

PRIORITIES COMMITTEE MEETING AGENDA

Date: **June 13, 2017**
Open Session: **9:00 a.m.**
Location: **Council Chambers**

Pages

- 1. CALL TO ORDER**
- 2. ADDITIONS / DELETIONS / CHANGES TO AGENDA**
- 3. ADOPT AGENDA (Motion)**
- 4. CONFIRMATION OF MINUTES**
 - 4.1 May 16, 2017 Priorities Committee Meeting Minutes 3 - 6
- 5. EMERGING ITEMS**
- 6. TIME SPECIFIC AGENDA ITEMS**
 - 6.1 [11:00 a.m.] Alberta Association of Municipal Districts and Counties Update
To provide the Priorities Committee an update on current issues of the Alberta Association of Municipal Districts and Counties (AAMDC) and Strathcona County.

External Presenters:
Al Kemmere, President, AAMDC
Soren Odegard, District 5 Director, AAMDC
Gerald Rhodes, Executive Director, AAMDC
 - 6.2 [5:00 p.m.] 2017 Agricultural Service Board School Poster Contest 7 - 18
To recognize students of Elk Island Public and Catholic School Divisions whose art was chosen for its creative representation of "150 Years to Love Canadian Agriculture".
 - 6.3 [5:30 p.m.] OPEN HOUSE
Opportunity for members of the public to speak to the Committee once on a given topic, with some exceptions under the Priorities Committee Bylaw.

7. STRATEGIC INITIATIVES AND UPDATES

- | | | |
|-----|--|---------|
| 7.1 | Alternative Energy Decision Factors
To share with Priorities Committee the factors that may lead to choosing an alternative energy initiative. | 19 - 28 |
| 7.2 | County Connect Project Update June 2017
To provide the Priorities Committee with an update on the County Connect project. | 29 - 38 |
| 7.3 | Open Space and Recreation Facility Strategy (OSRFS) Update
To provide Priorities Committee with an update on the Open Space and Recreation Facility Strategy (OSRFS). | 39 - 66 |

8. COUNCILLOR REQUESTS (INFORMATION / PROGRAM REQUESTS)

- | | | |
|-----|---|----|
| 8.1 | Councillor Request Report
To add or remove items from the Councillor Request Report. | 67 |
|-----|---|----|

9. REPORTS FOR INFORMATION

The Priorities Committee is provided with the listed reports in this section for information only. Presentations are not heard at the meeting.

- | | | |
|-----|--|----------|
| 9.1 | Ward 6 Councillor Report | 68 - 69 |
| 9.2 | 2017 Q1 Management Report | 70 - 86 |
| 9.3 | Proposed Cannabis Act and the Land Use Bylaw | 87 - 88 |
| 9.4 | Strathcona County 2016 Annual Report | 89 - 181 |

10. ADJOURNMENT (Motion)

PRIORITIES COMMITTEE MEETING MINUTES

May 16, 2017
9:00 a.m.
Council Chamber

Members Present: Roxanne Carr, Mayor
Vic Bidzinski, Councillor Ward 1
Brian Botterill, Councillor Ward 3
Carla Howatt, Councillor Ward 4
Paul Smith, Councillor Ward 5
Linton Delainey, Councillor Ward 6
Bonnie Riddell, Councillor Ward 7

Members Absent: Dave Anderson, Councillor Ward 2
Fiona Beland-Quest, Councillor Ward 8

Administration Present: Rob Coon, Chief Commissioner
Kevin Glebe, Assoc. Commissioner, Infrastructure and Planning Services
Russ Pawlyk, Acting Assoc. Commissioner, Community Services
Greg Yeomans, Chief Financial Officer
Lori Cooper, Assoc. Commissioner, Corporate Services
Sandy Bugeja, Manager, Governance Support Services & Deputy Clerk
Jeremy Tremblett, Legislative Officer
Lana Dyrland, Legislative Officer

1. CALL TO ORDER

Mayor Carr called the meeting to order at 9:03 a.m.

2. ADDITIONS / DELETIONS / CHANGES TO AGENDA

The Chair called for additions/deletions/changes to the agenda.
There were no changes to the agenda.

3. ADOPT AGENDA

2017/ P 15

Moved by: B. Botterill

THAT the agenda be adopted as presented.

In Favour (5): R. Carr, V. Bidzinski, B. Botterill, C. Howatt, and L. Delainey

Carried (5 to 0)

Bonnie Riddell joined the meeting at 9:02 am.

4. CONFIRMATION OF MINUTES

4.1 April 11, 2017 Priorities Committee Meeting Minutes

2017/ P 16

Moved by: C. Howatt

THAT the April 11, 2017 Priorities Committee Meeting Minutes be approved.

In Favour (6): R. Carr, V. Bidzinski, B. Botterill, C. Howatt, L. Delainey, and B. Riddell

Carried (6 to 0)

5. EMERGING ITEMS

There were no emerging items brought forward.

7. STRATEGIC INITIATIVES AND UPDATES

7.1 Neighbourhood Traffic Safety Action Plan

The Committee was provided with an update on the completion of the Neighbourhood Traffic Safety Action Plan (NTSAP) 2017.

6. TIME SPECIFIC AGENDA ITEMS

6.1 2017 Technical Employer of the Year - Association of Science and Engineering Technology Professionals of Alberta (ASET)

Strathcona County was named 2017 ASET Technical Employer of the Year award from the Association of Science and Engineering Technology Professionals of Alberta.

External Presenter:

Barry Cavanaugh, CEO, ASET

Paul Smith joined the meeting at 10:15 am.

7. STRATEGIC INITIATIVES AND UPDATES

7.2 Davidson Creek/Clarkdale Meadows Traffic Calming

The Committee was provided with an update and final traffic calming plans for the Davidson Creek/Clarkdale Meadows Traffic Calming Project.

7. STRATEGIC INITIATIVES AND UPDATES

7.1.1 Neighbourhood Traffic Safety Action Plan Continued Discussion

6. TIME SPECIFIC AGENDA ITEMS

6.2 Overview of Public Engagement Process for the Review of the Dog Control Bylaw and Enforcement Processes

The Committee was provided with an overview of the results of the public engagement process undertaken for the review of the Dog Control Bylaw.

External Presenter:

Jonathan Mackay, Senior Associate, Stantec

Bonnie Riddell left the meeting at 12:01 pm.

7. STRATEGIC INITIATIVES AND UPDATES

7.3 Municipal Development Plan

The Committee was provided with an overview of the final draft of the updated Municipal Development Plan (MDP).

Paul Smith left the meeting at 2:42 pm.

7.4 Provincial and Federal Budget Impacts Update

The Committee was provided with an update in regards to the impacts on Strathcona County of the 2017 Provincial and Federal budgets.

7.5 Urban Chicken Pilot Project

The Committee was provided with an update on input into potential development of an Urban Chicken Pilot Project.

2017/ P 17

Moved by: B. Botterill

THAT the May 16, 2017 Priorities Committee report Urban Chicken Pilot Project, without further work from Administration, be referred to Council for debate and decision.

In Favour (4): R. Carr, V. Bidzinski, B. Botterill, , L. Delainey

Opposed (1): C. Howatt

Carried (4 to 1)

ACTION: Transportation and Agriculture Services/ Legislative and Legal Services

DUE: May 23, 2017

8. COUNCILLOR REQUESTS (INFORMATION / PROGRAM REQUESTS)

8.1 Councillor Request Report

There were no requests brought forward at the meeting.

6. TIME SPECIFIC AGENDA ITEMS

6.3 Sherwood Park Primary Care Network

The Committee was provided with information of the Primary Care Network and its work in the community.

External Presenter:

Debbie Sinclair, Board Member, Sherwood Park Primary Care Network

Dr. Mark Guhle, Board Member, Sherwood Park Primary Care Network

6.4 Strathcona County Library 2016 Annual Report

The Committee was provided with a presentation of the Strathcona County Library 2016 Financial Statements and Annual Report.

External Presenters:

Sharon Siga, CEO, Strathcona County Library

Anna Pandos, Chair, Strathcona County Library Board

Anne Nothof, Vice-Chair, Strathcona County Library Board

Lynn Walker, Secretary-Treasurer, Strathcona County Library Board

6.5 Strathcona County Diversity Committee

The Committee was provided with a presentation from the Strathcona County Diversity Committee on embracing local diversity and building inclusive communities.

External Presenters:

Parvaneh Tashakor, Member, Strathcona County Diversity Committee

Aubrey Watson, Member, Strathcona County Diversity Committee

6.6 OPEN HOUSE

Registered Speakers:

North West Region 4H

Rebecca Palmquist

Ashley-Marie Ference

Max Coderre

Traffic speed limits in the County

9. REPORTS FOR INFORMATION

There were no reports for information distributed to the Committee.

10. ADJOURNMENT

The Mayor declared the meeting adjourned at 5:55 p.m.

Mayor

Deputy Clerk, Legislative & Legal Services

Priorities Committee Meeting_Jun13_2017

STRATEGIC INITIATIVE AND UPDATE**2017 Agricultural Service Board School Poster Contest****Report Purpose**

To recognize students of Elk Island Public and Catholic School Divisions whose art was chosen for its creative representation of "150 Years to Love Canadian Agriculture".

Council History

Presentations are made annually at a Priorities Committee meeting to winners of the contest.

Strategic Plan Priority Areas

Economy: n/a

Governance: n/a

Social: The contest is a tool to help connect students with the rural essence of the municipality.

Culture: n/a

Environment: n/a

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: n/a

Summary

The Agricultural Service Board sponsors an annual school poster contest each spring. In honour of Canada's 150th birthday, the theme of the contest this year was "150 Years to Love Canadian Agriculture; Draw a picture celebrating our agricultural history". All schools within the Elk Island Public and Catholic school divisions received an invitation to participate in February of 2017. Grades 3, 4 and 5 are included in the competition. In total, 443 posters were submitted from 27 schools. Students with winning posters are to be presented with a cheque.

Enclosure

- 1 School Poster Contest Winners
- 2 School Poster Contest Poster Presentation

2017 Agricultural Service Board
 School Poster Contest Winners
 "150 Years to ♥ Canadian Agriculture"

Grade 3

3 rd Place	Dulara Welikala	Pine Street Elementary	\$50.00
2 nd Place	Candence Warawa	Jean Vanier School	\$75.00
1 st Place	Sophia Gaite	Madonna Catholic School	\$100.00

Grade 4

3 rd Place	Julia Hesson	Westboro Elementary	\$50.00
2 nd Place	Tristan Frank Petras	Lakeland Ridge School	\$75.00
1 st Place	Eden Hardy	Westboro Elementary	\$100.00

Grade 5

3 rd Place	Emily Williams	Wes Hosford Elementary	\$50.00
2 nd Place	Alessa Polmo	Wes Hosford Elementary	\$75.00
1 st Place	Hailey Cheng	Pine Street Elementary	\$100.00

2017 Agricultural Service Board School Poster Contest

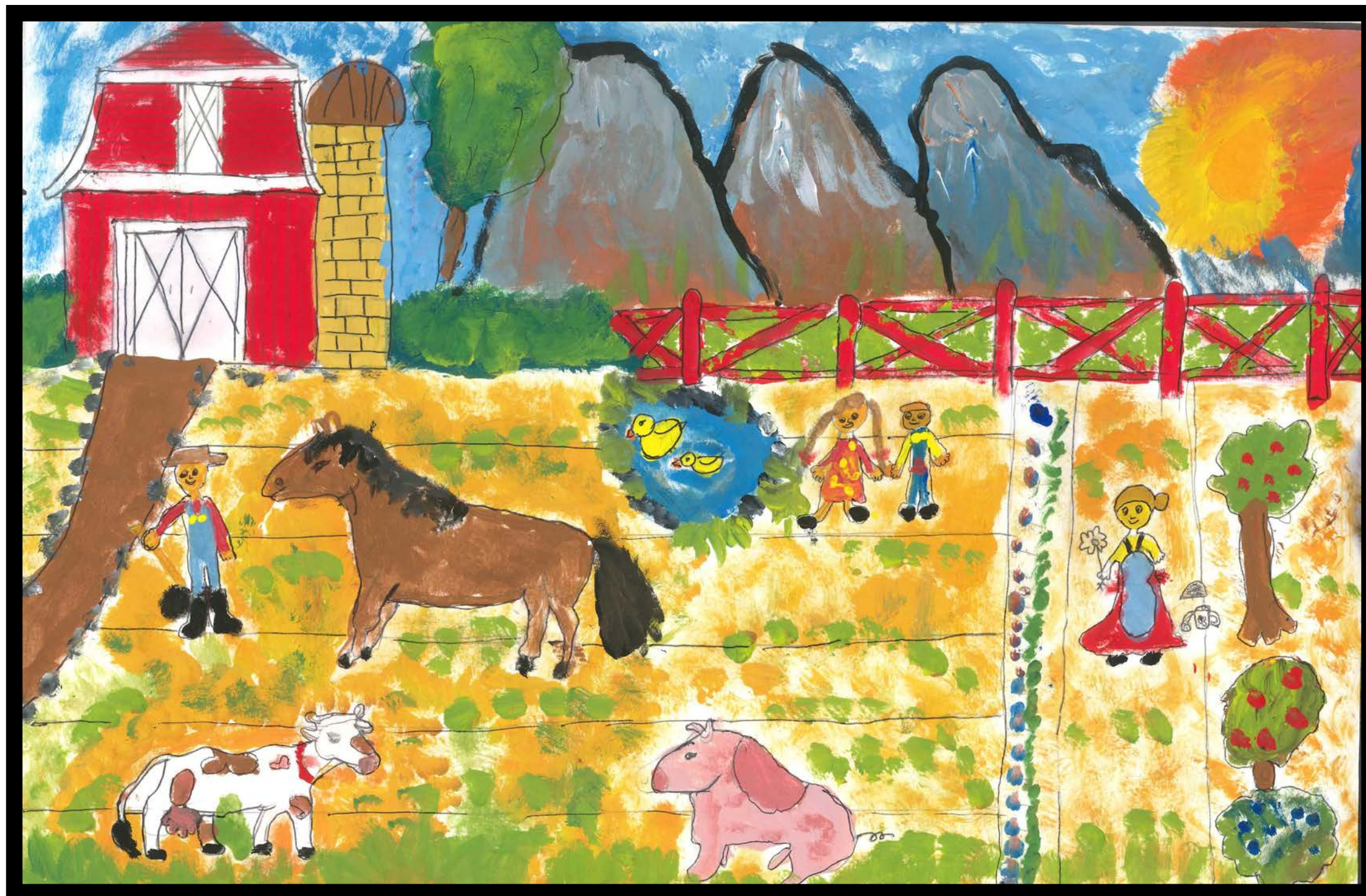
150 Years to ♥ Canadian Agriculture

Draw a picture celebrating our agricultural history

Priorities Committee Meeting

June 13, 2017

Presenter: Joel Gould



Dulara Welikala
3rd Place
Grade 3
Pine Street
Elementary



Cadence Warawa
2nd Place
Grade 3
Jean Vanier
School



Sophia Gaite

1st Place

Grade 3

**Madonna
Catholic
School**



Julia Hesson
3rd Place
Grade 4
Westboro
Elementary



**Tristan
Frank Petras
2nd Place
Grade 4
Lakeland
Ridge School**



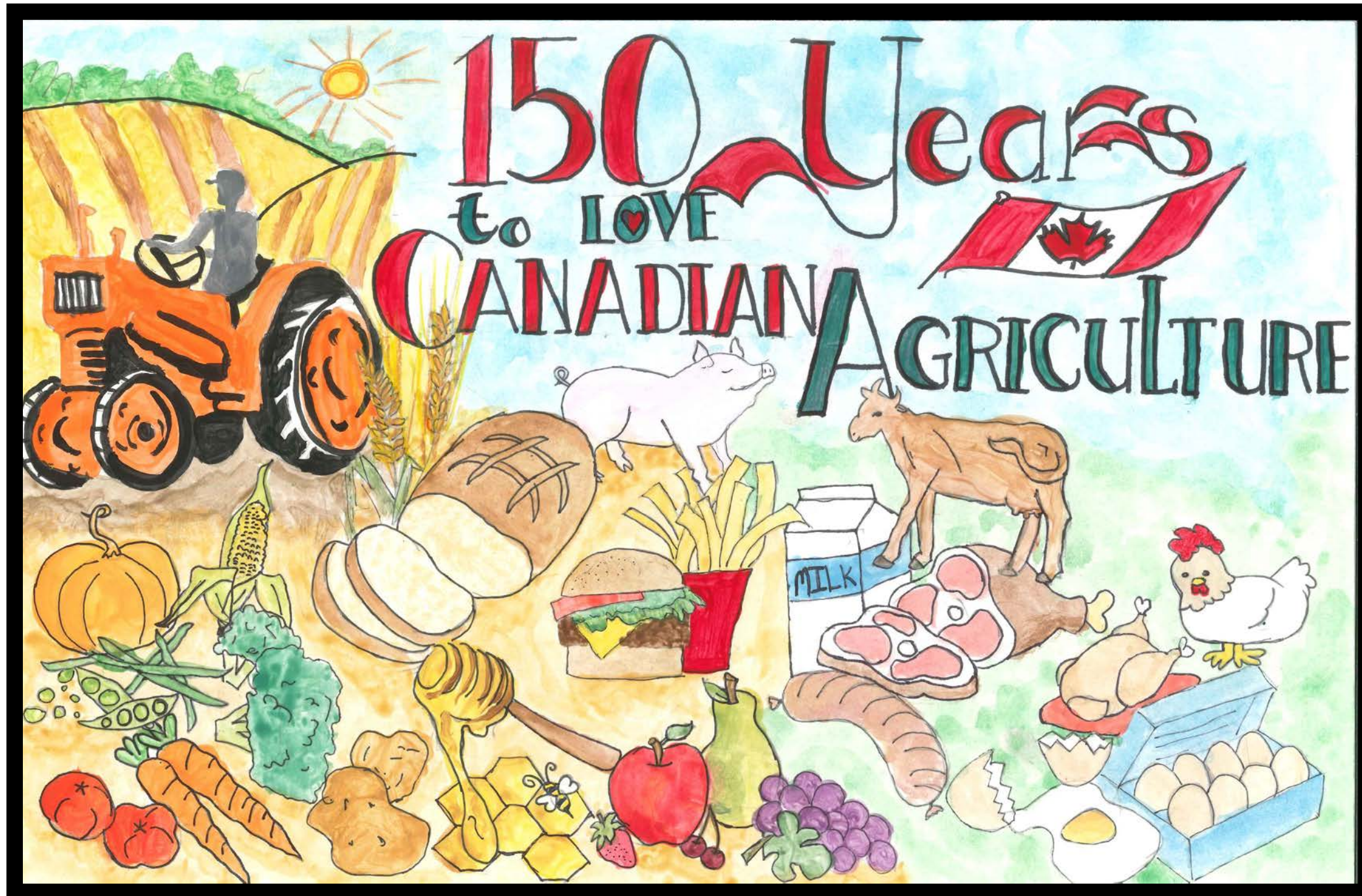
Eden Hardy
1st Place
Grade 4
Westboro
Elementary



Emily Williams
3rd Place
Grade 5
Wes Hosford
Elementary



Alessa Polmo
2nd Place
Grade 5
Wes Hosford
Elementary



Hailey Cheng
1st Place
Grade 5
Pine Street
Elementary

Priorities Committee Meeting_Jun13_2017

STRATEGIC INITIATIVE AND UPDATE**Alternative Energy Decision Factors****Report Purpose**

To share with Priorities Committee the factors that may lead to choosing an alternative energy initiative.

Council History

February 21, 2017 – Council directed Administration to provide a report that addresses factors that could be considered in determining whether an alternative energy investment is warranted.

Strategic Plan Priority Areas

Economy: Choosing alternative energy options may lead to long term economic impacts that may not be initially apparent.

Governance: Many alternative energy options include grant incentives from other orders of government.

Social: Public understanding of alternative energy options has been steadily increasing and will continue into the future.

Culture: n/a

Environment: Energy decisions have long been linked to their impacts on the environment, both in the near term and long term.

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: Facility Services, Utilities, CPIA, energy users in Strathcona County

Summary

There are numerous factors when considering an energy option for buildings as well as many other forms of new infrastructure. It is incumbent upon Strathcona County administration to consider these factors when recommending the best alternative. As is illustrated in the attached presentation, it is not simply the current lowest cost alternative.

Enclosure

1 Alternative Energy Decision Factors

Alternative Energy Decision Factors

June 13, 2017 Priorities Committee

Strategic Fit

- Prioritized Strategic Goal #1
 - “Strategically manage, invest and plan for sustainable municipal infrastructure”
- Prioritized Strategic Goal #3
 - “Advance the community’s interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity”
- Prioritized Strategic Goal #4
 - “Increase public involvement and communicate with the community on issues affecting the County’s future”
- Prioritized Strategic Goal #9
 - “Improve the efficiency of resource usage; minimize the volume of waste and its impact on the community”

Positive Public Image

- Public perception of making long-term environmentally responsible decisions
- Being seen as innovative
 - Citizen pride
 - Current staff pride; draw for new staff
 - Attractive attribute for new citizens and businesses
- Synergies with other orders of government
 - Provincial climate leadership
 - Federal green infrastructure
 - Grants

Traditional Financial Factors

- Initial costs of infrastructure
- Ongoing costs of energy inputs
- Lifecycle costs of infrastructure (including disposal)
- Long term forecasts for energy prices
- Net present value

Job Creation

- Potential to support existing or incent new local businesses
- Diversify the local economy
- Synergies with other orders of government (grants, leverage relationship)

Environmental Factors

- Efficiency of the technology
- Opportunity to capture waste heat
- Presence / absence of a heat sink (e.g. opportunity to store for reuse)
- GHG reductions / credits
- Secondary environmental benefit (e.g. using a waste stream as a fuel source)

Resiliency

- Fuel resiliency
 - Non-fossil
 - Switching
 - Local
- Building & occupant health
 - Occupant health considerations
 - Reduced building contaminates

Operational Perspective

- Availability of fuel source
- Complexity of technology
- Operational reliability
- Local support
- Meets operational objectives

Questions?

Priorities Committee Meeting_Jun13_2017

STRATEGIC INITIATIVE AND UPDATE

County Connect Project Update June 2017

Report Purpose

To provide Council with an update on the County Connect project.

Council History

September 29, 2015 – Priorities Committee was provided an update on the County Connect vision and the plan to achieve it.

June 16, 2015 – Priorities Committee was provided an update on the County Connect pilot, upcoming milestones and community engagement plans.

March 31, 2015 – Priorities Committee was provided an update on County Connect, previously known as the Service Request Tracking System.

December 10, 2013 – Council approves \$2,100,000 in funding over two years in the 2014 budget, plus ongoing operational funding for sustainment of the system.

November 26, 2013 – Council was provided with an update on the Service Request Tracking System business case.

September 10, 2013 – Council received a progress report on the Corporate Request Tracking System needs assessment project.

August 13, 2013 – Council approved reserve funding for the Service Request Tracking System project in the amount of \$206,000 from the Future Municipal Operating Reserve.

May 21, 2013 – Council approved release of the “In Pursuit of Excellence” report, with recommendations for investigation of a corporate “issues and complaints tracking system”.

Strategic Plan Priority Areas

Economy: Internal efficiencies and innovation in service delivery.

Governance: Internal efficiencies and innovation in service delivery.

Social: Sharing the data from County Connect requests; supports decision making, encourages citizen engagement and improves outcomes.

Culture: Tracking of services, transparency of reporting and a focus on excellent service helps create a culture of sharing and trust; both within the organization and the community at large.

Environment: County Connect can better target service delivery, saving natural resources through efficiency and online access.

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: This is a cross-department initiative involving all County departments.

Summary

The Service Request Tracking System (SRTS) Project was launched in 2014 and named “County Connect”. In May 2015, requests from four departments and the Office of the Elected Officials were launched in phase 1. County Connect is poised to launch requests from the remaining County Departments in phase 2 of the project in 2017. With the expansion of County Connect to include all other County departments, Administration will have access to data which will be used to make informed service decisions.

Enclosure

1 County Connect presentation



 COUNTY CONNECT

ASK
IT

REPORT
IT

TRACK
IT

County Connect Update

Priorities Committee
June 13, 2017

County Connect - Vision & Mission

Vision: What does the County want to accomplish?

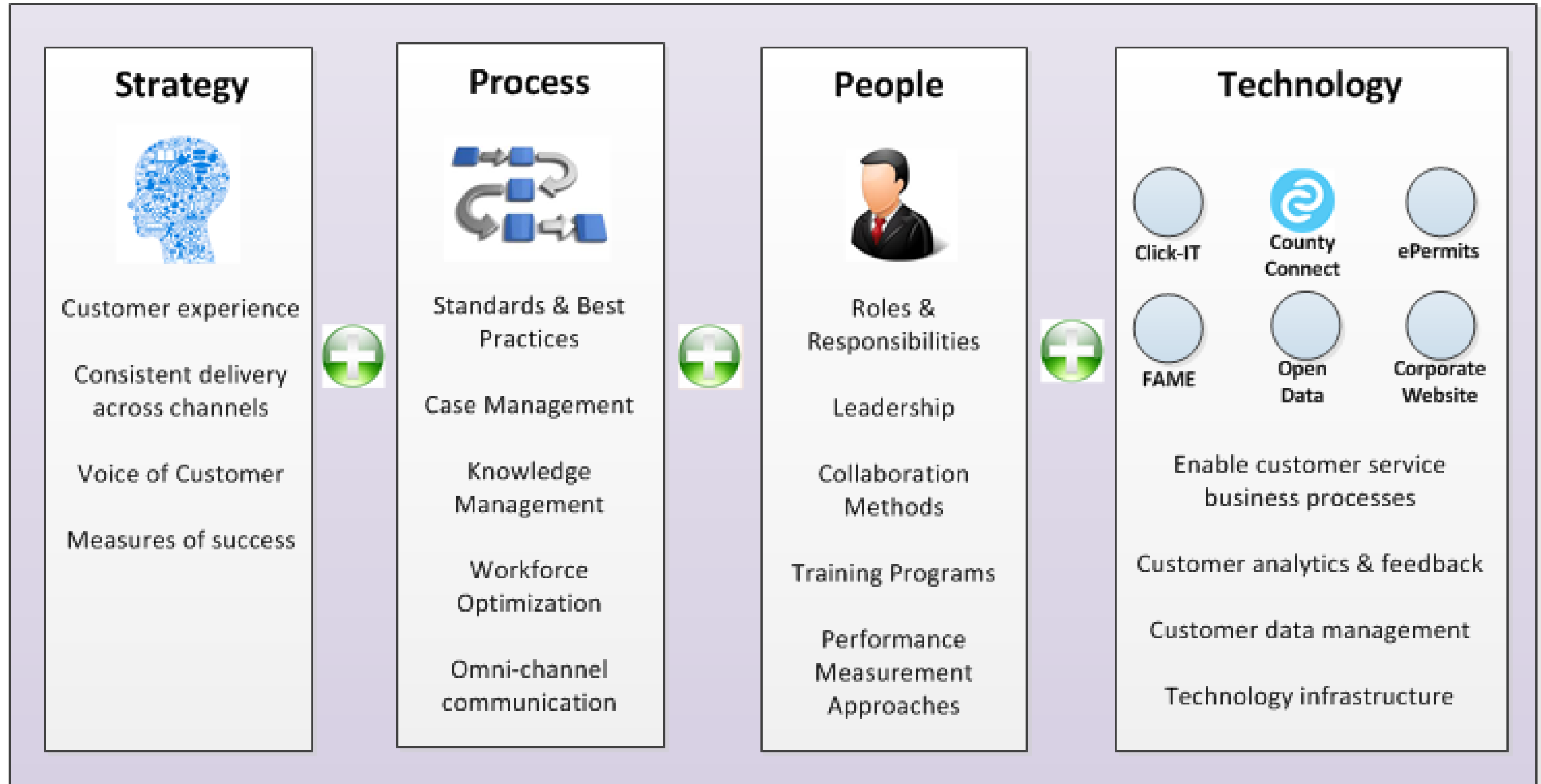
"In pursuit of becoming Canada's most livable community, Strathcona County aims to be a leader in service delivery with an ongoing commitment to establishing and promoting a **customer-service** culture."

Mission: How will the County achieve its vision?

"Strathcona County will utilize a **combination of strategy, process, people, and technology** to provide the best customer experience while being fiscally responsible."



Customer Service Framework



County Connect - Project Milestones

2012

- Pursuit of Excellence report identified opportunity for a service request and tracking system

2013

- Customer service solution assessment and business case phase

2014

- Vendor selection and internal engagement identifying service request “candidates”

2015

- Transit, Office of the Elected Officials launch new system pilot
- Assessment and Tax, Transportation and Agriculture Services internal launch
- Public launch of self-service channels with 60+ services
- Launch of Open Data County Connect tracking site

2016

- Recreation, Parks and Culture services public launch on web self-serve
- County Connect steering committee and project team renewal
- Direction and planning to bring remaining departments onboard

2017 – In Progress

Q1	Q2	Q3	Q4
Department Onboarding (remaining)			
CPIA	EDT, TPE, FCS	FIN, FLT, LLS, SCES, RCMP-ES, PDS, UT	HR, PS, COM
		Improvements for Departments on County Connect	
		Internal Self-Service Portal	
		Corporate Service Performance Reporting	

County Connect - Request Statistics

				Total By Channel			
Year	Total Requests	Months of Operation	Avg Requests Per Month	Self Service		All other channels	
				Total	%	Total	%
2015	2,054	7	293	294	14%	1,760	86%
2016	9,124	12	760	2,163	24%	6,961	76%
2017	4,132	4	1033	1,432	35%	2,700	65%

County Connect - Top 5 Request Types

Top 5 Request Types for period of May 12, 2016 to May 12, 2017

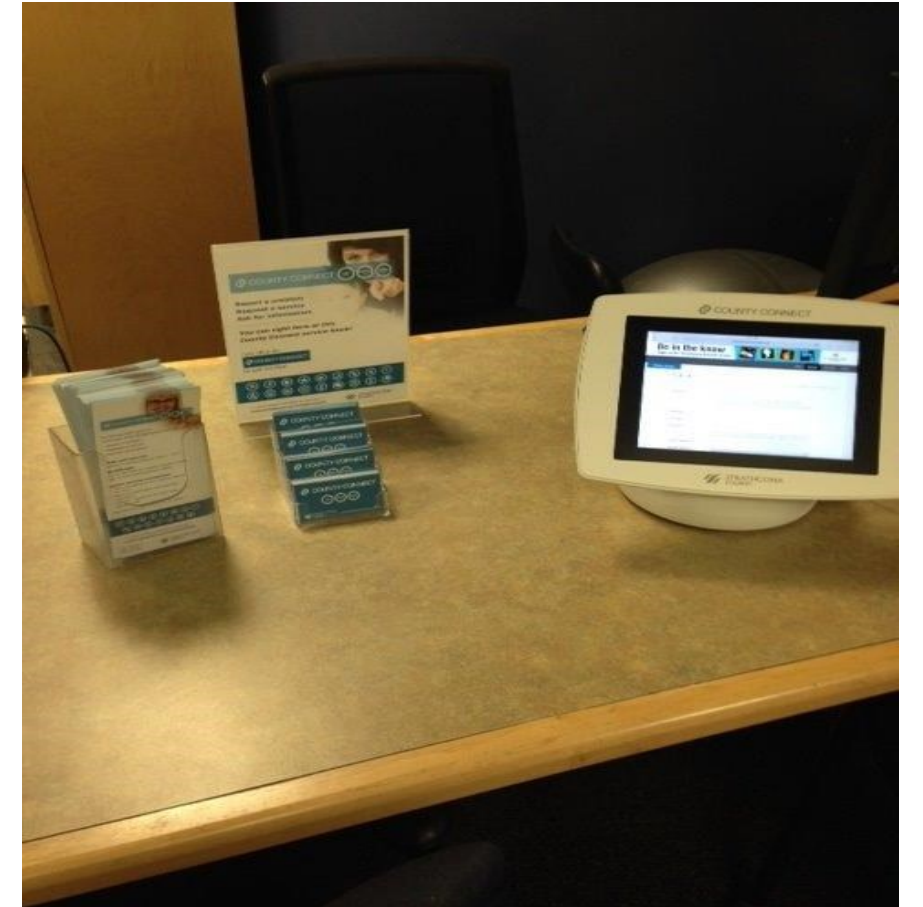
	Request	Request Type	Total	% of Total Requests
1	Water and Flooding: Culverts	Report it	574	6%
2	Permits: Road ROW Application	Apply for it	484	5%
3	Park: Trees	Inquiry, Concern, Comments, Report it	403	4%
4	Plants, Weeds, and Crops: Weed Inspection	Request it, Inquiry, Comments	383	4%
5	Assessment Inquiry - Residential: Owner	Inquiry	325	3%

How County Connect is making a difference

A few examples...

