

Calgary Metropolitan Region Board
Governance Committee Meeting Agenda
 April 14, 2023 – 9:00 AM, Go-To Meeting

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The purpose of this meeting is to convene, discuss and make decisions regarding recommendations to be made to the Calgary Metropolitan Region Board.

- | | | |
|---|-----------------------|-----------|
| 1. Call to Order & Land Acknowledgement | Clark | |
| 2. Land Acknowledgment | Councillor Smit | |
| 3. Opening Remarks | Clark | |
| 4. Adoption of Agenda | All | |
| <i>For Decision: Motion to adopt and/or revise the Agenda</i> | | |
| 5. Approval of Minutes (Attachment) | All | 3 |
| <i>For Decision: Motion that the Committee approve the Minutes of the October 28, 2022 meeting</i> | | |
| 6. Vice Chair Election (Attachment) | Copping | 6 |
| <i>For Decision: Motion that the Committee elect Mayor Peter Brown as Vice Chair of the Governance Committee</i> | | |
| 7. Q4 Actuals 2022 (Attachment) | Copping | 9 |
| <i>For Recommendation: Motion that the Committee receive for information and recommend for review by the Board the 2022 Q4 Actuals</i> | | |
| 8. Q1 Actuals 2023 (Attachment) | Copping | 11 |
| <i>For Recommendation: Motion that the Committee receive for information and recommend for review by the Board the 2023 Q1 Actuals</i> | | |
| 9. 2022 Draft Audited Financial Statements (Attachment) | Calvin Scott
AVAIL | 13 |
| <i>For Recommendation: Motion that the Committee Recommend for approval by the Board the 2022 Audited Financial Statements</i> | | |
| 9A. Closed Session Pursuant to Section 23 of FOIP
<i>Discussion Re: Audited Financial Statements</i> | | |

10. Member Funding (Attachment) Copping **35**
For Recommendation: Motion that the Committee recommend to the Board that the population based funding model be adopted starting for the 2024 CMRB Budget year and direct CMRB administration to explore other funding formulas with interested member municipalities to determine if a more appropriate formula exists
11. Roundtable All
12. Next Meeting: October 13, 2023 Clark
13. Adjournment

Governance Committee Members:

Mayor Peter Brown (Airdrie) Vice Chair	Reeve Delilah Miller (Foothills)
Councillor Gian-Carlo Carra (Calgary)	Councillor Kelly Smit (High River)
Mayor Jeff Colvin (Chestermere)	Mayor Tanya Thorn (Okotoks)
Mayor Jeff Genung (Cochrane)	Councillor Kevin Hanson (Rocky View)

Upcoming Meetings:

Board Meeting	Friday April 28 @ 9:00 AM	High River Council Chambers
EcDev Workshop #2	Friday April 28 @ 10:30 AM	Highwood Centre
CMRB Land Use & Servicing Committee Workshop: In-Person Objective Setting Workshop RTTMP	Thursday May 11 @ 9:30 AM	Royal Hotel, Sapphire Room 2828 23 Street NE, Calgary
Governance Committee	Friday October 13 @ 9:00 AM	GoTo Meeting

The Calgary Metropolitan Region is honored to be in the traditional territory of the Siksika, Kainai, and Piikani Nations of the Blackfoot Confederacy; the Tsuut'ina Nation; the Bearspaw, Chiniki, and Goodstoney Nations of the Stoney Nakoda; and the home of Métis Nation of Alberta Region 3.

In the spirit of truth and reconciliation the CMRB is actively working to build meaningful and mutually beneficial long-term relationships with Indigenous Nations and communities in and around the Region.

Minutes of the Meeting of the Governance Committee
of the Calgary Metropolitan Region Board on
October 28, 2022, by Go-To Meeting

Delegates in Attendance:

Mayor Peter Brown – City of Airdrie
Councillor Gian-Carlo Carra – City of Calgary
Mayor Jeff Colvin – City of Chestermere
Mayor Jeff Genung – Town of Cochrane
Reeve Delilah Miller – Foothills County
Councillor Jamie Kinghorn – Town of High River
Councillor Rachel Swendseid – Town of Okotoks
Councillor Kevin Hanson – Rocky View County

CMRB Administration:

Greg Clark, Chair
Jordon Copping, Chief Officer
Jaime Graves, Project Manager-Intermunicipal Servicing
Liisa Tipman, Project Manager-Planning
JP Leclair, GIS Analyst
Shelley Armeneau, Office Manager

1. Call to Order

Chair Greg Clark called the meeting to order at 9:00 AM and provided a land acknowledgment. On the anniversary of the members' one year in office, Chair Clark made a point of thanking the members for their service to their communities, our province and as representatives on this Committee.

2. Approval of Agenda

Moved by Mayor Colvin, **Seconded by** Councillor Carra, accepted by Chair.

Motion: That the Committee approve the agenda.

Motion carried unanimously.

3. Approval of Minutes

Moved by Councillor Hanson, **Seconded by** Councillor Swendseid, accepted by Chair.

