepts*).

At the time when the *MASP* and *IASPs* were adopted and amended, only the parcels which received landowner interest were redesignated to the *DC (24)* district, a district which would accommodate vehicle dealerships along the QE2 Highway within the Queens Business Park. This meant that although the plans indicated that the future land use was a vehicle dealership, parcels that did not wish to change to *DC (24)* kept their original land use districts, being either *I1* or *A1*. In the case of previous County industrial lands, the lands were redesignated to the *I1* district. And in the case of undeveloped lands, the lands were redesignated to *A1*. In 2009 and 2018 the *LUB* was amended to include additional properties within the *DC (24)* district. Currently there are six *DC (24)* parcels (see *Appendix 3 – Lands for Redesignation*).

### **Current Proposal**

The application is to establish the same development potential, through land use districting, for all of the serviced lands, *DC (24)* and *I1*, in the Queens Business Park backing onto the QE2 Highway. The *A1* lands that are backing onto the QE2 Highway have not been included at this time. These lands are largely undeveloped and would require further planning and servicing prior to being developed; as a result, it was determined to be premature to redistrict the *A1* lands at this time. When the *A1* lands are developed it is expected that the developer will apply to have them redesignated to the new district prior to development. A map of the lands to be redesignated is included in *Appendix 3 – Lands for Redesignation*.

Since 2010 when the *MASP* was amended to expand the vehicle dealership area, the economic demand for dealerships has declined. Since this time only one additional dealership has received permits; therefore continuing to keep this land for only one use may no longer be the best use of land. The amendment allows for flexible long term market and economic diversity.

Rather than amend the current *DC (24)* district, Administration is proposing to create a new land use district which combines the uses considered and regulations applied in the *DC (24)* district and the *I1* district. As both districts have remained adjacent to each other since 2007 there are no concerns of incompatibility between the uses and therefore no need for a Direct Control District. In combining these districts no additional regulations or uses have been added that were not in either previous district. Administration does not foresee this district being used in other areas of the City therefore the purpose states that the district is applicable to only those areas in the Queens Business Park backing onto the QE2 Highway.

Both the *DC (24)* and the affected *I1* property owners benefit from the new district as each will have added development potential through additional uses being considered. A summary of how the new district affects each the *DC (24)* and *I1* landowners has been included in *Appendix 4 – Summary of Changes*.

The *Municipal Government Act* requires all statutory plans to be consistent with one another. As a result of the new land use district, the corresponding *MASP* and *IASPs* also need to be amended to ensure consistency between each of the plans. Apart from the creation of the new land use district, no other changes have occurred in the plans. See *Appendix 4 – Summary of Changes* for text changes to the plans.

**Dialogue**

The application was circulated to various City departments for review. All concerns have been considered and are reflected in the proposed bylaws.

In total, three referral letters were sent out to landowners. In October 2018 the first letter was addressed to the current *DC (24)* landowners. This letter explained the intent of the application and the potential impacts to their land. In November 2018 the second letter was addressed to the affected *I1* landowners, it also explained the intent of the application and the potential impacts to their lands. A third referral letter was sent out to all landowners within 100m of the property in January 2019. In total, the City received two letters back – one from the *DC (24)* landowners letter, and one from the *I1* landowners letter. *Appendix 5: Dialogue* includes copies of communication between the City and area landowners.

The Planning Department also had additional consultation with an A1 landowner to discuss the redistricting. The landowner indicated that rezoning the A1 lands would be premature at this time.

**Appendices**

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*Appendix 1 – Proposed Bylaws*

*Appendix 2 – Development Concepts*

*Appendix 3 – Lands for Redesignation*

*Appendix 4 – Summary of Changes*

*Appendix 5 – Dialogue*

## **APPENDIX 1**

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### **Proposed Bylaws**



READ A THIRD TIME IN OPEN COUNCIL this                    day of                    2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this                    day of                    2019.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK



\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

**BYLAW NO. 3496/A-2019**

Being a Bylaw to amend Bylaw No. 3496/2013, the Queens Business Park SE 36 Industrial Area Structure Plan as described herein.

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

Bylaw No. 3496/2013 is hereby amended as follows:

1. Section 3.1.2 Development Concept District Rezoning is amended by adding the following text at the end of the existing text.

“Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.”
2. Section 3.2.3 Roadways is amended by adding the following text at the end of the existing text.

“In 2019 the DC (24) Vehicle, Recreational Vehicle and Machinery Dealerships District was replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019).”
3. Section 5.3 Land Use Bylaw is amended by adding the following text at the end of the existing text.

“Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.”
4. Table 1: Land Use Statistics is amended from specifying “Direct Control (Vehicle, Recreational Vehicle, and Machinery Dealership District)” to “I1B/AD – Combination of I1 uses and automobile dealerships”.
5. Figure 3 Development Concept is amended from specifying “Vehicle, Recreational Vehicle, and Machinery Dealerships District (DC (24))” to “I1B/AD – Combination of I1 uses and automobile dealerships”.

READ A FIRST TIME IN OPEN COUNCIL this                      day of                      2019.

READ A SECOND TIME IN OPEN COUNCIL this                      day of                      2019.

READ A THIRD TIME IN OPEN COUNCIL this                      day of                      2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this                      day of                      2019.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

**BYLAW NO. 3357 / N – 2019**

Being a Bylaw to amend Bylaw No. 3357/2006, the Land Use Bylaw of The City of Red Deer as described herein.

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

Bylaw No. 3357/2006 is hereby amended as follows:

1. The reference to Section 6.4 (2)(a) in the General Purpose in Section 6.1 I1 Industrial (Business Service) District is amended to Section 6.5 (2)(a).
2. The reference to Section 6.4 in Section 6.1 .2(b) I1 Industrial (Business Service) District Regulations is amended to Section 6.5.
3. The reference to Section 6.4 (2)(b) in the General Purpose in Section 6.2 I2 Industrial (Heavy Industrial) District is amended to Section 6.5 (2)(b).
4. The reference to Section 6.4 in Section 6.2 .2(b) I2 Industrial (Heavy Industrial) District Regulations is amended to Section 6.5.
5. The references to Section 6.4(2) and 6.4(3)(a) and (b) in Section 6.3.1(a)(xi)(7)(c) I1A/BSR (Light Industrial and Business Service-Residential) District is amended to Sections 6.5(2) and 6.5(3)(a) and (b).
6. The reference to Section 6.4 in Section 6.3.2 I1A/BSR (Industrial Light Industrial and Business Service-Residential) District Regulations is amended to Section 6.5.
7. Section 6.4 General Industrial District Regulations is renumbered to Section 6.5 General Industrial District Regulations.
8. The existing content in Section 6.4 (1)(a) Site Development is replaced with:

“Within the I1A/BSR, I1B/AD, I1, and I2 Districts Site Plans, the relationship between Buildings, Structures and open space, the architectural treatment of Buildings, the provision and architecture of landscaped open space, and the parking layout, shall be subject to the approval by the Development Authority.”
9. The reference to Section 6.4(6) in Section 6.4 .2(a)(7) Industrial Standards Definitions is amended to Section 6.5(6).

10. The reference to Section 6.4(2) in Section 6.4(3)(b) General Industrial Performance Standards is amended to Section 6.5(2).
11. The following land use district is created and added as Section 6.4 of the Bylaw:

### **6.4 I1B/AD Industrial (Business Service and Automobile Dealership) District**

#### **General Purpose**

The general purpose of this District is to provide for development in the Queens Business Park for those Sites identified as light industrial with a vehicle dealership component in the *West QE2 Major Area Structure Plan*. Development provides for a limited range of light industrial, Warehousing, storage, Industrial Support Services, and vehicle sales and related uses such as Service and Repair. Development will be within the performance standards of section 6.5(2)(a), the operation of which do not create or emit noises, odours, dust, fumes or other factors which are regarded as nuisances. In addition, this District will provide for development that is complimentary to adjacent industrial uses and recognizes highway exposure.

#### **1. I1B/AD Permitted and Discretionary Uses Table**

##### **(a) Permitted Uses**

- (i) Accessory Buildings or Accessory Uses (excluding sales)
- (ii) Accessory Use - sales related to manufacturing, processing, and/or distribution of any good (excluding Motor Vehicle, Trailer and Machinery Sales, Service and Repair)
- (iii) Building Sign
- (iv) Freestanding Sign
- (v) Industrial Support Services
- (vi) Manufacture, processing, distribution, repair, servicing, and/or rental of any goods (excluding Motor Vehicle, Trailer and Machinery Sales, Service and Repair)
- (vii) Outdoor Storage not in association with Motor Vehicle, Trailer and Machinery Sales, Service and Repair
- (viii) Service Stations
- (ix) Warehousing

##### **(b) Discretionary Uses**

- (i) Above ground storage tanks for motor fuel products including propane and used oil
- (ii) Accessory Use - Outdoor Display or Sale of Goods
- (iii) Alternative/Renewable Energy Facility on Sites

- designated in an Eco Industrial Park Overlay District
- (iv) Animal Services
  - (v) Auction marts (excluding livestock)
  - (vi) Billboard Sign
  - (vii) Crematorium
  - (viii) Dynamic Fascia Sign
  - (ix) Dynamic Freestanding Sign
  - (x) Dangerous Goods Occupancy
  - (xi) Industrial Trade Schools (maximum capacity of 60 persons)
  - (xii) Manufactured Homes Sales
  - (xiii) Motor Vehicle, Trailer and Machinery Sales, Service and Repair
  - (xiv) Outdoor Storage in association with Motor Vehicle, Trailer and Machinery Sales, Service and Repair
  - (xv) Pet Crematorium
  - (xvi) Restaurant
  - (xvii) Transportation, Communication or Utility Facility
  - (xviii) Uses that may consume waste materials, outputs, or by-products that are produced by an industrial operation within an Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales
  - (xix) Uses that produce waste materials, outputs, or by-products that may be used as inputs for an industrial operation within the Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales

## 2. I1B/AD Development Standards

- (a) Table 6.4 I1B/AD Development Standards

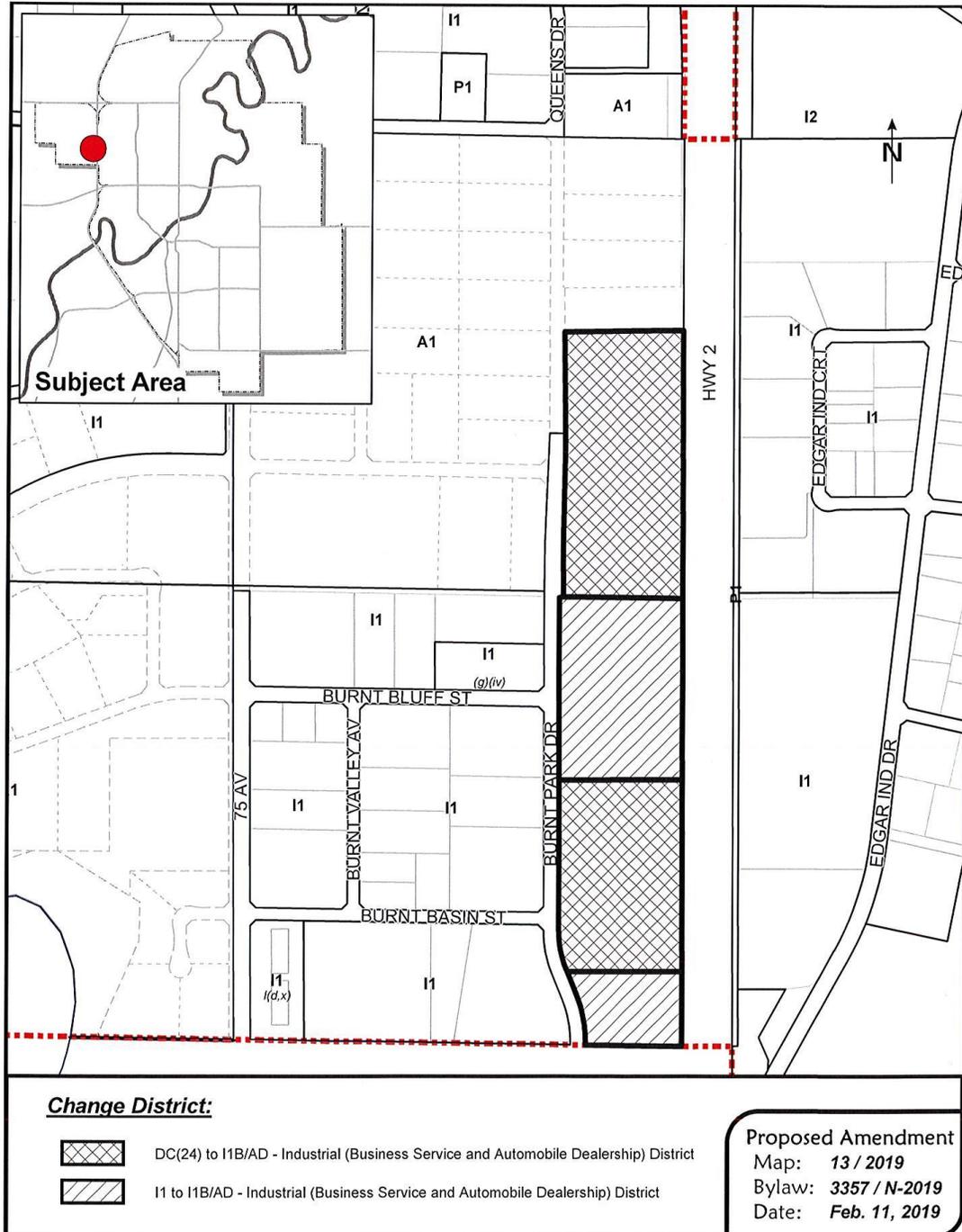
<b>Development Standards</b>	<b>Requirements</b>
Floor Area Minimum	n/a
Building Height Maximum	n/a
Front Yard Minimum	6.0 m
Side Yard Minimum	6.0 m one side
Rear Yard Minimum	3.0 m
Landscaped Area	40 % of minimum Front Yard
Parking Spaces	Subject to section 3.1 and 3.2
Loading Spaces	Subject to section 3.7
Site Area Minimum	929.0 m <sup>2</sup>
Frontage Minimum	22.0 m

- (b) The I1B/AD District is subject to any applicable development standards listed within section 6.5 General Industrial District Regulations.



Schedule "A"

 **Red Deer** Proposed Amendment to Land Use Bylaw 3357/2006

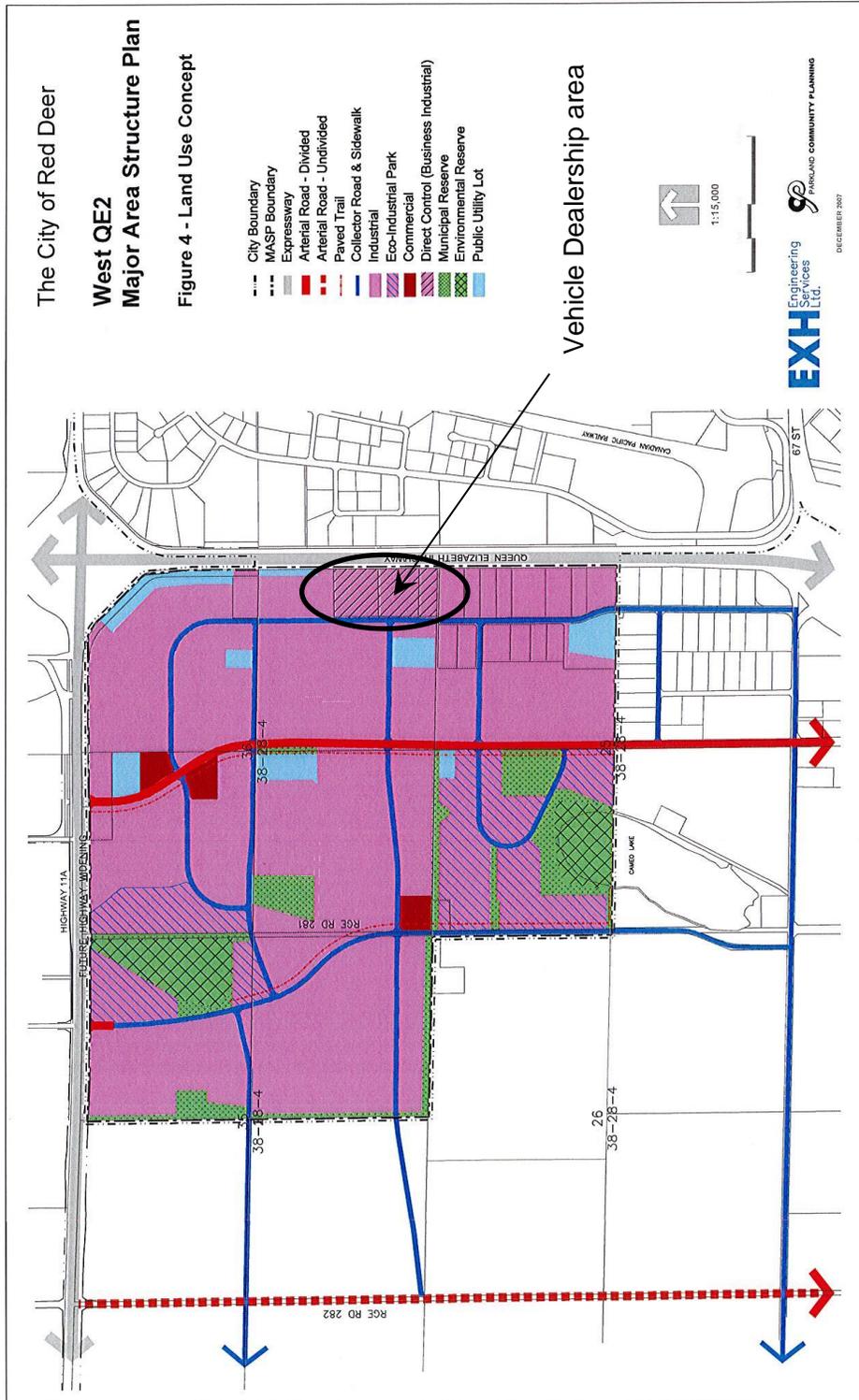


## APPENDIX 2

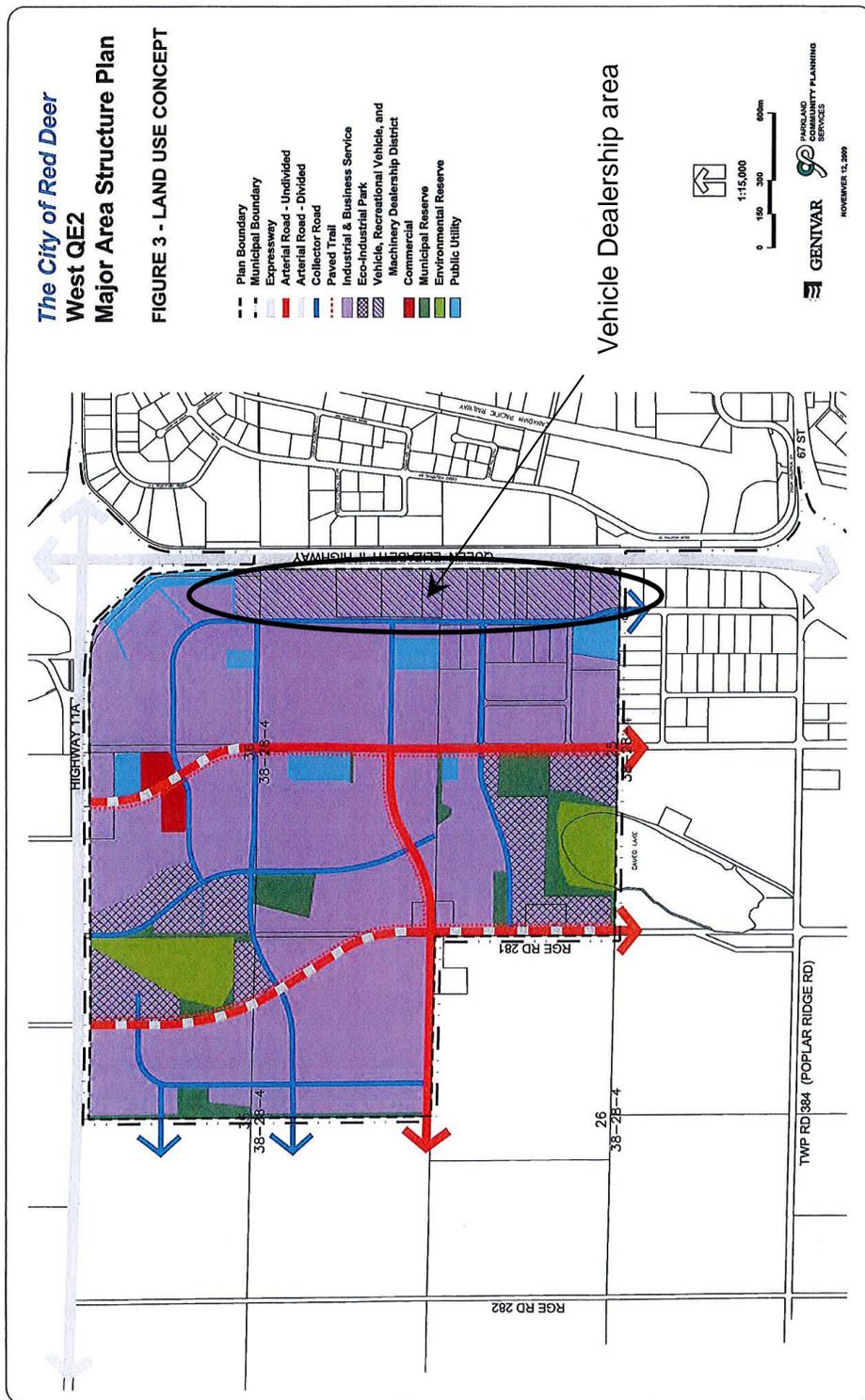
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### Development Concepts