- Departments using County Connect finding efficiencies and ability to provide better service
- Assessment and Tax staff say web self-service requests allow them to better prepare to better serve the citizen
- In 2016, RPC's parks section received over 4,000 requests
 - Requests into one area a big plus
 - Mechanism for supervisors to delegate and monitor work in a timely manner
- Reporting capability helps departments to mine and analyze types and frequency of service requests coming in to address or adjust work as needed

- your online window to service -



County Connect kiosks at facilities



COUNTY CONNECT



ASK
IT



REPORT
IT



TRACK
IT

Questions?

Priorities Committee Meeting_Jun13_2017

STRATEGIC INITIATIVE AND UPDATE**Open Space and Recreation Facility Strategy (OSRFS) Update****Report Purpose**

To provide Priorities Committee with an update on the Open Space and Recreation Facility Strategy (OSRFS).

Council History

June 24, 2008 – Council approved the Open Space and Recreation Facility Strategy (OSRFS).

April 10, 2012 – Council approved the OSRFS, Trails Strategy.

May 13, 2014 – Council Priorities Committee accepted the OSRFS five year update.

November 28, 2016 – Council approved that Administration provide, by the end of the second quarter of 2017, an update on the Open Space and Recreation Facility Strategy (OSRFS) that will include an update on the Trails Strategy, adopted by Council on April 10, 2012 to guide trail development in the County for a 15-year period, along with a prioritized list for trail development and re-development in the County under the Strategy.

Strategic Plan Priority Areas

Economy: The OSRFS focuses on revitalizing existing municipal infrastructure through managing, investing and planning for recreation infrastructure.

Governance: The OSRFS is built on a foundation of public engagement and the development and maintenance of strong relationships with community groups and partners.

Social: Implementation of the OSRFS has resulted in the revitalization and development of outdoor and indoor community amenities, creating programs and services to support the diverse needs of residents.

Culture: Implementation of one percent of the project cost for public art in the revitalization and development of outdoor and indoor recreation amenities, adding to the vibrancy of the community.

Environment: OSRFS project design, construction and operation incorporates the natural environment and efficiently uses resources and minimizes waste, striving to reduce the ecological footprint of development.

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: Transportation, Planning and Engineering, Recreation, Parks and Culture, Facility Services

Summary

The Open Space and Recreation Facility Strategy (OSRFS) approved by Council in June 2008, created through community public engagement, serves as a guiding document for open space and facility revitalization and development. The 15 year strategy provides, in five year increments, direction on how parks, natural areas, trails and leisure facilities should develop. The guiding principles focus on:

1. Revitalizing before building new;
2. Creating an integrated system of indoor and outdoor spaces to meet multiple recreation needs;
3. Reducing the ecological footprint of development; and
4. Creating opportunities for community partnership and stewardship.

The first five years (2009 – 2013) involved successful revitalization of indoor leisure facilities (Ardrossan Recreation Complex, Millennium Place, Broadmoor Arena/Golf Clubhouse); outdoor urban and rural open spaces (South Cooking Lake, Clover Bar Ranch Park, Centennial Wetlands, Sherwood Heights) and community recreation master plan development (Brentwood, Kinsmen/Westboro, South Cooking Lake, Heritage Hills, Ardrossan and Josephburg).

The second five years (2014 – 2018) resulted in the approval, construction and opening of the RE/MAX Broadmoor Spray Park and Playground in Broadmoor Lake Park, Emerald Hills Leisure Centre, Emerald Hills Regional Park and Sports Pavilion and a revitalized Glen Allan Recreation Complex. Construction of the Ardrossan Spray Park and the Kinsmen Leisure Centre change room addition are planned for 2018.

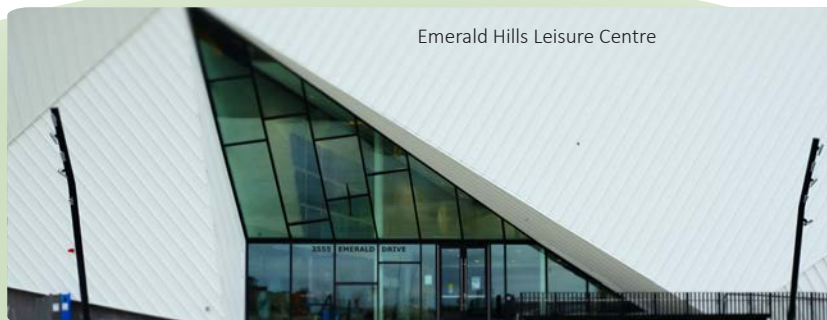
As part of the outdoor walkability program a trails strategy was approved by Council in April of 2012. The key focus of this program has been to complete missing trail linkages, the Trans Canada Trail and River Valley Alliance initiative.

Overall, 2018 will be a year of re-engagement with the community to reaffirm priorities with residents, community partners and stakeholders for the continued investment in health and well-being of the community. Once completed, the revised strategy will provide a community driven comprehensive plan that outlines the priorities for the next five years (2019 – 2023), while providing guidance for the next 15 years (2019-2033) for open space and facility revitalization and development.

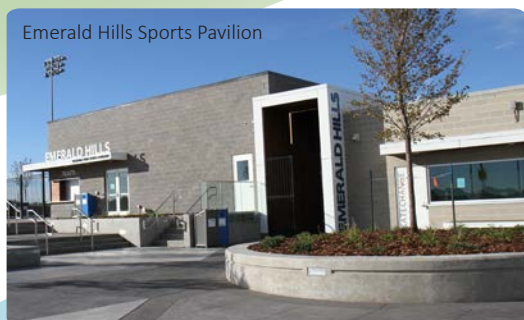
Enclosure

- 1 Encl 1 Open Space Recreation and Facility Strategy (OSRFS) Update – June 13, 2017 (Document: 10279348)
- 2 Encl 2 ppt OSRFS June 2017 Update (Document: 10283454)

June 13, 2017



Emerald Hills Leisure Centre



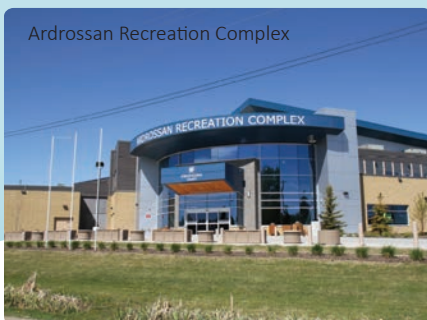
Emerald Hills Sports Pavilion



Emerald Hills Artificial Turf Field



Canada Day Festival



Ardrossan Recreation Complex



2017 Review & Update

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I. Looking Back at the OSRFS

The Open Space and Recreation Facility Strategy (OSRFS) was approved by **Council on June 24, 2008**. The strategy provided broad direction to how parks, natural areas, trails, and leisure and recreation facilities should develop over the **next 15 years**.

The strategy was originally developed by Strathcona County Administration with the assistance of consulting resources. The strategy was built on the needs articulated by the community. **An extensive amount of public dialogue took place to guide the creation of the OSRFS**; engagement has been ongoing with both the general public and stakeholder groups as the strategy continues to move forward.

Reminder of the plan and vision

The vision for open spaces and recreation facilities in Strathcona County is to invest in a healthy and active community by providing safe, affordable and accessible recreation, parks and culture opportunities.

The **guiding principles** are:

- **revitalizing** existing parks, open spaces and recreation facilities before investing in new spaces;
- **creating** an integrated system of indoor and outdoor places and facilities to meet multiple recreation needs, across multiple locations;
- **reducing** the ecological footprint of development;
- **creating** opportunities for community partnerships and stewardship.

Research and Guiding Documents

The OSRFS is a guiding document and plan for future development and redevelopment of indoor and outdoor spaces. **The OSRFS recommended additional work in three areas**, which lead to the creation of three guiding strategies including **Aquatics, Sportsfields and Trails**. These strategies were developed through extensive public engagement to establish priorities in these areas.

Project Positioning

As part of the ongoing OSRFS needs assessment process, the following tools provide the key information required to make decisions on priorities for future OSRFS projects.

Environmental Scan - monitor industry changes, trends and issues for early signs of opportunities or challenges that may influence current and future plans.

Market Research - gather information about user needs and preferences.

Public Engagement - involve residents/other stakeholders to develop an understanding of issues, gather specific input, identify alternatives, or partner in decision making.

Usage Analysis - monitor usage, program registration or participation over time within specific functional areas of recreation to understand and predict future needs and trends. Facility condition reports - coordinate with infrastructure replacement whenever possible.

Feasibility studies - may be initiated to further investigate specific projects as needed.

Community Partnership Projects

In September 2011 Strathcona County Council adopted a new municipal policy to create a systematic approach for building community-based recreation and open space infrastructure. The new approach is done through the Community Partnership Projects (CPP) process.

Linking to the Strategic Plan

The OSRFS is a vehicle to address many of the priorities set out by Strathcona County's Strategic Plan. Our recreation spaces contribute to the quality of life that our residents value and

enjoy. Investment in infrastructure, quality services, cultural and recreational programs and facilities is a priority and sets us apart. Effective and efficient infrastructure and community partnerships are top priorities in the new Strategic Plan.

How OSRFS outcomes contribute to the County's Strategic Goals



OSRFS Project Cycle

The following terms are used often when describing where we are at in the OSRFS project cycle. The stages are progressive, and each stage builds upon the work completed in earlier stages. There may be pauses between stages, and timelines vary enormously depending on the type of project and funding capabilities.

Strategy

- gives general direction to what amenities are needed, and where
- high level public input i.e. annual OSRFS survey
- identify and explore potential partnerships
- submitted as a planning request through the budgets' business initiatives process
- provide specific enough information to be able to prioritize 5 to 10 years out

Concept

- working to create the initial details for a specific project determined through the Strategy stage
- invested community stakeholders and the general public participate in identifying the specific needs related to the project
- expertise is hired to assist the community and administration to arrive at a final concept and to proceed to the design stage
- the final concept is developed to the merit stage of design, which generates enough design detail to establish cost certainty for capital budget consideration and approval
- submitted as a planning request through the budgets' business initiatives process

Design

- the public and invested partners are kept informed about the progress of the detailed design
- costing is monitored throughout the design to ensure the project remains within budget
- creation of tender ready documentation to provide to construction

Build

- tentative construction schedules are established and communicated
- public engagement shifts to how the new spaces may be used/programmed
- public is kept informed of timelines, construction progress and operating changes

Operate

- facility/space is open and fully functional
- public engagement to obtain feedback related to satisfaction with the new space/facility and its operation

II. Review of the First Ten Years (2009-2018)

The initial OSRFS accomplishments have been the result of an ongoing, coordinated and cooperative effort between internal departments, community and facility stakeholders, residents and facility users.

Strategy		Concept		Design		Build		Operate		Status	Year	
COMMUNITY PARTNERSHIP	2009 - 2013											
	Gilmore Park Phase 1										Operate	2013
	Bike Skills Park Phase 1										Operate	2013
	McPherson Park										Operate	2013
	Miok-McCormack Memorial										Operate	2013
	2014 - 2018											
	Gilmore Park Phase 2										Operate	2014
	Bike Skills Park Phase 2										Operate	2014
	One Wall Handball										Operate	2014
	Emerald Hills Sports Pavilion										Operate	2016
	St. Theresa Playground										Operate	2016
	Whitcroft Gazebo										Operate	2016
	Pickleball Courts at Sherwood Heights										Build	2017
PLANNING	2009-2013											
	Ardrossan Community Recreation Master Plan										Complete	2009
	Josephburg Community Recreation Master Plan										Complete	2012
	South Cooking Lake Master Plan										Complete	2010
	Brentwood Park Master Plan										Complete	2010
	Heritage Hills Park Master Plan										Complete	2010
	Kinsmen / Westboro Park Master Plan										Complete	2010
	Sportsfield Strategy										Complete	2010
	Trail Strategy										Complete	2012
	Aquatic Strategy										Complete	2012
	2014-2018											
	Dog Off Leash Strategy										Complete	2015
	Growth Areas										Strategy	2019-23
	Sally Stewart Master Plan										Strategy	2017-18
	Outdoor Aquatic Spray Park and Spray Deck Strategy										Complete	2017
	Centennial Park Park Master Plan										Strategy	2018
	Heritage Hills Park Re-Development Plan										Strategy	2018

Strategy		Concept		Design		Build		Operate		Status	Year	Wellness	Ice	Aquatics	Dry surface	Culture	Play			
2009 - 2013																				
INDOOR	Ardrossan Recreation Complex										Operate	2012	●	●		●		●		
	Millennium Place										Operate	2012	●	●					●	
	Broadmoor Arena & Clubhouse										Operate	2012		●		●				
	2014-2018																			
	Emerald Hills Sports Pavilion										Operate	2016							●	
	Emerald Hills Leisure Centre										Operate	2016			●					
	Glen Allan Recreation Complex (Phase 1)										Operate	2016	●							
	Glen Allan Recreation Complex (Phase 2)										Operate	2016	●			●				
	Glen Allan Recreation Complex (Curling Rink)										Operate	2016		●						
	Festival Place										Design	2019-23					●			
	Sherwood Park Arena										Design	2019-23		●						
	Kinsmen Leisure Centre										Design/Build	2017-18			●					
	Emerald Hills Leisure Centre Second Floor										Future	2019	●							
	Moyer Recreation Centre										Concept	2018		●						
	Strathcona Olympiette Centre										Strategy	2020		●						●



2009-2013

OUTDOOR

TRAILS

Josephburg Trail

Operate

2013

•

Collingwood Cove Trail

Operate

2009

•

River Valley Alliance Trail (Phase 1)

Operate

2009

•

Centennial Park Palisades & Wetland Trails

Operate

2011

•

Broadmoor Lake Land Bridge

Operate

2012

•

Clarkdale Chelsea Trail

Operate

2012

•

Lakeland Ridge Trail

Operate

2014

•

Ridgepoint Trail

Operate

2014

•

Sherwood Drive Trail (Baseline - Main)

Operate

2012

•

Ardrossan Trail & Bridge

Operate

2015

•

Heritage Hills Wetland Trail

Operate

2010

•

Trans Canada Trail Phase 1

Operate

2012

•

STREETSCAPES

Baseline Road median/Boulevard planting

Operate

2016

•

GATHERING

Centennial Park Diamonds 5 & 7

Operate

2010

•

McGhan Park - Outdoor Rink

Operate

2012

•

•

Emerald Hills Artificial Turf Soccer Fields
& Sports Pavillion

Operate

2016

•

Clover Bar Junior High Soccer Realignment

Operate

2014

•

Davidson Creek Ball Diamond

Operate

2013

•

•

Sherwood Heights Ball Diamonds

Operate

2013

•

•

Heritage Hills Ball Diamond Upgrade

Operate

2012

•

Deermound Off Leash Upgrade

Operate

2010

•

South Cooking Lake Playground

Operate

2010

•

Interpretive Signs

Operate

2010

•

Clover Bar Ranch Spray Park & Community Gardens

Operate

2011

•

2014-2018

OUTDOOR

TRAILS

Fountain Creek Trail

Operate

2014

•

Ordze Trail

Operate

2016

•

Sherwood Drive Trail (Oak to Brentwood)

Operate

2016

•

Brighton Bay PUL (Sherwood to Bethel)

Operate

2016

•

Trans Canada Trail Phase 2 (Petroleum Way)

Build

2017

•

Wye Road west of Brentwood Blvd

Design/Build

2017

•

Centennial Park Wetlands Trail West

Operate

2016

•

Baseline to Hwy 21 Trail

Future

2019-23

•

Cartwright Trail

Build

2017

•

Baseline Road and Broadmoor Boulevard Trail

Build

2017

•

River Valley Alliance Phase II

Build

2017

•

River Valley Alliance Phase III

Build

2017

•

Trans Canada Trail Phase 3

Build

2017

•

Centennial Park Wetlands Trail East

Build

2018

•

STREETSCAPES

Rural Entrance Feature Landscaping
(South Cooking Lake, Ardrossan, Josephburg)

Operate

2015

•

Lakeland Drive Planting

Operate

2015

•

Baseline Road Planting

Operate

2016

•

Wye Road Planting

Operate

2016

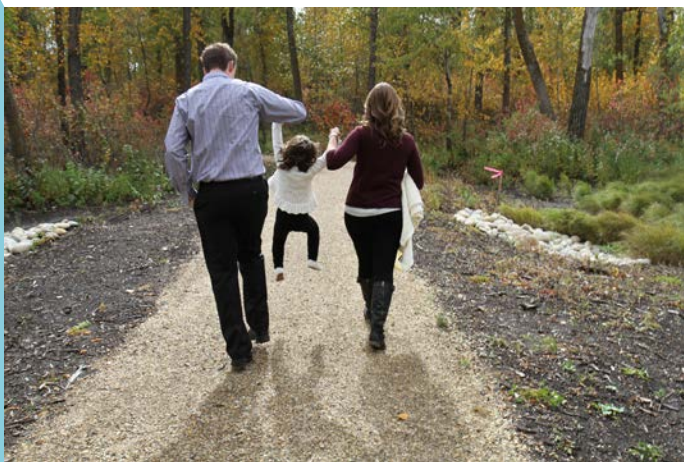
•

Clover Bar Road Planting

Build

2017

•



2014-2018

OUTDOOR	GATHERING				
	Josephburg Trail & Fitness Equipment	Operate	2015	•	•
	Emerald Hills Artificial Turf	Operate	2016		•
	Emerald Hills Ball Diamonds	Operate	2015		•
	Broadmoor Spray Park & Playground	Operate	2015		•
	Emerald Hills Regional Park Landscaping	Build	2017	•	
	Centennial Park Sportsfield Expansion	Future	2019-23		•
	South Cooking Lake Park	Future	2019-23	•	•
	Ardrossan Recreation Complex Spray Park & Park	Design/Build	2017-22	•	•
	Brentwood Park	Future	2019-23	•	•
	Kinsmen Westboro Park	Future	2019-23	•	•
	Sherwood Heights Pickleball Courts	Build	2016-17		•
	Canada 150 Communities in Bloom Bed	Build	2017		•
	Sally Stewart Park	Future	2019-23	•	•



III. Trail Development

In 2012, the Trails Strategy identified priority areas where trails are needed. This information was the result of a needs assessment.

The areas identified are:

- Walkability in commercial areas (urban)
- Connection to Strathcona Science Park (urban/rural)
- Strathcona Wilderness Centre to Cooking Lake - Blackfoot Provincial Recreation Area (rural)
- Linkages to higher density rural fringe areas (rural)
- Trails in the country residential policy area (rural)

Trail projects are implemented in four ways including through developers; Strathcona County's capital Walkability Program (OSRFS); regional initiatives such as Trans Canada Trail and River Valley Alliance; and through road upgrade projects like Range Road 233 or Wye Road.

Trails typically are not implemented in advance of road upgrade projects or before an Area Structure Plan is being constructed such as Hillshire.

Trail revitalization has been focused on trail linkages with significant progress being made on connectivity in urban, rural and commercial areas. Strathcona County continues to build relationships with the completion of our regional trail commitments with key funders: Federal and Provincial Governments, Trans Canada Trail, River Valley Alliance and Inter Pipeline.

Re-engagement in 2018 for trails affords additional dialog for future trails, areas of importance and a five year (2019-2023) implementation plan.



How Projects are Prioritized



Strategy

- Projects may be initiated by members of the community / community groups, by a member of Council, or by Administration.
- Regardless of where the project originates, all projects are considered based on the same criteria to increase fairness and transparency, while also meeting the greatest community needs most effectively and efficiently.

Concept

Design

- A Needs Assessment involves gathering a detailed outline of a project, and research to determine the community needs involved.
- A Business Case involves a more thorough analysis of the investment required in a project, both from a capital and operating perspective, and any potential risks and challenges involved.
- Priorities are evaluated based on the County's Strategic Plan and other guiding documents. We are also guided by ongoing assessment of the needs of the broader community.

Build

Operate

- Projects may be partly funded through Community Partnership Projects if a community group initiates it.
- The majority of projects will become part of the OSRFS, and be funded on an annual basis.
- Smaller modernizations or upgrades to existing facilities / spaces may be funded through the Facility Services annual lifecycle program.
- Projects not funded in one of these ways will be revisited in future planning cycles.

IV. Strategy Review and Future Planning

The OSRFS is a 15-year living and dynamic strategy that has been organized into five year increments, which includes providing the community with a report card on the progress of the strategy every five years. The OSRFS is regularly reviewed to accurately reflect community needs, as well as to ensure the future direction remains in line with the original guiding principles. The purpose of ongoing reviews is to provide a status update on all projects, to celebrate completed projects, and to be responsive in laying the foundation for future planning.

Project planning will naturally shift into a phase of reassessment and research to determine priorities for the 2019-2023 budget cycles. Long range strategic planning will look at the changing needs of the community and how recreation infrastructure will fit into future budget cycles.

15-Year Focus (2034+)

Even though the majority of projects completed to date have been focused on revitalizing existing infrastructure, there are more facilities and spaces that require reinvestment to maintain their functionality, as well as address accessibility and technology needs. Once a project has been identified, it remains on the list of priorities, and moves according to available funding.

As Council approves new residential areas, the recreation and cultural needs for the entire community will be reassessed, and recommendations for new indoor facilities and outdoor

spaces will be made to balance immediate planning needs with long range strategy planning that best meet the highest priority community needs.

Having heavily used and in-demand recreational and cultural facilities and open spaces demonstrates that our residents value leisure activities, sport and recreation, and are more likely to be healthier, happier and more engaged in their community.

The OSRFS supports “Living. Refined.” The capital investments translate into highly visible, tangible outcomes for residents that consistently rank as some of the most positive attributes of our community.

Overall, 2018 will be a year of re-engagement with the community to reaffirm priorities with residents, community partners and stakeholders for the continued investment in the health and well being of the community. Once complete, the revised strategy will provide a community-driven, comprehensive plan that outlines the priorities for the next five years (2019-2023), while providing guidance for the next 15 years (2019-2034) for open space and facility revitalization and development.

With regard to trail development, future OSRFS engagement will include land identification, acquisition for rural trail opportunities to our rural fringe areas, completing an Active Transportation Plan and trail amenity enhancements (staging areas, washrooms, signage, lighting, bike racks, seating, mapping, programming and education).



Open Space and Recreation Facility Strategy



Open Space and Recreation Facility Strategy (OSRFS) Update

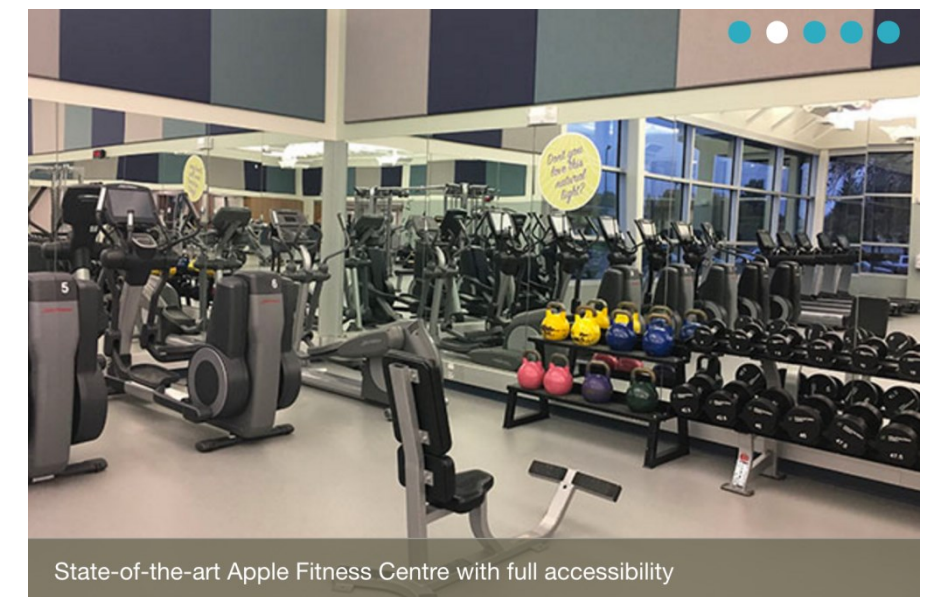
June 13, 2017

Our Vision

To invest in a healthy and active community by providing safe, affordable and accessible recreation, parks and culture opportunities.

Guiding principles:

- revitalizing existing spaces
- creating an integrated system of places to meet multiple needs, across multiple locations
- reducing the ecological footprint of development
- creating opportunities for community partnerships and stewardship



Linking to the Strategic Plan



Successes in 2014-2018

Recreation facilities

- Glen Allan Recreation Complex Modernization
- Emerald Hills Leisure Centre
- Emerald Hills Regional Park and Sports Pavilion (artificial turf and outdoor skating)
- Kinsmen Leisure Centre Universal and Specialty Change Room engagement
- Linking public art in new spaces



Successes in 2014-2018

Open spaces

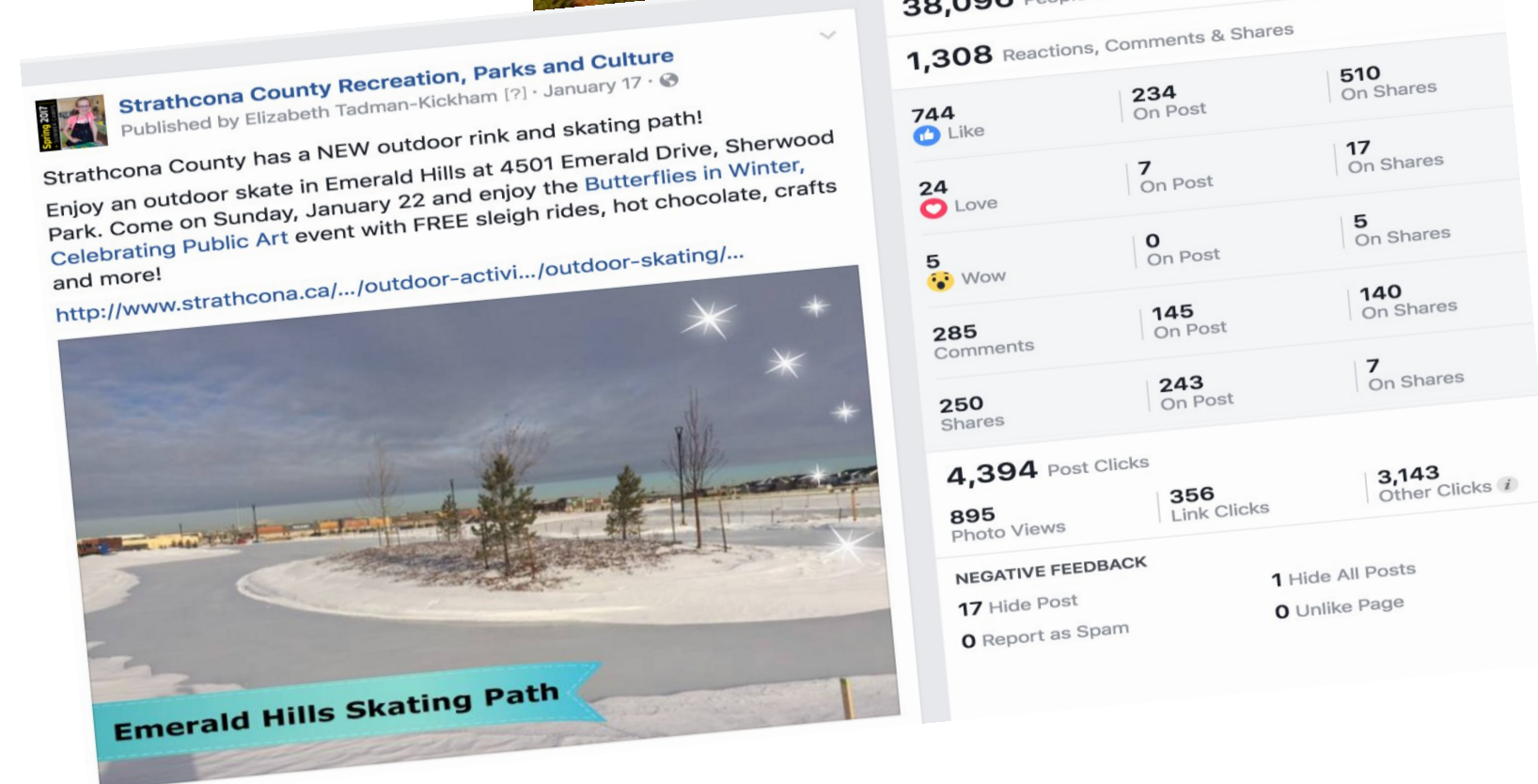
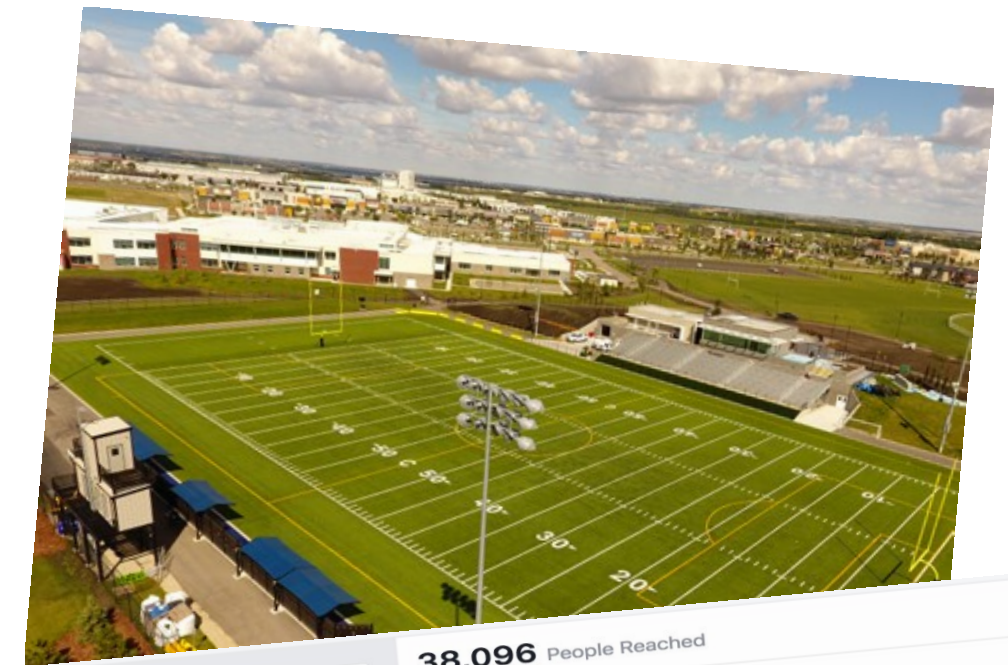
- RE/MAX Spray Park and Playground in Broadmoor Lake Park
- NEW outdoor Pickle Ball Courts in Sherwood Heights
- Outdoor Aquatic Spray Park and Spray Deck Strategy
- Ardrossan Spray Park and Park Design is underway



Success in 2014-2018

Open spaces

- Annual Open Space Revitalization (streetscapes, walkability, gathering)
- 22 kilometres of trail opening in 2017 in partnership with TransCanada Trail and River Valley Alliance
- One-wall handball
- Josephburg Trail and Outdoor Fitness Equipment
- Whitecroft Gazebo
- Emerald Hills Leisure Ice and Skating Path

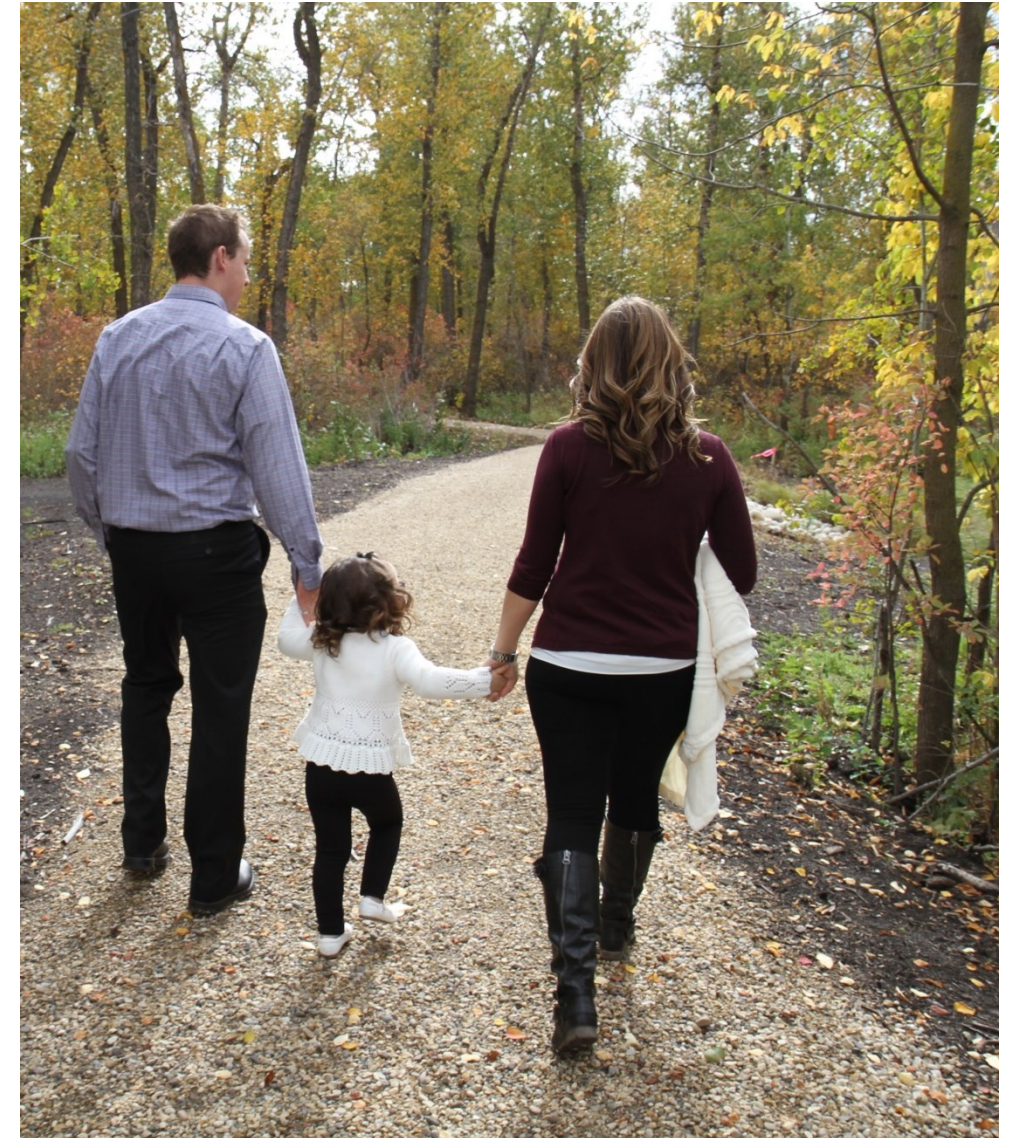


The Trails Strategy

In 2012, the Trails Strategy identified priority areas where trails (walkability) are needed.

