

**AGENDA FOR THE REGULAR MEETING OF
THE COUNCIL OF THE TOWN OF ONOWAY
HELD ON THURSDAY, AUGUST 15, 2019 IN THE COUNCIL CHAMBERS
OF THE ONOWAY CIVIC OFFICE AT 7:00 P.M.**

1. CALL TO ORDER

2. APPROVAL OF AGENDA

- as is, or with additions or deletions

3. APPROVAL OF MINUTES

Pg 1-4 - August 1, 2019 Regular Council Meeting

**4. APPOINTMENTS/PUBLIC HEARINGS – 7:30 p.m. – Hazel Bourke
Onoway & District Historical Guild**

Pg 5 The Guild is applying for a UFA grant for creation of a Heritage Village north of the Museum. The Guild will attend to explain their vision and plan for the project.

5. FINANCE – Revenue & Expense Report dated July 31, 2019

6. POLICIES & BYLAWS - n/a

7. ACTION ITEMS

- a) Potential Meeting with Minister Madu, Minister of Municipal Affairs at the Alberta Urban Municipalities Association (AUMA) Convention – please refer to the attached letter from Bill Bewick, Chief of Staff advising of the potential for Council to meet with the Minister during AUMA, which is taking place September 25 - 27, 2019. The deadline for requesting a meeting is Friday, August 23, 2019 (for discussion and direction of Council at meeting time)

Pg 9-10

b)

c)

d)

8. COUNCIL, COMMITTEE & STAFF REPORTS

a) Mayor's Report

b) Deputy Mayor's Report

Pg 11

- Bench installations

c) Councillor's Reports (x 3)

d) CAO Report

- UFA Rural Communities Grant - Onoway Facility Enhancement Association UFA Application

- Bretzlaff Park Update

- Weed Spraying Update

- Drainage Update

- Zoning Update

e) Public Works Report

9. INFORMATION ITEMS

a) 2019 Municipal Accountability Program (MAP) - July 30, 2019 letter from Meryl Whittaker, Deputy Minister of Municipal Affairs, advising that the proposed action plan and timelines outlined in the July 23, 2019 submission from CAO Wildman have met with the approval of Municipal Affairs

Pg 12-15

b) Canada Revenue Agency (CRA) Audit of the Town of Peace River – August 4, 2019 email from Christopher J. Parker, CAO, Town of Peace River outlining concerns regarding the CRA audit finding that intermunicipal cost sharing agreements are subject to the Federal Goods and Services Tax (GST)

Pg 16-19

c)

d)

e)

10. CLOSED SESSION – Pursuant to Section 197(2) of the Municipal Government Act and Section 17 of the Freedom of Information and Protection of Privacy Act (FOIP)–Disclosure Harmful to Personal Privacy

11. ADJOURNMENT

12. UPCOMING EVENTS:

- September 5, 2019 – Regular Council Meeting 9:30 a.m.
- September 19, 2019 – Regular Council Meeting 7:00 p.m.
- September 25-27,2019 – AUMA Edmonton
- October 3, 2019 – Regular Council Meeting 9:30 a.m.
- October 24, 2019 – Organizational Meeting 7:00 p.m.
- October 24, 2019 – Regular Council Meeting Following Org Meeting

TOWN OF ONOWAY
REGULAR COUNCIL MEETING MINUTES
THURSDAY, AUGUST 1, 2019
COUNCIL CHAMBERS OF THE ONOWAY CIVIC OFFICE

	PRESENT	Mayor: Judy Tracy Deputy Mayor: Lynne Tonita Councillor: Jeff Mickle Councillor: Pat St. Hilaire
	ABSENT	Administration: Wendy Wildman, Chief Administrative Officer Debbie Giroux, Recording Secretary Councillor: Wade Neilson Administration: Jason Madge, Public Works Manager
1.	CALL TO ORDER	Mayor Judy Tracy called the meeting to order at 9:32 a.m. 1 member of the public was in attendance.
2.	AGENDA Motion #207/19	MOVED by Councillor Pat St. Hilaire that Council approve the agenda of the regular Council meeting of Thursday, August 1, 2019 with the following addition: 7d) Business License Update CARRIED
3.	MINUTES Motion #208/19	MOVED by Councillor Pat St. Hilaire that the minutes of the Thursday, July 18, 2019 regular Council meeting be approved as presented. CARRIED
4.	APPOINTMENTS/PUBLIC HEARINGS	Deferred to later in the meeting.
5.	FINANCE	n/a
6.	POLICIES & BYLAWS Motion #209/19	MOVED by Councillor Pat St. Hilaire that Bylaw 761-19, a bylaw to establish the position of designated officer, Clerk of the Subdivision and Development Appeal Board (SDAB), be given first reading. CARRIED
	Motion #210/19	MOVED by Deputy Mayor Lynne Tonita that Bylaw 761-19 be given second reading. CARRIED