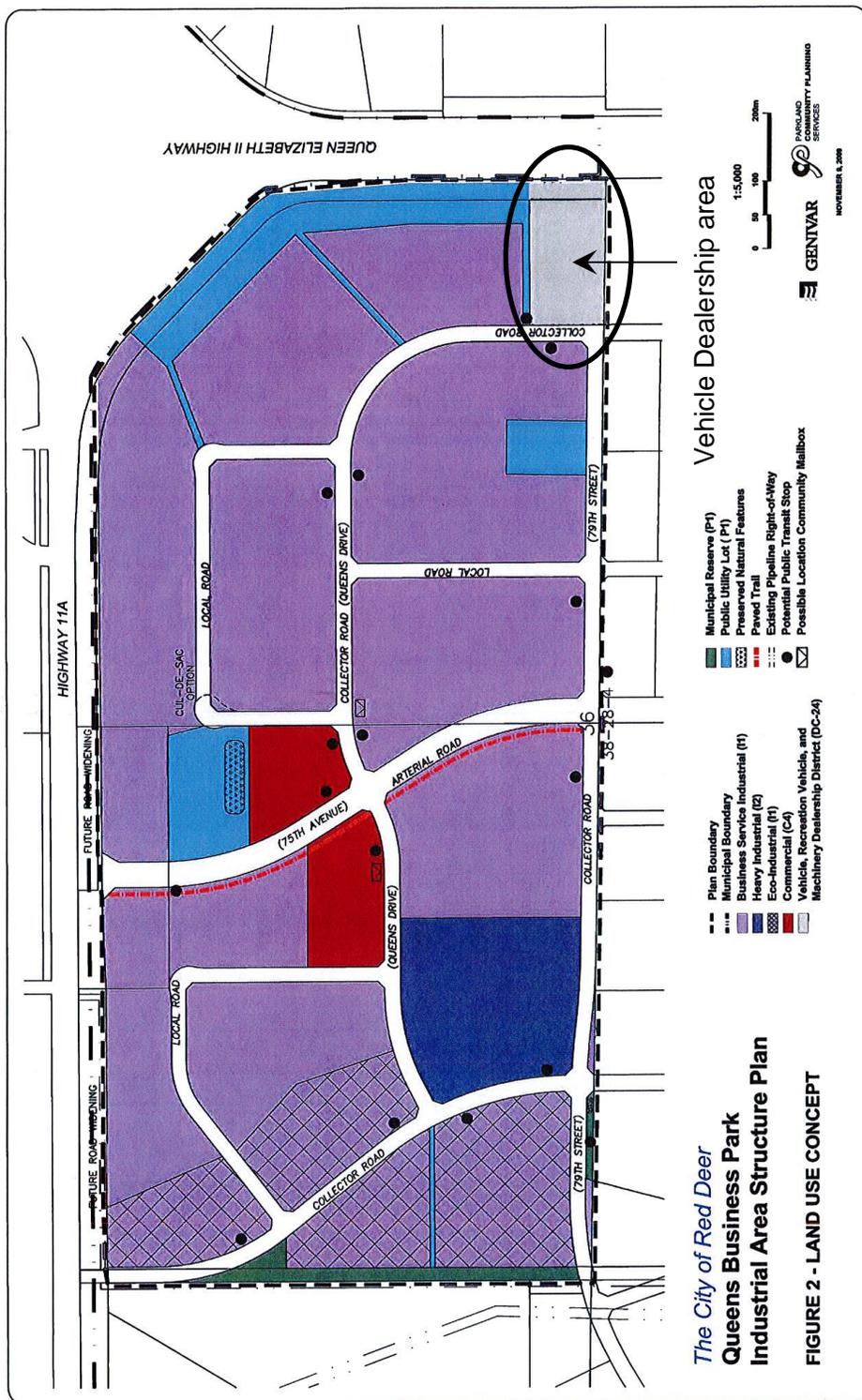
# West QE2 MASP Land Use Concept - 2007



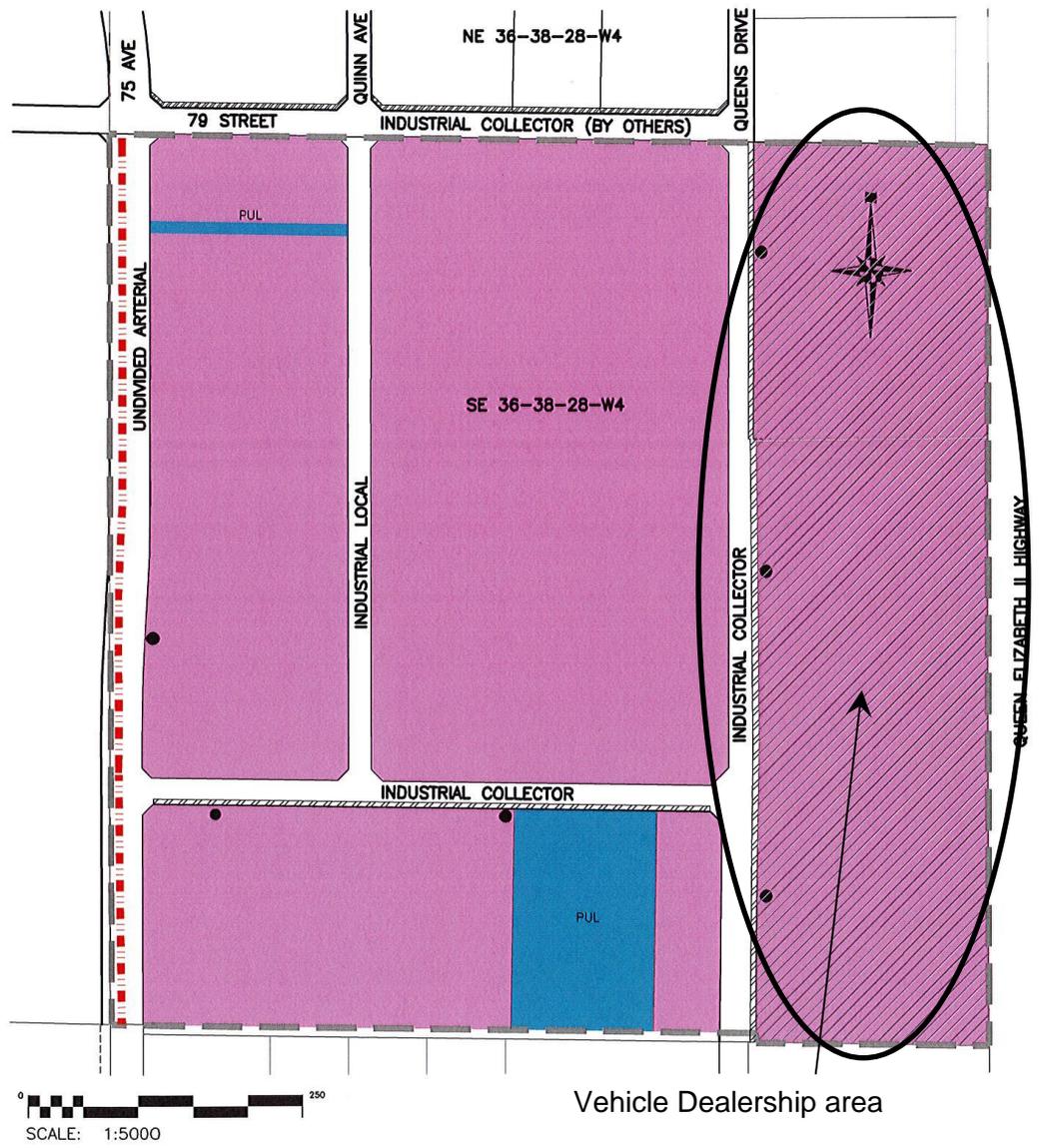
# West QE2 MASP Land Use Concept - 2010



# Queens Business Park IASP Land Use Concept



# Queens Business Park SE 36 IASP Development Concept



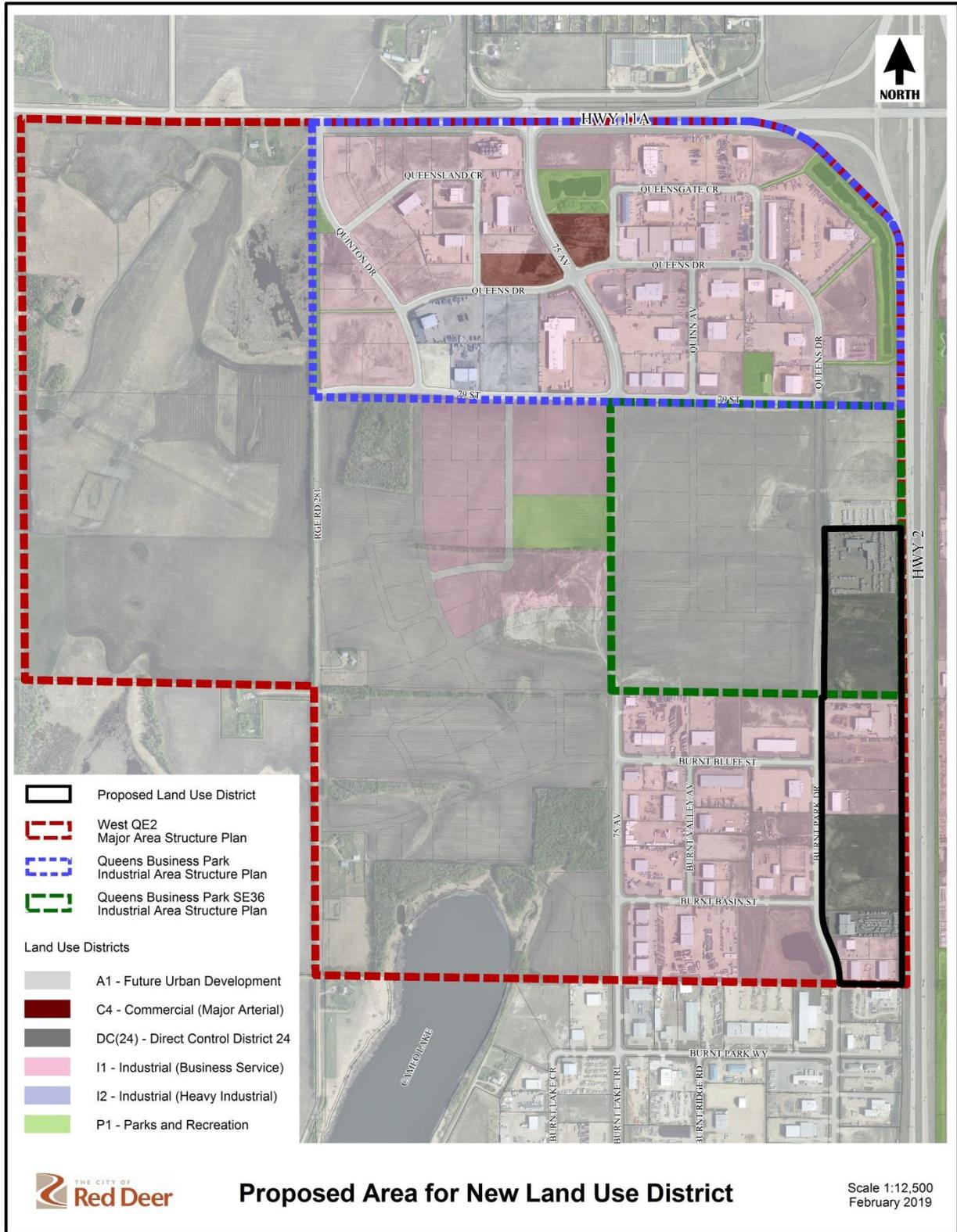
<b>LEGEND</b>		<b>CLIENT</b>
IASP BOUNDARY	--- ---	LEGACY INC. & MGM VENTURES LTD.
INDUSTRIAL (I1)	■	<b>PROJECT</b>
VEHICLE, RECREATIONAL VEHICLE, AND MACHINERY DEALERSHIPS DISTRICT. (DC(24))	■	QUEENS BUSINESS PARK SE36 INDUSTRIAL AREA STRUCTURE PLAN
	■	<b>FIGURE 3</b>
	■	<b>FIGURE TITLE</b>
	■	DEVELOPMENT CONCEPT
	■	SE 36-38-28-W4
	■	<b>GENIVAR PROJECT NO.</b>
	■	051-11038-00
	■	<b>DATE</b>
	■	APRIL 2012



## APPENDIX 3

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### Lands for Redesignation



## APPENDIX 4

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### Summary of Changes

## Land Use Bylaw 3357/N-2019

<b>Changes affecting current DC24 landowners</b>	<b>Changes affecting current I1 landowners</b>
<p>Additional permitted uses:</p> <ul style="list-style-type: none"> <li>• Accessory Buildings or Accessory Uses (excluding sales)</li> <li>• Accessory Use - Sales related to manufacturing, processing, and/or distribution of any good (excluding Motor Vehicle, Trailer and Machinery Sales, Service and Repair)</li> <li>• Industrial Support Services</li> <li>• Manufacture, processing, distribution, repair, servicing, and/or rental of any goods (excluding Motor Vehicle, Trailer and Machinery Sales, Service and Repair)</li> <li>• Outdoor Storage not in association with Motor Vehicle, Trailer and Machinery Sales, Service and Repair</li> <li>• Service Stations</li> <li>• Warehousing</li> </ul>	<p>Additional permitted uses:</p> <ul style="list-style-type: none"> <li>• None</li> </ul>
<p>Additional discretionary uses:</p> <ul style="list-style-type: none"> <li>• Above ground storage tanks for motor fuel products including propane and used oil</li> <li>• Accessory Use - Outdoor Display or Sale of Goods</li> <li>• Alternative/Renewable Energy Facility on Sites designated in an Eco Industrial Park Overlay District</li> <li>• Animal Services</li> <li>• Auction marts (excluding livestock)</li> <li>• Billboard Sign</li> <li>• Crematorium</li> <li>• Dynamic Fascia Sign</li> <li>• Dynamic Freestanding Sign</li> <li>• Dangerous Goods Occupancy</li> <li>• Industrial Trade Schools (maximum capacity of 60 persons)</li> <li>• Manufactured Homes sales</li> <li>• Pet Crematorium</li> <li>• Restaurant</li> <li>• Transportation, Communication or Utility Facility</li> <li>• Uses that may consume waste materials, outputs, or by-products that are produced by an industrial operation within an Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales</li> <li>• Uses that produce waste materials, outputs, or by-products that may be used as inputs for an industrial operation within the Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales</li> </ul>	<p>Additional discretionary uses:</p> <ul style="list-style-type: none"> <li>• Motor Vehicle, Trailer and Machinery Sales, Service and Repair</li> <li>• Outdoor Storage in association with Motor Vehicle, Trailer and Machinery Sales, Service and Repair</li> </ul>
<p>Other:</p> <ul style="list-style-type: none"> <li>• Building sign and freestanding sign changes from a discretionary use to a permitted use</li> </ul>	<p>Other:</p> <p>Changes regarding permitted uses</p> <ul style="list-style-type: none"> <li>• Accessory sales of used trucks, used auto</li> </ul>

Changes affecting current DC24 landowners	Changes affecting current I1 landowners
<ul style="list-style-type: none"> <li>The requirement for lighting to not interfere with highway traffic and to be approved by the Development Authority has been removed; Alberta Transportation reviews this according to their standards.</li> </ul>	<p>mobiles and used holiday trailers, providing that collectively there are not more than three units for sale on the site at any one time.</p> <p>This use is deleted as a permitted use as it is included in a broader context under the discretionary use Motor Vehicle, Trailer and Machinery Sales, Service and Repair.</p>

West QE2 MASP Bylaw 3398/A-2019

Existing Text	Proposed Text (new text in red font)
<p>Second Paragraph of 1.3 Background</p> <p>In order to address evolving land use and transportation considerations, amendments to the West QE2 MASP were proposed in 2009.</p>	<p>Second Paragraph of 1.3 Background</p> <p>In order to address evolving land use and transportation considerations, amendments to the West QE2 MASP were proposed in 2009. <b>Amendments specific to evolving land use were proposed in 2019.</b></p>
<p>4.1.2 Vehicle, Recreational Vehicle, and Machinery Dealerships District</p> <p>Parcels located along Highway QEII have higher than the usual visibility given the volume of traffic passing by on the highway. While the West QE2 area is intended as an industrial area, it is recognized that not all industrial uses require this amount of exposure. On the other hand, it has been suggested that many commercial land uses (specifically vehicle, recreational vehicle, and machinery dealerships) do require moderate to highly visible locations. In considering the most appropriate use of the parcels along Highway QEII, many needs and issues had to be considered as these related to both industrial and vehicle sales related land uses.</p> <p>Review of traffic considerations, development needs, current development levels and pressures, and the mitigation and prevention of conflict between land uses were all key components in looking at future land use in this location. In brief, planning and traffic engineering research indicated that parcels along Highway QEII are highly visible allowing the type of marketing opportunities required by vehicle dealers. It was also acknowledged that some of the properties are already operating as dealerships. Under I1 zoning, these businesses would be non-conforming. Further, studies indicated that vehicle and machinery sales and service uses in the area can be supported through roadway enhancements and should not cause excessive conflict with other land uses in the area if restricted to specific locations.</p>	<p>4.1.2 Vehicle, Recreational Vehicle, and Machinery Dealerships District</p> <p>Parcels located along Highway QEII have higher than the usual visibility given the volume of traffic passing by on the highway. While the West QE2 area is intended as an industrial area, it is recognized that not all industrial uses require this amount of exposure. On the other hand, it has been suggested that many commercial land uses (specifically vehicle, recreational vehicle, and machinery dealerships) do require moderate to highly visible locations. In considering the most appropriate use of the parcels along Highway QEII, many needs and issues had to be considered as these related to both industrial and vehicle sales related land uses.</p> <p>Review of traffic considerations, development needs, current development levels and pressures, and the mitigation and prevention of conflict between land uses were all key components in looking at future land use in this location. In brief, planning and traffic engineering research indicated that parcels along Highway QEII are highly visible allowing the type of marketing opportunities required by vehicle dealers. It was also acknowledged that some of the properties are already operating as dealerships. Under I1 zoning, these businesses would be non-conforming. Further, studies indicated that vehicle and machinery sales and service uses in the area can be supported through roadway enhancements and should not cause excessive conflict with other land uses in the area if restricted to specific locations.</p>

Existing Text	Proposed Text (new text in red font)
<p>Therefore, specific parcels adjacent to the Highway QEII, as identified on Figure 3, have been designated for a specialized land use district which will build upon the key locational attributes of these parcels. This specialized district allows for the continued operation of the land uses which are existing at present (where development has already occurred), but also allows for the development of automobile dealerships and vehicle sales/service including recreational vehicles, heavy machinery and trucks, cars and automotive vehicles, as well as trailer sales and service.</p> <p>This district will be implemented through the use of direct control zoning (a Direct Control or DC District). Additional detail regarding this district will be contained in future IASPs.</p>	<p>Therefore, specific parcels adjacent to the Highway QEII, as identified on Figure 3, have been designated for a specialized land use district which will build upon the key locational attributes of these parcels. This specialized district allows for the continued operation of the land uses which are existing at present (where development has already occurred), but also allows for the development of automobile dealerships and vehicle sales/service including recreational vehicles, heavy machinery and trucks, cars and automotive vehicles, as well as trailer sales and service.</p> <p>This district will be implemented through the use of direct control zoning (a Direct Control or DC District). Additional detail regarding this district will be contained in future IASPs.</p> <p>Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.</p>
<p>(b) Collector Roadways</p> <p>Designated collector roadways are identified on Figure 3. Typically a collector roadway provides direct frontage access to abutting land uses, provides public parking on both sides, accommodates snow storage, serves as a transit route and, where required by The City, provides sidewalks.</p> <p>However, as described previously, the MASP establishes a direct control district (DC24) to allow for vehicle, recreational vehicle, and machinery dealerships along the east boundary of the plan area. To prevent or lessen any potential traffic conflicts and ensure compatibility for dealerships, which are a unique use being situated in what is a primarily industrial area, some variation of these typical practises will be necessary for roadways serving the Direct Control area. Specifically, it is the intention of this MASP to restrict parking along the collector road serving the dealerships.</p> <p>The alignment of collector roadways proposed on Figure 3 is based on the standard of 400 metre minimum intersection spacing onto arterial roadways and 800 metre intersection spacing onto expressways, as well as the requirement for collector street linkages</p>	<p>(b) Collector Roadways</p> <p>Designated collector roadways are identified on Figure 3. Typically a collector roadway provides direct frontage access to abutting land uses, provides public parking on both sides, accommodates snow storage, serves as a transit route and, where required by The City, provides sidewalks.</p> <p>However, as described previously, the MASP establishes a direct control district (DC24) to allow for vehicle, recreational vehicle, and machinery dealerships along the east boundary of the plan area. To prevent or lessen any potential traffic conflicts and ensure compatibility for dealerships, which are a unique use being situated in what is a primarily industrial area, some variation of these typical practises will be necessary for roadways serving the Direct Control area. Specifically, it is the intention of this MASP to restrict parking along the collector road serving the dealerships.</p> <p>The alignment of collector roadways proposed on Figure 3 is based on the standard of 400 metre minimum intersection spacing onto arterial roadways and 800 metre intersection spacing onto expressways, as well as the requirement for collector street linkages</p>

Existing Text	Proposed Text (new text in red font)
<p>between adjacent quarter sections without creating opportunities for shortcutting.</p> <p>Sidewalks (1.5 metres in width) will be constructed along one side of collector roadways as required.</p>	<p>between adjacent quarter sections without creating opportunities for shortcutting.</p> <p>Sidewalks (1.5 metres in width) will be constructed along one side of collector roadways as required.</p> <p>In 2019 the DC (24) was replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations.</p>
<p>Table 1: Land Use Statistics Vehicle and Machinery Sales and Service (Direct Control District)</p>	<p>Table 1: Land Use Statistics Combined Industrial (Business Service) and automobile dealerships</p>
<p>Figure 3 – Land Use Concept Vehicle, Recreation Vehicle, and Machinery Dealership District</p>	<p>Figure 3 – Land Use Concept Combined Industrial (Business Service) and automobile dealerships</p>

**Queens Business Park IASP Bylaw 3399/A-2019**

Existing Text	Proposed Text (new text in red font)
<p>3.1.4 Vehicle, Recreation Vehicle, and Machinery Dealerships District</p> <p>As identified in Figure 2, some of the land which has frontage on QEII Highway will be designated specifically for automotive, trailer, heavy machinery, and recreation vehicle sales dealerships. Adjacent parcels to the south (out of the boundary of this IASP but with the MASP) will also be redesignated to direct control district to accommodate such sales lots. The visibility of this location, as well as some pre-existing dealerships to the south, make this an attractive location for motor vehicle, recreation vehicle and trailer dealerships . There has also been some suggestion that Red Deer has a shortage of larger sites to accommodate new dealerships. While the dealerships will likely contain accessory uses such as repair, car wash, and parts sales, the focus of this direct control district is on the establishment of new or existing dealerships that will serve residents of Red Deer and the surrounding areas.</p> <p>In planning for the location of automotive, recreation vehicle, and trailer dealers it is recognized that efforts must be taken to prevent conflicts between surrounding industrial uses and these types of commercial uses. By requiring all developed properties to meet city requirements for parking, signage, lighting, and landscaping it is expected that conflicts between industrial traffic and traffic generated by the dealerships as well as conflicts between industrial land uses and this form of motor vehicles focused commercial use can be effectively minimized or</p>	<p>3.1.4 Vehicle, Recreation Vehicle, and Machinery Dealerships District</p> <p>As identified in Figure 2, some of the land which has frontage on QEII Highway will be designated specifically for automotive, trailer, heavy machinery, and recreation vehicle sales dealerships. Adjacent parcels to the south (out of the boundary of this IASP but with the MASP) will also be redesignated to direct control district to accommodate such sales lots. The visibility of this location, as well as some pre-existing dealerships to the south, make this an attractive location for motor vehicle, recreation vehicle and trailer dealerships . There has also been some suggestion that Red Deer has a shortage of larger sites to accommodate new dealerships. While the dealerships will likely contain accessory uses such as repair, car wash, and parts sales, the focus of this direct control district is on the establishment of new or existing dealerships that will serve residents of Red Deer and the surrounding areas.</p> <p>In planning for the location of automotive, recreation vehicle, and trailer dealers it is recognized that efforts must be taken to prevent conflicts between surrounding industrial uses and these types of commercial uses. By requiring all developed properties to meet city requirements for parking, signage, lighting, and landscaping it is expected that conflicts between industrial traffic and traffic generated by the dealerships as well as conflicts between industrial land uses and this form of motor vehicles focused commercial use can be effectively minimized or</p>