The areas identified are:

- Walkability in commercial areas (urban)
- Connection to Strathcona Science Park (urban/rural)
- Strathcona Wilderness Centre to Cooking Lake - Blackfoot Provincial Recreation Area (rural)
- Linkages to higher density fringe areas (rural)
- Trails in the country residential policy area (rural)



Trail Projects

Implemented in four ways:

- Developers
- Strathcona County's capital Walkability Program (OSRFS)
- Regional initiatives such as Trans Canada Trail and River Valley Alliance
- Road upgrade projects



Upcoming Projects - 2018

- Kinsmen Leisure Centre – **DESIGN/BUILD**
- Ardrossan Recreation Complex Spray Park and Park – **DESIGN/BUILD**
- Centennial Park Wetlands Trail East - **BUILD**

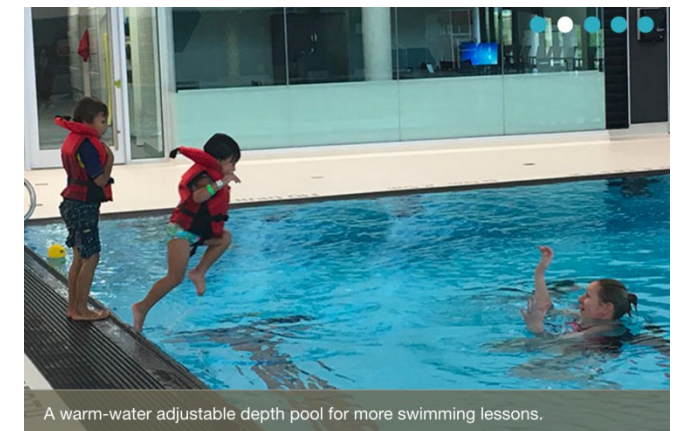
PLANNING

- Heritage Hills Park Re-Development Plan
- Centennial Park Master Plan
- Sally Stewart Park Master Plan



Community Benefits

- Improving the swim lesson experience
 - Meet demand with room for growth
 - Universal and specialty change rooms
 - Enhanced sound for better learning
 - Variety of pool temperatures and depths to meet various individual and group needs
- New aquatic fitness opportunities
- New and emerging health related programming with regional partners
- Improved accessibility
- First artificial turf field



2018 informs the next 15 years

Re-engagement in 2018 for open spaces and recreation facilities affords additional dialog for future development (2019-2034), and identifies areas of importance with a five year (2019-2023) rolling implementation plan.

Example: 2019-2023
2024-2028
2029-2034



#	Elected Official Name	Subject	Req type	Meeting date	Due date	Resp Dept	2nd Dept	Request	Reponse date	Reponse	Status
134	BIDZINSKI Victor	Residential Street Cleaning	Information	2017-05-23	2017-06-06	TAS		Please provide information on signage and enforcement of signage for vehicles to be moved before the spring street cleaning.	2017-06-02	<p>Signs for residential street sweeping are placed at neighbourhood entrances a minimum of 24 hours in advance, requesting residents to remove their vehicles from the street.</p> <p>Strathcona County does not currently tag or tow vehicles prior to street sweeping activities. Street sweeping activities are mainly for aesthetic purposes, not for vehicular safety. (The contrast is snow clearing operations which enhance vehicular safety and reduce adverse conditions for resident mobility.) Tag and tow operations would considerably slow down the street sweeping process as it would not allow for operational flexibility. A secondary sweeping is conducted to try to ensure that any debris left under previously parked cars in our initial sweeping phase is picked up.</p> <p>Comparable municipalities within the region: Fort Saskatchewan - no fines/no towing Edmonton - \$50 fine/tow around the corner St Albert – no fine/no towing Spruce Grove - no fine/no towing</p>	Complete

Priorities Committee Meeting_Jun13_2017

Ward 6 Councillor Report

Elected Official: Linton Delaine
Time Period: April 1, 2017 to May 31, 2017

Boards and Committees:

April 11 Priorities Committee Meeting
April 21 Edmonton Salutes Committee Meeting
May 16 Priorities Committee Meeting
May 19 Edmonton Salutes Committee Meeting
May 25 RCMP Community Advisory Committee Meeting
May 26 Governance Advisory Committee Meeting

County Business:

April 4 Council Meeting
April 5 Rural Volunteer Appreciation Event Discussion
April 6 Council and Chief Administrative Officer Meeting
April 11 Pre-Capital Region Board Meeting
April 12 Energy Exploration Advisory Committee Meeting
April 25 Council Meeting
May 2 Mayor's Annual Prayer Breakfast
May 2 Meeting with Mayor Carr
May 4 Council and Chief Administrative Officer Meeting
May 5 Meeting with Director of Transit
May 5 Meeting with Transportation Planning and Engineering
May 9 Council Meeting
May 10 Business Meeting
May 12 Special Council Meeting
May 23 Council Meeting

Professional Development:

April 6 Water Quality Management in the North Saskatchewan River Watershed Education Forum

County Functions and Events:

April 7 Redwater Mayor's Prayer Breakfast
April 7 Sherwood Park Chamber Great Canadian Trade Fair and Sale Opening Ceremonies and Ribbon Cutting
April 7 Sherwood Park Chamber Great Canadian Trade Fair and Sale
April 13 Sherwood Park & District Chamber of Commerce Breakfast
April 19 Strathcona County Service and Retirement Awards Ceremony
April 19 Northeast River Crossing Public Engagement
April 20 Elk Island Public Schools and ATB Young Speakers Invitational
April 22 Ardrossan Recreation & Agricultural Society Farm/Rural Safety Fair
April 24 Information Volunteer Centre National Volunteer Week Breakfast
April 24 Information Volunteer Centre National Volunteer Week Flag Raising
April 24 Sherwood Park Music Festival
April 28 TransCanada Yellowhead Highway Association Annual General Meeting
April 30 Rural Volunteer Appreciation Event
May 3 McHappy Day Volunteer Shift
May 4 Sherwood Park & District Chamber of Commerce Breakfast

May 5	Arbour Day
May 7	Birch Bay Ranch Bands & Bids Concert and Silent Auction
May 8	Resident 100th Birthday Celebration
May 10	Herb Belcourt Park Plaque Unveiling
May 11	Sherwood Park & District Chamber of Commerce Breakfast
May 12	Community Hall Sustainability Strategy BBQ and Information Session
May 13	RCMP Open House and VIP Reception
May 13	Archbishop Jordan High School Anniversary Gathering
May 17	Sherwood Park & District Chamber of Commerce Luncheon
May 26	Wye Elementary School Carnival

Priorities Committee Meeting_Jun13_2017

REPORT FOR INFORMATION**2017 Q1 Management Report****Report Purpose**

To provide the Strathcona County 2017 Q1 Management Report for information.

Council History

December 9, 2014 – Council approved the 2015-2018 Corporate Business Plan.

November 28, 2016 – Council approved the 2017 Operating and Capital Budgets.

Strategic Plan Priority Areas

Economy: n/a

Governance: Quarterly reporting supports public involvement and communication with the community on issues affecting the County's future. This also provides for good governance by supporting strong fiscal management of programs and organizational capacity.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-010: Financial Reporting

Legislative/Legal: n/a

Interdepartmental: All County Departments

Summary

The Strathcona County 2017 Q1 Management Report (Enclosure 1) provides the operating results for the period compared to the approved budget (otherwise known as the operating variance), a forecast of the annual operating surplus for tax purposes, the 2017 consolidated Public Sector Accounting Standards (PSAS) budget, and an assessment of the County's financial condition using key financial indicators.

Communication Plan

Other: Strathcona County Website, Financial Services Page

Enclosure

1 Strathcona County 2017 Q1 Management Report (Document: 10262463)

Strathcona County 2017 First Quarter Management Report

Prepared by Financial Services

Prepared for
Priorities Committee
June 13, 2017

Year-to-Date Operating Variance and the Year-End Forecast of the Annual Operating Surplus for Tax Purposes for Municipal, Utility, Library Operations and Pioneer Housing Foundation (PHF)

1. Year-to-Date Operating Variance

The operating variance at March 31, 2017 is **\$7.3 million** (Q1 2016 \$7.5 million). The operating variance is the difference between the year-to-date actual and budgeted results, and is comprised of timing differences that are expected to reverse during the remainder of the year, and permanent differences that have occurred and will affect the year-end results.

County Operating Segments	2017 Q1 YTD Timing Differences \$M	2017 Q1 YTD Permanent Differences \$M	2017 Q1 YTD Variance \$M	2016 Q1 YTD Variance \$M
Municipal	6.6	0.6	7.2	8.0
Utility	-	-	-	(0.5)
Library	0.1	-	0.1	-
PHF	-	-	-	-
TOTAL	6.7	0.6	7.3	7.5

The year-to-date operating variance includes reserve transactions and debt repayments that are excluded from Public Sector Accounting Standards (PSAS) financial reporting.

2. Year-End Forecast of the Annual Operating Surplus for Tax Purposes (Permanent Differences + Forecasted Items)

County Operating Segments	2017 Q1 Forecast \$M	2016 Q1 Forecast \$M
Municipal	1.7 (0.6%)	2.6 (0.9%)
Utility	-	-
Library	-	-
PHF	-	-
TOTAL	1.7 (0.5%)	2.6 (0.7%)

Please note that the percentages represent the proportion of surplus compared to the respective annual operating budgets. The annual operating surplus for tax purposes includes reserve transactions and debt repayments that are excluded from Public Sector Accounting Standards (PSAS) financial reporting.

The year-end forecast is based on the information available as of March 31, 2017 and is subject to the uncertainty of unknown events or circumstances which may transpire during the remainder of the year.

3. Analysis of the 2017 Year-End Forecast

a. Municipal Operations – \$1.7 million – Contributing Factors (In Order of Significance)

Favourable:

- i. Savings in winter road maintenance;
- ii. Higher investment income; and
- iii. Personnel cost savings due to staff turnover, vacancies, and deferred hiring (net of slippage).

b. Utility Operations – No significant impacts to report.

c. Library Operations – No significant impacts to report.

d. Pioneer Housing Foundation Operations – No significant impacts to report.

2017 Consolidated PSAS Budget

The final 2017 Consolidated PSAS budget, provided in Appendix 1, includes adjustments for the allocation of the 2017 cost of living allowance (COLA) from Fiscal Services to each respective department. Additionally, the capital budget (cash flowed) has been updated to include the 2016 unspent capital funding (2016 capital variance carried forward), and the year-to-date capital budget amendments.

The 2017 Capital Budget (cash flowed), as amended, totals \$163.6 million. This represents the total capital expenditure planned to be incurred during 2017, which is comprised of:

- The 2017 Capital Budget approved of \$65.6 million, approved by Council on November 28, 2016;
- 2017 Council approved capital budget amendments of \$1.1 million;
- Unspent prior years budgeted capital expenditures and amendments of \$202.6 million; and
- Budgeted capital expenditures planned to be incurred after 2017 of (\$105.7) million.



Assessment of the County's Financial Condition – Key Financial Indicators

The following section is prepared based on the Q1 2017 Strathcona County Consolidated Financial Statements (unaudited) provided in Appendix 2. The Consolidated Financial Statements are prepared in accordance with Public Sector Accounting Standards (PSAS).

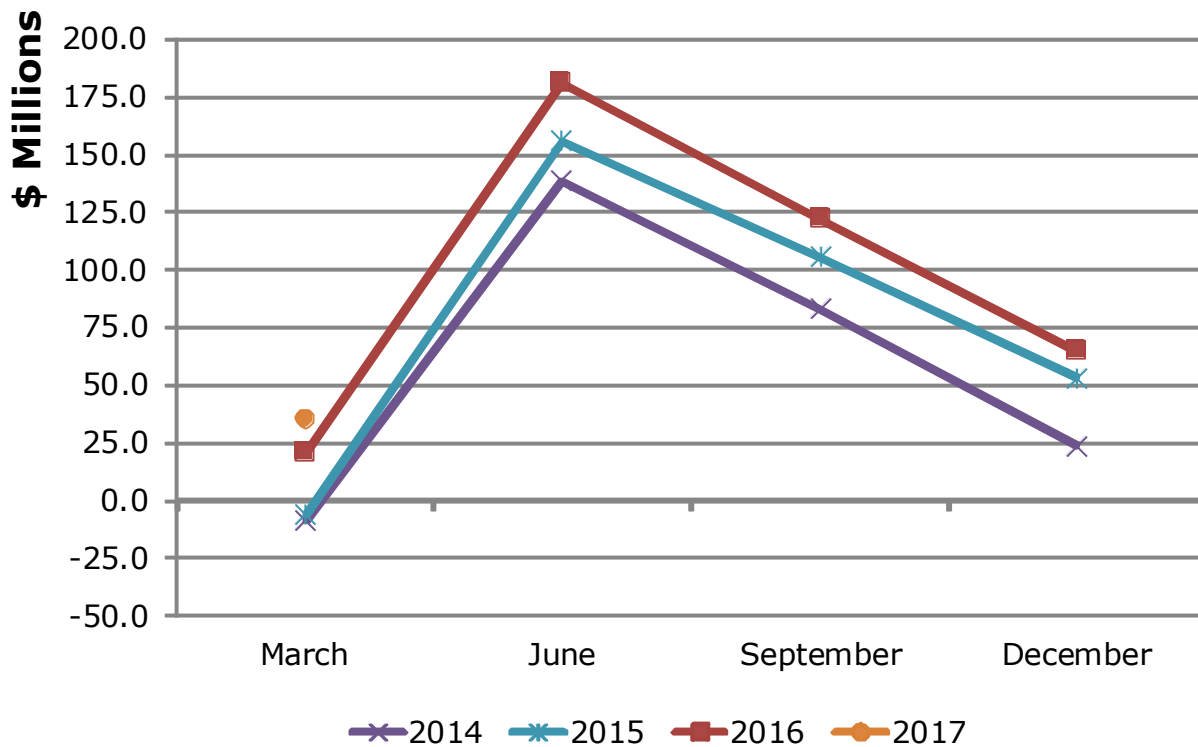
Statement of Financial Position – Highlights

a. Net Financial Assets (Net Debt) Position

As of March 31, 2017, the County's net financial asset position is \$34.9 million compared to a \$64.6 million net financial asset position at December 31, 2016 a decrease of (\$29.7) million. The decrease in net financial assets is expected for the first quarter, as the Q1 operational activity is financed in advance of the recognition of the 2017 property tax revenue.

b. Net Financial Assets Trend Analysis

Net Financial Assets (Net Debt)

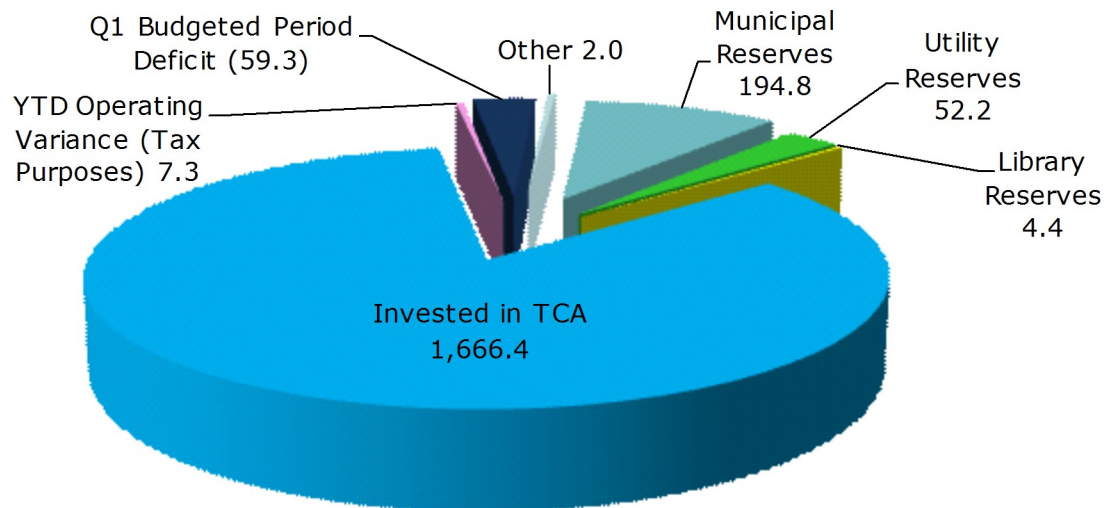


c. Accumulated Surplus

Accumulated surplus totals \$1,867.8 million at March 31, 2017 (\$1,909.7 million at December 31, 2016). The composition of the Q1 2017 accumulated surplus is as follows:

- i. Reserves of \$251.4 million (Q4 2016 - \$232.3 million);
- ii. Investments in tangible capital assets of \$1,666.4 million (Q4 2016 - \$1,676.3 million);
- iii. The March 31, 2016 budgeted period operating deficit of (\$59.3) million (Q4 2016 - \$nil);
- iv. The March 31, 2017 year to date favourable operating variance of \$7.3 million (Q4 2016 - \$nil); and
- v. The unrestricted surplus (deficit) of \$2.0 million (Q4 2016 - \$1.1 million).

Composition of Accumulated Surplus



\$ Millions

Appendix

1. 2017 Consolidated PSAS Budget
2. Consolidated Financial Statements and Supporting Schedules for the Period Ended March 31, 2017 (unaudited)
3. Glossary of Terms



STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
(in thousands of dollars)

Appendix 1

	2017 Budget (Unaudited)	2016 Budget
OPERATING REVENUE		
Property Taxes	\$ 220,530	\$ 219,958
Government Transfers - Operating	6,190	5,202
Utility User Rates	54,184	54,084
User Fees and Charges	40,071	40,270
Penalties and Fines	5,862	5,830
Investment Income	5,691	6,093
Other	8,383	7,904
TOTAL OPERATING REVENUE	340,911	339,341
EXPENSES		
Infrastructure and Planning Services		
Economic Development and Tourism	1,457	1,429
Capital Planning and Construction	4,273	4,456
Planning and Development Services	10,175	11,182
Transportation and Agriculture Services	31,671	31,422
Utilities	57,350	56,995
	104,926	105,484
Community Services		
Emergency Services	34,732	33,967
Family and Community Services	8,393	7,376
Strathcona Transit	19,069	19,310
RCMP and Enforcement Services	24,632	23,315
Recreation, Parks and Culture	43,733	42,708
	130,559	126,676
Corporate Services	37,981	36,931
Chief Financial Officer	7,098	6,642
Senior Administration	6,643	6,576
Elected Officials	1,348	1,303
Fiscal Services	50,092	50,339
Strathcona County Library	10,435	10,074
Pioneer Housing Foundation	974	974
	114,571	112,839
TOTAL EXPENSES	350,056	344,999
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(9,145)	(5,658)
CAPITAL REVENUE		
Contributed Tangible Capital Assets	-	-
Government Transfers - Capital	57,113	41,381
Other Capital Revenues	34,439	58,638
TOTAL CAPITAL REVENUE	91,552	100,019
ANNUAL SURPLUS	82,407	94,361
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,909,672	1,824,629
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,992,079	\$ 1,918,990

STRATHCONA COUNTY
Consolidated Schedule of Segmented Information
(in thousands of dollars)

Appendix 1

	Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	2017 Budget (Unaudited)	2016 Budget
OPERATING REVENUE							
Property Taxes	\$ 211,058	\$ -	\$ 9,472	\$ -	\$ -	\$ 220,530	\$ 219,958
Government Transfers - Operating	5,632	7	551	-	-	6,190	5,202
Utility User Rates	-	54,184	-	-	-	54,184	54,084
User Fees and Charges	38,891	1,129	52	-	-	40,071	40,270
Penalties and Fines	5,684	-	178	-	-	5,862	5,830
Investment Income	4,662	916	112	-	-	5,691	6,093
Other	7,870	6	147	1,254	(895)	8,383	7,904
TOTAL OPERATING REVENUE	273,798	56,242	10,512	1,254	(895)	340,911	339,341
EXPENSES							
Salaries, Wages and Benefits	151,643	10,609	6,456	-	-	168,708	164,042
Contracted and General Services	49,704	11,998	344	-	-	62,046	62,610
Supplies, Materials and Utilities	27,010	24,713	1,309	-	-	53,033	54,625
Interest on Long-Term Debt	3,572	2,451	919	895	(895)	6,942	6,869
Grants and Requisitions	1,904	200	-	-	-	2,104	2,050
Amortization	45,929	7,288	1,402	974	-	55,592	53,287
Other Expenses	1,534	91	5	-	-	1,631	1,516
TOTAL EXPENSES	281,297	57,350	10,435	1,869	(895)	350,056	344,999
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(7,499)	(1,109)	77	(615)	-	(9,145)	(5,658)
CAPITAL REVENUE							
Contributed Tangible Capital Assets	-	-	-	-	-	-	-
Government Transfers - Capital	59,124	(2,011)	-	-	-	57,113	41,381
Other Capital Revenue	28,627	5,811	-	-	-	34,439	58,638
TOTAL CAPITAL REVENUE	87,751	3,800	-	-	-	91,552	100,019
ANNUAL SURPLUS (DEFICIT)	80,252	2,691	77	(615)	-	82,407	94,361
Reconciliation to Tax Levy Based Budget:							
<i>Surplus (Deficit) from Above</i>	80,252	2,691	77	(615)	-	82,407	94,361
<i>Eliminate Government Transfers - Capital</i>	(59,124)	2,011	-	-	-	(57,113)	(41,381)
<i>Eliminate Other Capital Revenue</i>	(28,627)	(5,811)	-	-	-	(34,439)	(58,638)
<i>Eliminate Amortization expense</i>	45,929	7,288	1,402	974	-	55,592	53,287
<i>Add Interfund Entries:</i>	-	-	-	-	-	-	-
<i>From Reserve Fund</i>	11,240	1,946	1	-	-	13,186	9,644
<i>To Capital Fund</i>	312	-	(603)	-	-	(291)	(338)
<i>To Reserve Fund</i>	(44,167)	(4,608)	(128)	-	-	(48,902)	(46,732)
<i>Loan Funds Repaid</i>	972	-	-	500	-	1,472	593
<i>Capital Leases Repaid</i>	-	-	-	-	-	-	(109)
<i>Over Borrowed Debt Payments</i>	70	-	-	-	-	70	-
<i>Local Improvement Debt Payments</i>	4	40	-	-	-	44	-
<i>Long-Term Debt Repaid</i>	(6,860)	(3,557)	(749)	(860)	-	(12,026)	(10,687)
Balanced Tax Levy Based Budget	-	-	-	-	-	-	-

STRATHCONA COUNTY

Consolidated Financial Statements

For the Period Ended March 31, 2017 (in thousands of dollars)

(unaudited)

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at March 31, 2017 (in thousands of dollars)

	March 31, 2017	December 31, 2016
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 7,318	\$ 5,718
Accounts Receivable		
Property Taxes	-	4,050
Government Transfers	6,681	9,510
Trade and Other	15,931	16,114
Development Levies and Charges	439	1,617
Investments	268,862	306,498
Investment Interest Receivable	10,882	10,071
	310,113	353,578
LIABILITIES		
Accounts Payable and Accrued Liabilities	12,592	41,047
Deposit Liabilities	15,701	16,082
Deferred Revenue	83,638	65,747
Long-Term Debt	163,277	166,140
	275,208	289,016
NET FINANCIAL ASSETS	34,905	64,562
NON-FINANCIAL ASSETS		
Tangible Capital Assets	1,830,116	1,841,834
Inventories of Materials and Supplies	964	947
Prepaid Expenses	1,822	2,329
	1,832,902	1,845,110
ACCUMULATED SURPLUS	\$ 1,867,807	\$ 1,909,672

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
For the period ended March 31, 2017 (in thousands of dollars)

	2017 Period Budget	March 31, 2017	March 31, 2016
REVENUE			
Property Taxes	\$ 55,133	\$ -	\$ -
Government Transfers - Operating	1,547	1,270	891
Utility User Rates	13,546	13,386	13,745
User Fees and Charges	10,018	11,809	10,901
Penalties and Fines	1,465	1,752	1,403
Investment Income	1,423	1,546	1,398
Other	2,096	1,916	2,026
TOTAL REVENUES	85,228	31,679	30,364
EXPENSES			
Infrastructure and Planning Services			
Capital Planning and Construction	1,068	942	837
Economic Development and Tourism	364	313	303
Planning and Development Services	2,544	1,963	2,065
Transportation and Agriculture Services	7,918	4,849	4,314
Utilities	14,337	12,184	12,528
	26,231	20,251	20,047
Community Services			
Emergency Services	8,683	8,020	7,569
Family and Community Services	2,098	1,959	1,704
Strathcona Transit	4,767	4,247	4,238
RCMP and Enforcement Services	6,158	6,040	5,557
Recreation, Parks and Culture	10,933	8,607	8,218
	32,639	28,873	27,286
Corporate Services	9,495	8,037	7,645
Chief Financial Officer	1,774	1,603	1,364
Senior Administration	1,661	1,348	1,429
Elected Officials	337	262	260
Fiscal Services	12,523	12,668	12,072
Strathcona County Library	2,609	2,506	2,452
Pioneer Housing Foundation	243	-	245
	28,642	26,424	25,467
TOTAL EXPENSES	87,512	75,548	72,800
SURPLUS BEFORE CAPITAL REVENUE	(2,284)	(43,869)	(42,436)
CAPITAL REVENUE			
Contributed Tangible Capital Assets	-	1,139	2,405
Government Transfers - Capital	14,278	646	5,295
Other Capital Revenues	8,610	219	270
TOTAL CAPITAL REVENUE	22,888	2,004	7,970
PERIOD SURPLUS	20,604	(41,865)	(34,466)
ACCUMULATED SURPLUS, BEGINNING OF PERIOD	1,909,672	1,909,672	1,824,629
ACCUMULATED SURPLUS, END OF PERIOD	\$ 1,930,275	\$ 1,867,807	\$ 1,790,163

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the period ended March 31, 2017 (in thousands of dollars)

	2017 Budget	March 31, 2017	December 31, 2016
PERIOD SURPLUS	\$ 20,604	\$ (41,865)	\$ 85,043
Acquisition of Tangible Capital Assets	(40,895)	(720)	(96,906)
Contributed Tangible Capital Assets	-	(1,139)	(32,711)
Amortization of Tangible Capital Assets	13,898	13,550	54,469
Loss on Disposal of Tangible Capital Assets	-	(319)	661
Proceeds from Disposal of Tangible Capital Assets	-	347	244
	<u>(6,393)</u>	<u>(30,147)</u>	<u>10,800</u>
Acquisition of Inventories of Materials and Supplies	-	(408)	(1,359)
Acquisition of Prepaid Expenses	-	(269)	(3,439)
Use of Inventories of Materials and Supplies	-	391	1,387
Use of Prepaid Expenses	-	776	3,848
	<u>-</u>	<u>490</u>	<u>437</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(6,393)	(29,657)	11,237
NET FINANCIAL ASSETS, BEGINNING OF PERIOD	<u>64,562</u>	<u>64,562</u>	<u>53,325</u>
NET FINANCIAL ASSETS, END OF PERIOD	<u>\$ 58,169</u>	<u>\$ 34,905</u>	<u>\$ 64,562</u>

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
For the period ended March 31, 2017 (in thousands of dollars)

	March 31, 2017	December 31, 2016
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Period Surplus	\$ (41,865)	\$ 85,043
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(1,139)	(32,711)
Amortization of Tangible Capital Assets	13,550	54,469
Amortization of Discount on Investments (Gain)	16	65
Loss on Disposal of Tangible Capital Assets	(319)	661
Loss (Gain) on Disposal of Investments	1	(732)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	4,050	777
Government Transfers Receivable	2,829	343
Trade and Other Receivables	183	(2,484)
Development Levies and Charges Receivable	1,178	1,199
Land Held for Resale	-	2,632
Accounts Payable and Accrued Liabilities	(28,455)	(3,730)
Deposit Liabilities	(381)	(2,557)
Deferred Revenue	17,891	1,659
Inventories of Materials and Supplies	(17)	28
Prepaid Expenses	507	409
Cash Provided by (Applied to) Operating Activities	(31,971)	105,071
CAPITAL		
Proceeds from Disposal of Tangible Capital Assets	347	244
Acquisition of Tangible Capital Assets	(720)	(96,906)
Cash Applied to Capital Activities	(373)	(96,662)
INVESTING		
Purchase of Investments	(13,044)	(274,454)
Proceeds from Sale/Maturity of Investments	50,664	259,916
Change to Investment Interest Receivable	(811)	(1,854)
Cash (Applied to) Provided by Investing Activities	36,809	(16,392)
FINANCING		
Long-Term Debt Issued	(1)	19,347
Capital Leases Repaid	-	(108)
Long-Term Debt Repaid	(2,862)	(9,752)
Cash Provided by (Applied to) Financing Activities	(2,863)	9,487
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,601	1,504
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,718	4,214
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 7,319	\$ 5,718

STRATHCONA COUNTY
Consolidated Schedule of Segmented Information
For the period ended March 31, 2017 (in thousands of dollars)

	Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	March 31, 2017 (unaudited)	March 31, 2016 (unaudited)	2017 Period Budget (unaudited)
OPERATING REVENUE								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,133
Government Transfers - Operating	1,260	10	-	-	-	1,270	891	1,547
Utility User Rates	-	13,386	-	-	-	13,386	13,745	13,546
User Fees and Charges	11,505	287	16	-	-	11,808	10,901	10,018
Penalties and Fines	1,710	-	42	-	-	1,752	1,403	1,465
Investment Income	1,271	258	17	-	-	1,546	1,399	1,423
Other	1,951	6	17	197	(255)	1,916	2,027	2,096
TOTAL OPERATING REVENUE	17,698	13,946	91	197	(255)	31,678	30,364	85,227
EXPENSES								
Salaries, Wages and Benefits	35,251	2,305	1,430	-	-	38,985	36,431	42,177
Contracted and General Services	8,038	2,020	97	-	-	10,154	10,329	15,512
Supplies, Materials and Utilities	4,589	5,444	374	-	-	10,407	10,006	13,258
Interest on Long-Term Debt	960	616	257	255	(255)	1,833	1,805	1,736
Grants and Requisitions	603	-	-	-	-	603	774	526
Amortization	11,419	1,783	347	-	-	13,550	13,066	13,898
Loss (Gain) on Tangible Capital Assets								
Transfers and Disposals	(319)	-	-	-	-	(319)	(2)	-
Other Expenses	317	16	1	-	-	334	390	408
TOTAL EXPENSES	60,858	12,184	2,506	255	(255)	75,547	72,800	87,514
SURPLUS BEFORE CAPITAL REVENUE	(43,160)	1,763	(2,415)	(58)	-	(43,870)	(42,436)	(2,288)
CAPITAL REVENUE								
Contributed Tangible Capital Assets	1,139	-	-	-	-	1,139	2,405	-
Government Transfers - Capital	607	39	-	-	-	646	5,295	14,278
Other Capital Revenues	192	27	-	-	-	219	270	8,610
TOTAL CAPITAL REVENUE	1,939	66	-	-	-	2,004	7,970	22,888
ANNUAL SURPLUS	(41,221)	1,829	(2,415)	(58)	-	(41,866)	(34,465)	20,602
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF PERIOD	1,569,757	322,339	9,759	15,242	(7,424)	1,909,672	1,824,629	1,909,672
ACCUMULATED SURPLUS (DEFICIT), END OF PERIOD	\$ 1,528,537	\$ 324,168	\$ 7,345	\$ 15,184	\$ (7,424)	\$ 1,867,806	\$ 1,790,163	\$ 1,930,275

STRATHCONA COUNTY
Consolidated Schedule of Tangible Capital Assets
As at March 31, 2017 (in thousands of dollars)

Cost	Balance at January 1, 2017	Additions	Contributed Additions	Disposals	Balance at March 31, 2017
Land	\$ 491,112	\$ -	\$ -	\$ -	\$ 491,112
Land Improvements	106,236	49	355	-	106,640
Buildings	445,163	773	-	-	445,936
Engineered Structures	1,159,091	2,011	784	-	1,161,886
Machinery and Equipment	71,774	1,078	-	(895)	71,957
Books and Periodicals	5,841	78	-	-	5,918
Vehicles	75,516	52	-	1,488	74,080
Assets under Construction	41,784	(3,320)	-	-	38,465
	\$ 2,396,517	\$ 720	\$ 1,139	\$ (2,383)	\$ 2,395,994

Accumulated Amortization	Balance at January 1, 2017	Disposals	Amortization Expense	Balance at March 31, 2017
Land Improvements	\$ 34,002	\$ -	\$ 1,185	\$ 35,187
Buildings	100,410	-	2,310	102,720
Engineered Structures	346,276	-	7,039	353,315
Machinery and Equipment	37,225	(886)	1,566	37,905
Books and Periodicals	2,717	-	146	2,863
Vehicles	34,053	(1,469)	1,304	33,888
Assets under Construction	-	-	-	-
	\$ 554,683	\$ (2,355)	\$ 13,550	\$ 565,878

Net Book Value	Balance at January 1, 2017	Balance at March 31, 2017
Land	\$ 491,112	\$ 491,112
Land Improvements	72,234	71,452
Buildings	344,753	343,217
Engineered Structures	812,815	808,571
Machinery and Equipment	34,549	34,052
Books and Periodicals	3,124	3,055
Vehicles	41,463	40,192
Assets under Construction	41,784	38,465
	\$ 1,841,834	\$ 1,830,116

GLOSSARY OF TERMS:

- **Annual Operating Surplus for Tax Purposes** – The annual surplus or (deficit) resulting from the modified cash flow basis, which includes debt repayment expenditures and reserve transactions, and excludes amortization expense, gains/losses on asset disposals and capital revenues, unlike the Public Sector Accounting Standards (PSAS) Surplus.
- **Committed** – Funding approved as per FIN-001-024: Municipal Reserves policy to be applied towards specific expenditures.
- **Designated** – Funding designated to reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.
- **Forecast Variances** – Future variances to budget that have yet to occur, but are expected to be realized based on current information, and are projected to affect the year-end surplus or (deficit).
- **Permanent Differences** – Variances to budget that have occurred and will affect the year-end surplus or (deficit).
- **PSAS Surplus** – The surplus or (deficit) resulting from financial statements prepared in accordance with PSAS.
- **Timing Differences** – Variances to budget that are expected to reverse during the remainder of the year and not affect the year-end surplus or (deficit).
- **Year-End Forecast** – Permanent Differences plus the Forecast Variances make up the Year-End Forecast surplus or (deficit).
- **Year-To-Date Operating Variance** – The favourable or (unfavourable) difference between budget and actuals at a point in time including any Timing Differences.