TOWN OF ONOWAY
REGULAR COUNCIL MEETING MINUTES
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COUNCIL CHAMBERS OF THE ONOWAY CIVIC OFFICE

	Motion #211/19	MOVED by Councillor Jeff Mickle that Bylaw 761-19 be considered for third reading. CARRIED UNANIMOUSLY
	Motion #212/19	MOVED by Councillor Pat St. Hilaire that Bylaw 761-19 be given third and final reading. CARRIED
7.	ACTION ITEMS	
	Motion #213/19	MOVED by Deputy Mayor Lynne Tonita that Council and Administration be authorized to attend the Royal Canadian Legion Onoway Branch 132 85 th Anniversary Celebration in Onoway on Saturday, September 21, 2019. CARRIED
	Motion #214/19	MOVED by Deputy Mayor Lynne Tonita, in response to the request from utility account 178004 for Council to reverse all or a portion of penalties totaling \$272.00 that accumulated due to late and/or non-payment of their account, that Administration be directed to advise the property owner that their request has been denied in full. CARRIED
	Motion #215/19	MOVED by Deputy Mayor Lynne Tonita that Council and Administration be authorized to attend the Town of Stony Plain Blanket Exercise (intended to build awareness and understanding of our shared history with First Nations people) being held on Wednesday, August 21, 2019 at 3:00 p.m. in Stony Plain. CARRIED
	Motion #216/19	MOVED by Councillor Pat St. Hilaire that the update provided by the Chief Administrative Officer regarding business licenses be accepted for information. CARRIED
8.	COUNCIL, COMMITTEE & STAFF REPORTS	
	Motion #217/19	MOVED by Councillor Pat St. Hilaire that the verbal Council reports and the written and verbal reports from the Chief Administrative Officer be accepted for information as presented. CARRIED Council recessed from 10:00 a.m. to 10:05 a.m. 1 member of the public left the meeting.