Existing Text	Proposed Text (new text in red font)
<p>mitigated.</p> <p>In addition, land within this district may be subject to additional site standards (such as lighting, signage, waste removal, parking, landscaping) to reflect its highly visible location and its commercial nature.</p>	<p>mitigated.</p> <p>In addition, land within this district may be subject to additional site standards (such as lighting, signage, waste removal, parking, landscaping) to reflect its highly visible location and its commercial nature.</p> <p>Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.</p>
<p>5.3 Land Use Bylaw</p> <p>The subdivision of land within the plan area is subject to subsequent successful rezoning of the land. The majority of the lands will remain within the A1 Future Urban Development District until such time that municipal services are provided to these lands and the rezoning process occurs.</p> <p>The proposed industrial lands shall be rezoned to either I1 Industrial (Business Service) District or the I2 Industrial (Heavy Industrial) District. Lands within an eco-industrial park shall be contained within a new specific eco-industrial district or within the I1 Industrial (Business Service) District but be subject to specific requirements.</p> <p>The commercial nodes shall be rezoned to C4 Commercial (Major Arterial) District.</p> <p>Lands intended to preserve natural capital, will be districted to the A2 Environmental Preservation District. Other municipal reserve lots will be districted into the P1 Parks &amp; Recreation District.</p> <p>The lands adjacent to Highways QEII and 11A will be designated as a major entry area into the city with increased landscaping standards for development adjacent to this highway.</p>	<p>5.3 Land Use Bylaw</p> <p>The subdivision of land within the plan area is subject to subsequent successful rezoning of the land. The majority of the lands will remain within the A1 Future Urban Development District until such time that municipal services are provided to these lands and the rezoning process occurs.</p> <p>The proposed industrial lands shall be rezoned to either I1 Industrial (Business Service) District or the I2 Industrial (Heavy Industrial) District. Lands within an eco-industrial park shall be contained within a new specific eco-industrial district or within the I1 Industrial (Business Service) District but be subject to specific requirements.</p> <p>The lands identified for combined I1 uses and automobile dealerships shall be rezoned to I1B/AD Industrial (Business Service and Automobile Dealership) District.</p> <p>The commercial nodes shall be rezoned to C4 Commercial (Major Arterial) District.</p> <p>Lands intended to preserve natural capital, will be districted to the A2 Environmental Preservation District. Other municipal reserve lots will be districted into the P1 Parks &amp; Recreation District.</p> <p>The lands adjacent to Highways QEII and 11A will be designated as a major entry area into the city with increased landscaping standards for development adjacent to this highway.</p>
<p>Table 1: Land Use Statistics Vehicle, Recreation Vehicle, and Machinery Dealerships</p>	<p>Table 1: Land Use Statistics I1B/AD – Combination of I1 uses and automobile</p>

Existing Text	Proposed Text (new text in red font)
	dealerships
Figure 2 – Land Use Concept Vehicle, Recreation Vehicle, and Machinery Dealership District (DC-24)	Figure 2 – Land Use Concept I1B/AD – Combination of I1 uses and automobile dealerships

## Queens Business Park SE36 IASP Bylaw 3469/A-2019

Existing Text	Proposed Text (new text in red font)
<p>3.1.2 Development Concept District Rezoning</p> <p>The majority of the parcels of land including an existing farmstead, within the plan area are currently zoned as A1 Future Urban Development District with a small portion of the land in the south east corner currently zoned as DC(24), the Vehicle Recreational Vehicle, and the Machinery Dealerships District along the QE II Highway.</p> <p>As per Figure 3 Development Concept, the current south east corner would remain DC(24) the Vehicle Recreational Vehicle, and the Machinery Dealerships District and zoning of these lands as DC(24) accommodates the existing uses and intents (vehicle and trailer sales and service), as these uses do not conform to the I1 Industrial (Business Service) District proposed for the remainder of industrial uses in the plan area.</p> <p>The remainder existing A1 zoning would be rezoned to I1 Industrial (Business Service) District as per Figure 3 Development Concept.</p>	<p>3.1.2 Development Concept District Rezoning</p> <p>The majority of the parcels of land including an existing farmstead, within the plan area are currently zoned as A1 Future Urban Development District with a small portion of the land in the south east corner currently zoned as DC(24), the Vehicle Recreational Vehicle, and the Machinery Dealerships District along the QE II Highway.</p> <p>As per Figure 3 Development Concept, the current south east corner would remain DC(24) the Vehicle Recreational Vehicle, and the Machinery Dealerships District and zoning of these lands as DC(24) accommodates the existing uses and intents (vehicle and trailer sales and service), as these uses do not conform to the I1 Industrial (Business Service) District proposed for the remainder of industrial uses in the plan area.</p> <p>The remainder existing A1 zoning would be rezoned to I1 Industrial (Business Service) District as per Figure 3 Development Concept.</p> <p>Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.</p>
<p>3.2.3 Roadways</p> <p>Roadways identified on Figure 3 are in accordance with the major road network determined within the West QE2 Major Area Structure Plan. Typical roadway cross sections are illustrated in Figure 8.</p> <p>Figure 3 also shows the proposed local roads. Local roads may not be completely constructed as shown. Construction of the roads will depend on current</p>	<p>3.2.3 Roadways</p> <p>Roadways identified on Figure 3 are in accordance with the major road network determined within the West QE2 Major Area Structure Plan. Typical roadway cross sections are illustrated in Figure 8.</p> <p>Figure 3 also shows the proposed local roads. Local roads may not be completely constructed as shown. Construction of the roads will depend on current</p>

Existing Text	Proposed Text (new text in red font)
<p>market trends and needs (large lot development compared with smaller lots). Where a local road is deemed not to be needed it will not be constructed.</p> <p>However, in the event that a local road, or portion thereof, is developed, it is to be constructed within the road boundaries and access locations shown in this plan. Any variation deemed significant by planning staff, from the identified locations, may require an IASP amendment. Easements and public utility lots would be required to accommodate municipal services in the event that the complete network of local roads is not constructed.</p> <p>The land for the undivided arterial road shown in Figure 3 is to be dedicated as part of the initial phase of construction. Construction of the arterial roadway will be the responsibility of the City of Red Deer. A portion of the 38 metre wide right of way for the arterial roadway will be on the adjacent property to the west. In the event that the adjacent landowner to the west will not sell / dedicate land for the arterial roadway, the roadway will fit in the right of way shown within the IASP area however the trail shown on the west of the arterial roadway may have to be shifted to the east side of the right of way.</p> <p>It should be noted that DC (24) Vehicle, Recreational Vehicle and Machinery Dealerships District may generate more traffic and parking issues than would be expected of typical light industrial uses. For this reason, parking along those collector roads that serve the Queens Business Park SE 36 IASP will be restricted as stated in section 4.3.3, "Roadways", in the West QE2 Major Area Structure Plan. Parking restrictions would be implemented through the use of appropriate roadway signage.</p>	<p>market trends and needs (large lot development compared with smaller lots). Where a local road is deemed not to be needed it will not be constructed.</p> <p>However, in the event that a local road, or portion thereof, is developed, it is to be constructed within the road boundaries and access locations shown in this plan. Any variation deemed significant by planning staff, from the identified locations, may require an IASP amendment. Easements and public utility lots would be required to accommodate municipal services in the event that the complete network of local roads is not constructed.</p> <p>The land for the undivided arterial road shown in Figure 3 is to be dedicated as part of the initial phase of construction. Construction of the arterial roadway will be the responsibility of the City of Red Deer. A portion of the 38 metre wide right of way for the arterial roadway will be on the adjacent property to the west. In the event that the adjacent landowner to the west will not sell / dedicate land for the arterial roadway, the roadway will fit in the right of way shown within the IASP area however the trail shown on the west of the arterial roadway may have to be shifted to the east side of the right of way.</p> <p>It should be noted that DC (24) Vehicle, Recreational Vehicle and Machinery Dealerships District may generate more traffic and parking issues than would be expected of typical light industrial uses. For this reason, parking along those collector roads that serve the Queens Business Park SE 36 IASP will be restricted as stated in section 4.3.3, "Roadways", in the West QE2 Major Area Structure Plan. Parking restrictions would be implemented through the use of appropriate roadway signage.</p> <p><b>In 2019 the DC (24) Vehicle, Recreational Vehicle and Machinery Dealerships District was replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations.</b></p>
<p>5.3 Land Use Bylaw</p> <p>Subdivision of land within the plan area is subject to subsequent successful rezoning of the land. The lands in the plan area are currently zoned A1 Future Urban Development District and DC(24) Vehicle, Recreational Vehicle and Machinery Dealerships District.</p> <p>Lands currently designated DC(24) Direct Control</p>	<p>5.3 Land Use Bylaw</p> <p>Subdivision of land within the plan area is subject to subsequent successful rezoning of the land. The lands in the plan area are currently zoned A1 Future Urban Development District and DC(24) Vehicle, Recreational Vehicle and Machinery Dealerships District.</p> <p>Lands currently designated DC(24) Direct Control</p>

<b>Existing Text</b>	<b>Proposed Text (new text in red font)</b>
<p>Vehicle, Recreational Vehicle and Machinery Dealerships will not require rezoning. These lands are districted to accommodate the less-intense uses of a commercial-industrial hybrid nature for those lands adjacent to and with exposure to the QE II Highway, specifically automotive dealerships and vehicle sales/service including recreational vehicles, heavy machinery and trucks, cars and automotive vehicles, as well as trailer sales and service. This DC District also accommodates the uses existing at the time of the 2007 annexation. The purpose of this DC District is to provide for developments, which in the opinion of Council, require specific regulations that take into account their visibility from the highway and proximity to adjacent industrial uses.</p>	<p>Vehicle, Recreational Vehicle and Machinery Dealerships will not require rezoning. These lands are districted to accommodate the less-intense uses of a commercial-industrial hybrid nature for those lands adjacent to and with exposure to the QE II Highway, specifically automotive dealerships and vehicle sales/service including recreational vehicles, heavy machinery and trucks, cars and automotive vehicles, as well as trailer sales and service. This DC District also accommodates the uses existing at the time of the 2007 annexation. The purpose of this DC District is to provide for developments, which in the opinion of Council, require specific regulations that take into account their visibility from the highway and proximity to adjacent industrial uses.</p> <p>Since the time this Plan was adopted, the direct control district, DC (24), has been replaced with the I1B/AD district which combined the DC (24) and I1 district uses and regulations (Bylaw 3357/N-2019). The intent of this amendment was to reflect the current market demands and expand the number of considered uses in this area while being compatible with the neighbouring I1 district uses.</p>
<p>Table 1: Land Use Statistics Direct Control (Vehicle, Recreational Vehicle, and Machinery Dealership District)</p>	<p>Table 1: Land Use Statistics I1B/AD – Combination of I1 uses and automobile dealerships</p>
<p>Figure 3 – Development Concept Vehicle, Recreational Vehicle, and Machinery Dealerships District, (DC(24))</p>	<p>Figure 3 – Development Concept I1B/AD – Combination of I1 uses and automobile dealerships</p>

## APPENDIX 5

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### Dialogue

## Letter 1: DC (24) Landowners



**Date: October 29, 2018**

«Prime\_Owner\_Name»

«Owner\_Address\_1»

«Owner\_Address\_2»

**To: Landowners within the Direct Control DC 24 District within the City of Red Deer**

**Re: Additional uses proposed within the DC 24 District**

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You have received this letter because property you own is within the City's Direct Control DC 24 District. An application has been submitted to the City to add industrial uses within the DC 24 District as a discretionary use, specifically the I1 Industrial (Business Service) District Uses.

Currently the only allowable uses within the DC 24 District include:

- Signs – building and freestanding
- Motor vehicle, recreational vehicle, trailer and machinery sales – also including service and repair, outdoor display and outdoor storage associated with such sales

The application proposes to also include the following I1 uses:

- Accessory buildings or uses
- Accessory sales related to manufacturing, processing, and/or distribution of goods
- Industrial support services
- Service stations
- Warehousing
- Outdoor storage (not related to dealership sales)
- Above ground storage tanks for motor fuel products
- Animal services
- Auction marts (excluding livestock)
- Signs – billboard and dynamic
- Crematorium, including pet crematoriums
- Dangerous goods occupancy
- Restaurant
- Sale of large trucks over 10,000kg, manufactured homes, heavy construction equipment and machinery
- Sale of horse, stock, and light flat-deck and cargo trailers
- Transportation, communication or utility facility
- Industrial trade schools
- Accessory outdoor display or sale of goods

October 29, 2018  
Page 2 of 5

Currently the land across the street from the DC 24 properties is within the I1 district (see attached map) or is deemed to be developed as I1 in the future. By expanding the current uses in the DC 24 district, future development may include uses similar to those across the street, with the exception that DC 24 will still allow for motor vehicle, recreational vehicle, trailer and machinery sales which the I1 district does not. Should this application be approved, the development potential options would increase for existing DC 24 properties.

Prior to moving forward with this application, we are consulting with all DC 24 landowners to determine if they are in agreement with this proposal. If you are in support or not, we are kindly asking that you provide the City with your thoughts regarding this proposal. **Please provide your comments in writing by Monday, November 19, 2018.**

Comments can be submitted the following ways:

Email: [Christi.fidek@reddeer.ca](mailto:Christi.fidek@reddeer.ca)

Fax: 403.342.8200

Mail: Planning Department, Box 5008, Red Deer, AB T4N 3T4

Additional information regarding the DC 24 and I1 districts can be found in the Land Use Bylaw which is available online at <http://www.reddeer.ca/business/planning/land-use-bylaw/>. Once on the website, DC 24 can be found in Part 8 and I1 in Part 6.

Thank you for your consideration in this matter. Do not hesitate to contact me if you have any questions.

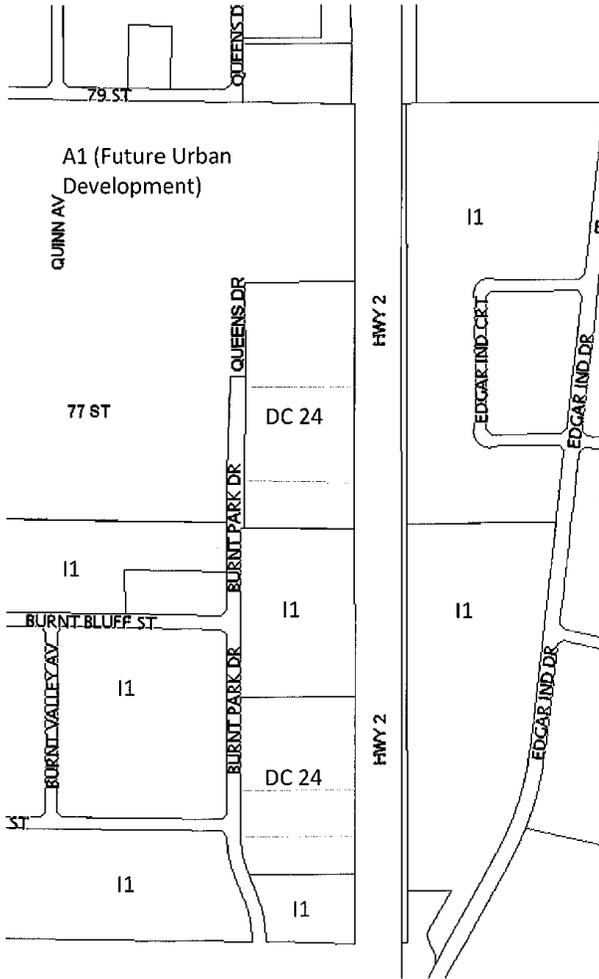
Sincerely,



Christi Fidek, Senior Planner  
403.406.8701  
[Christi.fidek@reddeer.ca](mailto:Christi.fidek@reddeer.ca)

October 29, 2018  
Page 3 of 5

Current Land Use Districts (Zoning)



# Letter 1: Responses



## Comment Sheet

**We invite you to provide feedback regarding the proposed plan amendment/subdivision application. Your feedback is very important to us. Please be sure to specify which application you are responding to by checking the appropriate box and addressing application address & name of the planner.**

*Collection & Release of Your Information: The City is collecting your information as part of the referral process that is described in Section 2.19(5) of The City of Red Deer Land Use Bylaw. The personal information on this form is collected under the authority of the Municipal Government Act Section 3 and is protected under the provisions of the Freedom of Information & Protection of Privacy (FOIP) Act. The City will seek to balance the dual objectives of open government and protection of privacy. If you have questions about the collection and use of this information, please contact the Manager of Planning at The City of Red Deer, 4914-48 Ave, Red Deer, AB 403-406-8700.*

Please check the box below which applies:

- Land Use Bylaw Amendment
- Subdivision Application
- Plan Amendment
- Other

Amendment/Subdivision Address:

DC24

Name of Planner (Working on the Application):

Christi Fidek

**Contact Information**

Your contact information allows administration to respond as needed.

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Phone #: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**General Comments**

*I AM IN FAVOR*

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## Letter 2: I1 Landowners



**Date: November 22, 2018**

«Prime\_Owner\_Name»

«Owner\_Address\_1»

«Owner\_Address\_2»

**To: I1 Industrial (Business Service) Landowners identified as future DC24 within the West QE2 Major Area Structure Plan**

**Re: Rezoning of I1 lands backing onto the Queen Elisabeth 2 Highway**

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You have received this letter because property you own is identified as future vehicle dealership within the City's West QE2 Major Area Structure Plan. Currently land you own is within the I1 Industrial (Business Service) District. Neighbouring dealership parcels along the QE2 are within the Direct Control DC24 District. As part of a land use review for this area, the City is considering combining the allowable land uses for the I1 and DC24 districts into one district. If this were to occur, the development potential options would increase for both I1 and DC24 properties.

Currently the I1 uses include:

- Above ground storage tanks for motor fuel products
- Accessory buildings or uses
- Accessory outdoor display or sale of goods
- Accessory sales related to manufacturing, processing, and/or distribution of goods
- Accessory sales of three used truck, automobiles, and/or holiday trailers
- Animal services
- Auction marts (excluding livestock)
- Crematorium, including pet crematoriums
- Dangerous goods occupancy
- Industrial support services
- Industrial trade schools
- Manufacture, processing, distribution, repair, servicing, and/or rental of any articles
- Outdoor storage (not related to dealership sales)
- Restaurant
- Sale of large trucks over 10,000kg, manufactured homes, heavy construction equipment and machinery
- Sale of horse, stock, and light flat-deck and cargo trailers
- Service stations
- Signs – building, freestanding, billboard and dynamic
- Transportation, communication or utility facility
- Warehousing

If combined with the DC24 uses, the following uses would also be considered:

- Motor vehicle, recreational vehicle, trailer and machinery sales – also including service and repair, outdoor display and outdoor storage associated with such sales

Planning Department 4914-48 Avenue Phone: 403-406-8700 Fax: 403-342-8200 Email: [planning@reddeer.ca](mailto:planning@reddeer.ca)  
 The City of Red Deer Box 5008 Red Deer, AB T4N 3T4 [www.reddeer.ca](http://www.reddeer.ca)

November 22, 2018  
Page 2 of 3

Prior to moving forward with this, we are consulting with all I1 landowners that would be impacted to determine if there are concerns with this proposal. If you would like to provide input, we are asking that you provide your comments in writing by Wednesday, December 19, 2018.

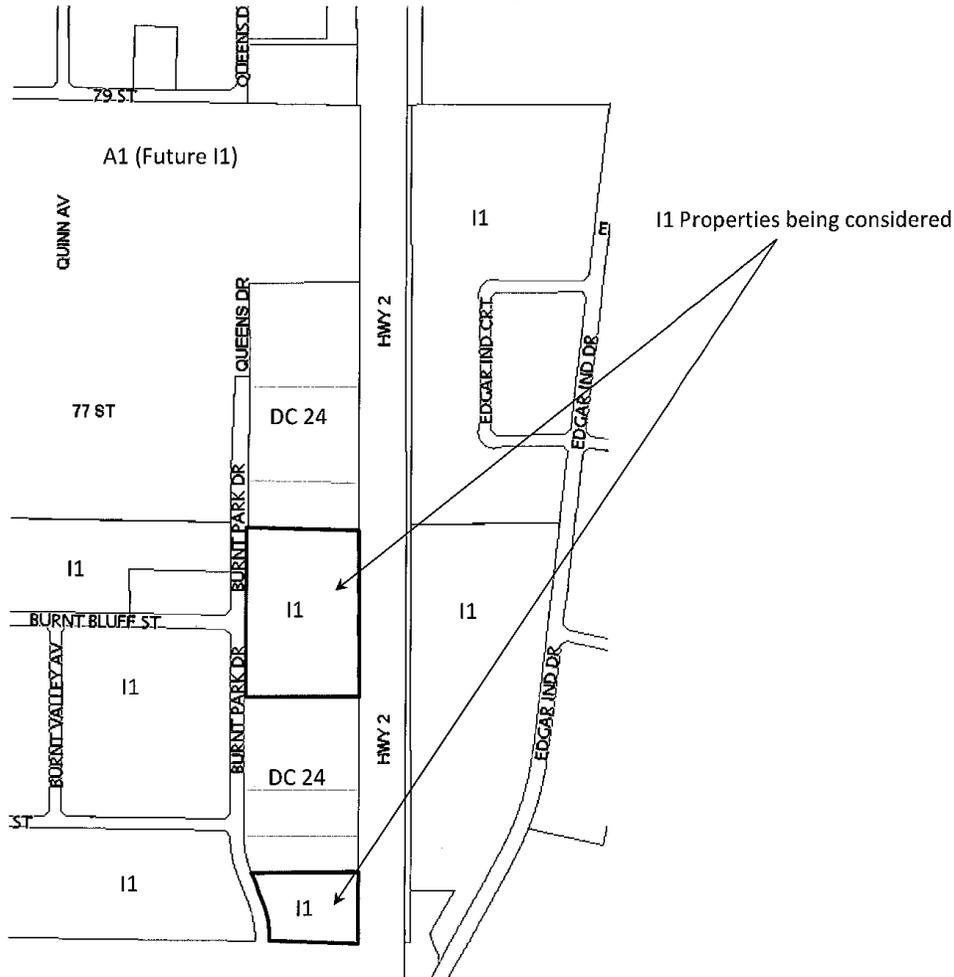
Comments can be submitted the following ways:

Email: [Christi.fidek@reddeer.ca](mailto:Christi.fidek@reddeer.ca)

Fax: 403.342.8200

Mail: Planning Department, Box 5008, Red Deer, AB T4N 3T4

The map below shows the I1 properties that this is being considered for:



Information regarding the West QE2 Major Area Structure Plan can be found online at <http://www.reddeer.ca/business/planning/major-area-structure-plans/west-qe2-major-area-structure-plan/>

November 22, 2018  
Page 3 of 3

Additional information regarding the DC 24 and I1 districts can be found in the Land Use Bylaw which is available online at <http://www.reddeer.ca/business/planning/land-use-bylaw/>. Once on the website, DC 24 can be found in Part 8 and I1 in Part 6.

Thank you for your consideration in this matter. Do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Christi Fidek".

Christi Fidek, Senior Planner  
403.406.8701  
Christi.fidek@reddeer.ca

## Letter 2: Responses

### Christi Fidek

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**From:** Christi Fidek  
**Sent:** January 22, 2019 3:00 PM  
**To:** 'soke@brandt.ca'  
**Subject:** FW: Brandt Submission: Rezoning of I1 lands backing onto the Queen Elisabeth 2 Highway  
**Attachments:** January 15 2019 External Referral.pdf

Hi Steve, thank you for providing your feedback.