Motion: That the Committee approve the Minutes of the July 28, 2022 meeting.

Motion carried unanimously.

4. Q3 Actuals

Jordon Copping introduced the Q3 Actuals and a member asked about whether a search for new office space had been investigated yet. Jordon advised that the lease on the current space will not be up until summer 2023. In the new year he will explore possible options.

Moved by Mayor Brown, **Seconded by** Reeve Miller, accepted by Chair.

Motion: That the Committee receive for information and recommend for review by the Board the 2022 Q3 Actuals.

Motion carried unanimously.

5. Land Acknowledgments

Jordon Copping updated the Committee on a proposed new practice going forward to include a land acknowledgment at the bottom of each agenda. A member of CMRB administration suggested this and, after conferring with our indigenous consultant who agreed it would be a good practice, the idea was brought to the Committee for feedback. It was acknowledged that connecting the land acknowledgment to the actions CMRB is taking with respect to Indigenous relations and reconciliation and the intent to build long term mutually beneficial relationships is important.

Moved by Mayor Brown, **Seconded by** Councillor Swendseid, accepted by Chair.

Motion: That the Committee receive for information a verbal update on land acknowledgments.

Motion carried unanimously.

Moved into closed session @ 9:15 AM. Returned to public session @ 9:50 AM.

6. Proposed Salary Adjustment

Moved by Mayor Brown, **Seconded by** Mayor Genung, accepted by Chair.

Motion: That the Committee recommend to the Board staff salaries be increased as per discussion in the closed session.

Motion carried unanimously.

7. Budget 2023

Jordon Copping introduced this item and answered questions about individual project costs, variability and procurement processes. He noted that if any project costs fall outside of the range of previously indicated estimates it would come back to the Board for resolution. In response to a question about Joint Planning Areas, Jordon noted there is currently no line item in the budget for Joint Planning Area support. At present, it is contemplated to be only internal staff time. Additional context studies undertaken in Joint Planning Areas would be at the cost of that individual member.

Moved by Councillor Hanson, **Seconded by** Mayor Colvin, accepted by Chair.

Motion: That the Committee review and recommend approval to the Board the proposed 2023 CMRB Budget.

Motion carried unanimously.

8. Roundtable

Committee members noted that Organizational Meetings had taken place recently and that some changes have been made to the representatives for CMRB. Chair Clark asked CMRB Admin to reach out to members for updates.

9. Next Meeting Friday April 14, 2023.

10. Adjourned @ 10:11 AM.

CMRB Chair, Greg Clark

DRAFT

Agenda Item	6
Submitted to	Governance Committee
Purpose	For Decision
Subject	CMRB Vice Chair Election
Meeting Date	April 14, 2023
<i>Motion that the Committee elect Mayor Peter Brown as Vice Chair of the Governance Committee</i>	
<p>Background</p> <ul style="list-style-type: none"> • The Committee must elect a Vice Chair. • The CMRB Board approved a Board and Committee Vice Chair Selection Process Policy on February 15, 2019. • CMRB Administration circulated an email on March 23, 2023, inviting nominations from Committee members for the role of Vice Chair. • Mayor Peter Brown was nominated for the Vice Chair position. • No other nominations were received. 	
Attachment: Board and Committee Vice Chair Selection Process Policy located here .	

1. Introduction

The Committee is required to elect a Vice Chair. Approval of the Board and Committee Vice Chair Selection Process Policy was approved at the February 15, 2019 Board meeting. An email was circulated by Administration to members on March 23, 2023, inviting any eligible members to volunteer for the position or nominate another eligible individual for the role. Mayor Peter Brown was nominated for the Vice Chair position, and no other nominations were received.

2. Recommendation

That the Committee elect Mayor Peter Brown as Vice Chair of the Governance Committee.

Board and Committee Vice Chair Selection Process Policy

Policy Purpose: To create a mechanism by which the Board and Committees of the Board can select a Vice Chair of the Board and of Committees of the Board.

Scope

This policy applies to the Board and all Committees of the Board.

Policy

Eligibility

Members in good standing of the Board or Committee are eligible to seek a Vice Chair position. Only a Mayor or Reeve is eligible to be a Vice Chair of the Board. Any member of a Committee, but not an alternate, is eligible to be Vice Chair.

Term

Vice Chair terms shall not exceed one year from the date of their selection, either through acclamation or winning a vote. There is no limit on how many terms a Vice Chair may serve.

Role

Vice Chairs will be required to participate in briefings given by CMRB Administration in advance of meetings and may be required to assume Chair duties at Board or Committee meetings. Vice Chairs are eligible to participate fully in any vote of the Board or Committee.

Nomination

Eligible members may volunteer for the Vice Chair role or be nominated for the role by another member of the Board or Committee. If a member is nominated by another member of the Board or Committee the nominated member must confirm they are able and interested to seek the position.

If more than one eligible member of the Board or Committee is nominated for the role of Vice Chair then the Chief Officer will conduct a selection process by secret ballot.