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TOWN OF ONOWAY
REGULAR COUNCIL MEETING MINUTES
THURSDAY, AUGUST 1, 2019
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4.	APPOINTMENTS/PUBLIC HEARINGS	<p>Resident Garth Hatch (Tax Roll 619000) and Ezekiel and Elizabeth Morin attended the meeting at 10:05 a.m. regarding rezoning property at 5201 Lac Ste. Anne Trail North for Tax Roll # 619000.</p> <p>Development Officer Tony Sonnleitner was also in attendance and provided his report on the matter.</p> <p>Mr. Hatch and the Morins left the meeting at 10:25 a.m.</p> <p style="text-align: center;">Motion #218/19</p> <p>MOVED by Deputy Mayor Lynne Tonita that the request to consider rezoning of this address be deferred to the next meeting allowing Administration an opportunity to gather further information.</p> <p style="text-align: right;">CARRIED</p> <p>Development Officer Sonnleitner left the meeting at 10:30 a.m.</p>																					
9.	INFORMATION ITEMS Motion #219/19	<p>MOVED by Councillor Jeff Mickle that Council accept the following items for information as presented:</p> <ul style="list-style-type: none"> a) Alberta Culture and Multiculturalism – July 11, 2019 letter from Honourable Leela Aheer, Minister, requesting nominations for 2019 Stars of Alberta Volunteer Awards b) Lac Ste. Anne County – Commercial/Industrial/Home Based Development Permit D0131 application dated July 17, 2019 for 2K Small Engine at SW 34-54-02 W5th c) Lac Ste. Anne County – July 26, 2019 news release regarding Lac Ste. Anne water level d) Onoway Ball Diamond Stakeholder Meeting notes dated May 30, 2019 <p style="text-align: right;">CARRIED</p>																					
10.	CLOSED SESSION	n/a																					
11.	ADJOURNMENT	As all matters on the agenda have been addressed, Mayor Judy Tracy declared the meeting adjourned at 10:40 a.m.																					
12.	UPCOMING EVENTS	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">August 15, 2019</td> <td style="width: 33%;">Regular Council Meeting</td> <td style="width: 33%;">7:00 p.m.</td> </tr> <tr> <td>September 5, 2019</td> <td>Regular Council Meeting</td> <td>9:30 a.m.</td> </tr> <tr> <td>September 19, 2019</td> <td>Regular Council Meeting</td> <td>7:00 p.m.</td> </tr> <tr> <td>September 24-27, 2019</td> <td>AUMA Edmonton</td> <td></td> </tr> <tr> <td>October 3, 2019</td> <td>Regular Council Meeting</td> <td>9:30 a.m.</td> </tr> <tr> <td>October 24, 2019</td> <td>Organizational Meeting</td> <td>7:00 p.m.</td> </tr> <tr> <td>October 24, 2019</td> <td>Regular Council Meeting</td> <td>Following Org. Mtg.</td> </tr> </table>	August 15, 2019	Regular Council Meeting	7:00 p.m.	September 5, 2019	Regular Council Meeting	9:30 a.m.	September 19, 2019	Regular Council Meeting	7:00 p.m.	September 24-27, 2019	AUMA Edmonton		October 3, 2019	Regular Council Meeting	9:30 a.m.	October 24, 2019	Organizational Meeting	7:00 p.m.	October 24, 2019	Regular Council Meeting	Following Org. Mtg.
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THURSDAY, AUGUST 1, 2019
COUNCIL CHAMBERS OF THE ONOWAY CIVIC OFFICE

Mayor Judy Tracy

Debbie Giroux
Recording Secretary

>> On Jul 26, 2019, at 1:37 PM, Wendy Wildman <cao@onoway.ca> wrote:

>>

>> That is exciting. Tony will guide you. If you need anything else

>> from

> the town Hazel pls let me know.

>>

>> Sent from my iPhone

>>

>>> On Jul 26, 2019, at 10:33 AM, Hazel Bourke <bhbourke@icloud.com> wrote:

>>>

>>> The Guild is applying for a UFA Grant up to \$100,000.00 to start

> creating a Heritage Village north of the gymnasium. This is a project

> that has been in our long term plans for many years.

>>> This grant is for capital only and we are looking at building a pole

>>> shed

> that would house much of the Threshing Equipment that we presently

> store off site. This equipment would be able to viewed by the public

> as part of the museum collection. I have a call into Tony for a

> development permit which I need in order to get a quote on this

> structure. The grant was announced on July 5 and closes August 31, so

> we are under a bit of a time crunch. If you have any questions please

> let me know. Thanks

>>>

>>> Hazel Bourke.

>>>

>>> Sent from my iPad

>>

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TOWN OF ONOWAY

Revenue & Expense

For the Period Ending July 31, 2019

General Ledger	Description	2019 Actual	2019 Budget	2019 Budget Remaining \$
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TOTAL TAXATION REVENUE		(1,620,100.79)	(1,620,650.60)	(549.81)
TOTAL REQUISITIONS		192,827.38	373,528.60	180,701.22
TAX REVENUE AVAILABLE FOR MUNI		(1,427,273.41)	(1,247,122.00)	180,151.41
TOTAL GENERAL REVENUE		(81,323.57)	(146,200.00)	(66,220.11)
TOTAL LEGISLATIVE EXPENSE		60,677.85	120,680.00	60,002.15
SURPLUS/DEFICIT LEGISLATIVE		60,677.85	120,680.00	60,002.15
TOTAL ADMIN REVENUE		(7,626.41)	(54,526.00)	(46,911.59)
TOTAL ADMIN EXPENSE		341,667.97	560,823.00	229,452.09
SURPLUS/DEFICIT ADMIN		334,041.56	506,297.00	182,540.50
TOTAL FIRE REVENUE		(249,828.38)	(343,014.00)	(93,185.62)
TOTAL FIRE EXPENSE		245,479.54	346,588.00	101,108.46
FIRE SURPLUS/DEFICIT		(4,348.84)	3,574.00	7,922.84
TOTAL DISASTER SERVICES REV.		0.00	0.00	0.00
TOTAL DISASTER SERVICES EXPENS		5,299.00	9,692.00	4,393.00
DISASTER SURPLUS/DEFICIT		5,299.00	9,692.00	4,393.00
TOTAL AMBULANCE REVENUE		(2,400.00)	(2,400.00)	0.00
TOTAL AMBULANCE EXPENSE		0.00	0.00	0.00
SURPLUS/DEFICIT AMBULANCE		(2,400.00)	(2,400.00)	0.00
TOTAL BYLAW REVENUE		(710.00)	(4,500.00)	(3,790.00)
TOTAL BYLAW EXPENSE		596.34	2,775.00	2,178.66
BYLAW SURPLUS/DEFICIT		(113.66)	(1,725.00)	(1,611.34)
TOTAL POLICING REVENUE		(43,338.00)	(168,000.00)	(124,662.00)
TOTAL POLICIING EXPENSE		61,580.05	203,000.00	141,419.95