Priorities Committee Meeting_Jun13_2017

REPORT FOR INFORMATION**Proposed Cannabis Act and the Land Use Bylaw****Report Purpose**

To provide the Priorities Committee with an update relative to the County's Land Use Bylaw regarding the proposed future legalization of cannabis pursuant to the Cannabis Act.

Council History

March 10, 2015 – Council adopted Land Use Bylaw 6-2015 with an effective date of May 11, 2015.

Strategic Plan Priority Areas

Economy: n/a

Governance: n/a

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: n/a

Legislative/Legal: If it is approved by Parliament, the *Cannabis Act* could become law with a target date of July 2018.

Interdepartmental: Planning and Development Services will consult with other departments including R.C.M.P. and Enforcement Services, Emergency Services, Family and Community Services, Economic Development and Legislative and Legal Services during the drafting of amendments to the Land Use Bylaw.

Summary

The proposed federal *Cannabis Act* would create a strict legal framework for controlling the production, distribution, sale and possession of cannabis across Canada. The Act seeks to:

- restrict youth access to cannabis;
- protect young people from promotion or enticements to use cannabis;
- deter and reduce criminal activity by imposing serious criminal penalties for those breaking the law, especially those who import, export or provide cannabis to youth;
- protect public health through strict product safety and quality requirements;
- reduce the burden on the criminal justice system;
- provide for the legal production of cannabis to reduce illegal activities;
- allow adults to possess and access regulated, quality controlled legal cannabis; and
- enhance public awareness of the health risks associated with cannabis.

The current program for accessing cannabis for medical purposes would continue under the new Act. Cannabis will remain illegal as the bill moves through the legislative process. If it is approved by Parliament, the bill could become law with a target date of July 2018.

The federal, provincial and territorial governments would share responsibility for overseeing the new system. The federal government's responsibilities would be to:

- set strict requirements for producers who grow and manufacture cannabis;
- set industry-wide rules and standards, including:
 - the types of cannabis products that will be allowed for sale;
 - packaging and labelling requirements for products;
 - standardized serving sizes and potency;
 - prohibiting the use of certain ingredients;
 - good production practices;
 - tracking of cannabis from seed to sale to prevent diversion to the illicit market; and
 - restrictions on promotional activities.

The provinces and territories would license and oversee the distribution and sale of cannabis, subject to federal conditions. They could also:

- increase the minimum age in their province or territory (but not lower it);
- lower the possession limit in their jurisdiction;
- create additional rules for growing cannabis at home, such as lowering the number of plants per residence; and
- restrict where adults can consume cannabis, such as in public or in vehicles.

Municipal controls are only possible if other orders of government provide that role to them. If federal legalization occurs in the summer of 2018, implementation at the federal, provincial, and possibly the municipal level could require additional time.

The County currently reviews Development Permit applications for uses and businesses associated with cannabis through commercial licensed producers of medical cannabis, authorized by Health Canada.

Drug paraphernalia, retail is a defined use in the Land Use Bylaw which is currently not a listed use in any district and is excluded from the general retail use definition. Given this, retail stores in the County are not currently authorized to sell drug-related products/paraphernalia.

Administration will work collaboratively with other affected departments and will attend conferences and seminars as the regulations are developed by the provincial and federal governments to ensure we are up-to-date on this issue. Where appropriate and within parameters acceptable to the County, Planning and Development Services will review Land Use Bylaw amendments proposed by neighbouring municipalities to try and ensure consistency in regulation within the region.

Priorities Committee Meeting_Jun13_2017

REPORT FOR INFORMATION**Strathcona County 2016 Annual Report****Report Purpose**

To provide the Strathcona County 2016 Annual Report to the Priorities Committee for information.

Council History

April 25, 2017 – Council approved the Strathcona County Audited Financial Statements for the Year Ended December 31, 2016.

Strategic Plan Priority Areas

Economy: The Annual Report is a public engagement tool that supports the promotion of Strathcona County as a place that is open for business and investment.

Governance: The Annual Report highlights initiatives that support the strategic priority area of cooperative partnerships with community, business, industry and neighbouring governments.

Social: The Annual Report highlights initiatives that support the social strategic priority areas of helping, caring and safe community as well as a healthy and active community.

Culture: The Annual Report highlights initiatives that support the cultural strategic priority area of a vibrant and creative community.

Environment: The Annual Report highlights initiatives that support the environmental strategic priority area of protecting our environment and preserving biodiversity.

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: Financial Services; Communications

Summary

The 2016 Annual Report entitled "LEADING. LIVABLE. A new lens to guide us forward" is introduced by messages from the Mayor and Council, the Chief Commissioner and an overview of the Strathcona County profile and strategic plan. The report provides a Features Section including Priority-Based Budgeting, Broadview Enviroservice Station, Glen Allan Recreation Complex, Emerald Hills Leisure Centre, Emerald Hills Regional Park, and "The past where we live." It also includes additional 2016 highlights, the Financial Statement Discussion and Analysis, the Consolidated Financial Statements, and a statistical information section, which provides five-year trending of key financial and non-financial information for Strathcona County.

The 2016 Annual Report is a companion report to the 2016 Audited Financial Statements that were approved by Council on April 25, 2017. The Annual Report and Audited Financial Statements will be made available on Strathcona County's website.

Communication Plan

Strathcona County Website

Enclosure

1 Annual Report 2016 (Document: 10285360)



LEADING. LIVABLE.
A new lens to guide us forward

2016

Annual Report

Strathcona County
Alberta, Canada
For the year ended December 31, 2016



STRATHCONA
COUNTY

LEADING. LIVABLE.
A new lens to guide us forward

2016
Annual Report

Strathcona County
Alberta, Canada

For the year ended December 31, 2016

Prepared by Strathcona County Financial Services and
Communications, with support from County departments.

Strathcona County
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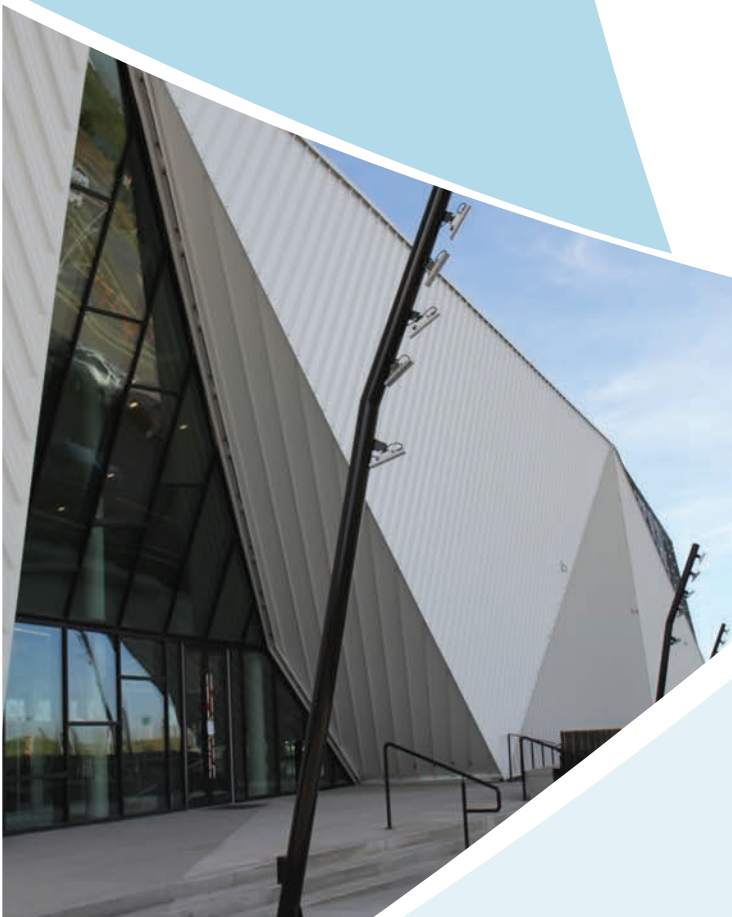




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Message from your Mayor and Council

2016 was a year of brave conversations to strategically position Strathcona County for success in the short-term, and for a healthy and vibrant future.

With our new lens to focus on priorities, our willingness to work collaboratively with all levels of government, and our continued efforts to be transparent in engaging with citizens ... we stand grounded on a solid foundation to move our municipality forward.

Advocacy efforts enabled us to create efficiencies and leverage opportunities between municipalities to advance our region and speak with one voice.

We made special efforts to advocate for provincial and federal funding that helped us enhance our County transit system and maintain arterial roadways. It also supported the successful build, revitalization and opening of wonderful new recreation centres in 2016, which has greatly improved service levels for all of our residents.

Strathcona County is an acknowledged leader in the Capital Region. We were there to offer expert advice to the province on proposed changes to the Municipal Government Act, particularly about changes to industrial assessment.



As a result of this advocacy, Strathcona County is at the provincial table in 2017 to influence the best possible outcomes for Alberta municipalities, major industry partners and our taxpayers.

Shaping and implementing an effective and efficient budget for a municipality of our size was no easy task. Under the direction of Council, administration expanded its toolbox, by introducing Priority-Based Budgeting (PBB) to meet the challenges of changing economies. Strathcona County is now only one of a handful of Canadian municipalities that has implemented PBB, which ensured all decisions made in 2016 were viewed through a priority lens.

We are now having better conversations about the wide range of programs and services we offer. For the first time ever, County property owners will experience a 2.62 per cent decrease in the municipal tax rate for 2017.

Facing challenging economic times in 2016, our industry and businesses continued to thrive. The Heartland continued to be one of the most attractive locations for petrochemical, chemical and oil and gas investments in the world.



The weakened economy throughout Alberta had a direct effect on some of our residents, due to job loss, increased crime, mental health issues and higher incidents of family violence. Knowing we were facing complex social issues, we reached out to our community for input.

Nearly 8,000 people shared their ideas through “Community Talk” about how we can work together to create a supported, safe and connected community. This feedback will inform the creation of a new social framework for Strathcona County.

Recommendations coming out of the Mayor’s Task Force on Community Housing also led to the expansion of Silver Birch Lodge. Underway in 2016, this much needed expansion begins to narrow the gap in providing quality affordable housing.

Throughout 2016, our community continued to develop with construction visible in many other areas: Salisbury Village, Aspen Trail, Summerwood and Emerald Hills. Year-to-date, we saw more than 100 single home starts and 400 multi-family units, almost 300 of these being apartment units that increase the diversity of housing in Strathcona County.

At the same time, Council deliberated upon strategies to address growth challenges. Following extensive review and careful comparison of both growth management nodes, Council endorsed Bremner as the next area for urban development.

Council has placed a great deal of emphasis on the rural/urban balance and on supporting the connectedness of our rural areas. This has been achieved through efforts such as the development of the Community Halls Sustainability Strategy.

We’ve long exemplified what a specialized municipality has to offer for residents who enjoy an urban lifestyle or rural living. This rich attribute of who we are is one where we aspire to maintain and celebrate the unique characteristics of each ... to truly be Canada’s most livable community.

We could not have achieved our goals without the support of our senior executive team and our staff, our volunteers, and those residents who openly shared constructive feedback to help guide our decisions.

We look forward to the continued involvement of citizens, groups and business to further connect and strengthen our great community, and serve the needs in the years to come.



Strathcona County Council is committed to open and transparent government, and knows the value of an informed and involved public.



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Councillor Dave Anderson

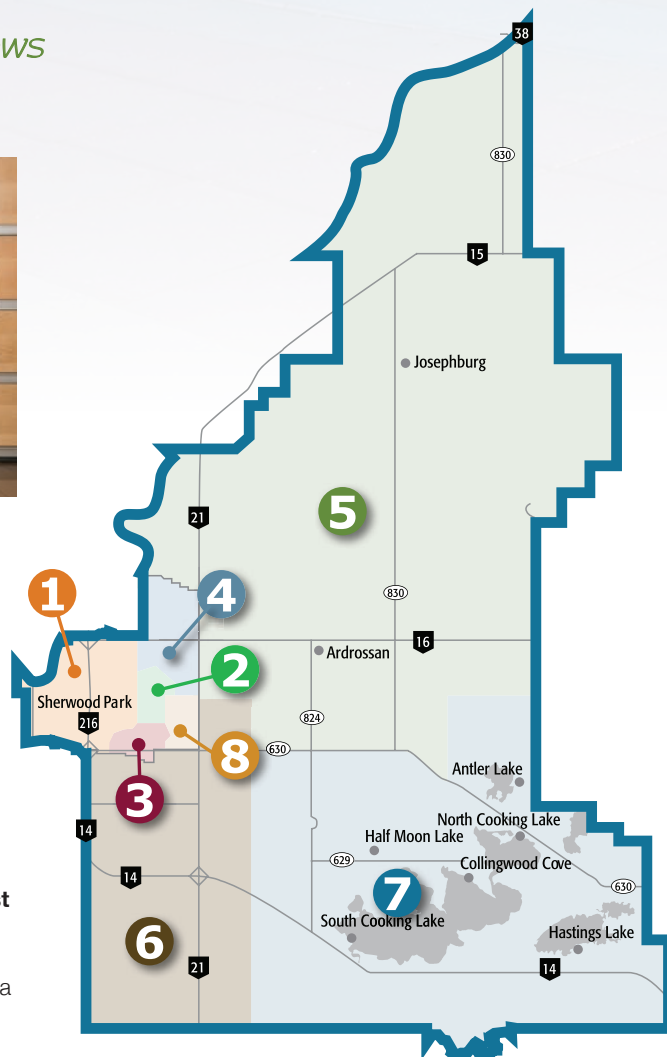
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Strathcona County

Energy... energetic... can-do spirit... high quality of living, built on strongly held values

Set in the centre of Alberta's energy and agricultural heartland, Strathcona County is a thriving, successful and vibrant community of more than 98,000 residents. Strathcona County is made up of the urban area of Sherwood Park and a large rural area of farms, acreages and eight smaller hamlets:

- Antler Lake
- Hastings Lake
- Ardrossan
- Josephburg
- Collingwood Cove
- North Cooking Lake
- Half Moon Lake
- South Cooking Lake

We are a community of choice...

Strathcona County is widely known as a peaceful, safe and family-friendly community.

We empower and enable your success...

A municipality that supports its citizens in reaching their highest aspirations, that strives to provide quality infrastructure, and efficiently run programs and services.

We are Canada's energy engine...

Canada's largest hydrocarbon processing region, and partner in Alberta's Industrial Heartland Association.

County-wide area

1,265 square kilometres

* Figures are approximate

Agricultural	87,502 hectares
Industrial	9,052 hectares
Commercial	2,078 hectares
Residential	18,542 hectares
Urban village*	66 hectares
Park/recreation/natural	3,701 hectares
Other: airports, water bodies, roads, road rights-of-way	5,679 hectares

* New zoning type added in 2016 – includes mix of residential and commercial

Population

	Total	Sherwood Park	Rural*
2016 municipal census	98,044	70,618	27,426

* acreages, farms, rural hamlets

Increase in population, 2009-2016	11.4%
Increase in population, 2003-2016	24.1%
Projected average annual growth rate, 2012-2017	1.79%

Message from the Chief Commissioner Strathcona County well positioned



The past year, 2016, was notable for its successes and complex challenges – experiences we are putting to good use to learn and grow – as a team, as an organization, and as a community.

Among Strathcona County's successes in 2016 was completion of the Agricultural Master Plan and subsequent recognition from the Canadian Institute of Planners as a Canadian leader in municipal agriculture planning. Arising from that master plan, the Urban Agriculture Strategy, engaged over 3,700 residents, who indicated an interest in community gardens, urban livestock and school agriculture.

Strathcona County also received external recognition for its work in emergency management, financial reporting, Open Data, and parks and open spaces among others.

The combined effort of more than 30 organizations led to the Beaver Hills Moraine being designated as a UNESCO Biosphere in 2016, and opening of the Beaver Hills Biodiversity Trail. We also opened new facilities, including the Broadview Enviroservice Station, the Emerald Hills Leisure Centre, and Sports Pavilion, and a completely refurbished Glen Allan Recreation Complex.

Last year saw us complete important work, leading to a decision on Bremner as the next urban growth node. We made definitive progress on the Municipal Development Plan, and Mature Neighbourhood Strategy. We also initiated important new work, such as planning for a regional multi-purpose agriculture facility, and engaging over 8,000 citizens in conversations about how to build a safer, more inclusive and connected community through Community Talk.

Our successes were tempered by challenges arising from a weakened economy. Job losses, and the associated impact on our citizens, meant an increase in demand for social, community, and policing services.

Beyond our borders, uncertainty surrounding density targets being set by the Edmonton Metropolitan

Region Growth Plan (and yet to be approved by the province) delayed some of our own decisions. The Province of Alberta's proposal to centralize industrial assessment as part of its Modernized Municipal Government Act required a great deal of focused attention.

Based on our organization's acknowledged expertise in industrial tax assessment, we were invited to provide ongoing input. We will continue to work with the province to ensure our community's perspective is considered as they develop the detailed regulations defining this legislation.

Community engagement is critical to informed decisions. We are indeed fortunate to have involved citizens, who are willing to share their views on topics ranging from transportation plans, to the municipal development plan, to the dog bylaw, to "Community Talk."

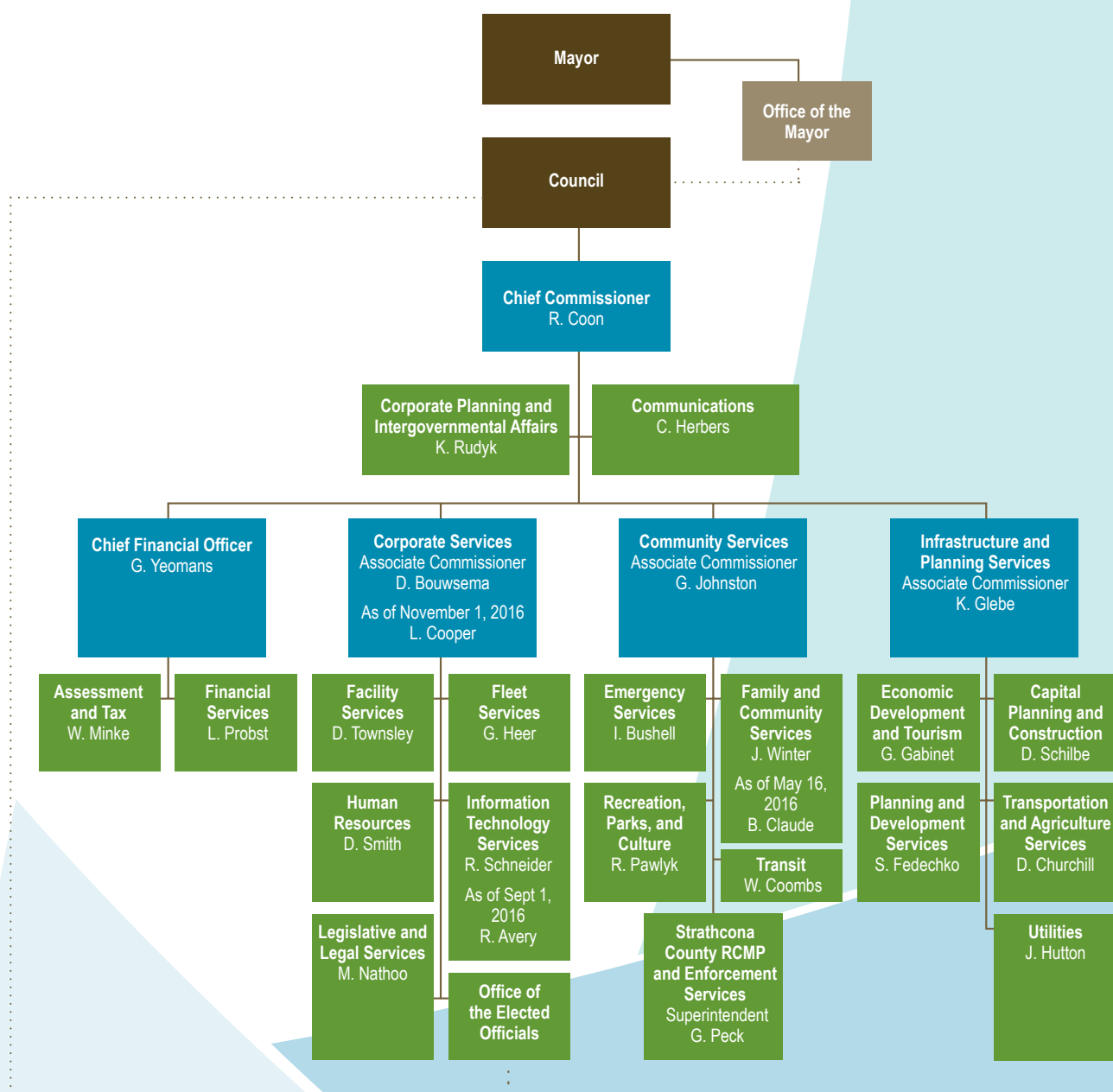
Organizationally, we have also been undergoing a culture shift, as we direct our focus on aligning resources across the organization in support of community priorities. These priorities are defined in our strategic plan and translated into our corporate and department business plans. We get stronger each year, as Council and administration continue to apply a priority-based lens to decisions, ensuring every municipal dollar is clearly linked to priorities.

I am proud to say that we continue to set the standard in terms of how municipalities plan, deliver sustainable programs and services, and develop creative solutions to emerging issues. The proof for me was in being able to deliver on our successes and respond to our challenges, while finding efficiencies and delivering a 2.62 per cent municipal tax decrease in 2017.

None of which would be possible without the commitment and dedication of our people. I really have to thank our Council for its commitment to our vision and strategic plan. I also need to extend sincere appreciation to our dedicated people, for their continued efforts and focus each day that strengthens service excellence to businesses, industry, visitors and our residents.

Rob Coon
Chief Commissioner, Strathcona County

Our organizational structure



Strathcona County Executive Team

Left to right:

Kevin Glebe, Gord Johnston, Rob Coon, Greg Yeomans, Lori Cooper



Strategic plan at a glance

Vision

Living in Strathcona County

Strathcona County, located in the heart of Alberta, is an energetic and thriving community. A leader in North America's petroleum industry and a champion for advancing diverse agricultural business, we use our energy to power our new tomorrow.

We are a specialized municipality, and work cooperatively with our urban and rural residents to govern as a single municipality. Proud of our distinct governance model, we promote and demonstrate our achievements.

We are a welcoming place to live and attract people of all ages, cultures and walks of life to come join us. Families thrive in our dynamic, caring and safe community.

We strive to be a model of ecological integrity, protecting our environment and preserving our agricultural heritage. Investment in infrastructure, quality services, cultural, recreational programs and facilities is a priority and sets us apart.

We are Canada's most livable community.

Community-wide priority areas

Economy

- World leader in petrochemical cluster
- Effective and efficient municipal infrastructure
- Diverse economy

Governance

- Cooperative partnerships with community, business, industry and neighbouring governments

Social

- Helping, caring and safe community
- Healthy and active community

Cultural

- Vibrant and creative community

Environment

- Protect our environment and preserve biodiversity

Prioritized strategic goals

Continued focus on top four as part of 2015-2018 planning window

- Strategically manage, invest and plan for sustainable municipal infrastructure
- Increase and diversify the petrochemical business
- Advance the community's interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity
- Increase public involvement and communicate with the community on issues affecting the County's future



Features

*Priority-Based Budgeting
Broadview Enviroservice Station
Glen Allan Recreation Complex
Emerald Hills Leisure Centre
Emerald Hills Regional Park
The past where we live*

Strathcona County
Alberta, Canada



STRATHCONA
COUNTY



A new lens

Priority-Based Budgeting

A new approach to better decisions — priority-based business planning and budgeting looks to ensure Strathcona County's actions and budget decisions are driven by community priorities.

The County continues to transition fully to a priority-based culture, devoted to fulfilling the goals and objectives of the strategic plan, and corporate and department business plans.

Our focus has shifted to enhancing how we listen to, interact with and understand our citizens; to advance our community's vision and strengthen our accountability.

Through this new lens, along with consideration of other factors and perspectives, we will sustain fiscal health and wellness on our path to becoming Canada's most livable community.





Focusing on what matters most

Priority-based business planning and budgeting allows us to assess the programs and services being offered, based on community values and organizational priorities.

Resources are allocated according to how strongly a program aligns to the community's priorities, ensuring optimal outcomes for our citizens.

Moving forward, we are creating and utilizing a number of different tools to help us fully understand the programs we provide our citizens — the value they offer, how much they cost and how well they reflect the community's priorities.

With this knowledge and public input, we will be able to rank our programs, set targets, identify opportunities for efficiencies and apply our resources to doing what matters most.

Ultimately, this brings about a "future state" in which Strathcona County will:

- Be more adaptable to external uncertainties
- Do the important things well
- Prioritize programs and resource allocation
- Be more effective and efficient in program delivery
- Analyze spending patterns
- Spend within our means
- Provide accountability and transparency

What's been accomplished?

In our transition to a priority-based culture we have successfully:

- Determined the community's top priorities and goals through the strategic plan, which are reflected in the corporate business plan and 19 department business plans
- Developed a performance measurement and reporting framework to track our progress and enable clear reporting
- Initiated education and awareness campaign on community priorities and priority-based budgeting
- Initiated development of a program inventory and costing system to better understand the relative value of some 320 unique programs being offered to the community and how they align to priorities





The one-stop-eco-friendly shop *Broadview Enviroservice Station*

When it comes to cleaning and maintaining their homes or vehicles, residents reach for a variety of everyday products that make these tasks easier. But once the job is done, they are left with products containing toxic or hazardous components that must be kept out of landfills and sewage systems.

Disposal of hazardous materials may seem complicated, but it doesn't have to be. Just head on over to the Broadview Enviroservice Station.



Opened in February 2016, the one-stop-eco-friendly shop has proven highly successful with Strathcona County residents and businesses wanting to drop off their household hazardous waste, oil/glycol, paint, electronics and appliances for proper disposal or recycling.

The facility is centrally located at 101 Broadview Road in Sherwood Park. The station is home to regular recycle bins, brush and yard waste bunkers, and tire recycling.

In a municipal-federal funding partnership, the facility was built with financial support of over \$4 million from the Federal Gas Tax Funding Program, toward the total cost of \$6.3 million.

In a short time, residents have come to appreciate how easy and efficient it is to dispose of toxic or hazardous materials by accessing the drive-through service, with Enviroservice staff on hand to assist and answer any questions. From February to December 2016, more than 28,000 cars visited the station, a 1,000 per cent user increase from drop-off recycle events held in 2015! The station's regular operating hours have greatly increased drop-off access for residents: 2,000 hours per year up from the previous 50 hours per year.

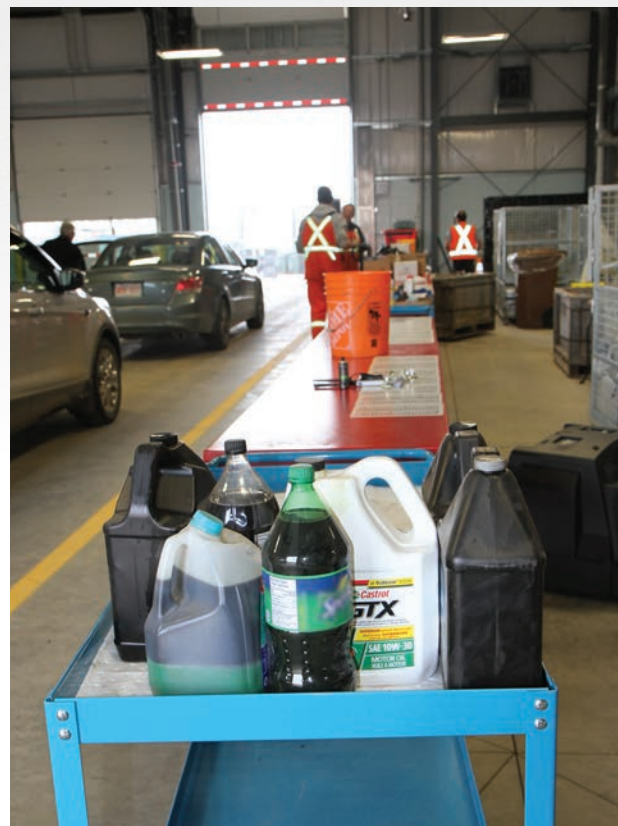


It takes a conscious effort to keep harmful products out of our ecosystem and, thanks to the EnviroService Station, a growing number of County residents are doing their part to minimize the volume of waste and its impact on the environment. Since the station opened, items brought in include:

- 4,717 televisions
- 108,649 litres of used motor oil
- 6,399 computers, laptops and printers
- 12,285 passenger car tires
- 1,185 propane BBQ tanks
- 778 barrels of general hazardous waste material

These impressive numbers show how important a healthy environment is for residents who strive to be responsible stewards of our natural resources. The Broadview EnviroService Station helps them achieve this goal, making it easier to keep our land, air and water clean.

It's true, protecting our environment takes a collective effort. With the Broadview EnviroService Station, it doesn't have to be complicated.