To address your concerns regarding the access and road bans I can offer the following information:

1. Additional accesses – landowners are able to apply for additional accesses to their property by submitting a curb crossing application through the City's Engineering department. From what I understand, should they be approved the landowner is responsible for the cost of the access but the City will construct them. For further information regarding additional access to Brandt's property please contact our Engineering department at 403-342-8158.
2. No road bans – road bans are applied to certain roads within the City that are usually not constructed to a typical City standard. The north-south road north of Brandt is currently a temporary road. Until the land is developed along that road, the road will remain in its current state; there is no timeline which the City can enforce a landowner to develop their lands. Because it is a temporary road and not constructed as other collector roads in the City, the road may continue to be subject to road bans in the future until further developed. For further information regarding road bans please contact our Public Works department at 403-342-8238.

In light of your comments I thought I would provide additional information on the rezoning process.

Rezoning is a Council process that Council will either approve or deny for a property with no conditions attached. Zoning looks at the types of uses and general rules that would be applied when the land is developed. Development specifics, such as drainage or access, are considered at the time of subdivision, or when a development permit application is submitted to the City. Conditions would be attached to both subdivision and development permit approvals. The conditions that you have proposed are not applicable at the rezoning stage.

Council will have the opportunity to read and reflect on the comments received from landowners about the rezoning referral. Based on your comments, I am assuming that Brandt is opposed to the rezoning. If this is correct, it may be beneficial for Brandt to provide additional information as to why you are opposed to the rezoning so that Council can better understand your concerns. In addition, if Brandt is opposed to the proposal the City can exclude its property from the rezoning at its request. However, please note that should the rezoning be approved for the other parcels, Brandt would be subject to the same regulations as the newly rezoned properties, but with less development potential for uses allowed.

Should you wish to provide additional information regarding any concerns please submit them by Wednesday, February 6, 2019. Attached you will find a referral that was sent out last week to all landowners and landowners within 100m.

If you have any questions please feel free to either email or contact me at 403.406.8701.

Sincerely,  
Christi

**From:** Steve Oke [mailto:soke@brandt.ca]  
**Sent:** January 21, 2019 8:01 AM  
**To:** Christi Fidek  
**Cc:** Paul Gleason  
**Subject:** Brandt Submission: Rezoning of I1 lands backing onto the Queen Elisabeth 2 Highway

Hi Christi,

Brand has had a chance to review the zoning letter(s) and our comments are;

1. *Rezoning is acceptable to Brandt only if City of Red Deer provide two more northern accesses to the Brandt Dealership, built and completed by mid summer 2019 and*
2. *No road bans for heavy truck traffic can exist for both of these accesses.*

Happy to chat more if needed.

Thank you.

Steve

**From:** Christi Fidek [mailto:Christi.Fidek@reddeer.ca]  
**Sent:** Thursday, December 20, 2018 1:06 PM  
**To:** Steve Oke <soke@brandt.ca>  
**Subject:** RE: Rezoning of I1 lands backing onto the Queen Elisabeth 2 Highway

Hi Steve, the City will gladly accept your comments prior to February 4, 2019. In order to maintain a fair process for everyone we need to ensure that applications are handled in a timely and fair manner. Please note that although we will gladly extend the timeline for you to provide comments, the City will continue to review this proposal during this period.

Please note that an additional letter will likely be mailed out mid-January in which you will have 3 weeks to provide comments on (likely February 4). This letter will include the draft land use district, as proposed in the November 22 letter. This letter will be mailed to all of the I1 and DC24 landowners affected, as well as the adjacent landowners.

Please find attached the letter mailed to the DC24 landowners.

If you have further questions please let me know.  
Christi

Christi Fidek, RPP, MCIP  
Senior Planner  
The City of Red Deer

Third Floor, City Hall,  
4914-48 Avenue, Red Deer  
mail to: Box 5008, Red Deer AB T4N 3T4  
403.406.8701  
[Christi.Fidek@reddeer.ca](mailto:Christi.Fidek@reddeer.ca)

Please note that I will be out of the office from December 21 – January 4, inclusive.

**From:** Steve Oke [<mailto:soke@brandt.ca>]  
**Sent:** December 17, 2018 4:50 PM  
**To:** Christi Fidek  
**Cc:** Paul Gleason  
**Subject:** Rezoning of I1 lands backing onto the Queen Elisabeth 2 Highway

Hi Christi,

We spoke last week about this and I just called your office and left you a VM. The letter identifies December 19, 2018 as the deadline for comments however I would like more time to contemplate this zoning change request since I received it early last week. I would like to extend the deadline for the middle of February since Brandt is a large organization we need more time to review the information with our various stakeholders.

I'm also writing you to request the letter that was sent to the DC 24 zoned properties. It was my understanding from our conversation that separate letters were sent to the DC 24 zoned properties and the I1 properties. My letter only identifies I1 properties zoning changes however if the DC24 properties are being contemplated for rezoning this affects Brandt Tractor and therefore we should be receiving that letter too. I've included a copy of my letter for your perusal.

Please confirm.

Thanks,

Steve

**Steve Oke, CPA, CMA**  
Vice-President, Real Estate

**Brandt Developments Ltd.**  
1-3710 Eastgate Drive  
Regina, SK S4Z 1A5  
(306) 347-1499 tel  
(306) 527-9783 mobile  
(306) 347-1498 fax  
[soke@brandt.ca](mailto:soke@brandt.ca)  
[www.brandt.ca](http://www.brandt.ca)

## Letter 3: 100m Referral



**Date: January 15, 2019**

«Prime\_Owner\_Name»

«Owner\_Address\_1»

«Owner\_Address\_2»

**To: Landowners and landowners within 100m of land identified as future DC24 within the City’s West QE2 Major Area Structure Plan**

**Re: Rezoning of I1 and DC24 lands backing onto the Queen Elisabeth 2 Highway**

**Why have you received this letter?**

You are being notified of proposed plan amendments within the Queen’s Business Park area. As part of the City’s overall evaluation process, landowners within 100 metres of the subject site are provided with an opportunity to review and comment on proposed amendments. You are invited to review and provide comments on the proposed amendments by **4:30 PM, February 6, 2019**.

**What is being proposed?**

The proposal is to:

- Create a new direct control district which combines the existing uses and regulation of the DC24 district (vehicle dealerships) and the I1 Industrial (Business Service) district parcels identified in Appendix 1: Subject Parcels.
- Amend the West QE2 Major Area Structure Plan (MASP) in accordance with the new land use district.
- Amend the Queens Business Park Industrial Area Structure Plan in accordance with the new land use district.
- Amend the Queens Business Park SE 36 Industrial Area Structure Plan in accordance with the new land use district.

Currently all of these properties are identified in the MASP as either future or existing DC24 but the current land use districting does not reflect this. Since the MASP was adopted in 2007, the economic demand for vehicle dealerships has changed and may no longer be the best *single* land use for this area. The purpose of this rezoning proposal is to consider both the existing land uses and the highway exposure, while aiming to provide opportunities for all of the same uses (business service industrial and vehicle dealerships) on these properties. Land uses that are currently not allowed in the DC24 or I1 districts would not be contemplated. A copy of the proposed land use district is in Appendix 2: Draft District.

A summary of the changes are found in the table below:

Changes affecting current DC24 landowners	Changes affecting current I1 landowners
Additional permitted uses: <ul style="list-style-type: none"> <li>• Accessory buildings or uses excluding sales subject to section 3.5</li> <li>• Accessory sales related to manufacturing, processing, and/or distribution of any article</li> </ul>	Additional permitted uses: <ul style="list-style-type: none"> <li>• None</li> </ul>

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The City of Red Deer Box 5008 Red Deer, AB T4N 3T4 [www.reddeer.ca](http://www.reddeer.ca)

Changes affecting current DC24 landowners	Changes affecting current I1 landowners
<ul style="list-style-type: none"> <li>• Accessory sales of used trucks, used auto mobiles and used holiday trailers, providing that collectively there are not more than three units for sale on the site at any one time.</li> <li>• Industrial support services</li> <li>• Manufacture, processing, distribution, repair, servicing, and/or rental of any articles</li> <li>• Outdoor storage not in association with with Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair</li> <li>• Service stations</li> <li>• Warehousing</li> </ul>	
<p>Additional discretionary uses:</p> <ul style="list-style-type: none"> <li>• Above ground storage tanks for motor fuel products including propane and used oil</li> <li>• Accessory outdoor display or sale of goods</li> <li>• Alternative/Renewable Energy Facility on sites designated in an Eco Industrial Park Overlay District</li> <li>• Animal services</li> <li>• Auction marts (excluding livestock)</li> <li>• Billboard Sign</li> <li>• Crematorium</li> <li>• Dynamic Fascia Sign</li> <li>• Dynamic Freestanding Sign</li> <li>• Dangerous goods occupancy</li> <li>• Industrial trade schools (maximum capacity of 60 persons)</li> <li>• Pet Crematorium</li> <li>• Restaurant</li> <li>• Sale of horse, stock, and light flatdeck and cargo trailers</li> <li>• Sale of large trucks over 10,000 Kg, Manufactured Homes, heavy construction equipment and machinery</li> <li>• Transportation, communication or utility facility</li> <li>• Uses that may consume waste materials, outputs, or by-products that are produced by an industrial operation within an Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales</li> <li>• Uses that produce waste materials, outputs, or by-products that may be used as inputs for an industrial operation within the Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales</li> </ul>	<p>Additional discretionary uses:</p> <ul style="list-style-type: none"> <li>• Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair</li> <li>• Outdoor display or Sale of Goods in association with the primary use building of Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair</li> <li>• Outdoor storage in association with the primary use building of Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair</li> </ul>
<p>Other:</p> <ul style="list-style-type: none"> <li>• Building sign and freestanding sign changes from a discretionary use to a permitted use</li> <li>• The requirement for lighting to not interfere with highway traffic and to be approved by the Development Authority has been removed; Alberta Transportation reviews this according to their standards.</li> </ul>	<p>Other:</p> <ul style="list-style-type: none"> <li>• None</li> </ul>

Within the City's Land Use Bylaw, further information can be found regarding the definitions for each of the uses listed in the table above as well as the current I1 and DC 24 districts. If interested, please use the following link:

Definitions (Part 1), I1 district (Part 6), DC 24 (Part 8): <http://www.reddeer.ca/business/planning/land-use-bylaw/>.

Information regarding the West QE2 Major Area Structure Plan, Queens Business Park Industrial Area Structure Plan, and Queens Business Park SE 36 Industrial Area Structure Plan can be found online at the following links.

West QE2 Major Area Structure Plan: <http://www.reddeer.ca/business/planning/major-area-structure-plans/west-qe2-major-area-structure-plan/>

Queens Business Park Industrial Area Structure Plan: <http://www.reddeer.ca/media/reddeerca/business-in-red-deer/planning-and-development-of-property/planning/Queens-Business-Park-N-Half-of-Sec-36I-ASP-2009.pdf>

Queens Business Park SE 36 Industrial Area Structure Plan:  
<http://www.reddeer.ca/media/reddeerca/business-in-red-deer/planning-and-development-of-property/planning/Queens-Business-Park-SE-36I-ASP-2013.pdf>

**Do I have to provide comments?**

It is optional to provide comments. If you feel the proposed changes could affect you, you may choose to provide comments. If you would like to submit comments, please do so by **4:30 PM, February 6 2019**. Methods for submitting comments are outlined on the attached comment sheet.

**What will happen if I submit comments?**

Any comments received will be reviewed by Planning staff and will be incorporated into the planning report that will be forwarded to Council when considering First Reading of the proposed amendments.

**What is the next step for this amendment?**

It is anticipated that the proposed bylaw will be presented to Council for consideration in the coming months. If Council gives First Reading to the proposed amending bylaw, Council must hold a Public Hearing prior to considering Second and Third Reading (adoption) of the proposed bylaw. Public Hearings are advertised in the Friday edition of the Red Deer Advocate and all landowners within 100-metres of the site will also receive written notification of the Public Hearing, which is an opportunity for the public to speak directly to Council about any concerns they may have with the proposed bylaw.

Thank you for your consideration in this matter. Do not hesitate to contact me if you have any questions.

Sincerely,

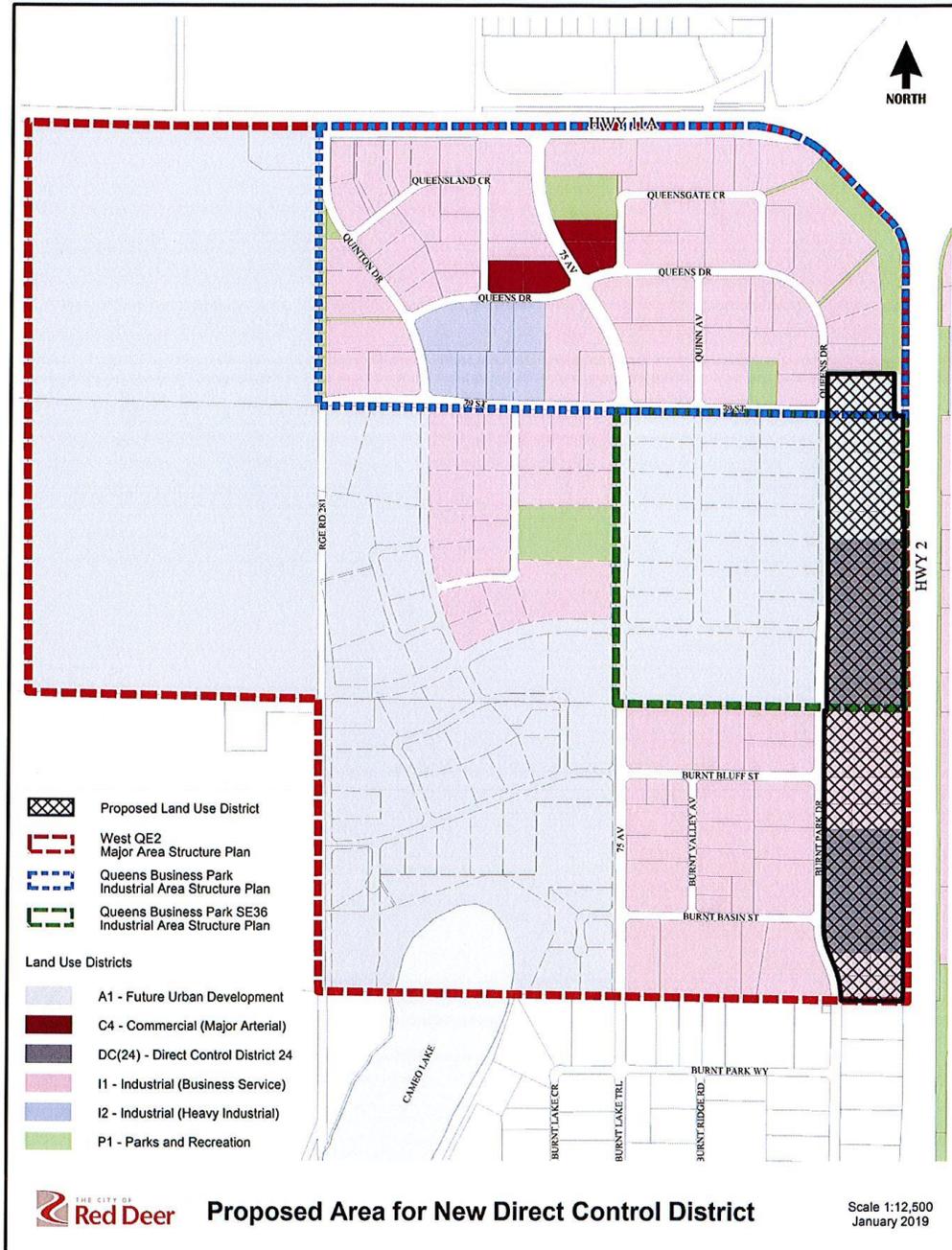


Christi Fidek, RPP, MCIP  
Senior Planner  
403.406.8701  
Christi.fidek@reddeer.ca

**APPENDIX 1**

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Subject Parcels



**APPENDIX 2**

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Draft District

### 8.20.13 Direct Control District No. 33 DC (33)

#### General Purpose

The general purpose of this district is to provide for a limited range of light industrial, warehousing, storage, industrial support services, and vehicle sales and related uses such as Service and Repair. Development will be within the performance standards of section 6.4(2)(a), the operation of which do not create or emit noises, odours, dust, fumes or other factors which are regarded as nuisances. In addition, this district will provide for development that is complimentary to adjacent industrial uses and recognizes highway exposure.

#### 1. DC (33) Permitted and Discretionary Uses Table

##### (a) Permitted Uses

- (i) Accessory buildings or uses excluding sales subject to section 3.5
- (ii) Accessory sales related to manufacturing, processing, and/or distribution of any article
- (iii) Accessory sales of used trucks, used auto mobiles and used holiday trailers, providing that collectively there are not more than three units for sale on the site at any one time.
- (iv) Building Sign
- (v) Freestanding Sign
- (vi) Industrial support services
- (vii) Manufacture, processing, distribution, repair, servicing, and/or rental of any articles
- (viii) Outdoor storage not in association with with Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair
- (ix) Service stations
- (x) Warehousing

##### (b) Discretionary Uses

- (i) Above ground storage tanks for motor fuel products including propane and used oil
- (ii) Accessory outdoor display or sale of goods
- (iii) Alternative/Renewable Energy Facility on sites designated in an Eco Industrial Park Overlay District
- (iv) Animal services
- (v) Auction marts (excluding livestock)
- (vi) Billboard Sign
- (vii) Crematorium
- (viii) Dynamic Fascia Sign
- (ix) Dynamic Freestanding Sign
- (x) Dangerous goods occupancy
- (xi) Industrial trade schools (maximum capacity of 60 persons)
- (xii) Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair
- (xiii) Outdoor display or Sale of Goods in association with the primary use building of Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair

- (xiv) Outdoor storage in association with the primary use building of Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair
- (xv) Pet Crematorium
- (xvi) Restaurant
- (xvii) Sale of horse, stock, and light flatdeck and cargo trailers
- (xviii) Sale of large trucks over 10,000 Kg, Manufactured Homes, heavy construction equipment and machinery
- (xix) Transportation, communication or utility facility
- (xx) Uses that may consume waste materials, outputs, or by-products that are produced by an industrial operation within an Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales
- (xxi) Uses that produce waste materials, outputs, or by-products that may be used as inputs for an industrial operation within the Eco Industrial Park Overlay District. This use does not include Cannabis Retail Sales

## **2. DC (33) Regulations**

- (a) The regulations set out in section 6.1(2); being the I1 Industrial (Business Service) District regulations, apply to this district.
- (b) The DC (33) District is subject to any applicable regulations listed within section 6.4 General Industrial District Regulations.
- (c) The site plan, the relationship between buildings, structures and open space, 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 Authority.
- (d) All development shall meet the requirements of section 7.15 Major Entry Areas Overlay District.

## **3. Approving Authority**

- (a) The Development Authority is the Approving Authority for all uses and development in this district.



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Christi Fidek, Senior Planner  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Proposed Amendments to Create a new Land Use District in the Queens Business Park Area

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**Reference Report:**

Planning Department, dated April 1, 2019

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council gave first reading to the following Bylaws:

**Bylaw 3357/N-2019** an amendment to the Land Use Bylaw to create a new land use district, IIB/AD Industrial (Business Service and Automobile Dealership) District, which would replace the DC(24) District in the Queens Business Park)

**Bylaw 3398/A-2019** an amendment to the West QE2 (West of Highway Queen Elizabeth II) Major Area Structure Plan

**Bylaw 3399/A-2019** an amendment to the Queens Business Park Industrial Area Structure Plan

**Bylaw 3469/A-2019** an amendment to the Queens Business Park SE 36 Industrial Area Structure Plan

**Report back to Council:**

Yes.

**Comments/Further Action:**

This office will advertise for a Joint Public Hearing to be held on Monday, May 27, 2019 at 6:00 p.m. during Council's regular meeting.

A handwritten signature in blue ink, appearing to read 'F. McDougall'.

Frieda McDougall  
Manager

- c. Acting Director of Planning Services, Erin Stuart  
Planning Services Manager  
Corporate Meeting Administrator



April 15, 2019

Proposed *Land Use Bylaw* Amendment (site exception) to allow a Freestanding Dynamic Sign as a discretionary use on 75 Burnt Park Drive

Bylaw 3357 / R – 2018

Planning Department

### **Report Summary & Recommendation**

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The City has received an application for a site exception which would allow a Dynamic Freestanding Sign as a discretionary use at 75 Burnt Park Drive (Lot 13, Block 1, Plan 182 2045). The site is currently within the Direct Control District No. 24 and the Major Entry Areas Overlay District.

Administration recommends the following action:

1. Council defeats Bylaw 3357/R-2018, see Appendix 1 – Bylaw, at first reading.

### **City Manager Comments**

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I support the recommendation of Administration.

Tara Lodewyk  
Interim City Manager

### **Proposed Resolution**

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That first reading of Bylaw 3357/A-2019 be defeated.

## Rationale for Recommendation

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**1. Recent Sign Bylaw review provided balanced approach.**

Based on public and sign stakeholder consultations from the Signage Development Standards review (2018) and the Major Entry Areas Overlay District review (2016), Administration recommended and Council adopted the current regulations which prohibit Freestanding Dynamic Signs in the Major Entry Areas Overlay District. Additional areas for Dynamic Signage were provided outside of the Major Entry areas through the Signage Development Standards review in 2018.

**2. The Municipal Development Plan (MDP) provides policy for performance standards within the Land Use Bylaw for commercial development to improve the visual quality of arterial roadways, including the QE 2 Highway.**

Through the approval and implementation of the Major Entry Areas Overlay District and the Sign Development Standards, Dynamic Freestanding Signs are considered not compatible with Major Entry Area visual design intent.

**3. Alberta Transportation does not support the development of a Freestanding Dynamic Sign at this location.**

The proposed sign would face onto Highway 2 and therefore Alberta Transportation was consulted. Through their review of the application they believe this site would be better suited for a non-dynamic freestanding business identification sign.

## Discussion

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### *Background*

An application has been submitted to allow a Freestanding Dynamic Sign as a discretionary use at 75 Burnt Park Drive, see Appendix 2 – Subject Parcel. The subject parcel is located within the Direct Control District No. 24 (DC (24)) where Freestanding Dynamic Signs are neither a permitted nor discretionary use. The DC (24) district provides for motor vehicle sales, service, and repair for parcels within the Queens Business Park backing onto the QE 2 Highway. The parcel is also located within the Major Entry Areas (MEA) Overlay District; Dynamic Signs are prohibited within the MEA. In order to erect a Freestanding Dynamic Sign at the subject site, Council would need to approve the proposed site exception.

### *Analysis*

The subject parcel is within the West QE2 Major Area Structure Plan (MASP), within this plan it states that increased landscaping, architectural, site, and signage standards may be implemented through the MEA district.

The Municipal Development Plan (MDP) also states that increased standards for commercial development may be developed.

In keeping with the policies of the West QE2 MASP and the MDP, the City has developed increased development standards along entrance ways into the city within the Land Use Bylaw. When originally created they were known as the Major Entry Areas Development Standards. In 2009 these development

standards were amended to prohibit dynamic signs. In 2016 these standards were amended to the MEA. The 2016 amendment included public and stakeholder consultation, Administration's review and Council's decision. The 2016 amendment was consistent with the 2009 standards which prohibited dynamic signage in major entry areas.