POLICING SURPLUS/DEFICIT		18,242.05	35,000.00	16,757.95
TOTAL PW REVENUE		0.00	0.00	0.00
TOTAL PW EXPENSE		127,701.54	185,570.00	60,646.95
PW SURPLUS/DEFICIT		127,701.54	185,570.00	60,646.95
TOTAL ROADS REVENUE		(3,080.00)	(46,560.00)	(43,480.00)
TOTAL ROAD EXPENSE		183,558.91	410,174.00	234,542.48
ROADS SURPLUS/DEFICIT		180,478.91	363,614.00	191,062.48
TOTAL STORM SEWER REVENUE		0.00	0.00	0.00
TOTAL STORM SEWER EXPENSE		0.00	2,020.00	2,020.00
STORM SEWER SURPLUS/DEFICIT		0.00	2,020.00	2,020.00
TOTAL WATER REVENUE		(323,706.82)	(574,000.00)	(250,201.10)
TOTAL WATER EXPENSE		316,947.93	562,052.00	247,046.83
WATER SURPLUS/DEFICIT		(6,758.89)	(11,948.00)	(3,154.27)
TOTAL SEWER REVENUE		(122,756.28)	(217,666.00)	(96,145.57)
TOTAL SEWER EXPENSE		154,301.49	232,334.00	79,264.35
SEWER SURPLUS/DEFICIT		31,545.21	14,668.00	(16,881.22)
TOTAL WASTE COLLECTION REV		(71,815.15)	(128,000.00)	(56,184.85)
TOTAL WASTE COLLECT EXP		55,091.97	109,981.00	54,889.03
WASTE COLLECT SURPLUS/DEF		(16,723.18)	(18,019.00)	(1,295.82)
TOTAL FCSS REVENUE		(103,058.00)	(116,312.00)	(13,254.00)
TOTAL FCSS EXPENSE		87,584.70	105,798.00	18,213.30
FCSS SURPLUS/DEFICIT		(15,473.30)	(10,514.00)	4,959.30
TOTAL PLAN REVENUE		(2,171.30)	(6,400.00)	(4,323.70)
TOTAL PLANNING EXPENSE		6,357.88	21,170.00	14,812.12
PLANNING SURPLUS/DEFICIT		4,186.58	14,770.00	10,488.42
TOTAL LAND REVENUE		0.00	0.00	0.00
TOTAL LAND EXPENSE		0.00	2,040.00	2,040.00
LAND SURPLUS/DEFICIT		0.00	2,040.00	2,040.00
TOTAL EDC REVENUE		0.00	(100,000.00)	(100,000.00)
TOTAL EDC EXPENSE		37,610.64	100,714.00	63,103.36
EDC SURPLUS/DEFICIT		37,610.64	714.00	(36,896.64)
TOTAL REC PROGRAM REVENUE		(1,900.00)	0.00	1,880.00