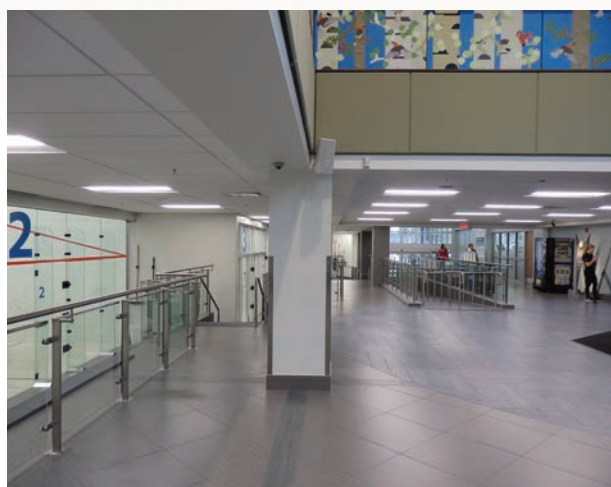
An old favourite is back... and better than ever *Glen Allan Recreation Complex*

Dating back to the age of disco, the Glen Allan Recreation Complex (GARC) had become an old community favourite for recreation; however, it was time to bring the facility into the 21st century. Strathcona County seized this opportunity to create a fully accessible recreation area, striving to enhance the experience for older adults and individuals with special mobility requirements.

This transformation started in the planning stages, through thoughtful conversations with County residents, community partners, sports clubs, and the University of Alberta's Steadward Centre. Together, a shared vision was developed for an accessible, responsive recreation space.

The \$14 million Glen Allan Modernization Project was made possible with a provincial Municipal Sustainability Initiative funding grant of nearly \$3 million. Renovations on the 36-year old facility began in spring 2015 and, when GARC re-opened its doors to the public on October 1, 2016, the complex became Strathcona County's flagship in accessible design for visitors of all abilities.

Today, a bright and spacious atmosphere greets visitors as they walk or wheel into the renovated building. They will notice more natural sunlight, a 3,000 square-foot expansion of the wellness centre, an additional racquet court and a modern, restaurant-style curling lounge perfect for hosting a variety of groups and social events.



Closer inspection reveals many special features all designed with ease of access in mind. Residents who require accessible equipment and spaces will find many barriers have been removed, with new features making it easier for them to participate in a variety of programs. These include adapted change rooms, accessible racquet courts, a large central elevator, raised stretching mats, whirlpool lift, braille signage throughout as well as total access exercise equipment adaptive to able body and wheelchair users.

These accessible features have allowed for innovative programming that meets health-related and chronic illness needs.



Strathcona County's curling community also has a lot to cheer about. Home to the Sherwood Park Curling Club, the upgrade has not only enhanced the curling experience for the local community, it has also attracted high-level international competition. In fall 2016, the curling club welcomed teams from Russia, Hungary, China and the United States in hosting the World Mixed Doubles Curling Championship.

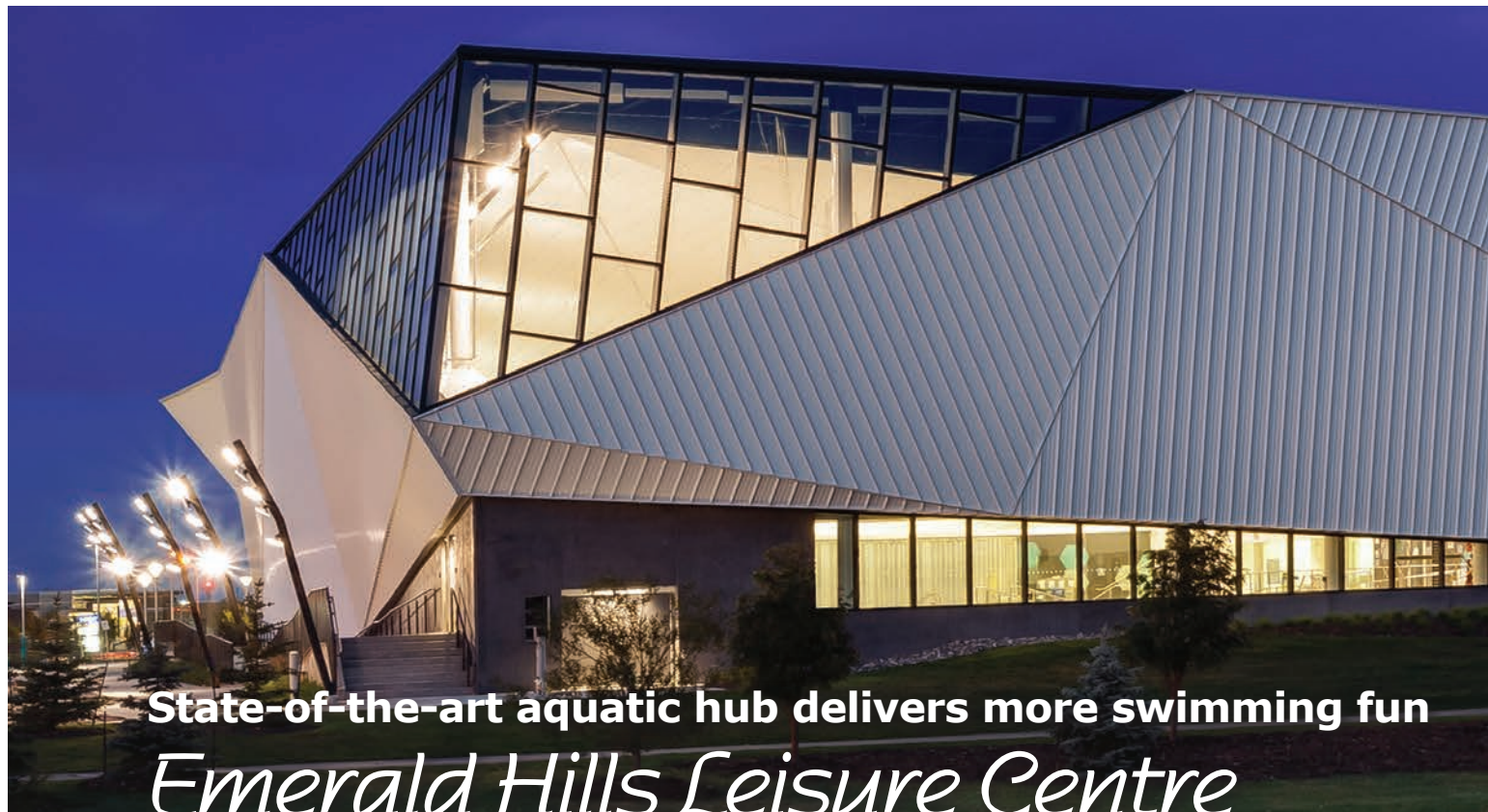
And, thanks to a concrete curling floor replacing the original sand surface, the County can now offer dry-surface programming, like pickleball and badminton, when the curling season ends.

The modernized Glen Allan has also attracted other top-notch sporting events, recently hosting provincial handball and racquetball competitions in the renovated courts.

Strathcona County residents have happily gotten reacquainted with their old community friend, with the number of visits to the wellness centre alone more than doubling to approximately 9,000 per month, compared to 3,500 per month before the renovation.

Glen Allan Recreation Complex has not only joined the 21st century, it is leading the way in promoting healthy and active lifestyles for people of all ages and abilities.



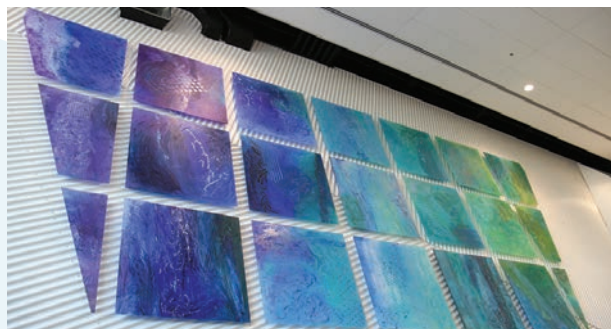


State-of-the-art aquatic hub delivers more swimming fun *Emerald Hills Leisure Centre*

Strathcona County's newest swim facility is remarkable, even from a distance. Its bold, white and glass-paneled geometric shapes stand out against the sky. As stunning as the Emerald Hills Leisure Centre looks from the outside, what's inside is equally impressive.

In public consultations conducted over two years, residents asked for more programming options to meet the community's growing demand for swimming lessons, and for recreational, aquatic and therapeutic fitness. The new leisure centre, opened to the public on October 1, 2016, effectively fulfills this need by doubling the County's capacity for swimming lessons with the creation of up to 1,800 new spaces per session.

Since the facility opened its doors, an additional 1,300 local students have been able to participate in swim lessons with their school, and the County's swim registration waitlists have been reduced by 1,500 people.



Emerald Hills Leisure Centre has quickly become an aquatic hub, providing a safe, friendly environment for all ages and abilities, from young babies splashing around to seniors with reduced mobility.

While swimming can be a lot of fun, the two-year design and construction process was serious business. The result, according to project manager Bill Vance with Marshall Tittlemore Architects, is a facility that is innovative in all respects, including master planning, functional programming, technical system integration and architectural expression.

Let's dive in!

One of the first things visitors will notice is a greater number of universal change facilities available; almost half of all change area space has been designed in this style to better meet a variety of needs. The experience is also enhanced thanks to a highly efficient pool filtration system that uses salt water and carbon dioxide. Featuring three specialized pools, the leisure centre is fully-equipped to focus on learn-to-swim programs: a six-lane, 25-metre lap swim pool; a four-lane 25-metre pool with adjustable floor; and a children's learning pool. There's also a whirlpool and a steam room.

Accessibility remains a design priority throughout, with ramps in all the pools, as well as an adjustable floor in the teaching pool. These special features make recreation a more inclusive experience and promote



well-being for individuals undergoing rehabilitation or therapy.

While the entire community can be proud of this space that connects people and promotes healthy and active lifestyles, the strong partnerships that made it happen are worth celebrating.

The project was made possible thanks to \$21 million from the Government of Alberta's Municipal Sustainability Initiative, with Strathcona County providing the balance towards the total cost of \$29 million. This provincial-municipal collaboration was further supported by the Elk Island Catholic School Board, with Archbishop Jordan High School physically connected to the leisure centre. This partnership serves as a model for schools and recreation facilities working together to promote recreation and health.

The facility's proximity to the school has even provided opportunities for science-related learning with a group of students coming over to study pool operations and water chemistry. The initial experience was so positive that plans are already underway to continue with similar sessions.

A place for learning, athletic training, physical therapy or simply splashing around with friends and family, Emerald Hills Leisure Centre is helping the community stay healthy and active today, and into the future.





Three cheers for the new all-season sports venue! *Emerald Hills Regional Park*

Football, baseball, soccer ball... almost any kind of ball will do when it comes to Strathcona County's 27-acre Emerald Hills Regional Park, opened in 2016.

Located next to Emerald Hills Leisure Centre in Sherwood Park's Emerald Hills urban village development, the all-season site features a grass sports field and artificial turf field, sports pavilion, two baseball fields, and outdoor skating area in winter.

Soccer, football, rugby and field hockey are some of the sports that can be played on the FIFA II certified artificial turf, the first of its kind in the County. This specialized field opens up possibilities for hosting international soccer events, and has already been used by professional soccer teams, such as Saskatchewan Huskies Football team and Miami FC, for practice sessions ahead of league games against FC Edmonton.



Innovative design is evident throughout the park, such as the elevated spotter's box along the edge of the artificial turf field to provide coaches, officials and videographers a better view of the action on the field. The state-of-the-art Sports Pavilion, adjacent to the artificial turf field, enhances the overall experience for athletes, coaches and members of the public. For spectators, stadium seating is available along the Pavilion's exterior wall, and there's also indoor viewing from the comfort of the Emerald Room. Full-sized dressing rooms and washrooms, a multi-purpose room and concession area complete the Pavilion.

The regional park is about more than what happens on the playing fields. The park's amenities are linked by well-lit paved trails, converging into a community gathering spot in the outdoor plaza next to the Pavilion. The action continues in winter, when a portion of the trails and the plaza are converted into a skating pathway and a snowbank rink.

Athlete or fan, professional or amateur, community group or individual — the park is a place the entire community can enjoy. Art lovers will want to take special notice of the "Limenitis Wall" art installation at the Sports Pavilion. A relief sculpture by Jason S. Johnson and Guy Gardner, it was inspired by the ways in which plants and insects use petals and wings for camouflage, attraction and the shedding and collection of water. An expression of cycles of change, it is meant to be experienced in every season.



Through this new recreational space, Strathcona County is better able to promote sports development and active living for individuals and teams both at the local level and beyond. It is also attracting high-level athletes and providing the County with new opportunities to host exciting sporting events. In recognition, the province awarded its 2016 Parks Excellence Award to Emerald Hills Regional Park (jointly with Centennial Park and Millennium Place sports fields) for achievements or innovative ideas in parks and open spaces.

Contributing to Strathcona County's vision of being Canada's most livable community, Emerald Hills Regional Park provides a place for the public, sports teams and community groups to gather, to cheer, and to strive for excellence.

We're chalking this one down as a 'win' on our scoreboard!





Historical videos reflect on our origins as a municipality

The past where we live

Have you ever wondered ... How did Strathcona County become the specialized municipality it is today? What was life like for indigenous peoples before settlement? Why did settlers move here? Why is Strathcona County both urban and rural? These questions and more are answered in a video series called *The past where we live*.

Strathcona County has grown rapidly in recent years. Many residents have moved here from somewhere else and may be missing out on a real understanding of the County's history and heritage.

In 2016, Strathcona County produced two short videos to share some of the back story of this unique municipality. These videos were produced to give residents a sense of place and a greater appreciation of Strathcona County's origins as a municipality, and of its cultural and natural heritage.

The past where we live



A specialized municipality explores Strathcona County's municipal history, how the County has developed and changed over time. Learn about its name, its boundaries and how it came to be a specialized municipality.



A rich and plentiful country depicts the natural resources that have drawn people here and the industries that developed as a result of these natural resources.

We consider these videos only an introduction — a backdrop to many more accounts of local history to be found on the County website and at the Strathcona County Museum and Archives.

Combined, the two videos are 20 minutes in length. You can find them at www.strathcona.ca/history and on Strathcona County's YouTube channel.



Highlights

Strathcona County
Alberta, Canada



STRATHCONA
COUNTY



Highlights

Following are highlights of accomplishments achieved during 2016 to advance Strathcona County's community-wide priority areas.

Economy

- Council approved the concept for a **regional multi-purpose agriculture facility** in October. An appropriate location, associated servicing costs and preliminary engineering designs will confirm final costs for the 2018 budget. This investment will strengthen the rural community by supporting diverse needs, and enriching the overall living standard of residents, as it increases and diversifies agricultural business.
- Over 3,700 residents participated in the **Urban Agriculture Strategy** development, approved in December. Implementation for 2017 has been prioritized according to what is of greatest interest to residents, starting with community gardens, urban livestock and school agriculture. Urban agriculture is the first strategy to be developed as part of the County's award-winning Agriculture Master Plan.

Government

- Strathcona County moved to an **online application system** to recruit volunteers to serve on Council committees and boards. This approach resulted in an increase in the number of applicants.
- Council endorsed the **Urban Reserve, Bremner** as its next area for urban development, following an extensive review and careful comparison of growth management strategies for Bremner and Colchester as possible growth areas. An Area Concept Plan for the area will be developed in 2017.
- Residents provided feedback on the draft **Municipal Development Plan (MDP)** late in 2016. The draft MDP is informed by and complies with the recently reviewed Municipal Government Act and the updated Capital Region Growth Plan. Land use options for the Rural Urban Transition Policy Area, Colchester, are also included in the MDP.



- The **Mature Neighbourhood Strategy** was finalized with the support of 10 mature neighbourhood residents. This Citizens' Task Force worked with administration to develop a draft mature neighbourhood overlay, which provides regulations that respect and maintain the overall character of these areas. The task force also provided input on how to engage the community on the overlay and, with that community input, these regulations took effect in November 2016.

Social

- Strathcona County staff, individuals, faith groups, agencies, businesses and industries pulled together in May of 2016 to meet the physical, mental and emotional needs of our northern neighbours from the Regional Municipality of Wood Buffalo, as a result of **wildfires**.
- In preparation for renewing its social sustainability framework, first adopted in 2007, Strathcona County invited all members of the community to participate in open and honest conversations in 2016 about how to best build a community where every resident has the opportunity to feel supported, safe and connected through **Community Talk**.
- The **Transit Fare Strategy**, completed in 2016, provides consistent fare categories for all age groups, reduced local fares, new commuter and local ticket options for seniors and youth, new senior local monthly passes, new local Everybody Rides monthly passes, and new day passes that provide unlimited travel within one calendar day.
- **Train whistle cessation** was approved and implemented at Highway 824 in Ardrossan in support of resident concerns at this location.

- Adding a social crisis response worker to the **Domestic Violence Unit** has increased information sharing between the RCMP and Family and Community Services, and supported a preventive approach to people at risk of family violence.
- As part of the **Rural Internet Access Program**, Strathcona County, in partnership with the private sector, enabled improved internet service to over 40 rural subdivisions and reports over 600 additional households in the rural region have subscribed to high-speed internet. Several rural community halls are in the process of receiving an improved level of wireless internet access.

Environment

- Strathcona County is home to most of the Beaver Hills Moraine, containing hundreds of wildlife and plant species, and a diverse habitat. Based on the combined efforts of more than 30 organizations, Beaver Hills was designated in 2016 as a **UNESCO Biosphere**, as a model of sustainable development and stewardship. Beaver Hills is one of two biospheres in Alberta.
- Along with its partners in the Beaver Hills Initiative, Strathcona County opened the **Beaver Hills Biodiversity Trail**. The trail was made possible with financial contributions from the Government of Alberta, and industry sponsors Williams Energy and Enbridge. The trail is built on land purchased by Strathcona County as part of the Legacy Land Program. It complements the nature-based programming at the Strathcona Wilderness Centre, and will conserve habitat.



Culture

- Work continues to implement the **Bremner House Heritage Site Master Plan**. The County is investigating the development of a Friends of Bremner House group, and awareness of the **Bremner Heritage Site** is growing. Further work is underway regarding historic interpretation, and maintenance is continuing, in preparation for accepting increased tours and rentals at the house.

Awards

- Strathcona County was recognized as a **Canadian leader in municipal agriculture planning**, receiving the national award of excellence from the Canadian Institute of Planners for our Agriculture Master Plan.
- Strathcona County was awarded the **Alberta Emergency Management Agency Achievement Award** in the category of Fostering Partnerships. This award recognizes exemplary achievement in Emergency Management by recognizing remarkable contributions towards building a better prepared and more disaster resilient community.
- Strathcona County earned its second **Canadian Award for Financial Reporting Achievement**, this time for the 2015 Annual Report. Awarded by the Government Finance Officers Association of the United States and Canada, the annual report was judged to demonstrate a constructive "spirit of full disclosure" designed to communicate the municipality's financial story clearly and to motivate stakeholders and the public to read the report.

- Strathcona County earned the **"Small City, Big Impact" Award**, ranking highest in the 2016 Open Cities Index among cities with a population under 100,000, and placing in the top 10 of all municipalities in the country for 2016. Strathcona County also took home the Open Data Value Award at the Canadian Open Data Summit 2016.
- Strathcona County received a **Communities in Bloom Five-Bloom** (highest score) **silver rating**, with special mention for Prairie Walk in Centre in the Park, in the Circle of Excellence category.
- The **Parks Excellence Award** was initiated by Alberta Recreation and Parks Association's Parks and Open Space Network to recognize achievements or innovative ideas in parks and open space operations. Strathcona County was recognized for the Emerald Hills Regional Park, Centennial Park and Millennium Place sports fields.
- An international panel of judges awarded Strathcona County three **Hermes Creative Awards** and three **Marcom Awards** for its work in the marketing and communications industry.



By the Numbers

Economic development (2016)

Businesses and establishments	11,000
in Strathcona County	
- With employees	3,728
- New businesses	354

(Statistics Canada June 2016 – Business Patterns Data)

Local establishments:

Construction	1,732
Retail	638
Accommodation and food services	228

Served by both CN and CP railroads

Four airports within 30 minutes

Market area (Edmonton CMA)	1,363,277 people
(Statistics Canada, July 2015 estimates)	
2016 market share of regional single housing starts	4.0%
2016 market share of regional multi-housing starts	4.3%
2016 market share of regional overall housing starts	4.4%

Residential development in the metro region

(Canada Mortgage and Housing Corporation

Construction Digest, December 2016)

Value of major projects announced, under construction and recently completed	\$12.0 billion
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Transportation (2016)

Rural roads, County maintained	1,308 km
Urban roads, County maintained	403 km
Highways, province maintained	232 km
Road permits issued	9,500
Roadside cleanup	205 km
Transit buses	89
including 19 double-decker buses, 54 low-floor buses, 6 coaches, 10 mobility buses	
Transit rides	1.55 million
Mobility bus trips	21,067
Warren Thomas (Josephburg)	
Aerodrome flights, annually	3,500

Planning and development services (2016)

Subdivision and rezoning applications	81
Development permits	1,373
Permits for new residential units	1,042
Permits for multi-family units	89
Value of commercial, industrial, institutional, and residential construction	\$343 million
Customers served by Planning and Development Services	48,908
(in-person, by telephone, email and applications)	

Protective services (2016)

Police officers (RCMP)	96
Peace officers	28
RCMP Victim Services Unit volunteers	29
RCMP Victim Services Unit volunteer hours	15,000
RCMP calls responded to	28,373
Enforcement Services calls responded to	10,124
Fire fighters	154 full-time
.	37 part-time
Fire stations	6
Sherwood Park (3), Heartland Hall (Josephburg), South Cooking Lake, Ardrossan	
Emergency calls responded to	7,941
Residents engaged in community safety education	11,827
(Through presentations, events, inspections, etc.)	

Agricultural services (2016)

Roadside mowing	4,447 km
Residents hosted through workshops/information sessions	2,327





Community services (2016)

Counseling services participants	1,441
Outreach Services visits	1,835
Home support and outreach services visits	92,768
Senior households helped by volunteers	251
Community volunteer hours of service	3,752
Parent Link program participants	3,030
Community education participants (workshops, conferences)	2,066
Community engagement (Community Talk campaign)	7,690
Municipal subsidies to qualified individuals	2,351
Social services grants distributed annually	\$300,000
* Emergency Social Services support hours	1,285
* Provided to individuals from the Regional Municipality of Wood Buffalo, evacuated as a result of the May 2016 northern Alberta wildfires.	

Indoor recreation and culture (2016)

Major facilities	12
Cultural facilities	3
Festival Place, Smeltzer House, Gallery @501	
Community halls	14
Senior centres	4

Participation:

Everybody Gets to Play (EGTP)	1,811
Paid visits to recreational facilities	1,155,215
Visits to cultural facilities	124,822
Booked hours (soccer, ice, schools, etc.)	187,881
Program registration	62,898
(Swimming lessons, fitness, performing and visual arts, outdoor activities)	
Active pass holders	23,658
(Millennium Card, 10-visit, Try-it, Ski, etc.)	
Festival attendees	50,000
(estimated for major events, such as Canada Day, Celebration of Lights, New Year's Eve)	

Outdoor recreation services (2016)

Sports fields	106
Ball diamonds	94
Athletic tracks	3
Trails	229 km
Playgrounds	147
Spray decks	6
Golf courses (municipal)	1
Tennis courts	17
Outdoor rinks	27
Pickleball courts	19
Other outdoor courts	25
(basketball, volleyball, one-wall handball)	
New artificial turf	1

Library (2016)

Library, Bookmobile, online visits	1,585,299
Library resources used	1,747,642
Questions asked	157,204

Visit www.sclibrary.ab.ca

Utility operations (2016)

Water distributed	33.2 million litres/day
Water mains maintained	593 km
Fire hydrants	2,323
Water storage capacity	114.9 million litres
Wastewater treated	20.5 million litres/day
Wastewater mains maintained	420 km
Stormwater mains maintained	363 km
Recycling stations	3
Residential waste to landfill	12,662 tonnes
Waste diversion from landfill through Green Routine efforts	61%
Organics sent for composting	12,981 tonnes
Materials collected for recycling	6,038 tonnes
Enviroservice hazardous waste, including electronics	622 tonnes
Scrap metal collected for recycling	482 tonnes



Financial Statement

DISCUSSION AND ANALYSIS

Strathcona County
Alberta, Canada



STRATHCONA
COUNTY



Gregory J. Yeomans CPA, CGA, MBA
Chief Financial Officer

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

Strathcona County's 2016 Annual Report provides an opportunity to share our financial performance results with community stakeholders - residents, businesses and industry. This Financial Statement Discussion and Analysis (FSD&A) is a supplement to the 2016 Strathcona County Consolidated Financial Statements that are contained in this report. The FSD&A is provided to enhance understanding of the County's financial position and enable more informed assessments regarding changes in financial position. The FSD&A is also provided in support of transparency and accountability of the County with respect to the management of financial resources used to provide municipal infrastructure, programs and services.

The FSD&A should be read in conjunction with the consolidated financial statements and accompanying notes. The consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and consist of the Statements of Financial Position, Operations and Accumulated Surplus, Change in Net Financial Assets (Net Debt), and Cash Flows. Strathcona County management is responsible for the preparation and presentation of these statements.

KPMG LLP has audited the 2016 Strathcona County Consolidated Financial Statements and provided an unqualified opinion. Council approved the audited 2016 Strathcona County Consolidated Financial Statements on April 25, 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

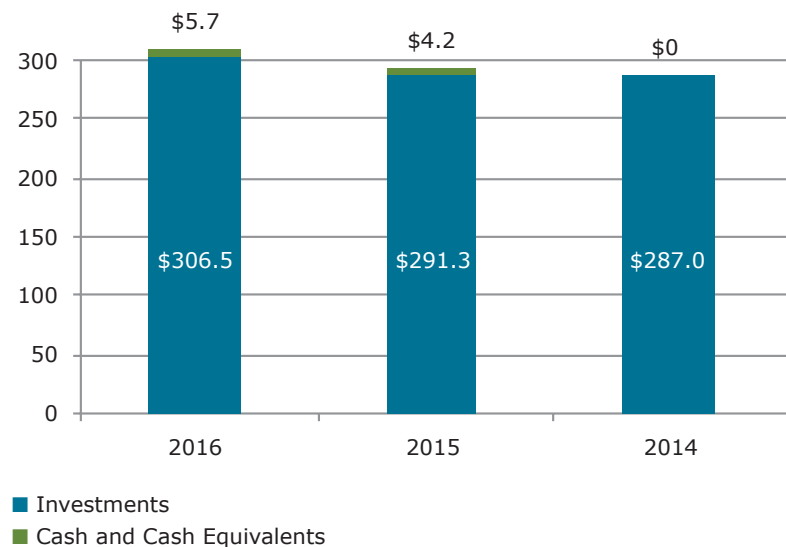
The Consolidated Statement of Financial Position highlights five key figures that together describe the financial position of Strathcona County: (i) the financial assets, (ii) the liabilities, (iii) the net financial assets or net debt calculated as the difference between the financial assets and liabilities, (iv) the non-financial assets, such as tangible capital assets held for the provision of services, and (v) the resulting accumulated surplus. The most significant element of the County's financial position is tangible capital assets (municipal infrastructure). The County continues to invest in municipal infrastructure, which supports our strategic plan goal to manage, invest and plan for sustainable municipal infrastructure. This allows the County to continue to meet program and service delivery needs of our growing community, and helps our economy remain competitive, healthy and vibrant.

...invest and plan for sustainable municipal infrastructure.

Financial Assets

Financial assets are held for specific use and are restricted by the condition of the receipt or agreement, or as designated by Council. These assets will be used to fund capital projects and operating programs, as well as to discharge liabilities (including long-term debt). During 2016, financial assets increased by \$16.1 million, to a balance of \$353.6 million total financial assets at the end of 2016 (2015: \$337.5 million). This amount includes \$312.2 million cash and investments (2015: \$295.5 million), that are mainly held in support reserves, deferred revenues and deposit liabilities.

Cash and Investments (in \$ millions)



Accounts receivable totalled \$41.4 million (2015: \$39.3 million) and is comprised of property taxes, government transfers, trade and other receivables, development levies and charges, and investment interest. The County no longer has any land held for resale as the balance of \$2.6 million was disposed of in 2016. The net proceeds of this sale were used to cover some of the costs of the Centre in the Park Development project.

The largest source of revenue for the County is property taxes. At the end of 2016, the County's property taxes receivable totalled \$4.1 million (2015: \$4.8 million). This receivable is due to the fact that approximately one third of the taxable properties pay their taxes using the monthly Tax Instalment Payment Plan program. Government transfers reflect the outstanding balances receivable from other levels of government. This balance fluctuates based on the type of grant programs used to fund approved projects and the amount of capital work completed.

The increase of \$2.5 million in trade and other receivables from the prior year is primarily due to outstanding reimbursements for costs that the County incurred responding to the Regional Municipality of Wood Buffalo (Fort McMurray) wildfire. Investment interest receivable at December 31, 2016 amounted to \$10.1 million (2015: \$8.2 million), an increase of \$1.9 million from the prior year, which is due to an increase in the County's total investment balance and a different mix of maturity dates.

Liabilities

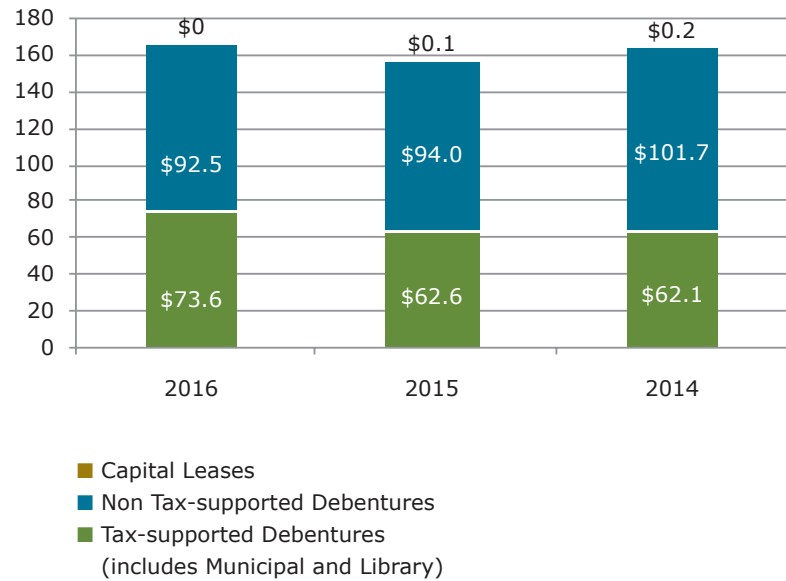
The County's total liabilities at the end of 2016 are \$289.0 million (2015: \$284.2 million), an increase of \$4.8 million over the prior year. Use of deferred revenue of \$65.7 million (2015: \$64.1 million) and deposit liabilities of \$16.1 million (2015: \$18.6 million) remains restricted until the conditions associated with the balances have been satisfied.

Long-term debt is incurred to allow the County to address the protection of existing facility, roadway and underground infrastructure. Debt is also incurred to finance the addition of new capital infrastructure resulting from growth and/or changes in service levels. In 2016, the County incurred new borrowings of \$19.3 million (2015: \$4.6 million) and made debt repayments of \$9.9 million (2015: \$11.9 million).

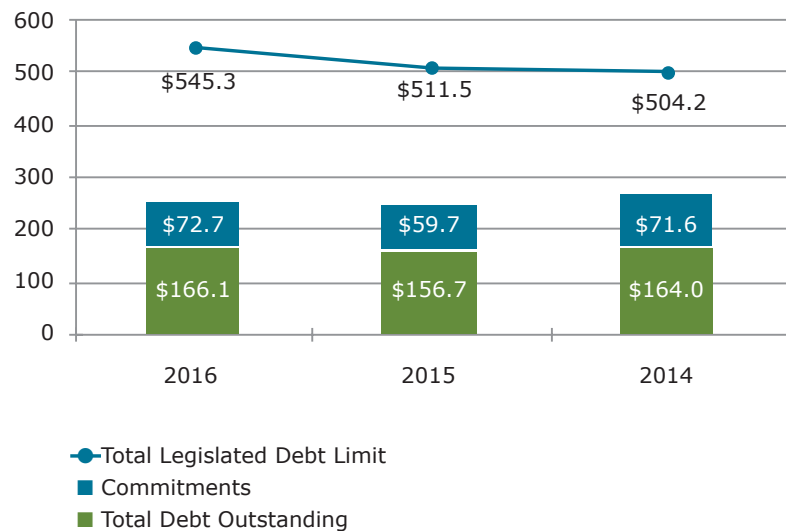
The Provincial Government limits the external debt allowed by a municipality to approximately 1.5 times revenue as defined by the Municipal Government Act. While capital leases have previously been used to a limited extent to finance County capital, all of the total debt outstanding of \$166.1 million (2015: \$156.7 million) is debenture debt. All debenture borrowing is obtained from the Alberta Capital Finance Authority which allows the County to leverage the Province's strong debt rating. Interest rates are established at the time of borrowing and remain constant throughout the term of the debenture, mitigating the risk associated with rate fluctuations. The County's debt management activities are also governed by the County's Debt Management Policy FIN-001-025, guiding the County to incur debt only if it is clearly demonstrated that it supports current and future infrastructure requirements, is affordable, and supports the sustainability of the County. The policy also requires fairness and equity, so that those who benefit from the underlying assets pay for the debt. At December 31, 2016, the County was well within the provincial debt guidelines and County policy. Total debt per capita approximated \$1,695 (2015: \$1,639). Included in this amount is total municipal property tax supported debenture debt of \$539 (2015: \$429) per capita.