In 2018 Administration completed a full review of the signage regulations. During this review the public and industry was consulted through an on-line survey. Previous to this Dynamic Signs were not allowed within the MEA. Results from the consultation included the sign industry wanting more opportunity for Dynamic signs and the general public expressing concerns about the impacts Dynamic Signs will have on residential uses and traffic safety. Council took a balanced approach; the City now allows Dynamic Signs in more land use districts, but has attributed a larger minimum distance separation between Dynamic Signs and from Dynamic Signs to residential uses as a result. In reviewing this, Dynamic Signs were not expanded to areas within the MEA.

Copies of the DC (24) district and the MEA Permitted and Discretionary Uses are included in Appendix 3 – LUB Regulations.

Upon receiving of the application for a site exception, a site specific review of the location was undertaken to determine if this site had unique characteristics which would be favourable to approval of the site exception. Upon completion of this review, Administration did not find any unique characteristics of this site. If Council were to consider dynamic signage at this location, Administration would recommend a broader review of Dynamic Signage in all Major Entry Areas.

### **Dialogue**

The application has been circulated to landowners within 100m of the site. No comments of support or objection have been received. A copy of the letter circulated can be found in Appendix 4 – Dialogue.

As part of the City's circulation process, the application was also referred to internal departments and external parties of interest for comment. All comments from internal departments have been considered and are reflected in Administration's recommendation. Alberta Transportation has commented that dynamic signage should be avoided along this portion of the QE 2 Highway. In addition, they have stated that they have provisions for non-dynamic freestanding business identification signs for locations such as the subject property. A copy of their comments can be found in Appendix 5 – Alberta Transportation's Comments.

### **Options**

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Administration has reviewed three options and is recommending Option 1 – Defeat the amendment. The three options were considered by Administration as viable courses of action in its review of the propose Land Use Bylaw amendment.

#### Option 1 – Defeat the amendment at First Reading

Defeat the proposed Land Use Bylaw amendment for the following reasons:

1. It does not conform to the MEA regulations
2. Was not a consideration of recent Sign regulations updates.
3. It does not conform to the uses listed in the DC (24) district
4. It is not supported by Alberta Transportation

This option does not provide the applicant the opportunity to speak to Council at a Public Hearing.

Option 2 – Defeat the amendment and explore amendments to the MEA

Defeat for the same reasons as stated in Option 1, and direct Administration to explore amendments to determine:

1. If the MEA should be amended to include Dynamic Signs as a discretionary use.

Option 3 – Approve the amendment

Approve the proposed amendment based on the following merits:

1. Council feels the site is a suitable location for a Freestanding Dynamic Sign
2. No objections have been raised by landowners within 100m of the Site

This option would still prohibit Dynamic Signs in other areas within the MEA and DC (24).

## **Appendices**

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*Appendix 1 – Bylaw*

*Appendix 2 – Subject Parcel*

*Appendix 3 – LUB Regulations*

*Appendix 4 – Dialogue*

*Appendix 5 – Alberta Transportation's Comments*

## **APPENDIX 1**

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Bylaw



Schedule "A"

 **Red Deer** Proposed Amendment to Land Use Bylaw 3357/2006



## **APPENDIX 2**

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Subject Parcel



★ Approximate location of Dynamic Freestanding Sign

□ Subject Site - 75 Burnt Lake Drive

## **APPENDIX 3**

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### LUB Regulations

All other uses: subject to approval of the Development Authority

**<sup>1</sup>8.20.4 Direct Control District No. 24 DC (24) (See Map H20)**

**DC (24)**

**General Purpose**

<sup>2</sup>The general purpose of this district is to provide for motor vehicle, recreational vehicle, Trailer, and Machinery Sales and related uses, such as Service and Repair, in a manner that is complimentary to adjacent industrial uses and recognizes highway exposure.

**1. DC (24) Discretionary Use Table**

<b>(a) Discretionary Uses</b>	
(i)	<sup>3</sup> Building Sign
(ii)	<sup>4</sup> Freestanding Sign
(iii)	<sup>5</sup> Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair.
(iv)	Outdoor display or Sale of Goods in association with primary use building
(v)	Outdoor storage in association with primary use building
(vi)	<sup>6</sup> DELETED

**2. Direct Control District No. 24 Regulations**

- (a) The regulations set out in section 6.1(2); being the II Industrial (Business Service) District regulations, apply to this district.
- (b) The site plan, the relationship between buildings, structures and open space, 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 Authority.
- (c) All development shall meet the requirements of section 3.12 Major Entry Areas Development Standards.
- (d) All lighting must not interfere with highway traffic and must be approved by the Development Authority.

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<sup>1</sup> 3357/DD-2007  
<sup>2</sup> 3357/D-2018, 3357/N-2018  
<sup>3</sup> 3357/B-2018  
<sup>4</sup> 3357/B-2018  
<sup>5</sup> 3357/N-2018  
<sup>6</sup> 3357/B-2018

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City of Red Deer Land Use Bylaw 3357/2006

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**3. Approving Authority**

The Development Authority is the Approving Authority for all uses and development in this district.

**7.15 <sup>1</sup>Major Entry Areas Overlay District****1. General Purpose**

The purpose of this District is to ensure that development along major commercial corridors leading into the City is visually attractive, creates a welcoming environment and does not prejudice pedestrian and traffic safety or the function of adjacent public roadways.

**2. Definitions**

(a) **“Major Entry Areas”** means those areas adjacent to Major Corridors which are highly visible to motorists and include an area of at least 20m measured from the Site Boundary that is adjacent to the Major Corridor.

(b) **“Major Corridors”** mean:

- a. Gaetz (50) Avenue from the southern boundary of the City to 22 Street/Boyce Street;
- b. Gaetz (50) Avenue from the northern boundary of the City to Kingston Drive / 80 Street;
- c. Taylor Drive from the southern boundary of the City to 22 Street;
- d. 67 Street/Highway 11 from the western boundary of the City to Taylor Drive;
- e. Highway 11A from the western boundary of the City to Taylor Drive; and
- f. Highway 2 within the City boundary.

**3. Permitted and Discretionary Uses**

(a) Those uses listed as Permitted Uses and Discretionary Uses in the existing underlying land use District; and

(b) <sup>2</sup>Notwithstanding any other provision in this Bylaw, the following Signs shall not be allowed within the Major Entry Areas Overlay District:

- a. Billboard Sign;
- b. Dynamic Sign; and
- c. Electronic Message Sign.

**4. Application**

<sup>1</sup> 3357/G-2016

<sup>2</sup> 3357/B-2018

## **APPENDIX 4**

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### Dialogue



February 25, 2019

«Prime\_Owner\_Name»

«Owner\_Address\_1»

«Owner\_Address\_2» «Owner\_Address\_3» «Owner\_Address\_4\_»

Dear Landowner:

**RE:                   75 Burnt Park Drive (Lot 13, Block 1, Plan 182 2045)  
                      Site Exception to allow for a Dynamic Freestanding Sign  
                      Land Use Bylaw amendment 3357/R-2019**

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### **What is being proposed?**

This letter is to inform you that an application for a site exception has been made to amend the City's Land Use Bylaw. The application is to allow for a Freestanding Dynamic Sign at 75 Burnt Park Drive.

A site exception is an exception to the rules in the bylaw. It is required when an applicant wishes to develop something on their property that is currently not allowed within their land use district. 75 Burnt Park Drive is located within the Direct Control 24 District (DC(24)) and the Major Entry Areas Overlay District, neither district allow for dynamic signs. If the site exception is approved by City Council, the landowner would then be able to apply for a development permit to construct the sign on the property. The applicant's intent is to locate the sign so that it would be visible to travelers along the Queen Elisabeth 2 Highway.

The Land Use Bylaw defines a Freestanding Dynamic Sign as "a freestanding sign with features that move or appear to move or change, and includes any display that incorporates a technology or method allowing the image on the Copy Area to change such as rotating panels, LED lights manipulated through digital input, or digital ink. Dynamic Freestanding Signs must not display videos."

Copies of the DC(24) District and the Major Entry Areas Overlay District have been attached to this letter.

### **Do I have to provide comments?**

Comments or concerns regarding the application may be submitted in writing, using the enclosed Comment Sheet, prior to **4:30pm, Monday, March 18, 2019** by one of the methods listed on the Comment Sheet. It is optional to provide comments. Please note that any comments submitted may be made public.

### **What will happen if I submit comments?**

Comments received regarding the application will be reviewed by Administration and will be incorporated into a report that will be forwarded to City Council when considering the application.

**What are the next steps?**

The application will be presented to City Council for consideration in the coming months. Individuals will be given the opportunity to speak to City Council about concerns they have at a Public Hearing. Public Hearings are advertised in the Friday edition of the Red Deer Advocate and all landowners within 100 metres of the Site will also receive written notification of the Public Hearing.

Should you require further information please contact the undersigned.

Sincerely,

A handwritten signature in blue ink that reads "Christi Fidek". The signature is written in a cursive style.

Christi Fidek, RPP, MCIP  
Senior Planner  
403.406.8701  
christi.fidek@redder.ca

Enc.



# Comment Sheet

**We invite you to provide feedback regarding the proposed plan amendment/subdivision application. Your feedback is very important to us. Please be sure to specify which application you are responding to by checking the appropriate box and addressing application address & name of the planner.**

*Collection & Release of Your Information: The City is collecting your information as part of the referral process that is described in Section 2.19(5) of The City of Red Deer Land Use Bylaw. The personal information on this form is collected under the authority of the Municipal Government Act Section 3 and is protected under the provisions of the Freedom of Information & Protection of Privacy (FOIP) Act. The City will seek to balance the dual objectives of open government and protection of privacy. If you have questions about the collection and use of this information, please contact the Manager of Planning at The City of Red Deer, 4914-48 Ave, Red Deer, AB 403-406-8700.*

**Please check the box below which applies:**

**Amendment/Subdivision Address:**

- Land Use Bylaw Amendment**
- Subdivision Application**
- Plan Amendment**
- Other**

75 Burnt Park Drive

**Contact Information**

Your contact information allows administration to respond as needed.

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone #: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

## General Comments

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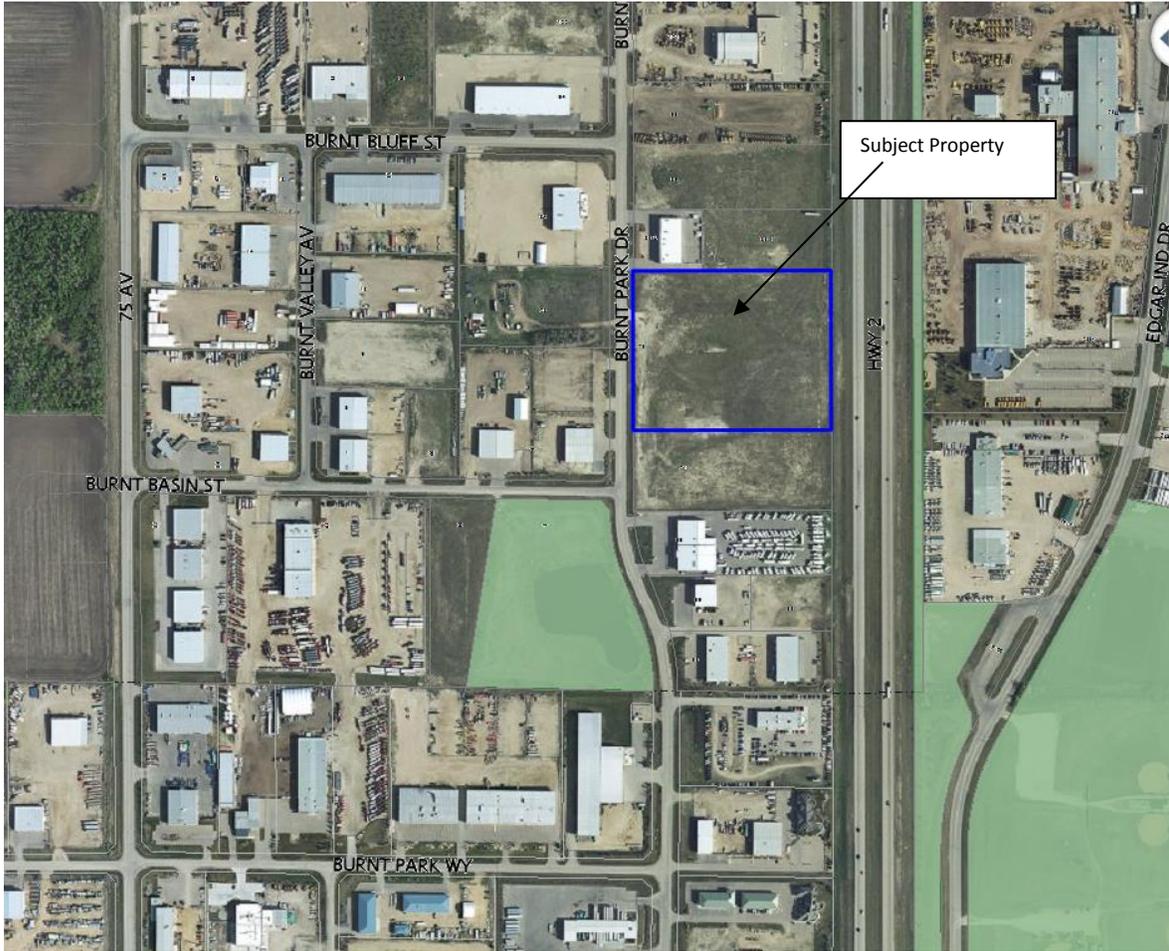
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**Map of Surrounding Areas**



All other uses: subject to approval of the Development Authority

**<sup>1</sup>8.20.4 Direct Control District No. 24 DC (24) (See Map H20)**

**DC (24)**

**General Purpose**

<sup>2</sup>The general purpose of this district is to provide for motor vehicle, recreational vehicle, Trailer, and Machinery Sales and related uses, such as Service and Repair, in a manner that is complimentary to adjacent industrial uses and recognizes highway exposure.

**1. DC (24) Discretionary Use Table**

<b>(a) Discretionary Uses</b>	
(i)	<sup>3</sup> Building Sign
(ii)	<sup>4</sup> Freestanding Sign
(iii)	<sup>5</sup> Motor Vehicle, recreational vehicle, Trailer and Machinery Sales, Service and Repair.
(iv)	Outdoor display or Sale of Goods in association with primary use building
(v)	Outdoor storage in association with primary use building
(vi)	<sup>6</sup> DELETED

**2. Direct Control District No. 24 Regulations**

- (a) The regulations set out in section 6.1(2); being the I1 Industrial (Business Service) District regulations, apply to this district.
- (b) The site plan, the relationship between buildings, structures and open space, 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 Authority.
- (c) All development shall meet the requirements of section 3.12 Major Entry Areas Development Standards.
- (d) All lighting must not interfere with highway traffic and must be approved by the Development Authority.

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<sup>1</sup> 3357/DD-2007

<sup>2</sup> 3357/D-2018, 3357/N-2018

<sup>3</sup> 3357/B-2018

<sup>4</sup> 3357/B-2018

<sup>5</sup> 3357/N-2018

<sup>6</sup> 3357/B-2018

**3. Approving Authority**

The Development Authority is the Approving Authority for all uses and development in this district.

## 7.15 <sup>1</sup>Major Entry Areas Overlay District

### 1. General Purpose

The purpose of this District is to ensure that development along major commercial corridors leading into the City is visually attractive, creates a welcoming environment and does not prejudice pedestrian and traffic safety or the function of adjacent public roadways.

### 2. Definitions

(a) “Major Entry Areas” means those areas adjacent to Major Corridors which are highly visible to motorists and include an area of at least 20m measured from the Site Boundary that is adjacent to the Major Corridor.

(b) “Major Corridors” mean:

- a. Gaetz (50) Avenue from the southern boundary of the City to 22 Street/Boyce Street;
- b. Gaetz (50) Avenue from the northern boundary of the City to Kingston Drive / 80 Street;
- c. Taylor Drive from the southern boundary of the City to 22 Street;
- d. 67 Street/Highway 11 from the western boundary of the City to Taylor Drive;
- e. Highway 11A from the western boundary of the City to Taylor Drive; and
- f. Highway 2 within the City boundary.

### 3. Permitted and Discretionary Uses

(a) Those uses listed as Permitted Uses and Discretionary Uses in the existing underlying land use District; and

(b) <sup>2</sup>Notwithstanding any other provision in this Bylaw, the following Signs shall not be allowed within the Major Entry Areas Overlay District:

- a. Billboard Sign;
- b. Dynamic Sign; and
- c. Electronic Message Sign.

### 4. Application

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<sup>1</sup> 3357/G-2016

<sup>2</sup> 3357/B-2018

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 City of Red Deer Land Use Bylaw 3357/2006
 

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- (a) The Major Entry Areas Overlay District is shown on the Land Use Constraints Maps J24, J23, J22, I23, I22, F21, G21, H21, I21, J21, K21, H20, I20, H19, I19, I18, J18, K18, I17, K17, I16, H16, H15, I15, I14, I13, J13, J12, K12, K11, L11, M11, M10, K10, L10, L9 and M9;
- (b) The Major Entry Areas Overlay District applies to all Sites that have one or more Boundaries that are adjacent to a Major Corridor, as identified on Figures 7A to 7I; and
- (c) The regulations of this District are in addition to any other applicable regulations under this Bylaw. Where the regulations in the existing underlying District contradict or will not serve to achieve the general purpose of this District, the Major Entry Area Development Regulations shall prevail, with the exception of any residential property.
- (d) All applications within a Major Entry Area that are adjacent to a provincially owned Major Corridor shall be circulated to Alberta Transportation for their review and comment.

#### 5. Major Entry Areas Regulations for Buildings

- (a) All Buildings on a Site shall be constructed using similar architectural theme and exterior finishes/colours, unless the function of individual Buildings dictates a specific style or image associated with a company. In such instances, the Development must maintain harmony in terms of building lines, mass, as well as quality and colour of exterior treatment, to the satisfaction of the Development Authority;
- (b) All mechanical equipment, including roof mechanical units, shall be concealed by screening in a manner compatible with the architectural character of the Building, or concealed by incorporating it within the Building roof; and
- (c) All Buildings have a Gross Floor Area greater than 2,000.0m<sup>2</sup> or a single wall length greater than 5.0m visible from a Major Corridor, shall comply with the following design criteria, to the satisfaction of the Development Authority:
  - (i) the roof line and building façade shall include design elements that reduce the perceived mass of the Building and add architectural interest, and
  - (ii) the use of Landscaped Areas adjacent to exterior walls which are visible from a Major Corridor, to minimize the perceived mass of the Building and to create visual interest.

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City of Red Deer Land Use Bylaw 3357/2006
**6. Major Entry Areas Regulations for Site Design**

- (a) Vehicular entrances and exits, as well as on-Site and off-Site traffic and pedestrian routes, shall be located and designed in a manner that provides a clearly defined, efficient and convenient on-Site and off-Site vehicular traffic and pedestrian circulation pattern;
- (b) Loading bays shall be located in such a manner as to not impede the efficient flow of traffic and pedestrian movement and to minimize impacts on adjacent land uses;
- (c) Development on adjacent Sites shall be integrated by direct on-Site access connections to provide opportunities for convenient and free flowing traffic movements between Sites where such integration is advantageous, in the opinion of the Development Authority, due to the existing or potential type of adjacent development and where such access is not prohibited due to such factors as Grade elevations, Site configurations and location of existing Buildings; and
- (d) <sup>1</sup>Service Stations, Motor Vehicle Sales, Service and Repairs and Restaurants with a drive-through service shall be developed in accordance with the following additional criteria:
  - (i) The design, finishing, and siting of development, including the orientation of gas pump island, queuing aisles and service bays, shall be to the satisfaction of the Development Authority having regard to achieving a consistent and compatible relationship with the overall design and finishing of the development, ensuring a high standard of appearance when viewed from adjacent public roadways, and minimizing traffic circulation conflicts both off-Site and on-Site; and
  - (ii) Any canopy located over the gas pump islands shall be designed and finished in a manner consistent with the design and finishing of the Principal Building(s), with the overall height and scale of the canopy to be to the satisfaction of the Development Authority, such that the canopy is not obtrusive and maintains consistency with the eave line of the Principal Building(s).

**7. Major Entry Areas Regulations for Landscaping**

- (a) In the Major Entry Area, the following minimum regulations shall be met:
  - (i) one tree shall be required for each 40.0m<sup>2</sup> of Landscape Area;

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<sup>1</sup> 3357/G-2018

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City of Red Deer Land Use Bylaw 3357/2006

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- (ii) the proportion of deciduous and coniferous shall be approximately 50:50;
- (iii) where new trees are otherwise required, existing trees having a height of 2.5m may be used if the earth under the normal spread of branches for the species (measured as an equilateral triangle from the top of the tree) remains undisturbed during construction and final grades are not significantly changes;
- (iv) two deciduous shrubs are required for each 40.0m<sup>2</sup> of landscape area;
- (v) the proportion of deciduous to coniferous shrubs required shall be approximately 2:1.

**8. <sup>1</sup>DELETED**

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<sup>1</sup> 3357/B-2018

## **APPENDIX 5**

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### Alberta Transportation's Comments

**Christi Fidek**

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**From:** Sandy Choi <sandy.choi@gov.ab.ca>  
**Sent:** February 26, 2019 8:00 PM  
**To:** Christi Fidek  
**Subject:** RE: Internal Referral - 3357-R-2019

Hi Christi,

Thank you for sign application referral 3357-R-2019 for the proposed digital free standing sign on PLAN 1822045, BLOCK 1, LOT 13 within NE 25-38-28-W4 (75 Burnt Park Drive) in proximity to Hwy 2.

We have reviewed the information presented in the referral package and offer the following comments:

- The proposed digital sign is approximately 1.1km from the center of the Hwy 2 and Hwy 11 systems interchange.
- Hwy 2 is classified as a freeway with over 42,210 vehicles per day travelling at the posted speed limit of 110 km/hr. This is already complex driving environment with high information load (lots of directional signs already in the vicinity and there is a merge movement for those entering/existing the Hwy 2 & Hwy 11 interchange.
- The higher classifications of highways, such as Hwy 2, serve as key economic corridors that carry higher than average commercial vehicles, with a significant portion of the traffic travelling (on average) for longer periods of time.
- The Hwy 2 and Hwy 11 interchange is called a systems interchange because it is the junction of two highways designated as freeway status. Hwy 11 at this location has 26,900 vehicles per day.
- and therefore, we recommend that non-essential signage such as electronic message signs are avoided.
- Furthermore, our recent Hwy 2 Corridor Study, found that this segment of Hwy 2 between 32<sup>nd</sup> Street and Hwy 11 is one of the highest need portions that requires six laning. While six-laning of Hwy 2 at this location is not in our three-year construction program, it is anticipated that the highway expansion will take place in the short to medium term, which will increase the complexity of the driving environment at this location.
- Roads are managed based upon the function and purpose of the road. Approvals for digital signs should be managed to preserve the function of the transportation network for safe and efficient use today and into the future. On this basis, non-essential signage, should be avoided along this portion of Hwy 2 in order to preserve its functionality as a key economic trade corridor, which promotes the free flow of goods and efficiently connects people to communities. The preservation of the high speed and high level of service is critically needed here.
- The Department has provisions for non-dynamic, freestanding on-site business identification signs. A freestanding sign with permitted backlit illumination achieves the purpose of a business identification sign, without the need for a digital/dynamic sign.
- We respectfully request a copy of the Notice of Decision once a decision is rendered.

Thank you for the referral, I appreciate The City of Red Deer's excellent communication and we thank you again for the opportunity to comment.