TOTAL REC PROGRAM EXPENSE		4,397.39	32,079.00	27,681.61
REC PROGRAM SURPLUS/DEFICIT		2,497.39	32,079.00	29,561.61
TOTAL PARKS REVENUE		(934.75)	(12,125.00)	(11,230.25)
TOTAL PARKS EXPENSE		70,510.50	132,105.00	68,015.69
PARKS SURPLUS/DEFICIT		69,575.75	119,980.00	56,785.44
TOTAL CULTURE EXPENSE		19,624.64	13,060.00	(6,564.64)
CULTURE SURPLUS/DEFICIT		19,624.64	13,060.00	(6,564.64)
TOTAL MISC EXPENSE		710.75	14,170.00	13,459.25
MISC SURPLUS/DEFICIT		710.75	14,170.00	13,459.25
TOTAL SURPLUS/DEFICIT		(662,222.98)	0.00	690,167.26
			*** End of Report ***	



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Edmonton - South West*

AR97922

Dear Chief Elected Officers and Chief Administrative Officers,

I am writing regarding a potential opportunity for municipal officials and representatives to meet with the Minister of Municipal Affairs, the Honourable Kaycee Madu, at the 2019 Alberta Urban Municipalities Association (AUMA) fall convention and trade show. This year, the fall convention and trade show is scheduled for September 25 to 27, 2019, and will be held at the Edmonton Conference Centre.

Should your council wish to meet with Minister Madu at the 2019 AUMA Fall Convention, I invite you to submit your meeting request via email to Katie Neufeld (katie.neufeld@gov.ab.ca) on or before **Friday, August 23, 2019**.

In your meeting request, please be sure to include two to three policy items or issues you would like to discuss, as well as a rough approximation of how many people will attend the meeting on behalf of your municipality. In order to plan effectively for the Minister's time at the convention, we will not be able to consider requests that arrive past the August 23 deadline, nor honour requests that do not include agenda items.

We generally receive more requests to meet with the Minister than can be reasonably accommodated over the course of the convention. Therefore, to ensure suitable consideration of your request, please be mindful of the following criteria:

- Policy items or issues directly relevant to the Minister of Municipal Affairs and the department will be given priority.
- Distance from Edmonton - Municipalities located within the Capital Region can be more easily accommodated throughout the year; therefore, priority will be given to requests from municipalities at a distance from Edmonton and those municipalities with which Minister Madu has not yet had an opportunity to meet.

The length of meeting time with the Minister at the AUMA convention is scheduled for approximately 20 minutes per municipality. This allows the Minister the opportunity to engage with as many municipalities as possible.

.../2

All municipalities submitting meeting requests will be notified the week of September 9, 2019, as to the status of their request.

Our ministry will make every effort to find alternative opportunities throughout the remainder of the year for those municipalities we are unable to accommodate during the fall convention.

Regards,



Bill Bewick
Chief of Staff to Hon. Kaycee Madu
Minister of Municipal Affairs

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>> addressed and for the intended purpose. This email contains
>> information that is privileged, confidential, and/or protected by law
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>> -----Original Message-----

>> From: Lynne Tonita <ltonita@onoway.ca>

>> Sent: August 7, 2019 2:35 PM

>> To: Debbie Giroux <debbie@onoway.ca>; cao@onoway.ca

>> Subject: Bench

>>

>> Can we put it in the agenda that the spare bench be installed at Shaul Park?

>>

>> Sent from my iPhone

>>

>



Deputy Minister
18th Floor, Commerce Place
10155 – 102 Street
Edmonton, Alberta T5J 4L4
Canada
Telephone 780-427-4826
Fax 780-422-9561

AR97086

July 30, 2019

Ms. Wendy Wildman
Chief Administrative Officer
Town of Onoway
Box 540
Onoway AB T0E 1V0

Dear Ms. Wildman:

Thank you for your email of July 23, 2019, and accompanying action plan, in response to the 2019 Municipal Accountability Program (MAP) report for the Town of Onoway.

I have reviewed your submission, and I am satisfied with the actions and timelines proposed.

I look forward to the regular updates you will provide to confirm that each legislative gap identified in the report has been resolved prior to July 23, 2020. Please include a record of resolutions passed, any new or updated bylaws, and any other documents changed to confirm the satisfactory completion of each legislative gap identified in the report, including actions completed to date.

In order to ensure the MAP continues to be effective, and of value to Alberta municipalities, the ministry will request your feedback about the program in the near future. In the meantime, should you have any questions, please contact Desiree Kuori, Municipal Accountability Advisor, Municipal Capacity and Sustainability, toll-free at 310-0000, then 780-644-8528.