...the County was well within the provincial debt guidelines and County policy.

Total Debt Outstanding (in \$ millions)



Total Debt Outstanding Versus Debt Limit (in \$ millions)



As of December 31, 2016, the County used 30.5% (2015: 30.6%) of its total legislated debt limit of \$545.3 million (2015: \$511.5 million), and has capacity to borrow an additional \$379.2 million. The County has committed an additional \$72.7 million (2015: \$59.7 million) of debt capacity, through approved capital projects as at December 31, 2016.

Net Financial Assets (Net Debt)

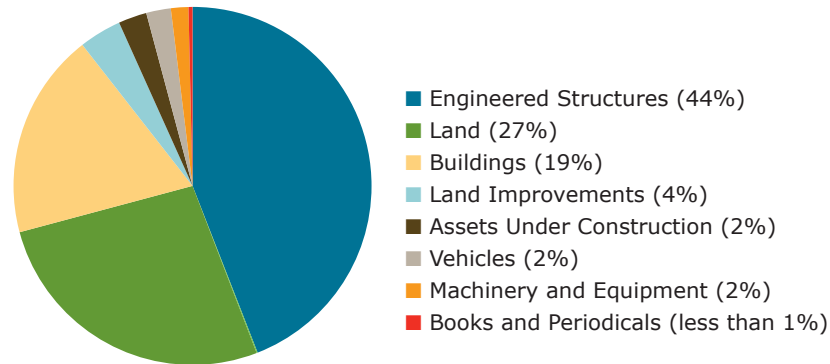
The net financial asset (net debt) figure is the difference between financial assets and liabilities, and is a key indicator of the County's ability to meet its commitments and liabilities, as well as to provide funding for future planned and emergent needs. At the end of 2016, the consolidated net financial asset balance is \$64.6 million (2015: \$53.3 million), an increase of \$11.3 million from the prior year. This increase corresponds to growth in reserves. Due to the significance of the County's capital activity, the timing of capital spending is a key contributor to changes in the net financial assets (net debt). When funds are invested in tangible capital assets, or acquisitions are financed through debt, net financial assets will decrease (net debt will increase). Conversely, if acquisitions are deferred then net financial assets, capital reserves and debt capacity will increase until the investment in tangible capital assets is made.

...the consolidated net financial asset balance is \$64.6 million...

Non-Financial Assets

Non-financial assets totalled \$1,845.1 million at the end of 2016 (2015: \$1,771.3 million). Non-financial assets consist of tangible capital assets of \$1,841.8 million (2015: \$1,767.6 million), prepaid expenses of \$2.3 million (2015: \$2.7 million), and inventories of materials and supplies of \$1.0 million (2015: \$1.0 million). The increase in non-financial assets of \$73.8 million over the prior year resulted mainly from contributed assets and assets that were purchased or constructed for the provision of service delivery, net of asset transfers, disposals and amortization expense.

Tangible Capital Assets Summary



...the County constructed or purchased assets at a total cost of \$96.9 million...

During 2016, the County constructed or purchased assets at a total cost of \$96.9 million (2015: \$88.9 million). Other assets, including developer contributed land, roads and utility infrastructure were recognized at a value of \$32.7 million (2015: \$60.3 million). The County began amortizing \$155.0 million (2015: \$124.1 million) of tangible capital assets (excluding land), that were put into service during the year. At the end of 2016, assets with a value of \$41.8 million (2015: \$67.7 million) remain under construction.

Of the total amount spent on capital projects in 2016:

- 59% or \$57.1 million (2015: \$30.0 million) was funded by operations (i.e. property taxes) and reserve funding
- 21% or \$20.7 million (2015: \$42.1 million) was funded by government transfers (i.e. grants)
- 14% or \$13.4 million (2015: \$9.5 million) was financed with tax-supported and non tax-supported debt
- 6% or \$5.7 million (2015: \$7.3 million) was funded by development levies, contributions and other sources

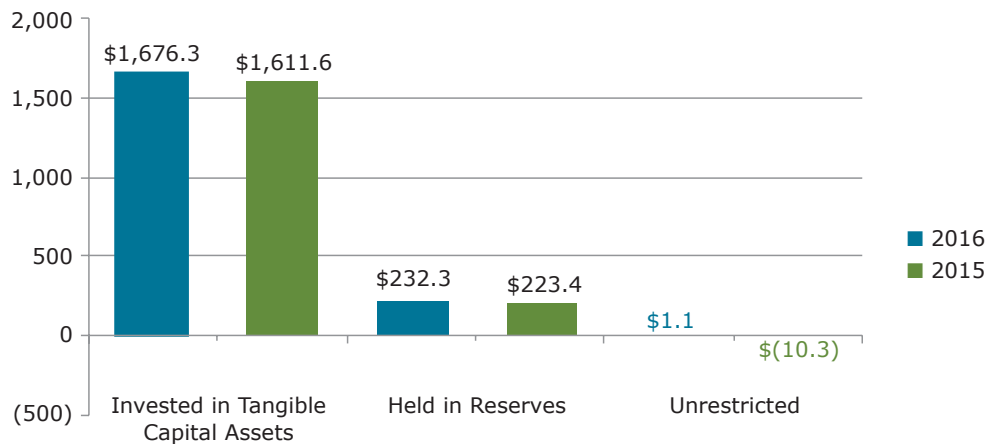
The County's 2016 investment in tangible capital assets to maintain or improve community services included, among others:

- RCMP Building expansion and modernization
- Glen Allan Recreation Centre
- Emerald Hills Aquatic Centre and Regional Park
- Centre in the Park underground parkade
- Utility infrastructure
- Road infrastructure

Accumulated Surplus

The County's accumulated surplus at December 31, 2016 is \$1,909.7 million (2015: \$1,824.6 million), an increase of \$85.1 million.

Composition of Accumulated Surplus (in \$ millions)



Reserves

The Municipal Reserve policy FIN-001-024 provides direction and guidance to Council and administration to enhance the County's financial strength, flexibility, cash flow management and ability to achieve the Council vision and Strategic Plan priorities.

Reserves are separately reported in the notes to the consolidated financial statements, as they are a key area in the financial management and operations of the County.

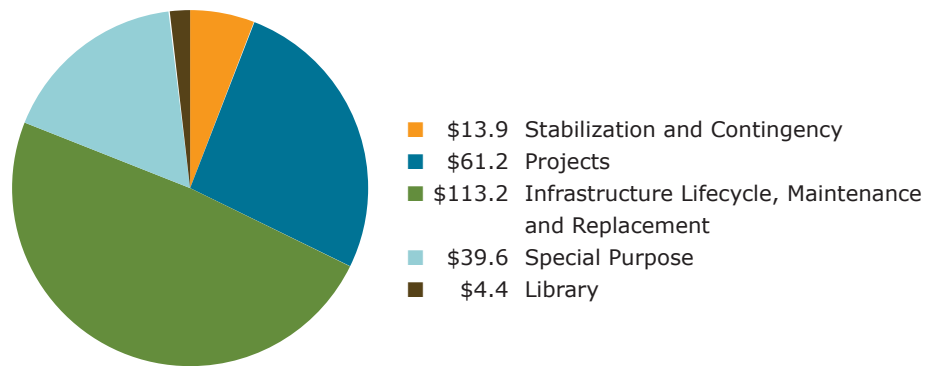
Council establishes reserves by setting aside financial assets to:

- maintain and improve Strathcona County's working capital requirements
- provide for future funding requirements
- provide stabilization for fluctuations in operating and capital activities

These reserves are drawn to fund specific purpose capital and operating expenditures as approved by Council.

...enhance the County's
financial strength,
flexibility, cash flow
management...

Composition of Reserves (in \$ millions)



As described in the Municipal Reserve Policy FIN-001-024, reserves have been grouped into the following categories and are to be used for the following purpose:

Stabilization and Contingency Reserves – aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

Project Reserves – provide funding for non-cyclical needs of departments including operating items and tangible capital asset projects.

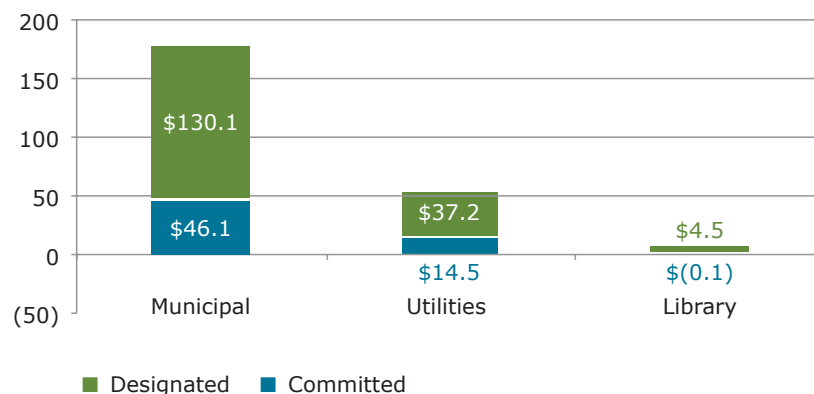
Infrastructure Lifecycle, Maintenance and Replacement Reserves – provide funding for infrastructure lifecycle, maintenance and replacement of County tangible capital assets.

Special Purpose Reserves – provide funding for unique purposes that have a one to one relationship with the reserve description.

Library Reserves – are maintained by the Library administration and approved by the Strathcona County Library Board in accordance with the Library Reserve Policy FI02.

Total reserves at December 31, 2016 amounted to \$232.3 million (2015: \$223.4 million). Of this amount approximately \$60.5 million or 26% (2015: \$99.0 million or 44%) is committed to be applied towards specific expenditures as approved by Council. The remainder, approximately \$171.8 million or 74% (2015: \$124.4 million or 56%) is designated; meaning a specific expenditure funded from reserve has not been approved by Council but the reserve funds are held for the purpose Council has approved.

Reserve Balances (in \$ millions)



Total reserves at December 31, 2016 amounted to \$232.3 million.

...\$60.5 million or 26% is committed to be applied towards specific expenditures as approved by Council.

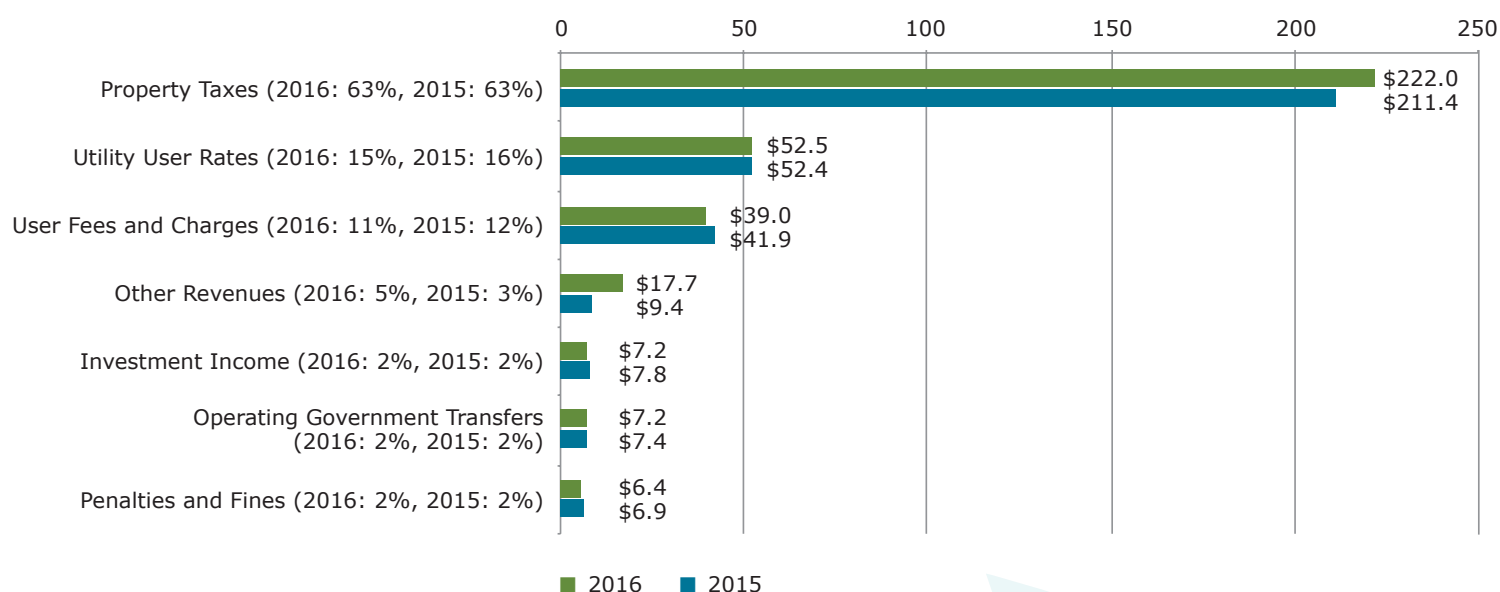
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS HIGHLIGHTS

The Consolidated Statement of Operations and Accumulated Surplus reports the change in accumulated surplus during the year. The statement details the revenues earned less the cost of services provided to County residents.

Revenues

Consolidated revenues for 2016 are \$417.0 million (2015: \$443.5 million), a decrease of \$26.5 million or 6.0% from the prior year. Consolidated revenues include both operating and capital revenues.

Consolidated Operating Revenues by Source (in \$ millions and as a percentage of total consolidated operating revenues)



Property tax revenues have increased by \$10.6 million to \$222.0 million (2015: \$211.4 million primarily due to assessment growth) and represent the primary revenue source for municipal and library operations.

Consolidated operating revenues for 2016 are \$352.0 million (2015: \$337.2 million), an increase of \$14.8 million or 4.4% from the prior year.

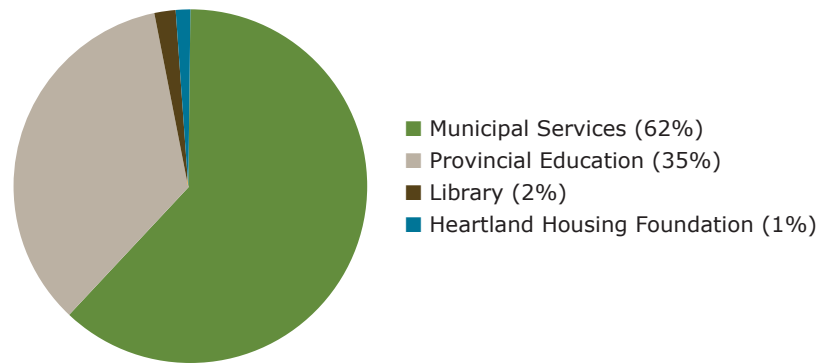
Other revenues increased by \$8.3 million or 87.9% primarily due to the sale of Land Held for Resale as part of the Centre in the Park development.

Consolidated revenues
for 2016 are
\$417.0 million...

In addition to supporting municipal and library services, property taxes are levied to meet provincial education and affordable low-income housing requisitions...

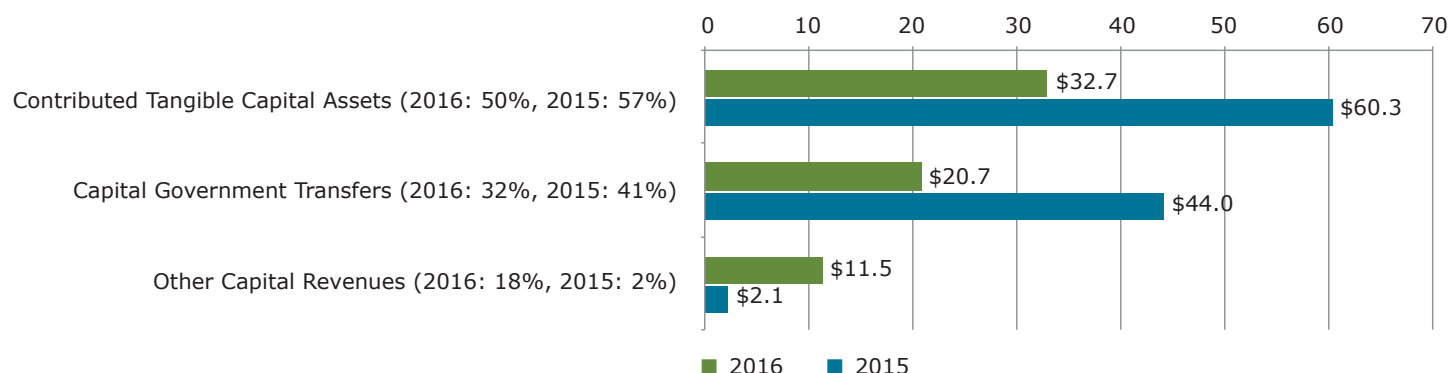
The following chart provides a high level overview of what residential property taxes collected by Strathcona County are used for.

2016 Residential Property Tax Distribution (as a percentage of total property taxes levied)



In addition to supporting municipal and library services, property taxes are levied to meet provincial education and affordable low-income housing requisitions submitted to the County for payment. In 2016, the County levied total property taxes of \$286.8 million (2015: \$271.7 million). \$61.9 million (2015: \$57.6 million) of this total was collected for remittance to the provincial education authorities.

Consolidated Capital Revenues by Source (in \$ millions and as a percentage of total consolidated capital revenues)



Consolidated capital revenues for 2016 are \$64.9 million (2015: \$106.3 million), a decrease of \$41.4 million or 38.9% from the prior year.

Contributed tangible capital assets are received as contributions from developers and external parties. Examples include land, road and utility infrastructure. Other capital revenues include developer levies and contributions from third parties (excluding other levels of governments).

Capital revenue fluctuates annually based on the type and volume of capital activity. The overall decrease was due to a lower amount of contributed tangible capital assets that resulted from the timing of development activity; lower grant revenues for major projects; partially offset by higher other capital revenues. In 2016, other capital revenues were higher than normal due to increased development levies and third party funding for various projects.

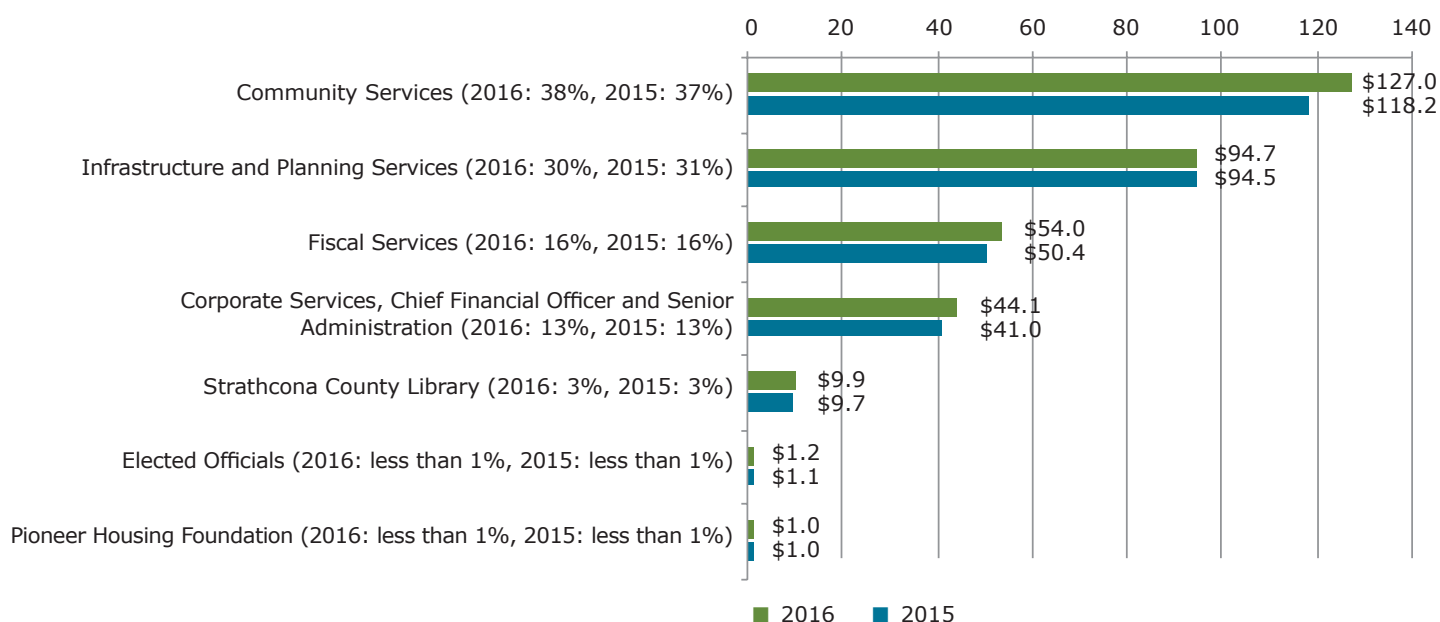
Government Transfers for Capital

Government transfers for capital are usually non-discretionary and have imposed eligibility criteria and stipulations, which results in these amounts being set up as deferred revenue liabilities. These funds are recognized as revenue as the related expenditures are incurred. Government transfers applied to capital were \$20.7 million (2015: \$44.0 million), a decrease of \$23.3 million or 53.0% from the prior year. This decrease is due to less grant-eligible capital construction work being completed during 2016, which resulted in less government transfers being recognized as revenue.

Expenses

Consolidated expenses for 2016 were \$331.9 million (2015: \$315.9 million), an increase of \$16.0 million or 5.1% from the prior year.

Consolidated Expenses by Function (in \$ millions and as a percentage of total consolidated expenses)



Community Services includes the following departments or service lines – Emergency Services; Family and Community Services; RCMP and Enforcement Services; Recreation, Parks and Culture; and Transit.

Infrastructure and Planning Services includes the following departments or service lines – Economic Development and Tourism; Capital Planning and Construction; Planning and Development Services; Transportation and Agriculture Services; and Utilities.

Corporate Services includes the following departments or service lines – Facility Services; Fleet Services; Information Technology Services; Human Resources; and Legislative and Legal Services.

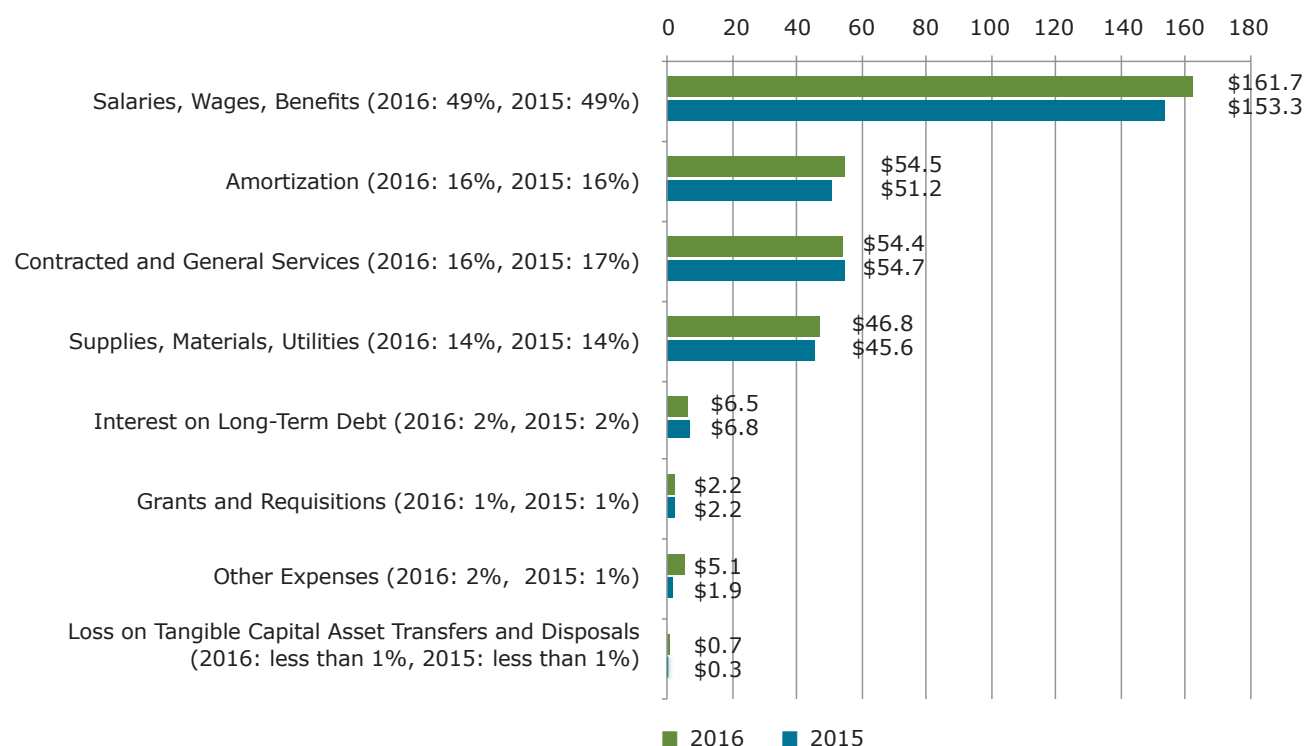
Chief Financial Officer includes the following departments or service lines – Assessment and Tax; Financial Services; and Procurement Services.

Pioneer Housing Foundation is a not-for-profit organization controlled by Strathcona County which holds land and buildings for the purpose of providing affordable housing. The administration and service delivery of affordable housing are provided by Heartland Housing Foundation through a management service agreement.

The following are notable highlights of the significant expenditure changes.

- The growth in Community Services has resulted in an increase of expenses over the prior year from RCMP and Enforcement Services of \$4.2 million or 19.9% and \$2.5 million or 6.4% for Recreation, Parks and Culture.
- Fiscal Services includes financial activities that are not specifically associated with the operation of any one division or department, including municipal debt repayment and amortization. Fiscal Services expenses have increased \$3.6 million or 7.1% primarily due to higher amortization expense resulting from an increase in tangible capital assets and cost of goods sold on Land Held for Resale.
- Corporate Services, Chief Financial Officer and Senior Administration expenses increased by \$3.1 million or 7.5%. The increase was required to meet corporate priorities including support of service delivery by front line departments.

Consolidated Expenses by Object (in \$ millions and as a percentage of total consolidated expenses)

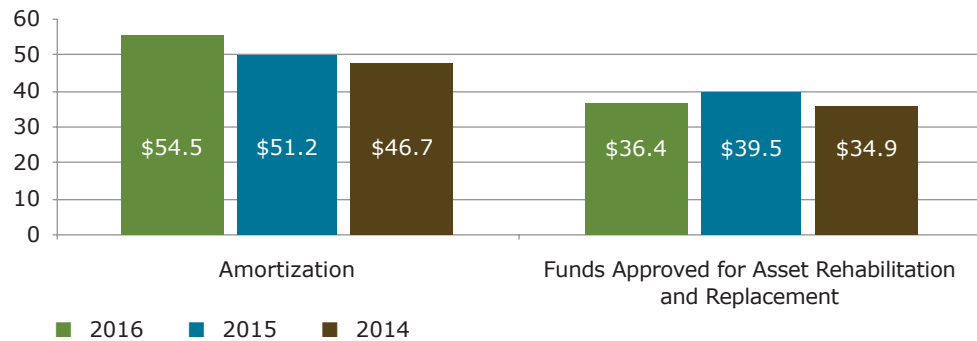


Growth in the County's labour force is required to provide quality services to the increasing number of community stakeholders. In 2016, salaries, wages and benefits totalled \$161.7 million (2015: \$153.3 million), an increase of \$8.4 million. A total of 1,267 full-time equivalent (FTE) regular employee positions (2015: 1,205 FTE's); plus employees who work irregular, non-standard hours equivalent to 237 FTE's (2015: 239 FTE's); and temporary, seasonal and casual staff, provided service delivery on a daily basis to residents, business and industry in Strathcona County.

Amortization of tangible capital assets in 2016 was \$54.5 million (2015: \$51.2 million), an increase of \$3.3 million from the prior year. Most tangible capital assets, with the exception of land, have limited useful lives. This is recognized by amortizing the cost of tangible capital assets in a rational and systematic manner over their estimated useful lives, ranging from four to 90 years. Amortization expense is an important part of the cost associated with providing government services, and can be used as a high level indicator of current and future rehabilitation and replacement requirements. To support the strategic plan goal to manage, invest and plan for sustainable municipal infrastructure, it is important that the County continually reinvest in its municipal infrastructure. To address this need, the County's annual capital budget includes amounts for the rehabilitation and replacement of tangible capital assets.

...it is important that the County continually reinvest in its municipal infrastructure.

Comparison of Amortization to Funds Approved for Asset Rehabilitation and Replacement (in \$ millions)



Annual Operating and Capital Budget

The 2016 Consolidated Operating Budget, approved by Council on December 8, 2015, is prepared on the modified cash flow basis, as required by the MGA. This differs from PSAS reporting used to prepare the financial statements, as capital transactions are excluded, and financing activities, such as debt repayment expenditures, and transfers to and from reserves are included. A comparison of the Council approved operating budget prepared on the modified cash flow basis and the budget reported in the financial statements in accordance with PSAS standards has been provided, as follows:

(Millions)	2016 Budget - Modified Cash Flow Basis (as approved by Council, December 8, 2015)	2016 Budget - PSAS Basis (as reported in Financial Statements)
Operating Revenue	\$ 339.3	\$ 339.3
Expenses (including amortization)	345.0	345.0
Surplus before Capital Revenue	(5.7)	(5.7)
Add back Amortization Expense (non-cash item)	53.3	
Net Reserve Activity (excluding capital)	(37.4)	
Debt Repayment	(10.2)	
2016 Modified Cash Flow Breakeven		
Budgeted Operating Surplus	\$ -	
Capital Revenue		100.0
2016 PSAS Budgeted Annual Surplus		\$ 94.3

The 2016 Consolidated Capital Budget, approved by Council on December 8, 2015, provided the authority to fund and finance \$94.6 million of capital spending in 2016 and future years. The capital budget reported in the financial statements only includes budgeted capital spending which is planned to be incurred in 2016. Amounts planned to be incurred in future years (future cash flows) are excluded, and unspent prior year(s) amounts are included. As reported on the Statement of Net Financial Assets (Net Debt), the planned capital spending for 2016 totalled \$240.2 million. The composition of this amount is detailed in note 14 of the Consolidated Financial Statements.

Annual Surplus

Strathcona County realized a surplus before capital revenues of \$20.1 million (2015: \$21.2 million). With additional capital revenues of \$64.9 million (2015: \$106.3 million) the County ended 2016 with a PSAS surplus of \$85.0 million (2015: \$127.5 million). Of the 2016 PSAS surplus: \$8.9 million (2015: \$31.9 million) was designated to reserves; \$64.7 million (2015: \$104.6 million) was invested in tangible capital assets; and \$11.4 million was contributed to (2015: \$9.0 million was drawn from) unrestricted surplus.

The operating budget is prepared on a breakeven basis; therefore, any resulting surplus or deficit on a modified cash flow basis would comprise the full variance compared to the annual operating budget. This variance is referred to as the annual operating surplus for tax purposes.

The operating budget is prepared on a breakeven basis...

(Millions)	2016 Annual Operating Surplus for Tax Purposes Modified Cash Flow Basis	2016 Annual Surplus PSAS Basis (as reported in Financial Statements)
Operating Revenue	\$ 352.0	\$ 352.0
Expenses (including amortization)	331.9	331.9
Surplus before Capital Revenue	20.1	20.1
Add back Amortization Expense (non-cash item)	54.5	
Net Reserve Activity (excluding capital)	(42.9)	
Debt Repayment	(9.9)	
2016 Annual Operating Surplus for Tax Purposes	\$ 21.8	
Capital Revenue		64.9
2016 PSAS Annual Surplus		\$ 85.0

The 2016 annual operating surplus for tax purposes is allocated in accordance with Policy FIN-001-008: Allocation of Year-End Operating Surplus for Tax Purposes. The 2016 surplus was allocated to fund one-time items in the 2016 budget and to various other projects, one of which will provide future tax savings from reduced debt servicing costs. The surplus or deficit from self-sustaining operations was retained by those operational areas.

Allocation of 2016 Annual Operating Surplus for Tax Purposes (in \$ millions)



FINANCIAL CONTROL AND ACCOUNTABILITY

Financial Governance

The County's Financial Reporting Policy FIN-001-010 requires a review of quarterly financial results and a review of key financial indicators to assess the operational performance and management of the County's financial resources.

Council's key oversight responsibilities in the area of financial resource management include: approval of the annual operating and capital budget as well as subsequent amendments, quarterly review of financial results compared to budget, approval of financial policies, appointment of the external auditors, and approval of the annual audited financial statements.