Sincerely,

**Sandy Choi**  
Development and Planning Technologist  
Delivery Services Division, Central Region  
Alberta Transportation  
Government of Alberta

Tel 403-340-7179

Fax 403-340-4876  
[Sandy.Choi@gov.ab.ca](mailto:Sandy.Choi@gov.ab.ca)

**511 Alberta - Alberta's Official Road Reports**  
Go to [511.alberta.ca](http://511.alberta.ca) and follow [@511Alberta](https://twitter.com/511Alberta)



-----Original Message-----

From: Christi Fidek  
Sent: Monday, February 25, 2019 12:06 PM  
To: Darin Sceviour ; Amy Fengstad ; Linda Rehn ; Melanie Brawn ; ELPDesign ; Joanne Parkin ; Maureen Cleary ; Prevention ; John Sennema ; Wade Martens ; Dave Mair ; Dave Matthews ; Grant Moir ; Tricia Hercina ; Deb Comfort ; Janet Pennington ; Archives ; PublicWorksMailbox ; Chris Bauzon ; George Penny ; Jesse Smith ; LegalServices ; Addressing ; Communications ; 'isabel.solis@atco.com' ; 'reddeerengineering@atcogas.com' ; Trans Development Red Deer  
Cc: Craig Curtis ; Kelly Kloss ; Tara Lodewyk ; Emily Damberger ; Erin Stuart ; Sarah Cockerill ; Shelley Gagnon ; Barb McKee ; Trevor Poth ; Tara O'Donnell  
Subject: Internal Referral - 3357-R-2019

Please find attached a referral for a Freestanding Dynamic Sign along the QE2. Please provide any comments by March 18.

Sincerely,

Christi Fidek, RPP, MCIP  
Senior Planner  
The City of Red Deer

Third Floor, City Hall,  
4914-48 Avenue, Red Deer  
mail to: Box 5008, Red Deer AB T4N 3T4  
403.406.8701  
[Christi.Fidek@reddeer.ca](mailto:Christi.Fidek@reddeer.ca)

Please note that my hours of work are Monday - Wednesday, 8:00am - 2:45pm.

Up-to-date road information, including traffic delays, is a click or a call away. Call 5-1-1 toll-free, visit [511.alberta.ca](http://511.alberta.ca) or follow us on Twitter [@511Alberta](https://twitter.com/511Alberta) to get on the road to safer travel.

<http://511.alberta.ca/ab/en.html>



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Christi Fidek, Senior Planner  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Proposed Land Use Bylaw Amendment (site exception) to allow a Freestanding Dynamic Sign as a discretionary use on 75 Burnt Park Drive – Bylaw 3357/R-2019

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**Reference Report:**

Planning Department, dated April 15, 2019

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council defeated the following Bylaw:

**Bylaw 3357/R-2019** – an amendment to the Land Use Bylaw for a site exception to allow a Dynamic Freestanding Sign as a discretionary use at 75 Burnt Park Drive (Lot 13, Block 1, Plan 182 2045), within Direct Control District No. 24 and the Major Entry Areas Overlay District

**Report back to Council:**

No.

**Comments/Further Action:**

No.

A handwritten signature in blue ink, appearing to read 'Frieda McDougall'.

Frieda McDougall  
Manager

- c. Acting Director of Planning Services, Erin Stuart  
Planning Services Manager  
Corporate Meeting Administrator



April 12, 2019

Bylaw 3357/D-2019:

Amendment to Direct Control District No. 27, and

Resolution of Council:

Clearview Market Square: Phase 2 Site Plan and Design Package

Administrative Report

### **Report Summary and Recommendation**

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The Planning department has received an application from the owner to amend the Direct Control District No. 27 and to adopt by resolution a new Clearview Market Square: Phase 2 Site Plan and Design Package.

Specifically, the proposal is to:

- Amend the Land Use Bylaw's DC27 district (Appendix A) to:
  - Add "Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2)" as a discretionary use in the DC27 district,
  - Modify the DC27 district's approving authority (Option 1) in order to streamline the approval process, and
- Adopt, by resolution, a new Clearview Market Square: Phase 2 Site Plan and Design Package (Appendix B) to guide future development of the subject area.

Administration recommends Council give First Reading to Bylaw 3357/D-2019 and following final reading of Bylaw 3357/D-2019 adopt by resolution the new Clearview Market Square Phase 2 Site Plan and Design Package.

### **City Manager Comments**

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I support the recommendation of Administration. If first reading of Bylaw 3357/D-2018 is given, this bylaw will be advertised for 2 consecutive weeks with a Public Hearing to be held on Monday, May 27, 2019 at 6:00 p.m. during Council's regular meeting.

Tara Lodewyk  
Interim City Manager

## Proposed Resolution

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That Bylaw 3357/D-2019 be read a first time.

## Rationale for Recommendation

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The rationale for Administration's recommendation is as follows:

- 1. The inclusion of "Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2)" as a discretionary use is a compatible land use along the northern periphery of the Clearview Market Square area.** Locating the proposed use along the periphery, as illustrated in the Phase 2 Site Plan and Design Package, will provide good visibility from 67 Street and good vehicular access while not impeding pedestrian access and flow within the overall Clearview Market Square.
- 2. Modification of the approving authority in this direct control district will provide quicker more efficient processing of development permit applications.** The DC27 district has been in existence for a number of years with substantial development now in place. Council sets the framework for the Development Authority through the DC27 district site plan. Therefore it is reasonable for Council to delegate more approval authority to the Development Authority.
- 3. The revised Clearview Market Square Phase 2 Site Plan and Design Package addresses concerns arising from the development of Phase 1 and external changes such as the roundabout.** The revised Phase 2 site plan addresses tenants concerns about the number of parking stalls and parking and building layout while maintaining walkability within the overall site. It also provides consistency between Phases 1 and 2 in terms of landscaping, connectivity, and building design.

## Discussion

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### Background

On June 26, 2017 Council adopted Bylaw 3357/P-2017 and Road Closure Bylaw 3587/2017, that closed the curved road portion southeast of the 67 Street / 30 Avenue roundabout and rezoned the closed road and two city-owned parcels next to the closed road to DC27 (Appendix C). Then on July 10, 2017, Council passed the following resolution:

*Resolved that the Council of the City of Red Deer having considered the report from the Planning Department, dated June 30, 2017, re: Site Plan and Design Package re Direct Control District No. 27 (Clearview Market), hereby rescinds that portion of the Site Plan and Design Package that was adopted by resolution of Council on September 20, 2010 that applies to Phase 2, being the area affected by Bylaw 3357/P-2017 (adopted June 26, 2017).*

This land was subsequently sold to the developer, and in response to the July 10, 2017 resolution the developer has submitted a new Clearview Market Square: Phase 2 Site Plan and Design Package that illustrates how Phase 2 will be developed along with an application to amend the DC27 district to add, "Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2)" as a discretionary use in Phase 2. The Amendment also includes proposed changes to how development applications are processed and approved in the DC27 district.

Appendix D contains a copy of the current DC27 district with the proposed wording additions highlighted in yellow and the proposed wording deletions shown in strikeout.

### Analysis

#### *Addition of a Discretionary Use in Phase 2*

While the DC27 district strives to be pedestrian friendly, commercial development of this scale serves a broader portion of the city and therefore many customers access the site by private vehicles. This, coupled with its location along two arterial roads, generates demand for vehicle oriented services such as lube shops and repair shops. Motor vehicle oriented service and repair uses are common in other commercial and direct control districts and the Phase 2 Site Plan and Design Package situates these businesses on the periphery adjacent to 67 Street so there will be less impact on pedestrian oriented businesses within Clearview Market Square.

#### *Amendment to Approving Authority*

The proposed amendment includes changes to the development approving authority (Development Officer / MPC or Council) depending on the scale and nature of the proposed use. The proposed amendment includes a 10 percent variance power for the DO/MPC regarding building footprints, parking, and landscaping. A requested variance above 10 percent

would be referred to Council for a decision. Currently Council is the approving authority for permitted use applications for buildings over 50,000 square feet (4,645 m<sup>2</sup>), permitted uses that do not comply with the provisions of the DC27 district, and some discretionary uses. The proposed amendment streamlines the process and enables Development Authority to process applications quicker and more efficiently.

Administration has considered several options, as requested by the applicant, regarding how and to what extent variances will be considered. Administration is recommending Option 1:

*Option 1*

The DO/MPC can consider variances up to 10 percent regarding individual building footprints, overall parking, and overall landscaping. A request for a variance above 10 percent would be referred to Council for a decision.

*Option 2*

Same as Option 1, but the 10 percent variance for buildings would not be applied to each individual building, but to the total of all building footprints. In this option one building's footprint could exceed the 10 percent provided the total of all building footprints is within 10 percent of the Site Plan and Design Package figure. In this case applications would not come to Council until the total building footprint variances in Phase 2 exceeded 748 m<sup>2</sup> (10 percent of 7,482 m<sup>2</sup>)

*Option 3*

In this option, there would be a sliding scale of variance powers for buildings depending on the size of the proposed building; e.g. up to 10 percent on large buildings, up to 15 percent on mid-sized buildings, and up to 20 percent on small buildings. Buildings would be categorized into small, medium and large, and any variance requests that exceeded the respective 20, 15, or 10 percent would go to Council for a decision on the application.

Administration recommends Option 1, i.e. the 10 percent figure applied to individual buildings, not the overall sum of buildings, as this is a balance of flexibility and consistency. If Council sees merit in the alternative approaches Council has the option to modify the proposed bylaw accordingly.

Administration recommends the proposed changes in approving authority to provide a balance of flexibility, efficiency and consistency as the Phase 1 portion of Clearview Market Square has already developed and the DO/MPC have clear direction to implement the vision for Phase 2 in a manner consistent with Phase 1. The proposed amendment will result in more efficient and timely decisions for most developments

*Clearview Market Phase 2 Site Plan and Design Package Resolution (See Appendix B)*

The revised site plan and design package ensures pedestrian walkability while allowing for some vehicle oriented uses on the periphery. The layout proposes 442 parking stalls for the Phase 2's

total building footprint of 7,482 m<sup>2</sup>. This is equivalent to approximately 5.5 stalls per 93 m<sup>2</sup> of gross floor area, which exceeds the LUB's standard of 5.1 stalls per 93 m<sup>2</sup> for district shopping centres, which would only require 411 stalls.

The new Phase 2 Site Plan and Design Package will also provide consistency between the existing Phase 1 and the future Phase 2 areas in terms of building design and landscaping.

### Dialogue

The proposed LUB amendment and Site Plan were circulated to 32 tenants and 9 landowners within 100 metres of the site. There were several inquiries for clarification on the proposal and two written submissions (Appendix E). One business indicated they oppose the proposed Motor Vehicle Service or Repair use as it would be unfair competition. However, the regulation of market competition is not part of the land use planning rationale for what uses may or may not be suitable in a given district. Another business owner wanted to be sure that the uses match those of the C5 – Commercial (Mixed Use) District. A review of all Direct Control Districts will occur as part of the ongoing Land Use Bylaw update. They also expressed concern about the proposed Phase 2 right-out turn onto 30 Avenue. Any access off or on to a public road will require the approval of Engineering Services to ensure it functions correctly and safely.

The proposal was also referred to relevant city departments and all concerns/comments provided by departments have been reviewed and considered by the Planning Department.

## **Appendices**

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Appendix A – Bylaw 3357/D-2019

Appendix B – Clearview Market Square: Phase 2 Site Plan and Design Package

Appendix C – Areas Affected by Road Closure Bylaw 3587/2017 and  
Land Use Bylaw 3357/P-2017 (Adopted June 26, 2017)

Appendix D – Current DC27 District showing Proposed Wording Additions and Deletions

Appendix E – Written Comments Received from Landowners within 100 m and Tenants

**Appendix A – Bylaw 3357/D-2019**

**BYLAW NO. 3357 / D – 2019**

Being a Bylaw to amend Bylaw No. 3357/2006, the Land Use Bylaw of The City of Red Deer as described herein.

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

Bylaw No. 3357/2006, Section 8.20.7 Direct Control District No. 27 Neighbourhood Centre DC (27) is hereby amended as follows:

1. The General Purpose statement is DELETED in its entirety and REPLACED with:

**General Purpose**

This district shall apply only to the Clearview North Neighbourhood Centre site (the Site). Its purpose is to allow for and encourage a variety of commercial, limited office, residential, civic, cultural and recreational uses that primarily serve the local neighbourhoods. These uses shall be distributed throughout a comprehensively designed development area that emphasizes sustainability and compact pedestrian-friendly urban development. The regulations shall apply to both Phase 1 and 2 of the area depicted on the Figure 1 of this district, unless otherwise specified in the regulations.

**Figure 1: Phases 1 and 2**



2. Section 8.20.7(1)(b) Discretionary Uses is amended by ADDING “Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2 only)” and the subsequent list of Discretionary Uses is renumbered in alphabetical order.
3. Section 8.20.7(2) Approving Authority is DELETED in its entirety and is REPLACED with the following:

## **2. Approving Authority**

The approving authority for applications for development approval in this district shall be as follows:

- (a) The Development Authority in the case of all applications, except as described in subsection (b) below;
- (b) City Council in the case of:
  - (i) Development of a new building exceeding 50,000 square feet (4,645 m<sup>2</sup>); or
  - (ii) Any application requiring a variance of the Site Plan and Design Package greater than 10 percent;

### **Approving Authority Variances**

- (c) The Development Authority may permit variances from the Site Plan and Design Package regarding individual building footprints, overall landscaping, and overall parking where the Development Authority deems the proposed changes to be less than 10 percent of what is shown in the Site Plan and Design Package, and the proposed development complies with the General Purpose and Uses of this District, and would not, in the Development Authority’s opinion, unduly impact the surrounding area.
- (d) Where the Development Authority deems that a proposed variance from the Site Plan and Design Package is greater than 10 percent, City Council shall be the Approving Authority.

READ A FIRST TIME IN OPEN COUNCIL this                    day of                    2019.

READ A SECOND TIME IN OPEN COUNCIL this                    day of                    2019.

READ A THIRD TIME IN OPEN COUNCIL this                    day of                    2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this                    day of                    2019.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

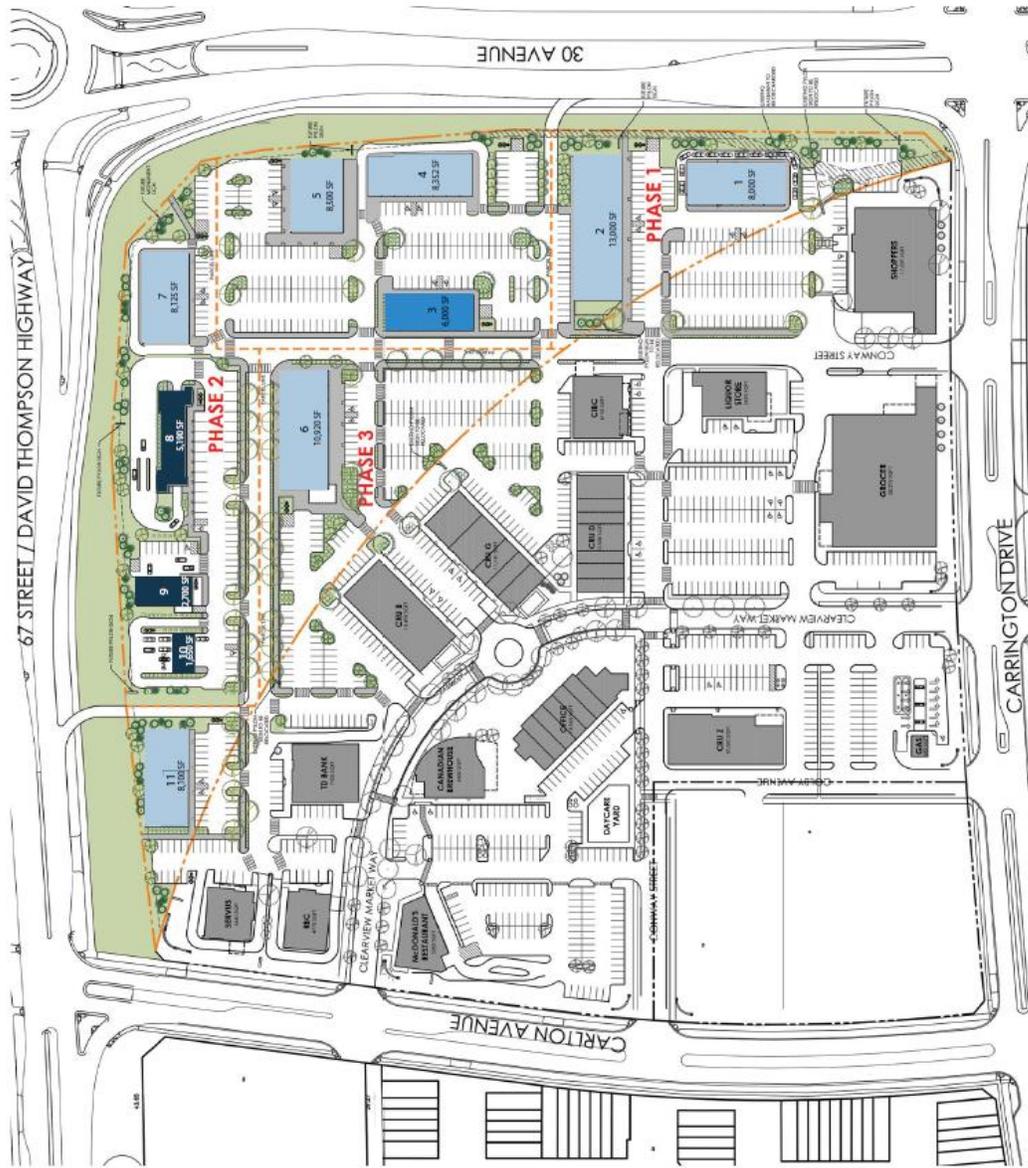
**Appendix B – Clearview Market Square: Phase 2 Site Plan and Design Package**

**CLEARVIEW MARKET SQUARE:  
PHASE 2**  
SITE PLAN AND DESIGN PACKAGE

**MELCOR**

**DIALOG**

APRIL 1, 2019



CLEARVIEW MARKET COMMERCIAL DEVELOPMENT	
<span style="color: blue;">■</span> AUTO:	1,500 SF - 5,500 SF
<span style="color: blue;">■</span> PAD:	4,500 SF - 6,000 SF
<span style="color: blue;">■</span> CRU:	6,000 SF - 20,000 SF
OVERALL STALLS:	1,268 STALLS
PHASE 1 STALLS:	823 STALLS
PHASE 2 STALLS:	445 STALLS
<b>PHASE II BUILDING AREA m<sup>2</sup> (SF)</b>	
BLDG 1:	743 m <sup>2</sup> (8,000 SF)
BLDG 2:	1,207 m <sup>2</sup> (13,000 SF)
BLDG 3:	557 m <sup>2</sup> (6,000 SF)
BLDG 4:	776 m <sup>2</sup> (8,352 SF)
BLDG 5:	798 m <sup>2</sup> (8,500 SF)
BLDG 6:	1,015 m <sup>2</sup> (10,920 SF)
BLDG 7:	755 m <sup>2</sup> (8,125 SF)
BLDG 8:	482 m <sup>2</sup> (5,190 SF)
BLDG 9:	250 m <sup>2</sup> (2,700 SF)
BLDG 10:	153 m <sup>2</sup> (1,650 SF)
BLDG 11:	753 m <sup>2</sup> (8,100 SF)
OVERALL PHASE II:	7,482 m <sup>2</sup> (80,537 SF)
<b>LANDSCAPING</b>	
TOTAL SITE AREA:	42,546 m <sup>2</sup>
PROVIDED LANDSCAPE AREA:	6,484 m <sup>2</sup>
PROVIDED TREES:	219 TREES
PROVIDED SHRUBS:	650 SHRUBS

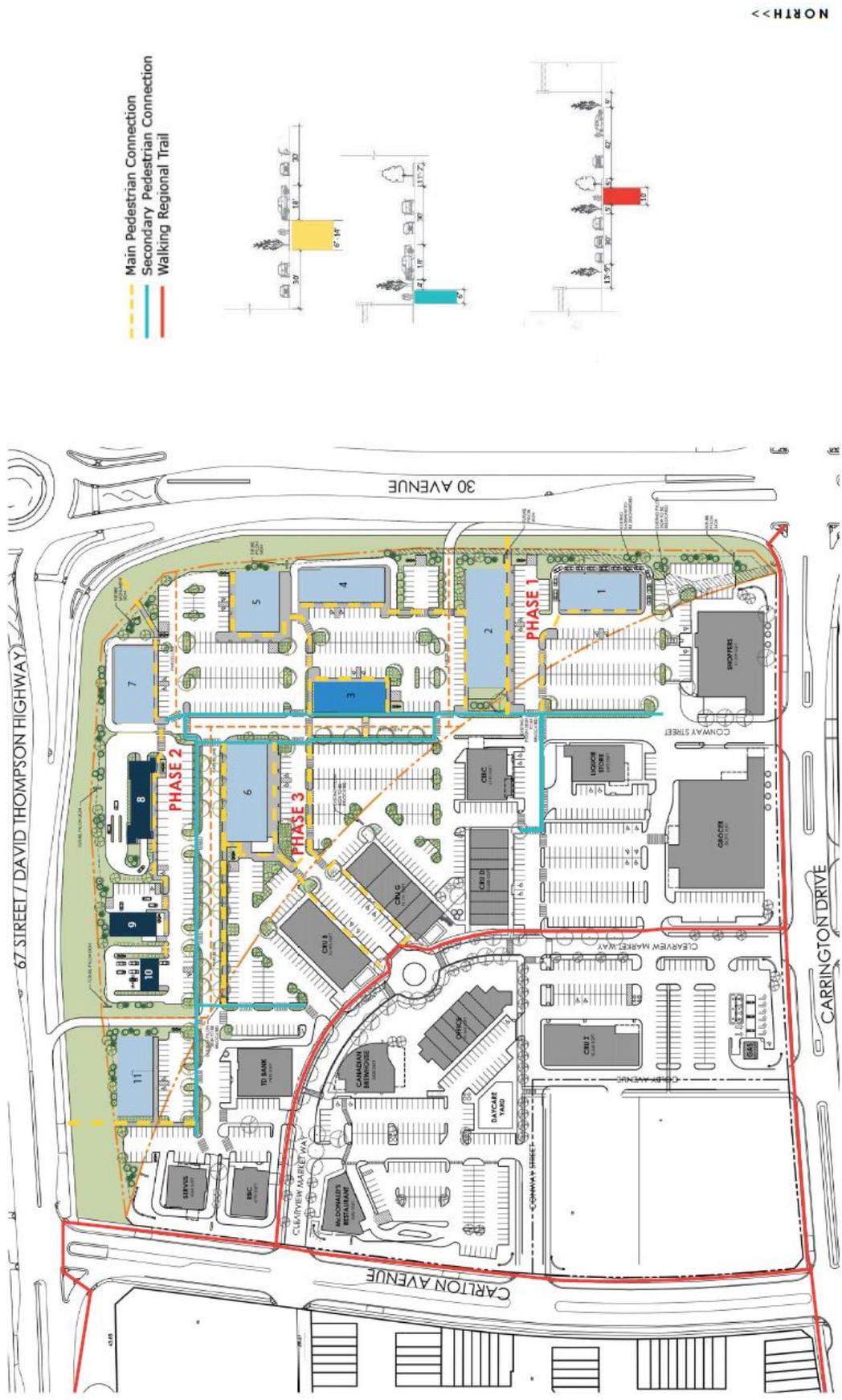
NORTH



**CLEARVIEW MARKET SQUARE : OVERALL CONCEPT SITE PLAN**

**DIALOG 2**

APRIL 4, 2019



NORTH >>

- Main Pedestrian Connection
- Secondary Pedestrian Connection
- Walking Regional Trail