Sincerely,



Meryl Whittaker
Deputy Minister

cc: Desiree Kuori, Municipal Accountability Advisor, Municipal Affairs

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Town of Onoway

Box 540, Onoway, AB T0E 1V0

July 23rd, 2019

Alberta Municipal Affairs
18th Floor Commerce Place
10155 – 102 Street
EDMONTON, AB. T5J 4L4
MAP@gov.ab.ca

Att: Meryl Whittaker, Deputy Minister

Re: **Town of Onoway Municipal Accountability Review – 8 Week Report**

In reference to the above noted, and your May 16th, 2019 letter and attached report dated February 7th, 2019, please find enclosed the Town of Onoway's response to the legislative gaps noted in this report.

On behalf of the Town of Onoway Council and Administration, I thank Alberta Municipal Affairs for the implementation of this initiative as this has proven to be a very valuable exercise and learning tool with respect to municipal government operations and expectations.

We anticipate all items, other than the Property Tax Bylaw, will be completed prior to the end of 2019 and we will advise you accordingly. The Property Tax Bylaw will be presented to Council in April/May 2020.

Yours truly,

Wendy Wildman
Chief Administrative Officer

/ww

encl.
c.c. Council
Staff

Town of Onoway MAP Review Response

Legislative Gaps:

1. **Signing of Municipal Documents:**

-we will ensure a resolution or policy is passed by Council, delegating authority to a designated officer to sign agreements. This will be presented to Council prior to the end of October 2019.

2. **Authority to Act:**

-we are aware that all decisions of Council must be formalized through a Council resolution or by bylaw that is passed in an open public meeting with quorum present. The scheduling of a budget meeting noted in your report was an oversight, and we are mindful of this oversight and endeavour to ensure it does not occur again.

3. **Voting:**

-we are aware that each elected official present at a Council meeting must vote on all matters put before them and must vote in such a way that is visible to the public. I can advise that Council has followed this practice since our February 7th, 2019 review, and all Council members present raise their hand to vote.

4. **Pecuniary Interest:**

-we are aware that all elected officials present at a meeting must vote on all matters unless the Councillor is required or permitted to abstain from voting. And we are now aware that "potential" pecuniary interest does not meet the requirement of the MGA. Council has followed this practice since our February 7th, 2019 review.

5. **Council Meeting Minutes:**

-we are aware that public hearings must in held during a regular or special meeting, and the way the August 16th, 2018 public hearing was conducted was an oversight on our part and we have and will continue to be mindful that we adhere to this requirement in the future.

6. **Designated Officer Bylaw:**

-we are aware of the requirements for establishing a designated officer by bylaw and we will ensure this is presented to Council prior to the end of October 2019 for assessor, assessment review board clerk, and subdivision and development appeal board clerk.

7. **Property Tax Bylaw:**

-we are now aware that the position of Municipal Affairs is that there is only one minimum tax within the property tax bylaw. This practice will be applied to our 2020 tax rate bylaw.

8. Assessment Review Board Bylaw:

-we are aware that the LARB and CARB must be established by Bylaw and that this bylaw should address member appointments and terms or delegations and that a designated officer must be appointed as clerk, and all active members including the clerk must have the mandatory training prior to hearing an appeal. The Town has a contract with Lac Ste. Anne County for the provision of LARB and CARB, and we will ensure the proper bylaw(s) are presented to Council before the end of October 2019.

9. Bylaw Enforcement Officer Bylaw:

-we are now aware that because we contract community peace officer/bylaw enforcement officer services from another municipality as per agreement, that both municipalities must pass a bylaw to approve the agreement. This new bylaw will be presented to Council prior to the end of October 2019, and we will advise Lac Ste. Anne County accordingly.

10. Procedural Bylaw:

-we are now aware that our procedural bylaw must be repealed and replaced to ensure that the clause "Councillors may abstain from voting on minutes of meetings they did not attend, and the minutes shall duly record the abstention from voting and the reason why the councillor abstained" is removed and the new bylaw is in compliance with section 183 of the MGA. This new bylaw will be presented to Council prior to the end of October 2019.

11. Operating Budget:

-we are now aware that we must pass the interim operating budget prior to January 1st for the next fiscal year, and we will ensure we bring forward the 2020 interim operating budget prior to the end of 2019. We will continue this practice in the following years.