Council is represented on the Finance Advisory Committee, a committee of Council, which advises Council on matters relating to the business plan and budgeting process, long-range financial plans, and financial policies.

Budgeting and Financial Reporting

The strategic plan provides the overall direction for the corporate business plan and the annual operating and capital budgets that are prepared and approved by Council. The strategic plan identifies long-term direction, while the business plan identifies goals and objectives over a four year period that contributes to the achievement and success of the priorities identified in the strategic plan. In 2016, the County continued with the implementation of the business plan and budget process, with an enhanced focus on community priorities and the development of Priority-Based Budgeting. The corporate business plan focuses on Council's priorities and is used to establish annual budgets. The annual budget allocates the resources necessary to deliver services to the community and undertake the initiatives identified in the corporate business plan. Departments use the strategic plan and corporate business plan to guide their individual business plans and provide direction.

As previously discussed, the annual operating budget is prepared on the modified cash flow basis which means that capital revenues and expenses are excluded, and debt repayment expenditures and transfers to and from reserves are included. The capital activity that is excluded from the annual operating budget consists of contributed capital asset revenue, government transfers, other capital revenues, and gains or losses on tangible capital asset transfers and disposals. Amortization expense is backed out of the operating budget due to the fact that it is a non-cash item; however, it is separately budgeted to assess the cost of providing services. The County's annual operating budget uses funding sources such as property tax revenues, user fees, reserve transfers and government transfers to fund operating programs and services.

The annual capital budget is prepared based on the long-term projects identified in the County's five year capital forecast. A Capital Committee, established by management, carefully reviews current year budget items on a project by project basis. The annual capital budget is funded through a variety of sources such as government transfers, property tax revenues, user fees, other capital revenues (including developer contributions and levies) and reserve transfers.

...with an enhanced focus on community priorities and the development of Priority-Based Budgeting.

Controls and Accounting Process

The County maintains a system of controls designed to provide assurances for the safeguarding of all County assets and the reliability of financial records. While management recognizes the limits that are inherent in all systems of control, it believes that the County has an effective and responsive system of accounting controls. These controls are subject to routine review and revision.

Each department within the County is responsible and accountable for managing the delivery of services and programs in accordance with their operating and capital budgets. All departments share a common accounting and reporting system to report their financial results. Oversight and review of departmental financial results is provided by the Financial Services department in partnership with the operating departments.

Auditing Process

External auditors are appointed annually by Council, as legislated by the Municipal Government Act, and are responsible to report directly to Council with the results of the consolidated financial statement audit.

...a system of controls designed to provide assurances for the safeguarding of all County assets and the reliability of financial records.

SUMMARY

Strathcona County's sound financial practices afford community stakeholders the assurance that the County's financial assets are conserved, its fixed liabilities are minimized, and the need for longer term financial stability, strength and flexibility is recognized and accommodated. Council's strategic plan and vision provide guidance, direction and focus to the County's financial activities. Managing financial resources is a key contributor to future financial sustainability and the achievement of Council's vision.

This Financial Statement Discussion and Analysis and the following Consolidated Financial Statements are the result of the cooperation and assistance received from departments, the Strathcona County Library and Pioneer Housing Foundation. Management greatly appreciates the efforts of all staff involved in the completion of these financial statements.

Respectfully submitted,



Gregory J. Yeomans, CPA, CGA, MBA
Chief Financial Officer
April 25, 2017

RECOGNITION OF ACHIEVEMENT

Strathcona County was awarded the **Canadian Award for Financial Reporting** from the Government Finance Officer's Association of the United States and Canada (GFOA) for its 2015 Annual Financial Report. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to receive this award, a municipality must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards. Such reports should go beyond minimum requirements of generally accepted accounting principles by clearly communicating the municipal government's financial picture.





Consolidated Financial Statements

Strathcona County
Alberta, Canada



STRATHCONA
COUNTY

STRATHCONA COUNTY
Consolidated Financial Statements
Year ended December 31, 2016

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MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of the management of Strathcona County.

These consolidated financial statements have been prepared by management. Financial statements are not precise in nature as they include certain amounts based on estimates and judgements. Management has determined such amounts within reasonable limits of materiality in order to provide that the financial statements are presented fairly in all material respects.

The County maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate, and that the County's assets are properly accounted for and adequately safeguarded.

The elected Council of Strathcona County is ultimately responsible to oversee management's fulfillment of the financial reporting obligations, and for reviewing and approving the financial statements. Council generally meets twice a year with management and the external auditors to discuss internal controls, auditing matters, financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council approves the engagement or reappointment of the external auditors. In addition to the above, quarterly financial reports are presented to Council.

The consolidated financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian Generally Accepted Auditing Standards on behalf of Council, residents and ratepayers of the County. KPMG LLP has full and free access to Council.



Gregory J. Yeomans, CPA, CGA, MBA
Chief Financial Officer

April 25, 2017



KPMG LLP
2200, 10175 - 101 Street
Edmonton AB T5J 0H3
Canada
Telephone (780) 429-7300
Fax (780) 429-7379

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Strathcona County

We have audited the accompanying consolidated financial statements of Strathcona County, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Strathcona County as at December 31, 2016, and its consolidated results of operations, its consolidated change in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 25, 2017
Edmonton, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2016 (in thousands of dollars)

	2016	2015
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 5,718	\$ 4,214
Accounts Receivable		
Property Taxes	4,050	4,827
Government Transfers	9,510	9,853
Trade and Other	16,114	13,630
Development Levies and Charges	1,617	2,816
Land Held for Resale	-	2,632
Investments (Note 2)	306,498	291,293
Investment Interest Receivable	10,071	8,217
	353,578	337,482
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 3)	41,047	44,777
Deposit Liabilities (Note 4)	16,082	18,639
Deferred Revenue (Note 5)	65,747	64,088
Capital Leases	-	108
Long-Term Debt (Note 6)	166,140	156,545
	289,016	284,157
NET FINANCIAL ASSETS	64,562	53,325
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 9)	1,841,834	1,767,591
Inventories of Materials and Supplies	947	975
Prepaid Expenses	2,329	2,738
	1,845,110	1,771,304
ACCUMULATED SURPLUS (Note 11)	\$ 1,909,672	\$ 1,824,629

Operating and Acquisition Lines of Credit (Note 12)
Commitments and Contingencies (Note 13)

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 14)	2016	2015
OPERATING REVENUE			
Property Taxes (Note 15)	\$ 219,958	\$ 221,963	\$ 211,377
Utility User Rates	54,084	52,553	52,353
User Fees and Charges	40,270	39,055	41,870
Government Transfers – Operating (Note 16)	5,202	7,225	7,412
Investment Income	6,093	7,168	7,845
Penalties and Fines	5,830	6,372	6,901
Other	7,904	17,678	9,407
TOTAL OPERATING REVENUE	339,341	352,014	337,165
EXPENSES			
Infrastructure and Planning Services			
Capital Planning and Construction	4,456	4,028	3,195
Economic Development and Tourism	1,429	1,458	1,338
Planning and Development Services	11,182	9,036	9,509
Transportation and Agriculture Services	31,422	25,683	26,663
Utilities	56,995	54,520	53,823
	105,484	94,725	94,528
Community Services			
Emergency Services	33,967	33,486	32,388
Family and Community Services	7,376	8,364	7,412
Strathcona Transit	19,310	17,914	17,811
RCMP and Enforcement Services	23,315	25,340	21,137
Recreation, Parks and Culture	42,708	41,920	39,407
	126,676	127,024	118,155
Corporate Services	36,931	31,865	29,282
Chief Financial Officer	6,642	6,080	5,503
Senior Administration	6,576	6,175	6,260
Elected Officials	1,303	1,170	1,125
Fiscal Services	50,339	53,961	50,394
Strathcona County Library	10,074	9,942	9,702
Pioneer Housing Foundation	974	974	986
	112,839	110,167	103,252
TOTAL EXPENSES	344,999	331,916	315,935
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(5,658)	20,098	21,230
CAPITAL REVENUE			
Contributed Tangible Capital Assets (Note 9)	-	32,711	60,325
Government Transfers - Capital (Note 16)	41,381	20,740	43,941
Other Capital Revenues (Note 17)	58,638	11,494	2,032
TOTAL CAPITAL REVENUE	100,019	64,945	106,298
ANNUAL SURPLUS	94,361	85,043	127,528
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,824,629	1,824,629	1,697,101
ACCUMULATED SURPLUS, END OF YEAR (Note 11)	\$ 1,918,990	\$ 1,909,672	\$ 1,824,629

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY

Consolidated Statement of Change in Net Financial Assets (Net Debt)

Year ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 14)	2016	2015
ANNUAL SURPLUS	\$ 94,361	\$ 85,043	\$ 127,528
Acquisition of Tangible Capital Assets	(240,205)	(96,906)	(88,863)
Contributed Tangible Capital Assets	-	(32,711)	(60,325)
Amortization of Tangible Capital Assets	53,287	54,469	51,153
Loss on Disposal of Tangible Capital Assets	-	661	307
Proceeds from Disposal of Tangible Capital Assets	-	244	417
	<u>(92,557)</u>	<u>10,800</u>	<u>30,217</u>
Acquisition of Inventories of Materials and Supplies	-	(1,359)	(1,908)
Acquisition of Prepaid Expenses	-	(3,439)	(3,608)
Use of Inventories of Materials and Supplies	-	1,387	1,783
Use of Prepaid Expenses	-	3,848	3,198
	<u>-</u>	<u>437</u>	<u>(535)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (NET DEBT)	(92,557)	11,237	29,682
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>53,325</u>	<u>53,325</u>	<u>23,643</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u>\$ (39,232)</u>	<u>\$ 64,562</u>	<u>\$ 53,325</u>

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY

Consolidated Statement of Cash Flows

Year ended December 31, 2016 (in thousands of dollars)

	2016	2015
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 85,043	\$ 127,528
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(32,711)	(60,325)
Amortization of Tangible Capital Assets	54,469	51,153
Amortization of Premium (Discount) on Investments	65	51
Loss on Disposal of Tangible Capital Assets	661	307
Gain on Disposal of Investments	(732)	(1,835)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	777	(1,528)
Government Transfers Receivable	343	(7,444)
Trade and Other Receivables	(2,484)	1,871
Development Levies and Charges Receivable	1,199	3,974
Land Held for Resale	2,632	(7)
Accounts Payable and Accrued Liabilities	(3,730)	7,583
Deposit Liabilities	(2,557)	2,063
Deferred Revenue	1,659	(14,970)
Inventories of Materials and Supplies	28	(125)
Prepaid Expenses	409	(410)
Cash Provided by Operating Activities	105,071	107,886
CAPITAL		
Proceeds from Disposal of Tangible Capital Assets	244	417
Acquisition of Tangible Capital Assets	(96,906)	(88,863)
Cash Applied to Capital Activities	(96,662)	(88,446)
INVESTING		
Purchase of Investments	(274,454)	(332,130)
Proceeds from Sale/Maturity of Investments	259,916	329,609
Change to Investment Interest Receivable	(1,854)	(1,924)
Cash Applied to Investing Activities	(16,392)	(4,445)
FINANCING		
Long-Term Debt Issued	19,347	4,600
Capital Leases Repaid	(108)	(138)
Long-Term Debt Repaid	(9,752)	(11,779)
Cash Provided by (Applied to) Financing Activities	9,487	(7,317)
INCREASE IN CASH AND CASH EQUIVALENTS	1,504	7,678
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,214	(3,464)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,718	\$ 4,214
Cash Paid for Interest	\$ 6,570	\$ 7,015
Cash Received from Interest	\$ 5,729	\$ 5,451

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

Strathcona County (the County) is a specialized municipality in the Province of Alberta and operates under the provisions of the Municipal Government Act (MGA), R.S.A. 2000, c. M-26, as amended.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the County are prepared by management in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the County are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the County, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise County operations, the Strathcona County Library Board (Library) and the Pioneer Housing Foundation (PHF). Inter-organizational transactions and balances between these entities have been eliminated.

The County is associated with various other boards, commissions and other organizations that are not part of the government reporting entity, including the Heartland Housing Foundation, the Alberta Capital Region Wastewater Commission, the Capital Region Northeast Water Services Commission, and the John S. Batiuk Regional Water Commission.

Property taxes levied also include requisitions for education and seniors housing; organizations that are not part of the government reporting entity. The consolidated financial statements exclude any trusts under administration for the benefit of external parties.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is 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.

c) Property Taxes

Property tax revenue is based on approved annual budget and requisition requirements. Property tax rates, per class, are determined by the total revenue requirements divided by the total taxable assessment, which are comprised of market value and regulated value assessments. Taxation revenues are recorded at the time the tax rates are authorized by Council and the tax notices are issued.

d) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period the events giving rise to the transfer have occurred; provided that the transfer is authorized, eligibility criteria have been met, and reasonable estimates of the amount can be made. Stipulations are terms imposed by a transferring government regarding the use of transferred resources or the actions that must be performed in order to keep a transfer. Any unfulfilled stipulations related to a government transfer would preclude recognition of revenue until such time that all stipulations have been met.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Local Improvements

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the County.

Local improvement levies represent funds from external parties that are restricted by legislation, and are accounted for as deferred revenue until the special assessments are authorized by Council, issued to the property owners, and the funds are used for the purpose specified.

f) Requisition Overlevies and Underlevies

Overlevies and underlevies arise from the difference between the actual levy made to provide for each requisition, and the amount requisitioned.

If the actual levy exceeds the requisition, the overlevy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition, the underlevy is accrued as a receivable and property tax revenue is increased.

Requisition tax rates in the subsequent year are adjusted for any overlevies or underlevies of the prior year.

g) Deferred Revenue

Deferred revenue consists of conditional government transfers, unearned revenue, and development levies. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Development levies are collected pursuant to agreements between the County and developers. Accumulated development levies are credited with interest based on the County's average rate of return on investments.

h) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and temporary investments that are highly liquid and mature within 90 days of purchase. Cash and cash equivalents are recorded at cost less any amount for permanent impairment.

i) Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

j) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value, other than a temporary decline, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) 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.

l) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of 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.

m) 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.

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. The tangible capital asset cost, less residual value, excluding land, is amortized on a straight-line basis over the estimated useful life, as follows:

Asset	Useful Life - Years
Land Improvements	10 - 25
Buildings	10 - 50
Engineered Structures	
Roadway System	10 - 80
Water Distribution System	35 - 90
Wastewater Treatment System	25 - 75
Storm Sewer System	15 - 75
Other Engineered Structures	5 - 40
Machinery and Equipment	4 - 40
Books and Periodicals	10
Vehicles	4 - 20

In the year the asset is available for productive use and in the year of disposal, only one-half of the annual amortization is charged. Assets under construction are not amortized until the asset is available for productive use.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value on the date of receipt and are also recorded as Contributed Tangible Capital Asset revenues in the Consolidated Statement of Operations and Accumulated Surplus.

iii. Leased Tangible Capital Assets

Leases which transfer substantially all 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.

iv. Inventories of Materials and Supplies

Inventories of materials and supplies include roadway maintenance materials, vehicle equipment and facility parts, and print shop materials. Inventories of materials and supplies are valued at the lower of average cost or replacement cost.

v. Works of Art and Historical Treasures

The County manages and controls various works of art and non-operational historical cultural assets, including artifacts, paintings, and sculptures located at County sites and areas of public display. These assets are not recorded as tangible capital assets.

n) Reserves for Future Expenditures

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

o) Equity in Tangible Capital Assets

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets, after deducting the portion financed by long-term debt and capital leases, and adding back long-term debt financing applicable to local improvement levy projects.

p) Use of Estimates

The preparation of the consolidated financial statements of the County 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 consolidated financial statements, and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, useful lives of tangible capital assets, historic costs of certain tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian Public Sector Accounting Standards issued by the Public Sector Accounting Standards Board. In 2017, the County will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after...)
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

2. INVESTMENTS

	2016		2015	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 175,626	\$ 175,755	\$ 171,311	\$ 171,345
Government Guaranteed Bonds	102,474	101,743	87,765	92,022
Corporate Bonds	28,398	28,510	32,217	34,483
	<u>\$ 306,498</u>	<u>\$ 306,008</u>	<u>\$ 291,293</u>	<u>\$ 297,850</u>

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 1.58 to 3.66 per cent (2015 – 1.46 to 3.65 per cent) with maturity dates from January 2017 to August 2031 (2015 – January 2016 to February 2026).

The market value of the bonds is based on quoted market values. The market value of the bonds fluctuates based on changes in market interest rates. 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. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade	\$ 26,556	\$ 28,804
Employee Benefit Obligations	9,374	9,077
Payroll and Remittances	3,817	5,573
Interest	1,300	1,323
	<u>\$ 41,047</u>	<u>\$ 44,777</u>

4. DEPOSIT LIABILITIES

	2016	2015
Security Deposits	\$ 13,320	\$ 15,997
Overlevies	642	681
Other Deposits	2,120	1,961
	<u>\$ 16,082</u>	<u>\$ 18,639</u>

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

5. DEFERRED REVENUE

Deferred revenue comprises the amounts noted below, the use of which, together with any earnings thereon, is externally restricted. Certain deferred revenues relate to government transfers as further described in Note 16.

	Balance at December 31, 2015	Externally Restricted Contributions	Interest Earned	Contributions Recognized as Revenue	Balance at December 31, 2016
Deferred Capital Grants	\$ 23,791	\$ 26,321	\$ 433	\$ (20,740)	\$ 29,805
Deferred Operating Grants	1,056	7,105	12	(7,225)	948
Development Levies	21,946	1,477	349	(7,232)	16,540
Other	17,295	18,897	47	(17,785)	18,454
	<u>\$ 64,088</u>	<u>\$ 53,800</u>	<u>\$ 841</u>	<u>\$ (52,982)</u>	<u>\$ 65,747</u>

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

6. LONG-TERM DEBT

	2016	2015
Tax-supported Debentures – Municipal	\$ 52,809	\$ 41,037
Tax-supported Debentures – Library	20,806	21,522
	73,615	62,559
Non Tax-supported Debentures – Municipal – Local Improvements	\$ 78	\$ 82
Non Tax-supported Debentures – Utilities – Local Improvements	536	573
Non Tax-supported Debentures – Municipal	13,989	15,899
Non Tax-supported Debentures – Utilities	60,152	62,570
Non Tax-supported Debentures – PHF	17,770	14,862
	92,525	93,986
	\$ 166,140	\$ 156,545

Debenture debt has been issued on the credit and security of the County at large. Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.13 to 9.13 per cent (2015 – 2.46 to 9.13 per cent) and matures in periods 2017 through 2041.

Long-term debt principal and interest payments are due as follows:

	Principal	Interest	Total
2017	\$ 10,519	\$ 6,567	\$ 17,086
2018	10,689	6,119	16,808
2019	10,101	5,667	15,768
2020	10,256	5,253	15,509
2021	10,326	4,834	15,160
Thereafter	114,249	31,556	145,805
	\$ 166,140	\$ 59,996	\$ 226,136

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

7. DEBT AND DEBT SERVICE LIMITS

Provincial legislation (Section 276(2) of the MGA) requires that debt and service on debt limits as defined by regulation for the County be disclosed as follows:

	2016	2015
Total debt limit	\$ 545,262	\$ 511,522
Total debt (including capital leases)	166,140	156,653
Percentage used	30.5%	30.6%
Service on debt limit	\$ 90,877	\$ 85,254
Service on debt (including capital leases)	17,086	16,312
Percentage used	18.8%	19.1%

The total debt limit is calculated at 1.5 times the revenue of the County (as defined in Alberta Regulation 255/2000), and the service on debt 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 a conservative guideline used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the consolidated financial statements must be interpreted as a whole.

8. CONTAMINATED SITES LIABILITY

The County has implemented procedures and systems for the recognition and measurement of liabilities associated with contaminated sites to ensure consistent and accurate identification. The County did not identify any contaminated sites meeting the applicable criteria, and did not recognize any financial liabilities as at December 31, 2016.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

Cost	Balance at January 1, 2016	Additions	Contributed Additions	Disposals	Balance at December 31, 2016
Land	\$ 473,870	\$ 522	\$ 16,731	\$ (11)	\$ 491,112
Land Improvements	98,507	5,726	2,568	(565)	106,236
Buildings	374,102	71,098	-	(37)	445,163
Engineered Structures	1,125,477	32,273	13,412	(12,071)	1,159,091
Machinery and Equipment	68,349	4,229	-	(804)	71,774
Books and Periodicals	5,592	630	-	(381)	5,841
Vehicles	69,404	8,331	-	(2,219)	75,516
Assets under Construction	67,687	(25,903)	-	-	41,784
	<u>\$ 2,282,988</u>	<u>\$ 96,906</u>	<u>\$ 32,711</u>	<u>\$ (16,088)</u>	<u>\$ 2,396,517</u>
Accumulated Amortization	Balance at January 1, 2016	Disposals		Amortization	Balance at December 31, 2016
Land Improvements	\$ 29,860	\$ (553)		\$ 4,695	\$ 34,002
Buildings	90,961	(37)		9,486	100,410
Engineered Structures	329,834	(11,622)		28,064	346,276
Machinery and Equipment	31,886	(793)		6,132	37,225
Books and Periodicals	2,526	(381)		572	2,717
Vehicles	30,330	(1,797)		5,520	34,053
Assets under Construction	-	-		-	-
	<u>\$ 515,397</u>	<u>\$ (15,183)</u>		<u>\$ 54,469</u>	<u>\$ 554,683</u>
Net Book Value					Balance at December 31, 2016
Land					\$ 491,112
Land Improvements					72,234
Buildings					344,753
Engineered Structures					812,815
Machinery and Equipment					34,549
Books and Periodicals					3,124
Vehicles					41,463
Assets under Construction					41,784
					<u>\$ 1,841,834</u>

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost	Balance at January 1, 2015	Additions	Contributed Additions	Disposals	Balance at December 31, 2015
Land	\$ 446,022	\$ 3,189	\$ 24,659	\$ -	\$ 473,870
Land Improvements	79,068	14,574	5,817	(952)	98,507
Buildings	369,042	5,212	-	(152)	374,102
Engineered Structures	1,074,869	32,841	29,846	(12,079)	1,125,477
Machinery and Equipment	64,124	8,513	-	(4,288)	68,349
Books and Periodicals	5,267	615	3	(293)	5,592
Vehicles	69,538	2,026	-	(2,160)	69,404
Assets under Construction	45,794	21,893	-	-	67,687
	<u>\$ 2,153,724</u>	<u>\$ 88,863</u>	<u>\$ 60,325</u>	<u>\$ (19,924)</u>	<u>\$ 2,282,988</u>
Accumulated Amortization	Balance at January 1, 2015	Disposals		Amortization	Balance at December 31, 2015
Land	\$ -	\$ -		\$ -	\$ -
Land Improvements	26,318	(890)		4,432	29,860
Buildings	82,039	(63)		8,985	90,961
Engineered Structures	315,355	(11,752)		26,231	329,834
Machinery and Equipment	30,180	(4,081)		5,787	31,886
Books and Periodicals	2,276	(293)		543	2,526
Vehicles	27,276	(2,121)		5,175	30,330
Assets under Construction	-	-		-	-
	<u>\$ 483,444</u>	<u>\$ (19,200)</u>		<u>\$ 51,153</u>	<u>\$ 515,397</u>
Net Book Value					Balance at December 31, 2015
Land					\$ 473,870
Land Improvements					68,647
Buildings					283,141
Engineered Structures					795,643
Machinery and Equipment					36,463
Books and Periodicals					3,066
Vehicles					39,074
Assets under Construction					67,687
					<u>\$ 1,767,591</u>

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under Construction

Assets under construction having a value of \$41,784 (2015 – \$67,687) have not been amortized.

b) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair value at the date of contribution. A total of \$32,711 in land, land improvements and engineered structures was contributed to the County in 2016 (2015 – \$60,325).

c) Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2016 or 2015.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible Capital Assets – Cost (Note 9)	\$ 2,396,517	\$ 2,282,988
Accumulated Amortization (Note 9)	(554,683)	(515,397)
Capital Leases	-	(108)
Long-Term Debt (Note 6)	(166,140)	(156,545)
Local Improvements Levies Applicable to Debt (Note 6)	614	655
	<u>\$ 1,676,308</u>	<u>\$ 1,611,593</u>

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

11. ACCUMULATED SURPLUS

Accumulated surplus comprises unrestricted surplus (deficit), equity in tangible capital assets and reserves as follows:

	2016	2015
Surplus:		
Unrestricted Surplus (Deficit)	\$ 1,065	\$ (10,330)
Equity in Tangible Capital Assets	1,676,308	1,611,593
	1,677,373	1,601,263
Reserves:		
Stabilization and Contingency	13,867	10,638
Projects	61,195	69,449
Infrastructure Lifecycle, Maintenance and Replacement	113,208	106,198
Special Purpose	39,631	32,992
Library	4,398	4,089
	232,299	223,366
	\$ 1,909,672	\$ 1,824,629

The reserves groupings have been reported in accordance with the Council approved Policy: FIN-001-024 Municipal Reserves.

12. OPERATING AND ACQUISITION LINES OF CREDIT

The County has an operating line of credit available for use, up to a maximum of \$5,000 (2015 – \$5,000), bearing interest at prime rate minus 0.5 per cent (2015 – 0.5 per cent) and is secured by the County at large. As at December 31, 2016, nil (2015 – nil) was drawn against the available operating line of credit.

The County also has an acquisition line of credit available for financing new development, if required, up to a maximum of \$2,449 (2015 – \$2,449), bearing interest at prime minus 0.5 per cent (2015 – 0.5 per cent) and is secured by the County at large. As at December 31, 2016, nil (2015 – nil) was drawn against the available acquisition line of credit.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

13. COMMITMENTS AND CONTINGENCIES

a) Capital

As at December 31, 2016, authorized costs on capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$20,607 (2015 – \$31,034).

b) Leases

The County has ongoing operating leases for building space, office equipment and other miscellaneous equipment.

The future minimum lease payments are as follows:

2017	\$ 818
2018	\$ 583
2019	\$ 541
2020	\$ 423
2021	\$ -

c) Legal Disputes

As at December 31, 2016, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the County.

d) Development Agreements

Developers have entered into agreements with the County in the amount of approximately \$8,495 (2015 – \$11,136) and are committed to the installation and construction of certain works to serve development of lands within the County. The County has taken performance securities from developers in the form of deposit liabilities in the amount of \$38 (2015 – \$111) and letters of credit in the amount of \$4,429 (2015 – \$3,899) to ensure performance by the developers under the agreements. Security taken by the County is reduced accordingly as the above-noted works are constructed.

e) Alberta Health Services

The County is currently under agreement with Alberta Health Services to provide emergency medical services to the County and the region until March 31, 2019. This agreement contains a provision for extension of the initial term for up to two additional two year periods.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

14. BUDGET DATA

The 2016 consolidated operating budget, approved by Council December 8, 2015 (2015 – December 9, 2014), is prepared on the modified cash flow basis, as required by the Municipal Government Act. A reconciliation of the Council approved operating budget prepared on the modified cash flow basis and the budget reported in these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards has been provided, as follows:

	2016 Budget (as approved by Council)	2016 Budget (as reported in Financial Statements)	2015 Budget (as approved by Council)	2015 Budget (as reported in Financial Statements)
Operating Budget				
Operating Revenue	\$ 339,341	\$ 339,341	\$ 325,642	\$ 325,642
Expenses (including amortization)	344,999	344,999	328,929	328,929
	(5,658)	(5,658)	(3,287)	(3,287)
Modified Cash Flow Items				
Amortization Expense (non-cash item)	53,287	-	50,699	-
Net Reserve Transactions	(37,425)	-	(35,064)	-
Net Financing Activities	(10,204)	-	(12,348)	-
	5,658	-	3,287	-
Capital Revenue	-	100,019	-	86,894
Annual Surplus	\$ -	\$ 94,361	\$ -	\$ 83,607

Capital Budget

The 2016 Capital Budget is comprised of the following:

	2016	2015
The 2016 Capital Budget approved by Council on December 8, 2015	\$ 94,613	\$ 66,355
2016 Approved Capital Budget Amendments	3,190	(20,345)
Unspent Prior Years Budgeted Capital Expenditures and Amendments	226,153	274,183
Budgeted Capital Expenditures planned to be incurred after 2016	(83,751)	(103,299)
Capital Budget for Acquisition of Tangible Capital Assets	\$ 240,205	\$ 216,894

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

15. PROPERTY TAXES

	Municipal	Non-Municipal	2016	2015
Property Taxes				
Residential and Farmland	\$ 76,145	\$ 43,123	\$ 119,268	\$ 115,275
Commercial and Industrial	138,467	19,042	157,509	146,761
Electric Power and Pipeline	7,193	2,594	9,787	9,391
Government Grants in Lieu of Taxes	146	34	180	228
Local Improvement Levies	12	-	12	13
	\$ 221,963	\$ 64,793	\$ 286,756	\$ 271,668
Non-Municipal				
Provincial Alberta School Foundation Fund			54,807	50,802
Elk Island CSRD No. 41			7,116	6,790
Heartland Housing Foundation			2,870	2,699
Taxes on Behalf of Non-Municipal Requisitioning Authorities			\$ 64,793	\$ 60,291
Taxes for Provision of Municipal Services			\$ 221,963	\$ 211,377

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

16. GOVERNMENT TRANSFERS

	2016	2015
Government Transfers for Operations		
Federal Transfers	\$ 162	\$ 126
Provincial Transfers	7,063	7,286
	7,225	7,412
Government Transfers for Capital		
Federal Transfers	9,976	2,805
Provincial Transfers	10,764	41,136
	20,740	43,941
	\$ 27,965	\$ 51,353

The nature of the major government transfers recognized during 2016, include, but are not limited to the following:

The Federal government introduced the Federal Gas Tax Fund to transfer federal gas tax revenue to the Province of Alberta to assist in reducing the backlog of necessary sustainable capital municipal infrastructure projects that have been deferred. In 2016, the County received authorization of \$8,672 (2015 – \$3,036) under this program, and \$7,066 (2015 – \$2,872) has been recognized in capital transfers. A total of \$6,776 (2015 – \$5,128), including interest of \$42 (2015 – \$64) remains deferred to future years. As at December 31, 2016, \$6,681 (2015 – \$3,036) is receivable from the Province for this program.

In 2014, the Federal government designated funds to support infrastructure projects in Alberta communities with a population up to 100,000. The Small Communities Fund (SCF) focuses on supporting local priorities that contribute to economic growth, a cleaner environment and stronger communities. In 2016, the County received authorization of \$2,576 (2015 – nil) and \$2,576 (2015 – nil) has been recognized in capital transfers.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

16. GOVERNMENT TRANSFERS (CONTINUED)

The Municipal Sustainability Initiative (MSI) is the Province of Alberta's funding commitment to assist municipalities in meeting growth-related challenges and enhancing long-term sustainability.

- In 2016, the County received authorization of \$12,626 (2015 – \$12,626) in MSI Capital Funding, and \$8,471 (2015 – \$31,232) has been recognized in capital transfers. A total of \$20,709 (2015 – \$16,177) remains deferred to future years, including interest of \$377 (2015 – \$541).
- In 2016, the County received authorization of \$808 (2015 – \$757) in MSI Conditional Operating Funding. During 2016, \$808 (2015 - \$792) has been recognized in operating transfers. A receivable of \$808 (2015 - nil) has been recorded. The MSI Conditional Operating funds have been recognized in full as of December 31, 2016.
- From 2008 to 2010, the County received authorization of \$12,387 in MSI Affordable Housing Funding. During 2016, \$120 (2015 – \$88) has been recognized in operating and capital transfers. A total of \$181 (2015 – \$296) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$5 (2015 – \$7).

The Provincial government announced the Green Transit Incentives Program (GreenTRIP) in July 2008. GreenTRIP supports new public transit projects that will lead to a reduction of greenhouse gas emissions and traffic congestion by decreasing the number of vehicles on the roads. In 2016, the County received authorization of \$1,987 (2015 – \$6,438) in GreenTRIP funding, and \$1,987 (2015 – \$6,438) has been recognized in capital transfers. As at December 31, 2016 \$1,987 (2015 – \$6,438) is receivable from the Province for this program.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

17. OTHER CAPITAL REVENUES

	2016	2015
Development Levies and Charges	\$ 6,985	\$ 711
Developer Contributions	1,011	310
Other	3,498	1,011
	\$ 11,494	\$ 2,032

18. SALARY AND BENEFITS DISCLOSURE

The following salaries and benefits are disclosed on a cash flow basis, as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the MGA:

	Salaries	Benefits and Allowances	2016	2015
Elected Officials:				
Mayor	\$ 123	\$ 17	\$ 140	\$ 139
Councillor – Ward 1	72	9	81	79
Councillor – Ward 2	72	17	89	87
Councillor – Ward 3	72	16	88	85
Councillor – Ward 4	72	17	89	87
Councillor – Ward 5	72	17	89	87
Councillor – Ward 6	72	9	81	83
Councillor – Ward 7	72	11	83	81
Councillor – Ward 8	72	15	87	84
	\$ 699	\$ 128	\$ 827	\$ 812
Chief Commissioner	\$ 276	\$ 46	\$ 322	\$ 316

Benefits and allowances include the County's share of Canada Pension Plan, Workers' Compensation Board, retirement contributions, group insurance, extended health care, dental benefits, accidental death and dismemberment, long-term disability insurance, and car allowance. Benefits also include the County's share of employment insurance for the Chief Commissioner.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

19. PENSION PLAN

a) Local Authorities Pension Plan

County employees participate in the Local Authorities Pension Plan (LAPP or the Plan), which is one of the plans covered by the Alberta Public Sector Pension Plans Act.