**MELCOR** CLEARVIEW MARKET SQUARE : WALKABILITY CONCEPT PLAN

**DIALOG** 3

APRIL 4, 2019





**MELCOR**

**CLEARVIEW MARKET SQUARE : PAD CONCEPT DESIGN**

**DIALOG** 5

APRIL 4, 2019



**MELCOR**

**CLEARVIEW MARKET SQUARE : CRU CONCEPT DESIGN**

**DIALOG** 6

APRIL 4, 2019

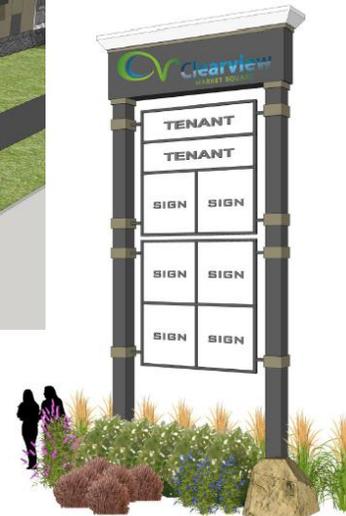


MELCOR

CLEARVIEW MARKET SQUARE : JUNIOR BOX CONCEPT DESIGN

DIALOG 7

APRIL 4, 2019



MELCOR

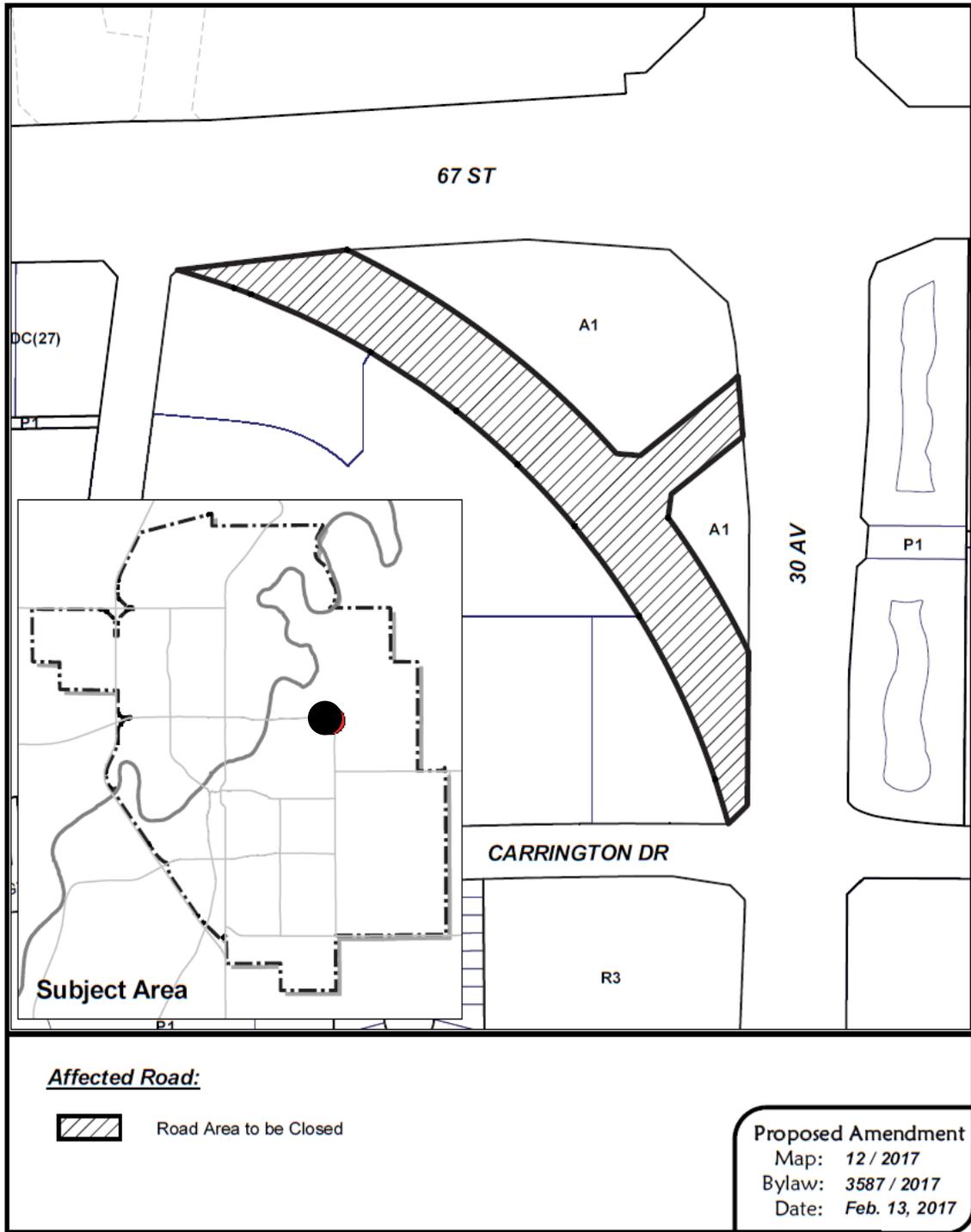
CLEARVIEW MARKET SQUARE : SIGNAGE CONCEPT DESIGN

DIALOG 8

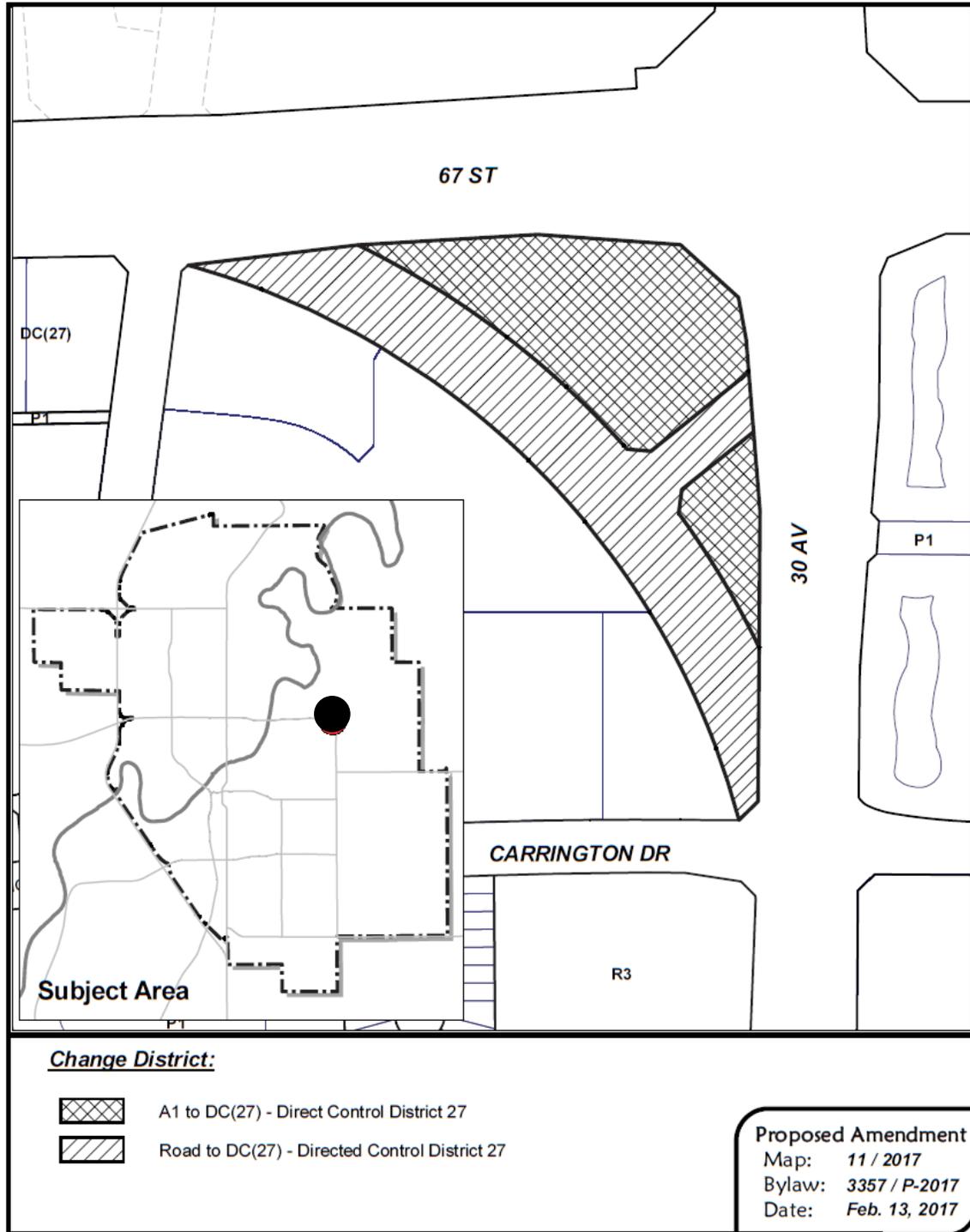
APRIL 4, 2019

**Appendix C – Areas Affected by  
Road Closure Bylaw 3587/2017 and Land Use Bylaw 3357/P-2017  
(Adopted June 26, 2018)**

**ROAD CLOSURE BYLAW NO. 3587 / 2017**



**BYLAW NO. 3357 / P – 2017**



**Appendix D – Current DC27 District showing Proposed  
Wording Additions and Deletions**

**18.20.7 Direct Control District No. 27 Neighbourhood Centre DC (27) (See Map P17)**

**Proposed Additions are shown in highlight**  
**Proposed Deletions are shown in ~~strikeout~~**

**DC (27)**

**General Purpose**

This district shall apply only to the Clearview North Neighbourhood Centre site (the Site). Its purpose is to allow for and encourage a variety of commercial, limited office, residential, civic, cultural and recreational uses that primarily serve the local neighbourhoods. These uses shall be distributed throughout a comprehensively designed development area that emphasizes sustainability and compact pedestrian-friendly urban development. The regulations shall apply to both Phase 1 and 2 of the area depicted on the Figure 1 of this district, unless otherwise specified in the regulations.

**Figure 1: Phases 1 and 2**



<sup>1</sup> 3357/D-2019

## 1. Permitted and Discretionary Uses Table

<b>(a) Permitted Uses</b>	
(i)	Building Sign.
(ii)	Commercial Entertainment Facility.
(iii)	Commercial Recreation Facility.
(iv)	Commercial Service Facility
(v)	Day Care Facility.
(vi)	Freestanding Sign.
(vii)	Home Music Instructor/Instruction, subject to section 4.7(10).
(viii)	Home Occupations which, in the opinion of the Development Officer, will not generate additional traffic.
(ix)	Merchandise sales and/or rental (excluding industrial goods, motor vehicles, machinery, Cannabis Retail Sales and fuel and all uses where the primary focus is adult oriented merchandise and/or entertainment).
(x)	Multi-Attached residential Building without commercial or with commercial at or above the ground floor and with residential above, with a minimum density of 35 dwelling units/hectare.
(xi)	Multiple Family Building without commercial or with commercial at or above the ground floor and with residential above, with a minimum density of 35 dwelling units/hectare.
(xii)	Park.
(xiii)	Restaurant without drive-through.
<b>(b) Discretionary Uses</b>	
(i)	Accessory Building or Use.
(ii)	Assisted Living Facility without commercial or with commercial at or above the ground floor and with residential above, with a minimum density of 35 dwelling units/hectare.
(iii)	Car wash facility on westerly ±33.02 m (0.310 ha) of Lot 81, Block 7, Plan 102 5689 (62 Carleton Avenue).
(iv)	Drinking Establishment (adult entertainment prohibited).
(v)	Dynamic Fascia Sign.
(vi)	Dynamic Freestanding Sign.
(vii)	Institutional Service Facility.
(viii)	Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2 only).
(ix)	Office.
(x)	Outdoor Display of Goods.
(xi)	Sale of Fuel.
(xii)	Parking Lot/Parking Structure.
(xiii)	Restaurant with drive-through.
(xiv)	Show Home or Raffle Home.

## 2. Approving Authority

The approving authority for applications for development approval in this district shall be as follows:

- (a) The Development Authority in the case of all applications, except as described in subsection (b) below;
  - (i) Applications for a Permitted Use up to 50,000 square feet (4,645 m<sup>2</sup>) which are compliant with the provisions of this district and the Site Plan and Design Package;
  - (ii) an application for a Discretionary Use in an existing approved building;
- (b) City Council in the case of:
  - (i) Development of a new building exceeding 50,000 square feet (4,645 m<sup>2</sup>); or
  - (ii) Any application requiring a variance of the Site Plan and Design Package greater than 10 percent;
    - (i) an application for a Permitted Use over 50,000 square feet (4,645 m<sup>2</sup>);
    - (ii) an application for a Permitted Use which does not comply with the provisions of this district; and
    - (iii) any other applications for Discretionary Use except as noted in subsection (a).

### Approving Authority Variances

- (c) The Development Authority may permit variances from the Site Plan and Design Package regarding individual building footprints, overall landscaping, and overall parking where the Development Authority deems the proposed changes to be less than 10 percent of what is shown in the Site Plan and Design Package and the proposed development complies with the General Purpose and Uses of this District, and would not, in the Development Authority's opinion, unduly impact the surrounding area.
- (d) Where the Development Authority deems that a proposed variance from the Site Plan and Design Package is greater than 10 percent, City Council shall be the Approving Authority.
- (e) ~~the Development Authority may permit deviation from the Site Plan and Design Package as described in this bylaw, where the proposed changes are deemed by the Development Authority to be minor in scale or are changes that will result in an equal or greater standard of development than that outlined in the Site Plan and Design Package;~~

- ~~(d) where the Development Authority deems that the proposed deviation from the Site Plan and Design Package is major in scale or will result in a lower standard of development than that outlined in the Site Plan and Design Package as described in this bylaw, these changes must be approved by City Council.~~

### **3. Concept Design**

- (a) All development within this district shall comply with:
- (i) the Site Plan and Design Package approved by Council, which shall comply with the provisions of this district and which shall describe in details the following aspects of development:
    - (A) buildings;
    - (B) landscaping;
    - (C) architecture;
    - (D) public spaces;
    - (E) parking;
    - (F) pathways and roadways; and
    - (G) signage;
  - (ii) the Key Elements listed in subsection 4(c) below; and
  - (iii) the Neighbourhood Centre Concept Design set out in the following sketch;



#### 4. General Design Guidelines

- (a) The site plan, the relationship between buildings, structures and open space, the architectural treatment of buildings, the provision and architecture of landscaped open space, and the parking layout, and all other development standards shall be subject to approval by the approving authority, which may impose, as a condition of approval of any development, such standards as are reasonably necessary to ensure that the development will create the character of the envisioned Neighbourhood Centre district and will achieve the following objectives:
- (i) be consistent with the East Hill Major Area Structure Plan and the corresponding Neighbourhood Area Structure Plans within the mixed use area;
  - (ii) be consistent with the East Hill Town Centre Design Guidelines;
  - (iii) be consistent with the parking requirements of the Land Use Bylaw;
  - (iv) reflect the objective of capturing a blend of office, higher density residential and

commercial in a pedestrian friendly environment;

- (v) where the development is adjacent to private/public sidewalks, have a design of front, side and rear façade which are of comparable architectural treatment;
- (vi) be consistent with the following building height regulations:

<b>Storeys</b>	<b>Requirements</b>
Minimum	2 storeys or 6.5 m (or such other lower minimum height which may be established by City Council for buildings under 7,500 square feet)
Maximum	8 storeys or 38.5 m (except where adjacent to single family buildings in which case the maximum shall be 4 storeys or 19.2 m)
Greater than 4 Storeys	In the case of buildings adjacent to a public or private sidewalk or park, the façade of the fifth storey and above shall be stepped back a minimum of 1 metre from the lower storeys, in order to maintain a human scale.
Equal to 4 Storeys	Buildings that are four storeys tall shall treat the third and fourth storeys with materials and colours which are different, from but complementary with, the first and second storeys;
Less than 4 Storeys	N/A

- (b) Each of the Key Elements in the Neighbourhood Centre Concept Design has been assigned a priority from 1 (highest) to 6 (lowest). In instances where the suggested characteristics of one or more elements contradict each other, priority shall be given to the element with the highest priority.

(c) **Key Elements**

The following are the Key Elements of the Neighbourhood Centre Concept Design:

(i) **Hard Surface Public Spaces: Priority 1**

*Purpose and Location:*

A place for social interaction such as: gathering, public entertainment, displays, markets, or similar activities. At minimum, these spaces shall be placed wherever the main *Pedestrian Promenade* intersects with one or more pathways. In general, wherever multiple pathways intersect a public space shall be considered. There must be at least two hard surface public spaces:

- (1) One that acts as a gateway in the general vicinity of the southwest corner of the Site.
- (2) One that is located at the point (a relatively central location) where the *Regional Trail Pathway* intersects with the *Pedestrian Promenade*.

*Components and Programming:*

These spaces should include permanent or dynamic public art exhibitions, water fountains, monuments, or any human scale physical component adding a unique

character to the space. Street furniture such as benches and tables may be added as permanent features to the space, but the temporary addition of such features is possible.

*Design and Relationship with Adjacent Buildings:*

These spaces shall be defined by adjacent buildings, essentially creating an “outdoor room”, where the building “*façades*” act as walls. Adjacent building facades shall address the space via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. The ground surface of these spaces shall primarily be made of hard materials such as stone, brick or concrete. Plants/ vegetation may be used intermittently throughout the space to add character and to soften the environment. Trees may be incorporated into the space in order to provide shelter from the elements throughout the year.

*Linkages:*

These spaces shall be clearly connected, physically and/ or visually, to other public spaces and residential uses via at least two of the following linkages: ***the pedestrian promenade the regional trail pathway, local pedestrian pathways or vehicular pedestrian pathways.***

If one of the aforementioned “pathways” terminates in a public space, the visual “*terminus*” shall be treated with a “significant physical element” creating a “*vista*”. Examples of these “significant physical element” are: an architecturally significant building or building feature, a monument, sculpture, etc. If there is a significant natural element at the *terminus*, then that natural feature may be used as the significant physical element.

**(ii) Pedestrian Promenade: Priority 2**

*Purpose and Location:*

Draws people into the Site, and connects the local off Site and on Site residential population with local amenities, business and activities. The corridor also acts as the “spine” of the neighbourhood town centre from which the rest of the neighbourhood town centre and greater community can be accessed. The pedestrian Promenade shall be anchored at the southwest corner of the Site by a Hard Surface Public space and runs through the centre of the Site eventually being anchored in the north/northeast of the Site.

*Design and Relationship with Adjacent Buildings:*

Adjacent building facades address the space via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. The ground surface of this space is primarily made of hard materials such as stone, brick, concrete or creatively treated asphalt. Plants/landscaping may be used intermittently throughout the space to add character and to soften the environment. Trees line the corridor providing shelter from the elements throughout the year.

*Components and Programming:*

This space may include features such as; permanent or dynamic public art exhibitions, water fountains, monuments, or any human scale physical component adding a unique character to the space.

Places to sit shall be frequently provided via street furniture and/or landscaping. Where any other major pathway intersects this space, information shall be provided directing people to amenities, businesses and activities. This information can be provided via: signage, kiosks, small vendors etc.

This space may also be used as a place for social interaction providing a space for activities such as; recreation, gathering, public entertainment, displays, markets and similar activities.

**(iii) Regional Trail Pathway: Priority 3***Purpose and Location:*

A continuation of the existing regional trail system. The Regional Trail Pathway, shall be anchored by two small welcoming spaces, and shall connect the existing trail system to the future development to the east. These spaces shall be landmarks that draw people in to the Site. Each of the anchor spaces shall be at relatively opposite ends of the Site, with one being located in the general vicinity of the northwest corner.

*Components and Programming:*

Vegetation is used continuously throughout the pathway clearly distinguishing the pathway as the “regional green path system”. This vegetation may include but is not limited to: Trees, shrubs and grass. Places to sit are intermittently provided via street furniture and/or landscaping. Where any other major pathway intersects this space, information is provided directing people to amenities, businesses and activities. This information can be provided via: signage, kiosks, small vendors etc.

*Design and Relationship with Adjacent Buildings:*

Where possible, adjacent building facades should address the pathway via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. Plants/vegetation may be used intermittently throughout the space to add character and to soften the environment.

**(iv) Open Green Spaces: Priority 4***Purpose and Location:*

To be used as an alternative to a hard surface public space, these spaces shall be places to enjoy a more “natural” setting. Physical elements may include existing natural features or constructed features. In general wherever multiple pathways intersect there is potential for an open green space or any form of public space.

*Design and Relationship with Adjacent Buildings:*

These spaces shall be adjacent to buildings that address the space via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. Adjacent buildings shall at minimum overlook the spaces through windows providing a perceived surveillance of the spaces.

*Components and Programming:*

Places to sit shall be sporadically provided via street furniture and/or landscaping. The landscaping should at minimum contain some aspects of the local natural environment or be entirely native to Red Deer/Alberta. These spaces may include features such as; permanent or dynamic public art exhibitions, water fountains, monuments, or any human scale physical component adding a unique character to the space.

These spaces may also be used as a place for social interaction providing a space for activities such as; recreation, gathering, public entertainment, displays, markets, etc.

**(v) Vehicular Pathways: Priority 5**

*Purpose and Location:*

Vehicular pathways shall provide non-curvilinear direct two-way access for motorized vehicles, to the *neighbourhood centre* amenities, activities, businesses, transit stops and parking. There shall be a minimum of 1 access point on the west edge of the Site and 1 at the south edge of the Site to the satisfaction of Engineering Services.

*Components:*

When possible street parking should be provided. Where any major pathway intersects with the vehicular pathway, pedestrians are given priority via crosswalks. These *pathways* may also consist of pedestrian oriented sidewalks separated from the vehicle path by boulevards. These boulevards shall contain some or all of the following physical elements: Lighting fixtures, trees, signage, or similar elements. Sidewalks and boulevards are at minimum on 1 side of the right of way at all points.

*Design and Relationship with Adjacent Buildings:*

Where possible, adjacent building facades should address the right of way via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. Plants/vegetation may be used intermittently throughout the space to add character and to soften the environment.

**(vi) Local Pedestrian Pathways: Priority 6**

*Purpose and Location:*

Shall provide direct access for pedestrians to the *neighbourhood town centre* amenities, public spaces, activities, businesses and parking areas.

*Components and Programming:*

These pathways shall be defined throughout the neighbourhood town centre via consistent ground material treatment, lighting, signage and when possible boulevards containing trees.

*Design and Relationship with Adjacent Buildings:*

Where possible, adjacent building facades should address the pathway via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements. Plants/vegetation may be used intermittently throughout the space to add character and to soften the environment.

**General Land Use**

**(vii) Primarily Residential Area**

*Purpose and Location:*

This general area shall consist of residential uses. Commercial uses shall be considered on the ground floor in this area.

*Interface and Relationship with Adjacent Uses:*

When a building in this area is adjacent to a public space, or a pathway, the fronting walls/surface shall address the space/pathway via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements.