12. Listing and Publishing Policies Related to Planning Decisions

-we are now aware that our website must include a list and summary of all planning policies, and their relationship to each other. The Town purchased new website software in the spring of 2019 and we are working on transferring over pertinent information and missed information. We will endeavour to have this completed prior to the end of October 2019.

13. Municipal Library Board:

-we are now aware that the Libraries Act does not allow for the appointment of an alternate library board member. This will be rectified during our 2019 organizational meeting, and we will ensure it is adhered to in subsequent organizational meetings.

Wendy Wildman

From: Ruth McCuaig <rmccuaig@peacriver.ca> on behalf of Christopher Parker <cparker@peacriver.ca>
Sent: August 4, 2019 4:10 PM
To: mmerritt@olds.ca; cao@onoway.ca; cao@townofoyen.com; Christopher Parker; info@townofpenhold.ca; keith@picturebutte.ca; cao@pinchercreek.ca; albert.flootman@ponoka.ca; cao@townofprovost.ca; dfletcher@rainbowlake.ca; kurtispratt@raymond.ca; ArlosC@redcliff.ca; cao@redwater.ca; lori@rimbey.com; dkrause@rockymtnhouse.com; cao@sedgewick.ca; dmin@sexsmith.ca; brian@slavelake.ca; cao@smokylake.ca; cao@townofspiriteriver.ca; kheyman@town.stpaul.ab.ca; candice.greig@stavely.ca; gswitenky@stettler.net; t.goulden@stonyplain.com; jthackray@strathmore.ca; linda.n@sundre.com; cao@townofswanhills.com; wferris@sylvanlake.ca; cao@taber.ca
Subject: GST Status of Intermunicipal Cost Sharing Agreements
Attachments: 2019 08 05 Letter from Town of Peace River re GST Audit.pdf; 2019 08 04 Town of Peace River Briefing Document re GST Audit.pdf

Good afternoon,

The Town of Peace River recently received a finding from CRA that GST was payable on Intermunicipal cost sharing agreements.

We believe this finding has serious implications for all municipalities and ask that you consider bringing the attached letter to your Council in support of our request to have this finding reviewed.

Also provided is a more detailed briefing note on the specifics of the audit should you wish to access the information.

In addition to the demand to remit past taxes, this finding potentially affects all existing cost share agreements as well as ICFs.

Please do not hesitate to contact us if you require any further information.

Thank you for your support on this matter.

Christopher J. Parker, CLGM

Town of Peace River | Chief Administrative Officer

PLACE RIVER



1919 - 2019

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August 5, 2019

File: 12/120

Municipalities of Alberta

Re: Town of Peace River GST Audit Concern

Colleague,

In May 2019, following a routine GST audit, the Town of Peace River was advised by the Canada Revenue Agency (CRA) that our intermunicipal cost sharing agreements were assessed as being subject to Federal Goods and Services Tax (GST). The Town's third-party auditing firm, MNP, appealed the ruling, but CRA maintained that the agreements are taxable and subsequently issued a demand letter for over \$600,000.

The Town is extremely concerned by the implications of this ruling and the effect it will have on *all* Alberta municipalities, particularly on Intermunicipal Collaboration Frameworks. Municipal Affairs has contacted Town administration and shares our concerns on this issue.

On direction from Council, the Town has contacted FCM, AUMA, RMA, and NADC. FCM concurs that this finding has serious implications for all municipalities nationwide and has submitted our case to an independent tax lawyer for legal review. In addition, the Town is working with AUMA on an Emergency Resolution to be presented in September. Finally, we are engaging in a concerted advocacy campaign with Provincial and Federal elected officials, along with prospective Federal candidates. We believe it is critical that this re-interpretation be reviewed, and the tax status of cost-sharing agreements be clarified.

The Town requests that your Council join us in our advocacy effort. We invite you to contact AUMA, FCM or any other advocacy body who may be able to assist in having this ruling reconsidered. We further ask you to consider contacting your respective MLAs and MPs, along with any other official or candidate who can press for a reconsideration of this ruling.

Thank you for your attention to this very serious matter.