The County was required to make current service contributions to the Plan of 11.39 per cent (2015 – 11.39 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84 per cent (2015 – 15.84 per cent) thereafter. Employees of the County are required to make current service contributions of 10.39 per cent (2015 – 10.39 per cent) of pensionable salary up to YMPE, and 14.84 per cent (2015 – 14.84 per cent) thereafter.

Total current service contributions by the County to LAPP in 2016 were \$13,263 (2015 – \$12,282). Total current service contributions by the employees of the County to LAPP in 2016 were \$12,237 (2015 – \$11,330).

As stated in their 2015 Annual Report, LAPP serves 244,621 members and 426 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2015, the plan reported an actuarial deficiency of (\$923) million.

b) APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees (Executive, Director and Manager level employees). Managers became eligible as of January 14, 2016. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and Strathcona County. The employees contribute 2.50 per cent and Strathcona County contributes 3.00 per cent of pensionable earnings up to \$145 (2015 - \$141).

Total contributions made by the employees to APEX in 2016 were \$237 (2015 - \$76). Total contributions made by Strathcona County to APEX in 2016 were \$285 (2015 - \$91).

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

20. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest, currency, or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

21. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current year's presentation.

22. SEGMENTED INFORMATION

Segmented information has been identified based on the types of services provided by the County to its residents. The types of services are identified in the Consolidated Statement of Operations and Accumulated Surplus. Certain allocation methodologies are used in the preparation of segmented financial information. Taxation revenues and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

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.

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

22. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations					
	Infrastructure and Planning Services	Community Services	Corporate Services	CFO	Senior Admin	Elected Officials
OPERATING REVENUE						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility User Rates	-	-	-	-	-	-
User Fees and Charges	4,537	28,914	485	292	122	-
Government Transfer – Operating	228	5,470	-	-	116	-
Investment Income	-	-	-	-	-	-
Penalties and Fines	64	4,862	-	-	-	-
Other	823	7,825	335	79	10	-
TOTAL OPERATING REVENUE	<u>5,652</u>	<u>47,071</u>	<u>820</u>	<u>371</u>	<u>248</u>	<u>-</u>
EXPENSES						
Salaries, Wages and Benefits	26,372	85,208	21,304	5,618	5,228	984
Contracted and General Services	6,171	24,251	8,916	819	720	127
Supplies, Materials and Utilities	7,314	15,934	1,486	(409)	137	59
Interest on Long-term Debt	-	35	-	-	-	-
Grants and Requisitions	52	913	82	-	90	-
Amortization	-	190	-	-	-	-
Gain/Loss on Asset Disposal	-	-	-	-	-	-
Other Expenses	296	493	77	52	-	-
TOTAL EXPENSES	<u>40,205</u>	<u>127,024</u>	<u>31,865</u>	<u>6,080</u>	<u>6,175</u>	<u>1,170</u>
SURPLUS (DEFICIT)						
BEFORE CAPITAL REVENUE	<u>(34,553)</u>	<u>(79,953)</u>	<u>(31,045)</u>	<u>(5,709)</u>	<u>(5,927)</u>	<u>(1,170)</u>
CAPITAL REVENUE						
Contributed Tangible – Capital Assets	-	-	-	-	-	-
Government Transfers – Capital	-	-	-	-	-	-
Other Capital Revenue	-	-	-	-	-	-
TOTAL CAPITAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS	<u>\$ (34,553)</u>	<u>\$ (79,953)</u>	<u>\$ (31,045)</u>	<u>\$ (5,709)</u>	<u>\$ (5,927)</u>	<u>\$ (1,170)</u>

Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	2016	2016 Budget (Note 14)
\$ 212,779	\$ 212,779	\$ 12	\$ 9,172	\$ -	\$ -	\$ 221,963	\$ 219,958
-	-	52,553	-	-	-	52,553	54,084
3,299	37,649	1,348	58	-	-	39,055	40,270
808	6,622	33	570	-	-	7,225	5,202
6,090	6,090	966	112	-	-	7,168	6,093
1,271	6,197	-	175	-	-	6,372	5,830
7,492	16,564	362	160	1,254	(662)	17,678	7,904
231,739	285,901	55,274	10,247	1,254	(662)	352,014	339,341
138	144,852	10,749	6,102	-	-	161,703	164,043
1,960	42,964	11,183	330	-	-	54,477	62,609
(1,311)	23,210	22,413	1,177	-	-	46,800	54,625
3,093	3,128	2,468	952	662	(662)	6,548	6,869
923	2,060	101	-	-	-	2,161	2,050
44,845	45,035	7,083	1,377	974	-	54,469	53,287
211	211	450	-	-	-	661	-
4,102	5,020	73	4	-	-	5,097	1,516
53,961	266,480	54,520	9,942	1,636	(662)	331,916	344,999
177,778	19,421	754	305	(382)	-	20,098	(5,658)
25,153	25,153	7,558	-	-	-	32,711	-
20,262	20,262	478	-	-	-	20,740	41,381
10,679	10,679	812	3	-	-	11,494	58,638
56,094	56,094	8,848	3	-	-	64,945	100,019
\$ 233,872	\$ 75,515	\$ 9,602	\$ 308	\$ (382)	\$ -	\$ 85,043	\$ 94,361

STRATHCONA COUNTY

Notes to Consolidated Financial Statements

Year ended December 31, 2016 (in thousands of dollars)

22. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations					
	Infrastructure and Planning Services	Community Services	Corporate Services	CFO	Senior Admin	Elected Officials
OPERATING REVENUE						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility User Rates	-	-	-	-	-	-
User Fees and Charges	5,765	29,003	460	301	137	-
Government Transfer – Operating	196	5,616	-	-	266	-
Investment Income	-	-	-	-	-	-
Penalties and Fines	327	5,203	-	-	-	-
Other	478	6,435	145	20	4	-
TOTAL OPERATING REVENUE	<u>6,766</u>	<u>46,257</u>	<u>605</u>	<u>321</u>	<u>407</u>	<u>-</u>
EXPENSES						
Salaries, Wages and Benefits	24,934	79,749	19,866	5,224	5,005	967
Contracted and General Services	7,585	21,492	8,751	675	970	156
Supplies, Materials and Utilities	7,997	15,322	664	(467)	165	2
Interest on Long-term Debt	-	41	-	-	-	-
Grants and Requisitions	76	845	78	-	120	-
Amortization	-	184	-	-	-	-
Gain/Loss on Asset Disposal	-	(7)	-	-	-	-
Other Expenses	113	529	(77)	71	-	-
TOTAL EXPENSES	<u>40,705</u>	<u>118,155</u>	<u>29,282</u>	<u>5,503</u>	<u>6,260</u>	<u>1,125</u>
SURPLUS (DEFICIT)						
BEFORE CAPITAL REVENUE	<u>(33,939)</u>	<u>(71,898)</u>	<u>(28,677)</u>	<u>(5,182)</u>	<u>(5,853)</u>	<u>(1,125)</u>
CAPITAL REVENUE						
Contributed Tangible – Capital Assets	-	-	-	-	-	-
Government Transfers – Capital	-	-	-	-	-	-
Other Capital Revenue	-	-	-	-	-	-
TOTAL CAPITAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS	<u>\$ (33,939)</u>	<u>\$ (71,898)</u>	<u>\$ (28,677)</u>	<u>\$ (5,182)</u>	<u>\$ (5,853)</u>	<u>\$ (1,125)</u>

Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	2015	2015 Budget (Note 14)
\$ 202,655	\$ 202,655	\$ 13	\$ 8,709	\$ -	\$ -	\$ 211,377	\$ 207,930
-	-	52,353	-	-	-	52,353	53,237
2,949	38,615	3,089	166	-	-	41,870	39,257
758	6,836	43	533	-	-	7,412	5,457
6,763	6,763	961	121	-	-	7,845	6,157
1,208	6,738	-	163	-	-	6,901	5,417
1,400	8,482	209	140	1,254	(678)	9,407	8,187
215,733	270,089	56,668	9,832	1,254	(678)	337,165	325,642
1,317	137,062	10,453	5,819	-	-	153,334	153,990
2,417	42,046	12,263	352	6	-	54,667	59,823
(1,145)	22,538	21,902	1,175	-	-	45,615	53,698
3,173	3,214	2,625	983	678	(678)	6,822	7,332
1,031	2,150	-	-	-	-	2,150	1,960
42,222	42,406	6,405	1,362	980	-	51,153	50,699
218	211	88	8	-	-	307	-
1,161	1,797	87	3	-	-	1,887	1,427
50,394	251,424	53,823	9,702	1,664	(678)	315,935	328,929
165,339	18,665	2,845	130	(410)	-	21,230	(3,287)
42,825	42,825	17,497	3	-	-	60,325	-
41,325	41,325	2,616	-	-	-	43,941	48,356
1,866	1,866	166	-	-	-	2,032	38,538
86,016	86,016	20,279	3	-	-	106,298	86,894
\$ 251,355	\$ 104,681	\$ 23,124	\$ 133	\$ (410)	\$ -	\$ 127,528	\$ 83,607



2017 Budget Highlights

2017 Operating Expenses — Non-Consolidated (Excluding Pioneer Housing Foundation) (\$ Millions)

Municipal	\$286.4
Utility	\$58.2
Library.....	\$10.5

2017 Capital Project Approval (\$ Millions)

Municipal	\$61.8
Utility	\$3.1
Library.....	\$0.7

2017 Allocation of Each Dollar of Residential Property Tax

Municipal services	60.6¢
Education.....	35.9¢
Library.....	2.2¢
Heartland Housing Foundation	1.3¢

2017 Planned Distribution of a Municipal Tax Dollar

Transportation (roads)	30¢
Fire, ambulance, police	29¢
Recreation, parks and culture	20¢
Public transit	11¢
Planning and development	4¢
Agriculture	2¢
Family and community services	3¢
Economic development and tourism	1¢
Total.....	\$1.00

2017 Estimated Municipal Regular Property Tax (\$ Millions)

Residential and farmland.....	\$73.2
Industrial machinery and equipment	\$86.0
Commercial, other industrial and linear.....	\$51.6
Total.....	\$210.8

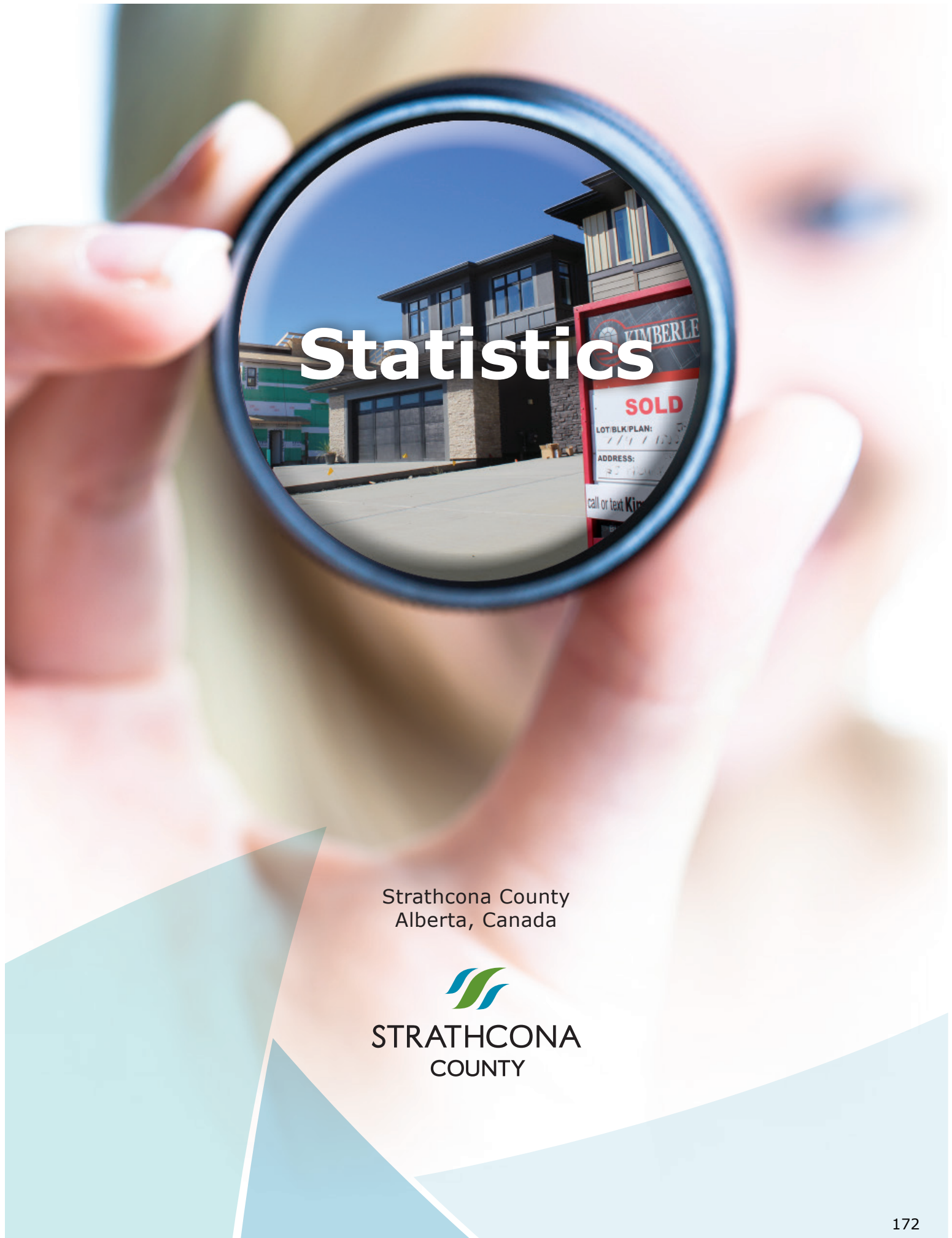


MUNICIPAL PROPERTY TAX RATES (Note 1)

The Property Tax Rate Bylaw 19-2017 was approved in April 2017

Residential and farmland.....	4.3042
Commercial and industrial.....	8.6258
Machinery and equipment	8.6258
Linear (power and pipeline).....	8.6258

Note 1 — Per thousand dollars of taxable assessed value.



Statistics

Strathcona County
Alberta, Canada



STRATHCONA
COUNTY

General Statistical Information

For the Years Ended December 31, 2012 - 2016

Unaudited

	2016	2015	2014	2013	2012
Population (Note 1)	98,044	95,597	92,490	92,490	92,490
Number of Dwelling Units (Note 2)	36,714	36,350	35,964	35,525	34,729
County-Wide Area (Note 3) (figures are approximate)					
Municipal Area (square kilometres)	1,265	1,265	1,265	1,265	1,265
Industrial (hectares)	9,052	7,816	7,683	7,490	7,490
Commercial (hectares)	2,078	1,941	1,917	1,910	1,910
Residential (hectares)	18,542	16,051	15,955	15,850	15,850
Agricultural (hectares)	87,502	84,200	84,463	84,390	84,390
Park, recreation, natural (hectares)	3,701	3,522	3,499	3,430	3,430
Urban Village (hectares)*	66	-	-	-	-
Other: water bodies, roads, right-of-ways (hectares)	5,679	13,103	12,983	12,980	12,980
*New zoning type added in 2016 - includes mix of residential and commercial					
Building Permits					
Total Issued	1,400	1,304	1,440	1,450	1,460
Value of Annual Permits Issued (000s)	342,677	365,524	402,323	315,246	346,318
Strathcona County Employees (Note 4)					
Regular employee positions	1,267	1,204	1,175	1,147	1,095
Irregular employee positions	237	239	173	171	169
Roads (Km)					
Rural roads, County maintained	1,308	1,308	1,308	1,308	1,308
Urban roads, County maintained	403	397	394	394	394
Utility Operations					
Water distributed (million litres per day)	33.2	33.7	23.1	22.0	21.8
Water mains maintained (km)	593	582	566	560	539
Wastewater mains maintained (km)	420	400	388	388	382
Stormwater mains maintained (km)	363	347	342	338	322
Parkland (hectares) (Note 3, 5)	1,944	1,944	1,927	1,914	1,850
Natural area (hectares)	1,757	1,521	1,521	1,518	1,432

Notes:

1. Population - 2016 and 2015 population figures based on municipal census, and 2012 to 2014 population figures are per 2011 Federal Census.
2. Number of "Dwelling Units" based on Assessment and Tax Roll data.
3. The 2016 County-Wide, Parkland and Natural area information is presented using the new methodology approved in the Land Use Bylaw.
4. Regular employees work either on a full-time or part-time basis in authorized positions. Irregular employees work irregular, non-standard hours on an as required basis. In addition to regular and irregular employees, Strathcona County also has temporary, seasonal and casual staff that provide service to residents, business and industry as required.
5. Parkland includes developed parks, school and other institutional sites, playing field, and utility corridors that may include trails.

Revenue by Source, Expense by Function and Object, Annual Surplus and Accumulated Surplus

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

	2016	2015	2014	2013	2012
Operating Revenue by Source					
Property Taxes	221,963	211,377	198,580	188,845	182,133
Utility User Rates	52,553	52,353	51,160	48,467	44,954
User Fees and Charges	39,055	41,870	44,257	40,252	41,158
Government Transfers	7,225	7,412	7,531	7,311	7,816
Investment Income	7,168	7,845	6,839	9,130	9,094
Penalties and Fines	6,372	6,901	6,063	4,907	6,969
Other (Note 1)	17,678	9,407	10,044	12,094	9,382
Total Operating Revenue by Source	352,014	337,165	324,474	311,006	301,506
Expenses by Function					
Protective Services	58,826	53,525	52,005	47,762	44,859
Utilities	54,520	53,823	53,585	57,276	45,282
Fiscal Services (Note 2)	53,961	50,394	46,707	44,412	100,516
Recreation, Parks and Culture	51,862	49,109	49,234	46,911	45,086
Transportation Services	43,597	44,474	46,905	44,905	39,684
Corporate Services (Note 3)	31,865	29,282	26,677	25,965	24,017
General Government and Other (Note 4)	19,885	18,407	17,380	19,781	21,345
Planning and Development Services	9,036	9,509	9,443	9,073	8,168
Family and Community Services	8,364	7,412	7,167	7,393	7,035
Total Expenses by Function	331,916	315,935	309,103	303,478	335,992
Expenses by Object					
Salaries, Wages and Benefits	161,703	153,334	143,669	134,934	127,899
Contracted and General Services	54,477	54,667	57,096	54,019	51,256
Amortization	54,469	51,153	46,674	45,800	44,960
Supplies, Materials and Utilities	46,800	45,615	48,034	44,498	44,724
Interest on Long-term Debt	6,548	6,822	7,382	7,669	7,987
Grants and Requisitions	2,161	2,150	2,165	2,758	2,345
Loss on Asset Transfers and Disposals	661	307	1,948	11,799	54,995
Other Expenses	5,097	1,887	2,135	2,001	1,826
Total Expenses by Object	331,916	315,935	309,103	303,478	335,992
Surplus (Deficit) Before Capital Revenue	20,098	21,230	15,371	7,528	(34,486)
Capital Revenue By Source					
Contributed Tangible Capital Assets	32,711	60,325	28,695	33,528	15,213
Government Transfers	20,740	43,941	27,507	39,628	40,777
Other Capital Revenues (Note 5)	11,494	2,032	11,688	12,944	11,783
Total Capital Revenue By Source	64,945	106,298	67,890	86,100	67,773
Annual Surplus	85,043	127,528	83,261	93,628	33,287
Segmented Annual Surplus (Deficit)					
Municipal	75,515	104,681	63,486	85,700	21,398
Utilities	9,602	23,124	20,040	10,256	6,691
Library	308	133	201	377	469
Pioneer Housing Foundation	(382)	(410)	(466)	(2,705)	4,729
Annual Surplus	85,043	127,528	83,261	93,628	33,287
Accumulated Surplus, Beginning of Period	1,824,629	1,697,101	1,613,840	1,520,212	1,486,925
Accumulated Surplus, End of Period	1,909,672	1,824,629	1,697,101	1,613,840	1,520,212

Notes:

1. Other Revenue - includes revenue for the Alberta Health Services contract, community sponsorship and other miscellaneous items.
2. Fiscal Services - includes corporate expenditures (grants, requisitions, amortization and debt servicing) and corporate revenues (taxes, unconditional grants and franchise fees).
3. Corporate Services - includes Facilities, Fleet, Human Resources, Information Technology and Legislative and Legal Services.
4. General Government and Other - includes Elected Officials, Senior Administration, the Chief Financial Officer Division, Capital Construction and Planning, Economic Development and Tourism, and the Pioneer Housing Foundation.
5. Other Capital Revenue - includes development levies and funding from other external parties for capital expenditures.

Reconciliation of Public Sector Accounting Standard Surplus to Annual Operating Surplus for Tax Purposes

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

	2016	2015	2014	2013	2012
Consolidated PSAS Annual Surplus	85,043	127,528	83,261	93,628	33,287
Capital Revenues (Note 1)	(64,945)	(106,298)	(67,890)	(86,100)	(67,773)
Amortization	54,469	51,153	46,674	45,800	44,960
Loss (Gain) on Asset Transfers and Disposals	661	307	1,948	11,799	54,995
Net Non-Capital Reserve Transactions	(43,607)	(39,710)	(37,569)	(36,854)	(39,545)
Debt Repayment (Note 2)	(9,860)	(11,917)	(12,946)	(12,435)	(12,529)
Annual Operating Surplus for Tax Purposes	21,761	21,063	13,478	15,838	13,395

Notes:

1. Capital Revenues - includes government transfers, developer and third party contributions, and contributed assets.
2. Debt Repayment - includes repayment of long-term debt and capital leases.
3. The "Annual Operating Surplus for Tax Purposes" is the excess of revenues over expenditures net of "Budgeted Carryover Items", including non-operational items, such as reserve transfers and debt payments (per Financial Services policy FIN-001-008).

Key Components of Financial Position

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

Key Components of Financial Position	2016	2015	2014	2013	2012
Total Financial Assets	353,578	337,482	323,905	306,256	306,276
Total Liabilities	289,016	284,157	300,262	295,833	313,749
Net Financial Assets (Net Debt)	64,562	53,325	23,643	10,423	(7,473)
Total Non-Financial Assets	1,845,110	1,771,304	1,673,458	1,603,417	1,527,685
Accumulated Surplus	1,909,672	1,824,629	1,697,101	1,613,840	1,520,212
Key Components of Financial Assets Include:					
Cash and Cash Equivalents	5,718	4,214	-	8,823	2,300
Investments	306,498	291,293	286,988	267,679	276,772
Key Components of Liabilities Include:					
Long-term Debt	166,140	156,545	163,724	171,666	171,157
Key Components of Non-Financial Assets Include:					
Tangible Capital Assets	1,841,834	1,767,591	1,670,280	1,601,116	1,524,695
Key Components of Accumulated Surplus Include:					
Equity in Tangible Capital Assets	1,676,308	1,611,593	1,507,004	1,429,003	1,352,181
Reserves	232,299	223,366	191,470	188,300	167,769

* Certain comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

Reserves

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

Reserves	2016	2015	2014	2013	2012
Stabilization and Contingency	13,867	10,638	10,404	10,386	-
Projects	61,195	69,449	57,551	61,507	-
Infrastructure Lifecycle, Maintenance and Replacement	113,208	106,198	86,057	78,021	-
Special Purpose	39,631	32,992	33,515	34,668	-
Library	4,398	4,089	3,943	3,718	-
Subtotal	232,299	223,366	191,470	188,300	-
Operating Reserves	-	-	-	-	39,358
Capital Reserves (Note 1)	-	-	-	-	128,411
Subtotal	-	-	-	-	167,769
Total Reserves	232,299	223,366	191,470	188,300	167,769

Notes:

1. Reserve balances and comparative figures for 2013 to 2015 have been reclassified and reported in accordance with the Council approved update to Policy: FIN-001-024 Municipal Reserves on July 8, 2014. 2012 reflects the reserve structure in place at the end of that year. Designated and committed reserve balances for 2015 and 2016 are provided on page 36.

Addition of Tangible Capital Assets

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

Addition of Tangible Capital Assets	2016	2015	2014	2013	2012
Land	522	3,189	6,394	8,859	481
Land Improvements	5,726	14,574	19,119	6,728	2,144
Buildings	71,098	5,212	8,890	32,352	25,271
Engineered Structures	32,273	32,841	42,618	55,457	45,973
Machinery and Equipment	4,229	8,513	5,093	6,966	8,847
Books and Periodicals	630	615	609	620	609
Vehicles	8,331	2,026	12,200	8,143	1,737
Assets under Construction	(25,903)	21,893	(5,154)	(20,024)	9,725
Total Tangible Capital Asset Additions (Note 1)	96,906	88,863	89,769	99,101	94,787
Capital Funding/Financing Source	2016	2015	2014	2013	2012
Debt (Tax and Non-Tax Supported)	13,352	9,471	2,893	13,268	9,822
Grants	20,740	42,114	28,537	39,469	39,811
Reserves	5,703	29,968	50,630	33,268	32,793
Developer Levies, Contributions, Other	57,111	7,311	7,709	13,097	12,361
Total Capital Funding/Financing Source	96,906	88,863	89,769	99,101	94,787
Contributed Assets (Note 2)	32,711	60,325	28,695	33,528	15,213

Notes:

1. Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.
2. Contributed Assets are tangible capital assets received as contributions are recorded at fair value on the date of receipt and are also recorded as Contributed Tangible Capital Asset revenue in the Consolidated Statement of Operations and Accumulated Surplus.

Debt and Debt Service Limits

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

	2016	2015	2014	2013	2012
Total Adjusted Revenue per MGA	363,508	341,015	336,163	323,950	313,289
Total Debt Limit (1.5 times Revenue per MGA)	545,262	511,522	504,244	485,926	469,933
Debt					
Tax-Supported Municipal	52,809	41,037	39,857	41,998	42,074
Tax-Supported Library	20,806	21,522	22,207	22,863	23,490
Total Tax-Supported Debt	73,615	62,559	62,064	64,861	65,564
Non Tax-Supported Local Improvement	614	655	694	393	419
Non Tax-Supported Municipal	13,989	15,899	19,630	22,539	25,304
Non Tax-Supported Utilities	60,152	62,570	65,909	69,327	67,893
Non Tax-Supported PHF	17,770	14,862	15,427	14,546	11,977
Total Non Tax-Supported Debt	92,525	93,986	101,660	106,805	105,593
Total Debt	166,140	156,545	163,724	171,666	171,157
Capital Leases	-	108	246	840	1,776
Total Debt per MGA	166,140	156,653	163,970	172,506	172,933
Percentage of Total Debt Limit Used	30.5%	30.6%	32.5%	35.5%	36.8%
Service on Debt Limit (25% of Total Adjusted Revenue)	90,877	85,254	84,041	80,988	78,322
Debenture and Capital Lease Payments	17,086	16,312	18,932	20,441	20,109
Service on Debt (Percentage Used)	18.8%	19.1%	22.5%	25.2%	25.7%
Population (Note 1)	98,044	95,597	92,403	92,403	92,403
Total Debt per Capita	1,695	1,639	1,775	1,867	1,872
Municipal Tax-Supported Debt per Capita	539	429	431	455	455

Notes:

1. Population - 2016 and 2015 population figures based on municipal census, and 2012 to 2014 population figures are per 2011 Federal Census.

Assessment and Tax Levy

For the Years Ended December 31, 2012 - 2016

Unaudited

	2016	2015	2014	2013	2012
Assessment (000s) (Note 1)					
Residential / Farmland	17,240,654	16,658,922	15,821,096	15,099,519	14,727,678
Non-Residential	5,196,526	4,777,942	4,143,324	3,650,040	3,206,879
Machinery and Equipment	9,916,128	9,500,729	9,496,135	9,327,314	9,075,905
Linear (Note 2)	781,712	771,141	742,354	692,926	687,429
Total Taxable Assessment	33,135,020	31,708,734	30,202,909	28,769,799	27,697,892
Rates of taxation (Note 3)					
Residential / Farmland	6.9133	6.9187	6.9755	7.1994	7.1737
Non-Residential	12.5686	12.2407	12.1869	12.3590	12.2306
Machinery and Equipment	9.1615	9.0346	8.8784	8.8263	8.8873
Linear	12.5686	12.2407	12.1869	12.3590	12.2306
Residential / Farmland rates (Note 3)					
Municipal Operations	4.2657	4.3026	4.3328	4.3752	4.2915
Library Operations	0.1503	0.1526	0.1563	0.1609	0.1588
Heartland Housing Foundation Requisitions	0.0861	0.0843	0.0668	0.0682	0.0675
Education Requisitions	2.4112	2.3792	2.4196	2.5951	2.6559
Total Residential / Farmland	6.9133	6.9187	6.9755	7.1994	7.1737
Non-Residential rates (Note 3)					
Municipal Operations	8.6593	8.5373	8.3983	8.3395	8.3957
Library Operations	0.4161	0.4130	0.4133	0.4186	0.4241
Heartland Housing Foundation Requisitions	0.0861	0.0843	0.0668	0.0682	0.0675
Education Requisitions	3.4071	3.2061	3.3085	3.5327	3.3433
Total Non-Residential	12.5686	12.2407	12.1869	12.3590	12.2306
Machinery and Equipment rates (Note 3)					
Municipal Operations	8.6593	8.5373	8.3983	8.3395	8.3957
Library Operations	0.4161	0.4130	0.4133	0.4186	0.4241
Heartland Housing Foundation Requisitions	0.0861	0.0843	0.0668	0.0682	0.0675
Education Requisitions	-	-	-	-	-
Total Machinery and Equipment	9.1615	9.0346	8.8784	8.8263	8.8873
Linear rates (Note 3)					
Municipal Operations	8.6593	8.5373	8.3983	8.3395	8.3957
Library Operations	0.4161	0.4130	0.4133	0.4186	0.4241
Heartland Housing Foundation Requisitions	0.0861	0.0843	0.0668	0.0682	0.0675
Education Requisitions	3.4071	3.2061	3.3085	3.5327	3.3433
Total Linear	12.5686	12.2407	12.1869	12.3590	12.2306

Notes:

1. Assessment values are based on the annual tax rate bylaw approved by Council.
2. Linear assessments are for properties which have distribution lines or other facilities, and may cross municipal boundaries. Linear properties include oil and gas wells, pipelines, electric power systems, telecommunication systems and cable systems. Linear property is assessed by the assessor designated by the Province of Alberta, Minister of Municipal Affairs.
3. Taxation Rates — are applied to every thousand dollars of taxable assessed value.

Assessment and Tax Levy (Continued)

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

Unaudited

	2016	2015	2014	2013	2012
Taxation and Requisitions					
Municipal and Library					
Residential / Farmland	76,145	74,170	71,069	68,578	66,603
Commercial and Industrial	138,467	130,028	120,329	113,912	109,151
Electric Power and Pipeline	7,193	6,992	6,613	6,155	6,186
Government Grants in Lieu of Taxes	146	174	218	200	193
Local Improvement Levies	12	13	351	-	-
Taxes for Provision of Municipal and Library Services	221,963	211,377	198,580	188,845	182,133
Taxes for Requisitioning Authorities					
Provincial Alberta School Foundation Fund	54,807	50,802	47,759	47,598	45,316
Elk Island CSRD No. 41	7,116	6,790	6,582	6,794	6,739
Heartland Housing Foundation	2,870	2,699	2,022	1,969	-
Taxes on Behalf of Requisitioning Authorities	64,793	60,291	56,363	56,361	52,055
Total Property Taxes	286,756	271,668	254,943	245,206	234,188
Total Property Taxes Receivable	4,050	4,827	3,299	3,865	3,394
Current	4,050	4,767	3,227	3,733	3,290
Current (%)	100.0%	98.8%	97.8%	96.6%	96.9%
In Arrears for more than one year	-	59	72	132	104
In Arrears for more than one year (%)	0.0%	1.2%	2.2%	3.4%	3.1%
Tax Revenue from Principal Taxpayers (Note 1)	46.6%	45.7%	46.9%	48.6%	48.9%
Education Requisition	61,923	57,592	54,341	54,392	52,055
As percentage of Total Tax (%)	21.6%	21.2%	21.3%	22.2%	22.2%

Notes:

1. Includes the ten highest taxpayers (excluding education requisition).



2016

Annual Report

Strathcona County
Alberta, Canada
For the year ended December 31, 2016



STRATHCONA
COUNTY