**(viii) Primarily Retail Commercial**

*Purpose and Location:*

This general area shall consist of commercial uses. Office uses serving the local area are encouraged throughout this area. Residential uses should be considered above the ground floor. Cannabis Retail Sales are not permitted.

*Design and Relationship with Adjacent Uses:*

When a building in this area is adjacent to a public space, or a pathway, the fronting walls/surface shall address the space/pathway via some or all of the following elements: entrances/doorways, windows, patios, or clearly defined and architecturally interesting corridors leading to any of the aforementioned elements.

**Appendix E – Written Comments Received from Landowners  
within 100 m and Tenants**

Good afternoon Orlando,

Attached is our comment sheet.

Also I would like to add to our comments:

- after we finally received approval to build our car wash, constructed the facility and opened in May 2014, we did have a good year our first full year in 2015.
- However our sales were directly impacted by the construction of the new traffic circle at 67<sup>th</sup> Street and 30 Avenue. Both 2016 and 2017 our sales were down, especially during the period when Carleton Avenue was completely closed and the only access was via Carrington Drive. We did not complain or even ask for some property tax relief, as we knew long term the new traffic circle would be beneficial.
- In 2018 our sales finally recovered to 2015 levels.
- To have another car wash in Clearview Market would directly impact the financial viability of our car wash.

If you need further information, please feel free to email me.

Cam



**Cameron D. Baldwin**

*Operations Manager*

**Phoenix Construction Inc.**

#8, 7887 50th Ave

Red Deer, AB T4P 1M8

P 403-342-2225

F 403-347-9214

C 403-348-1214

E [cdbaldwin@phoenixconstruction.ca](mailto:cdbaldwin@phoenixconstruction.ca)

## Comment Sheet

You are invited to provide feedback regarding the proposed Land Use Bylaw amendment 3357/D-2019 and the Clearview Market Square Phase 2 Site Plan and Design Package.

**Collection & Release of Your Information:** The City is collecting your information as part of the referral process that is described in Section 2.19(5) of The City of Red Deer Land Use Bylaw. The personal information on this form is collected under the authority of the Municipal Government Act Section 3 and is protected under the provisions of the Freedom of Information & Protection of Privacy (FOIP) Act. The City will seek to balance the dual objectives of open government and protection of privacy. If you have questions about the collection and use of this information, please contact the Manager of Planning at The City of Red Deer, 4914-48 Ave, Red Deer, AB 403-406-8700.

Your contact information allows administration to respond as needed.

Name (Please Print): Cameron D. Baldwin  
 Mailing Address: #4, 7887 50<sup>th</sup> Ave R.D. Postal Code: T4P 1M8  
 Phone #: 403-348-1214 E-mail Address: cdbaldwin@phoenixconstruction.ca

### General Comments

In general we are not opposed to the LUB amendment, however we are vehemently opposed to allowing another car wash as shown on the site plan in Phase 2.

Obviously, we feel there is only capacity for one car wash in the Clearview Market area. To get approval for our Squeaky Clean Car Wash (56 Colleton Avenue) we proposed a change to the LUB, however Planning and Inspections & Licensing did not support our application.

We were forced to make an application to Cor R.D. Council. We held our own public open house and visited many homes in Clearview before we met with every single City Councillor. Once we felt we had support only then did we apply for First Reading. Obviously, it was approved and we then attended the Second Reading & Public Hearing. That was approved and so was Third Reading. After an incredible amount of work and effort our car wash was approved. We would be very disappointed

This Comment Sheet may be submitted by February 20, 2019 using the following options:

- Return, by mail to: City of Red Deer Planning Department, Box 5008, Red Deer, Alberta, T4N 3T4; or
- Drop off at the Planning Department counter on the 3rd floor of City Hall at 4914 - 48 Avenue; or
- Email to [orlando.toews@reddeer.ca](mailto:orlando.toews@reddeer.ca)

Thank you for your input!

to see another car wash in Clearview Market



### Comment Sheet

You are invited to provide feedback regarding the proposed Land Use Bylaw amendment 3357/D-2019 and the Clearview Market Square Phase 2 Site Plan and Design Package.

**Collection & Release of Your Information:** The City is collecting your information as part of the referral process that is described in Section 2.19(5) of The City of Red Deer Land Use Bylaw. The personal information on this form is collected under the authority of the Municipal Government Act Section 3 and is protected under the provisions of the Freedom of Information & Protection of Privacy (FOIP) Act. The City will seek to balance the dual objectives of open government and protection of privacy. If you have questions about the collection and use of this information, please contact the Manager of Planning at The City of Red Deer, 4914-48 Ave, Red Deer, AB 403-406-8700.

Your contact information allows administration to respond as needed.

Name (Please Print): Developments 2 Inc  
 Mailing Address: 109 Southbank Blvd Postal Code: T1S 0G1  
 Phone #: 403-995-1798 E-mail Address: kelly@dev2.ca

#### General Comments

\* We own the properties at 499 + 500 Timberland Drive  
 ← IT IS OUR understanding that D27 zoning is to mirror C5. We would want to ENSURE that the uses match for each zone  
 ← We are concerned that the Right Out from the Phase 2 site onto 30th Ave does not allow enough time and space to access the left hand turning lane onto Timberlands drive.

This Comment Sheet may be submitted by **February 20, 2019** using the following options:

- Return, by mail to: City of Red Deer Planning Department, Box 5008, Red Deer, Alberta, T4N 3T4; or
- Drop off at the Planning Department counter on the 3rd floor of City Hall at 4914 – 48 Avenue; or
- Email to [orlando.toews@reddeer.ca](mailto:orlando.toews@reddeer.ca)

FILE COPY



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Orlando Toews, Senior Planner  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Bylaw 3357/D-2019  
Amendment to Direct Control District No. 27 and Clearview Market  
Square Phase 2 Site Plan and Design Package

---

**Reference Report:**

Planning Department, dated April 12, 2019

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council gave first reading to the following Bylaw:

**Bylaw 3357/D-2019** an amendment to the Land Use Bylaw to amend the Direct Control District No. 27 to add “Motor Vehicle Service or Repair, excluding Motor Vehicle Sales (for Phase 2)” as a discretionary use in the DC27 district, and to modify the Direct Control District No. 27 approving authority in order to streamline the approval process

**Report back to Council:**

Yes.

**Comments/Further Action:**

This office will advertise for a Public Hearing to be held on Monday, May 27, 2019 at 6:00 p.m. during Council’s regular meeting.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

Frieda McDougall  
Manager

- c. Acting Director of Planning Services, Erin Stuart  
Planning Services Manager  
Corporate Meeting Administrator



April 15, 2019

## Appeals Board Bylaw 3619/2019

### Clarifying Amendments Bylaw 3619/B-2019

Legislative Services

#### **Report Summary & Recommendation:**

---

In March 2019 Council adopted Appeals Board Bylaw 3619/2019 which reflected changes required to comply with recent amendments to the Municipal Government Act (MGA) as well as some administrative amendments to enhance clarity within the bylaw.

At the time of first reading, Council requested that administration explore additional amendments with a report to be brought back at a future date. This report responds to that request.

Based on the review of potential amendments there are several recommendations for amendments and Bylaw 3619/B-2019 is presented for Council's consideration.

#### **City Manager Comments:**

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I support the recommendation of Administration. If first reading of Bylaw 3196/B-2019 is given, this bylaw will come back for second and third reading at the Monday, April 29, 2019 Council Meeting.

Tara Lodewyk  
Interim City Manager

#### **Proposed Resolution:**

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Resolved that Bylaw 3196/B-2019 be read a first time.



## **Background:**

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In March 2019 Council adopted Appeals Board Bylaw 3619/2019 which reflected changes required to comply with recent amendments to the Municipal Government Act as well as some administrative amendments to enhance clarity within the bylaw.

At the time of first reading, Council requested that administration explore additional amendments with a report to be brought back at a future date. The requested exploration included:

- Section 8 – adding clarity with respect to the composition of panels of 5 Members (or 3 Members) as circumstances permit, shall be assigned to each hearing
- Section 10(3): CEO – including “in ex officio capacity”
- Section 12(b): remove will perform and replace will be assigned to perform
- Section 16(2): Delete the word “thing” and replace with the word “matter”

It should be noted that there were two additional points raised that were responded to when 2<sup>nd</sup> and 3<sup>rd</sup> reading of the bylaw were considered, as follows:

- Ensuring the code of conduct was specifically included within Board policies and were enforceable and had oversight; and
- The inclusion of “mandate” language as it related to the Red Deer Appeal & Review Board

## **Discussion:**

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Following is a review of each of the points identified above.

- Section 8 – adding clarity with respect to the composition of panels of 5 Members (or 3 Members) as circumstances permit, shall be assigned to each hearing

The composition of the Board is 5 members with alternate members assigned to step in and fill the absence of a sitting citizen representative or Council representative. Section 9 already specifies that the Board must not sit in even numbered panels and that quorum is a majority of Members. As a result, the convening of panels of either 3 or 5 Members is already permitted. For clarity, the following amendment to section 8 is proposed:

### **Recommendation:**

That section 8 be deleted in its entirety and replaced with the new section 8, as follows:

8. (1) Each Board consists of five Members as follows:
  - (a) One Council representative
  - (b) Four Citizen representatives



- (2) Alternate members are appointed and trained to fulfill the Board composition in the event of Board member absence as follows:
  - (a) One alternate Council representative
  - (b) One alternate Citizen representative

- Section 10(3): CEO – including “in ex officio capacity”

The MGA defines a Council Committee as: a committee, board or other body established by a council under this Act but does not include an assessment review board established under section 454 or a subdivision and development appeal board established under section 627.

As a result of the preceding definition, this does mean that the Red Deer Appeal & Review Board is considered a committee of Council.

The MGA further states in sections 154 that:

- (2) The chief elected official is a member of all council committees and all bodies to which council has the right to appoint members under this Act, unless the council provides otherwise.
- (3) Despite subsection (2), the chief elected official may be a member of a board, commission, subdivision authority or development authority established under Part 17 only if the chief elected official is appointed in the chief elected official’s personal name.

Because the Red Deer Appeal & Review Board is not established under Part 17, section 154(2) would apply, “unless the council provides otherwise.” It is for this reason section 10(3) clarifies that the Mayor is not a member. However, the words “unless specifically appointed under this bylaw” may be redundant and could be removed.

**Recommendation:**

It is recommended that subsection 10(3) be amended as follows:

That subsection 10(3) be amended by deleting the words “unless specifically appointed under this bylaw.”

- Section 12(1)(b): remove “will perform” and replace “will be assigned to perform”

The Appeals Board bylaw is by its nature an assignment of roles and responsibilities. As a result, we do not believe that added the words “will be assigned” are required. Stepping into the vacancy of the chair is the responsibility of the vice chair.



It is noted however that section 12(1)(c) provides flexibility for either the chair or vice chair when acting in the chairing role to appoint other members to that role. This can be done at the discretion of the chair to enable coaching, mentoring and succession planning.

**Recommendation:**

No change is recommended to this section.

- Section 16(2): Delete the word “thing” and replace with the word “matter”

In a review of common dictionary definitions the word “matter” is a better descriptor of the substance of an appeal in that it reflects both the physical substance, e.g. license, development permit, etc., and the content of the submissions being made to an appeal.

**Recommendation:**

The following amendment is recommended:

That subsection 16(2) be amended by replacing the word “thing” with the word “matter.”



**Strikethrough Version**

## **BYLAW NO. 3619/2019**

Being a bylaw of The City of Red Deer to establish the Appeal Boards.

COUNCIL OF THE CITY OF RED DEER ENACTS AS FOLLOWS:

### **PART I PROVISIONS APPLICABLE TO BOTH APPEAL BOARDS**

#### **Short Title**

1. The short title of this bylaw is “The Appeal Boards Bylaw”.

#### **Interpretation**

2. The headings in this bylaw are for reference purposes only.
3. References to enactments and bylaws in this bylaw include amendment and replacement enactments and bylaws, and regulations and orders made in accordance with them.

#### **Definitions**

4. (l) In this bylaw:
  - (a) “Advisory Committee” is a subcommittee of the Board and meets as necessary.
  - (b) “Appellant” means a person who has served a written Notice of Appeal as set out in the Municipal Government Act or subordinate legislation or authorized person acting on behalf of the Appellant.
  - (c) “Applicant” means a person who made the initial application upon which an appeal is based or authorized person acting on behalf of the Applicant.
  - (d) “Board” means either the Subdivision and Development Appeal Board or Red Deer Appeal and Review Board as established by Council, and in a section of this bylaw relating to a specific Board, means that specific Board.
  - (e) ‘Chief Elected Official’ means the Mayor for the City of Red Deer.
  - (f) “Citizen Representative” means a person appointed by Council who does not represent a specific organization;

- (g) “Designated Officer” means the designated officer appointed as the Clerk of the Subdivision and Development Appeal Board in accordance with section 627.1 of the MGA.
- (h) “Member” means a member of the Board;
- (i) “MGA” means the Municipal Government Act of Alberta, RSA 2000, Ch. M-26, as amended; and
- (j) “Resident” means a resident of the City of Red Deer;

### **Establishment of Boards**

- 5. (1) The following Boards are established:
  - (a) Red Deer Appeal and Review Board; and
  - (b) Subdivision and Development Appeal Board.

### **Advisory Committees**

- 6. (1) The Boards may act as an Advisory Committee for the purpose of collaborating with the Designated Officer on all matters affecting the Board including but not limited to:
  - (a) Board Member attendance at hearings;
  - (b) Developing policies regarding Board matters;
  - (c) Monitoring and evaluating Board performance.
- (2) When meeting in an advisory capacity, the Board shall convene and keep minutes as an Advisory Committee and the quorum and voting requirements in this Bylaw apply.

### **Conduct and Procedures**

- 7. (1) The conduct of Members and the procedures of the Board will be in accordance with:
  - (a) The express provisions of the MGA and related regulations;

- (b) Principles of natural justice and procedural fairness; and
- (c) Policies and procedures of the Board.

### Membership

~~8. (1) Each Board consists of five Members as follows:~~

- ~~(a) One Council Representative;~~
- ~~(b) Four Citizen Representatives;~~
- ~~(c) One alternate Council Representative; and~~
- ~~(d) One alternate Citizen Representative.~~

8. (1) Each Board consists of five Members as follows:

- (a) One Council representative
- (b) Four Citizen representatives

(2) Alternate members are appointed and trained to fulfill the Board composition in the event of Board member absence as follows:

- (a) One alternate Council representative
- (b) One alternate Citizen representative

### Quorum

- 9. (1) Quorum is a majority of Members.
- (2) The Board must not sit in even numbered panels.
- (3) The majority decision constitutes the decision of the Board.

### Appointments

- 10. (1) In selecting Members, preference may be given to local residents; however, it is also recognized that non-residents who own property or have a business in the City also have a stake in the community.
- (2) Former Members, former Council Members, and former City employees may apply for appointment for either Board after a two year hiatus from that capacity, with exceptions to be made at the discretion of Council.

- (3) The Chief Elected Official is not a Member of the Board ~~unless specifically appointed under this bylaw.~~
- (4) All Members are appointed for three-year terms and serve on hearings for appeals and/or reviews filed during their term.
- (5) Where a Board position is left vacant for any reason, Council may appoint a replacement for the remainder of that term. Council may also alter the terms of appointment of any Member.
- (6) A Member may be re-appointed to a Board at the expiration of the Member's term but may not serve more than two consecutive terms, with exceptions to be made at the discretion of Council;
- (7) A Member may resign from a Board at any time by giving written notice to the Designated Officer.
- (8) Council may remove any Member from a Board for cause or misconduct on the recommendation of the Designated Officer.

### **Hearings**

11. (1) Hearings will be held at such time and place as determined by the Board.
- (2) Public notice of a Board hearing will be given in the manner provided for in the MGA and subordinate legislation.
- (3) The proceedings of the Board must be conducted in public. However, the Board may close to the public portions of a hearing in accordance with the MGA, the Freedom of Information and Protection of Privacy Act, and Policies of the Board.
- (4) The Board may deliberate and make its decisions in meetings closed to the public.

### **Chair and Vice Chair**

12. (1) The Chair and Vice Chair will be:
  - (a) Chosen annually from among Members;
  - (b) The Chair will preside over and be responsible for the conduct of hearings. If the Chair is unable to perform the Chair's duties, the Vice Chair will perform them.

- (c) Notwithstanding the above, the Chair may in his discretion delegate role of presiding over the conduct of a hearing to another Member.

### **Designated Officer**

13. (1) The Designated Officer shall assign Members to hearings. Any Member assigned to and absent from three consecutive hearings to which the Member has been assigned, unless such absence is authorized by resolution of the Advisory Committee, will automatically forfeit his/her membership as of the date of the third consecutive hearing.
- (2) The Designated Officer may, at the request of the Chair sign orders, decisions and documents issued by the Board.
- (3) The Designated Officer may, at the request of the Chair sign documents issued by the Advisory Committee.
- (4) The Designated Officer will issue instructions to independent legal counsel for the Boards when required.

### **Remuneration**

14. (1) Remuneration for Members and reimbursement of expenses, if any, will be set out in 'Schedule A'.

### **Fees**

15. (1) Filing Fees payable by Applicants and/or Appellants will be set out in 'Schedule B'.
- (2) Fees and charges will be set out in 'Schedule B'.

**PART II  
RED DEER APPEAL AND REVIEW BOARD**

16. (1) The functions and duties of the Red Deer Appeal and Review Board is to hear and to make decisions on appeals for which it is responsible under any City bylaw and in particular, arising under the following bylaws:
- (a) Alarm Bylaw;
  - (b) Business License Bylaw;
  - (c) Chicken Bylaw;
  - (d) Dog Bylaw;
  - (e) Escort Services Bylaw;
  - (f) Firearms Bylaw;
  - (g) Land Use Bylaw;
  - (h) Limousine and Sedan Bylaw;
  - (i) Taxi Bylaw;
  - (j) Utility Bylaw.
- (2) When the Board receives an appeal where the enabling bylaw is silent as to the Board's authority, the Board may confirm, deny or vary the ~~thing~~ **matter** being appealed.
- (3) When considering the merits of an appeal or a review, the board shall have regard to:
- (a) The need to maintain the integrity of the policies which the applicable bylaw and statutes are intended to promote;
  - (b) The potential cost implications to The City of Red Deer of the decision of the Board; and
  - (c) The need to treat fairly the persons affected by the order or decision under appeal.

**Delegation of Authority**

17. (1) In addition, under s. 203(1) of the MGA, the Board is given the authority and shall exercise the power of Council in respect of applications for review arising under s. 547 of the MGA

- (2) Where in the opinion of the Board, a Request to Review under section 547 of the MGA involves a matter of significant public policy to The City of Red Deer, the Board may refer the review to Council.

### **Filing an Appeal or Review**

18. (1) An appeal or a review is commenced by mailing or delivering to the Designated Officer of the Board a Notice of Appeal or a Request to Review in the form established by the Board from time to time, with the applicable fee.
- (2) The Notice of Appeal or Request to Review must be received by the Designated Officer within the time frames set out in the MGA, the bylaw or thing that is being appealed. Where there is no time frame set out, the Notice of Appeal must be received within fourteen (14) days of the date the Appellant was notified of the issue to which an appeal is sought.

**PART III  
SUBDIVISION AND DEVELOPMENT APPEAL BOARD**

**Functions and Duties**

19. (1) The Subdivision and Development Appeal Board will perform the functions and duties of a subdivision and development appeal board in accordance with the MGA.

**Training**

20. (1) Members will meet the training requirements set out in the MGA to be qualified to participate in a hearing.

**Designated Officer**

21. (1) The Legislative Services Manager is the Designated Officer of the Board, and has the duties as set out in the MGA and this Bylaw.
- (2) The Designated Officer will meet the training requirements set out in the MGA and will perform the duties and functions as set out in the MGA.
- (3) A subdivision or development appeal is commenced by mailing or delivering to the Designated Officer a Notice of Appeal in the form established by the Board from time to time, within the time specified in the MGA with the applicable fee.

**PART IV**

**Repeal**

22. (1) Bylaw 3487/2012 is repealed.

**Transitional**

23. (1) Board Members holding office at the date this bylaw comes into full force shall continue to hold office until the expiry of their terms in accordance with their appointment under the Appeal Boards Bylaw.

READ A FIRST TIME IN OPEN COUNCIL this 18 day of March 2019.

READ A SECOND TIME IN OPEN COUNCIL this 18 day of March 2019.

READ A THIRD TIME IN OPEN COUNCIL this 1 day of April 2019.

AND SIGNED BY THE MAYOR AND CITY CLERK this 1 day of April 2019.

“Mayor Tara Veer”  
\_\_\_\_\_  
MAYOR

“Frieda McDougall”  
\_\_\_\_\_  
CITY CLERK

## SCHEDULE A

## REMUNERATION

1. Members receive the following remuneration when attending hearings and legislated training.

Up to 3 hours	3 to 6 hours	Over 6 hours
104.00	203.00	267.00

These amounts will increase to match the percentage salary increase granted to management staff, rounded up to the next dollar. (current as July 2017)

2. Members will be reimbursed for mileage when attending legislated training outside of the City of Red Deer, in accordance with The City's Expenses and Remuneration Policy.

SCHEDULE B

FEES:

1. Filing Fee: Seventy-Five (\$75.00) dollars
2. When required by the Board to be advertised: Seventy-Five (\$75.00) dollars
3. There is no fee for applications of the Red Deer Appeal and Review Board for a Review arising under s. 547 of the MGA.
4. Where a person may be affected by a subdivision or development but does not have a legal or equitable claim in the site, or is not the agent of the person having such interest: there is no fee.
5. Fees may be waived or refunded at the discretion of the Designated Officer.

CHARGES:

The following charges apply:

1. copy of the audio recording from a hearing: \$20 / each piece of digital equipment
2. transcript of the audio from a hearing: actual costs incurred
3. photocopies:
 

Black and white:	\$0.25/page
Color	\$0.35/page



Council Decision – April 29, 2019

**DATE:** May 1, 2019  
**TO:** Jackie Kurylo, Appeals Coordinator  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** Appeals Board Bylaw 3619/B-2019 and Clarifying Amendments Bylaw

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**Reference Report:**

Legislative Services, dated April 15, 2019

**Bylaw Reading:**

At the Monday, April 29, 2019 Regular Council Meeting, Council gave first reading to the following Bylaw:

**Bylaw 3619/B-2019** an amendment to the Appeal Boards Bylaw to clarify three sections of the bylaw

**Report back to Council:**

Yes.

**Comments/Further Action:**

This bylaw will come for consideration of second and third reading at the Monday, May 13, 2019 Council Meeting.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

Frieda McDougall  
Manager

- c. Deputy City Clerk  
Corporate Meeting Administrator

**DATE:** May 1, 2019  
**TO:** Shelley Gagnon, Recreation, Parks & Culture Manager  
**FROM:** Frieda McDougall, Legislative Services Manager  
**SUBJECT:** In Camera Item – Land Matter

---

**Resolution:**

At the Monday, April 1, 2019 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered Item I.I.c. Land Matter, In Camera, on April 29, 2019 hereby endorses Option A as presented and agrees that the contents of the report will remain confidential as protected by the Freedom of Information and Protection of Privacy Act, Section 27(1)(a).

**Report back to Council:**

No.

**Comments/Further Action:**

None.



Frieda McDougall  
Manager

c. Director of Community Services