Sincerely,

A handwritten signature in black ink that reads "Christopher J. Parker". The signature is written in a cursive style and is positioned above a horizontal line.

Christopher J. Parker, CLGM, CAO
THE TOWN OF PEACE RIVER



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TOWN OF PEACE RIVER Briefing Document

TOWN OF
PEACE RIVER
ALBERTA

Presenter: Mayor and Council, Town of Peace River
Topic: GST Audit Review

Background

On March 4, 2019 the Town of Peace River underwent our routine GST/PSB (Public Service Body) Audit. The Town's previous audit was conducted in 2011.

On May 3, Canada Revenue Agency (CRA) released their results which assessed GST on "a supply of a right to enter, to have access to, or to use property of the government, municipality, or other body". CRA ruled that the "town supplied a right to use the municipal property to other municipalities through the use of cost-sharing agreements." The amount of the reassessment was \$609,571.41.

To be clear: the cost-sharing agreements in question have been in place since at least 2002. The specific agreement examined in 2019 was the same agreement in place during the audit in 2011. However, in the recent audit, CRA reinterpreted the questions of 'supply', 'public purpose' and 'third party benefit' with respect to cost-sharing agreements.

Town of Peace River facilities have a flat payment scale which does not discriminate on the basis of residence. No passes, rights of use or access are provided as a result of these contributions and the agreements are specifically worded towards regional benefit.

Appeal and Review

The Town appealed the initial ruling and on July 16, we were told the ruling was upheld. Interest on the outstanding amount has been accruing since April 25, and on July 22, the Town was notified by CRA that the case has proceeded to collections. On direction from our Council, the Town will be continuing the appeal process with CRA. This could take up to a year.

Concerns

This ruling – a reinterpreting of CRA bulletin on GST for Grants and Subsidies - has set a number of precedents which will be problematic for municipalities:

1. An auditor is now permitted to 'parse' an existing agreement to justify a finding even if the remainder of the agreement contradicts that finding.
2. Municipalities are no longer able to rely on the GST/HST Technical Information Bulletin B-067 with respect to determining supply as it relates to on-going programs of financial support.
3. It is no longer clear which cost-share items may be now assessed as supply. Furthermore, transactions not contained within the cost-share agreement are being assessed as though they were. Examples drawn from the Town's case include:
 - a. A \$3000 contribution to Canada Day Fireworks. This item is not part of the cost sharing agreement and no direct benefit was provided to the grantor.

- b. \$4000 in contributions to the Healthcare Attraction and Retention Committee. Again, not part of any cost-sharing agreement and any supply provided by this group falls within the public interest.
 - c. 50% of the salary of an RCMP Liaison Officer – not subject to any cost sharing agreement.
 - d. \$8,000,000 in donations to the capital costs of constructing a new regional multiplex. In addition to not being subject to the cost-share agreement, the contributions did not confer a supply of access to any property or service made by the municipality. This item was the most frustrating (and most costly) as the Town has been requesting funding for four years and the only time the Federal government acknowledged this project was to tax it.
4. The required ICF Agreements will now have to include a tax provision. Given the lack of consistency in how the regulation is being applied, this could prove extremely challenging in terms of determining which services should be considered supply. Municipalities must be prepared to have a future auditor reinterpret the agreements yet again. The cost of reversing any collection or remitting will create a substantial economic burden.

Our Council has passed the following Motions:

MOTION-19-07-261 Councillor Good moved that the Town contact AUMA and FCM to get legal advice and proceed as recommended.

MOTION CARRIED

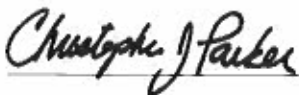
MOTION-19-07-262 Councillor Needham moved that the Town consider undertaking some political advocacy work to raise awareness of the issue both Federally and Provincially across all party lines.

MOTION CARRIED

Action

The Town has submitted this issue to FCM, AUMA, NADC, RMA, and Municipal Affairs. All of these bodies are extremely concerned about the precedent represented in this ruling. FCM is seeking an independent legal review of the issue and is considering intervenor status. AUMA is assisting the Town in preparing an Emergency Resolution to be presented in September.

In addition, the Town is actively engaging Provincial and Federal officials as well as prospective Federal candidates on this matter.



Christopher J. Parker, CLGM, CAO
THE TOWN OF PEACE RIVER