Voting

Members in good standing of the Board or Committee or their alternate are eligible to vote.

Each municipality is only eligible to cast one ballot and there is no weighting to the ballots, one member one vote. The selection of a Vice Chair requires the support of a simple majority of the Board or Committee.

In the event that no candidate achieves a majority on the first ballot, there will be a second round of voting with only the candidates who received the two highest number of votes in the first round on the ballot.

In the event of a tie after the second ballot, the names of both candidates will be written on a slip of paper and placed in a hat. The Chief Officer will draw one name and that candidate will become the Vice Chair.

Agenda Item	7
Submitted to	Governance Committee
Purpose	Present to the Governance Committee for Recommendation
Subject	CMRB 2022 Q4 Actuals
Meeting Date	April 14, 2023
<i>That the Committee receive for information and recommend for review by the Board the 2022 Q4 actuals</i>	
<p>Background</p> <ul style="list-style-type: none"> The CMRB has been funded by the Government of Alberta through the Alberta Community Partnership grant program. 	
<p>Attachments</p> <ul style="list-style-type: none"> Q4 Actuals 	

1. Introduction

CMRB Administration has compiled the Q4 Actuals for review by the Governance Committee.

2. Recommendation

That the Governance Committee receive for information and recommend for review by the Board the 2022 Q4 Actuals.

	2022 Budget	2022 Q4 Budget	2022 Q4 Actual	Q4 Variance	YTD Budget	YTD Actual	YTD Variance
REVENUE							
GoA Grant	\$1,000,000.00	\$0.00	\$ -	\$0.00	\$1,000,000.00	\$1,000,000.00	\$0.00
Interest on GIC	\$0.00	\$0.00	\$ -	\$0.00	\$0.00	\$1,183.14	\$1,183.14
Withdrawal from Reserves	\$937,000.00	\$200,000.00	\$ -	-\$200,000.00	\$967,000.00	\$580,291.97	-\$386,708.03
TOTAL Revenue	\$1,937,000.00	\$200,000.00	\$ -	-\$200,000.00	\$1,967,000.00	\$1,581,475.11	-\$385,524.89
EXPENDITURES							
CAPITAL EXPENSES							
Computers & Hardware	\$6,000.00	\$1,500.00	\$ 4,923.04	-\$3,423.04	\$6,000.00	\$4,923.04	\$1,076.96
Office Furniture	\$6,000.00	\$1,500.00	\$ -	\$1,500.00	\$6,000.00	\$0.00	\$6,000.00
Phone/Internet Hardware	\$3,000.00	\$750.00	\$ -	\$750.00	\$3,000.00	\$0.00	\$3,000.00
TOTAL CAPITAL EXPENSES	\$15,000.00	\$3,750.00	\$ 4,923.04	-\$1,173.04	\$15,000.00	\$4,923.04	\$10,076.96
OPERATING EXPENSES							
STAFFING COSTS							
Salary	\$655,000.00	\$161,000.00	\$ 189,541.59	-\$28,541.59	\$655,000.00	\$688,409.65	-\$33,409.65
Benefits	\$124,000.00	\$31,000.00	\$ 30,338.27	\$661.73	\$124,000.00	\$102,414.21	\$21,585.79
Board Chair	\$110,000.00	\$27,500.00	\$ 20,114.39	\$7,385.61	\$110,000.00	\$102,468.88	\$7,531.12
TOTAL STAFFING COSTS	\$889,000.00	\$219,500.00	\$ 239,994.25	-\$20,494.25	\$889,000.00	\$893,292.74	-\$4,292.74
OFFICE LEASE	\$87,000.00	\$21,750.00	\$ 19,732.05	\$2,017.95	\$87,000.00	\$78,254.45	\$8,745.55
OFFICE OPERATING COST							
General Operating Costs	\$36,000.00	\$9,000.00	\$ 15,401.58	-\$6,401.58	\$36,000.00	\$42,377.63	-\$6,377.63
Professional Fees	\$30,000.00	\$7,500.00	\$ 5,668.25	\$1,831.75	\$30,000.00	\$18,839.50	\$11,160.50
TOTAL OFFICE OPERATION COSTS	\$66,000.00	\$16,500.00	\$ 21,069.83	-\$4,569.83	\$66,000.00	\$61,217.13	\$4,782.87
TRAVEL COSTS	\$30,000.00	\$7,500.00	\$ 1,793.57	\$5,706.43	\$30,000.00	\$2,236.04	\$27,763.96
MEETING COSTS							
Meeting Venue/Catering	\$40,000.00	\$10,000.00	\$ 2,920.85	\$7,079.15	\$40,000.00	\$14,545.54	\$25,454.46
Per Diem	\$55,000.00	\$13,750.00	\$ 7,206.99	\$6,543.01	\$55,000.00	\$17,861.36	\$37,138.64
TOTAL MEETING COSTS	\$95,000.00	\$23,750.00	\$ 10,127.84	\$13,622.16	\$95,000.00	\$32,406.90	\$62,593.10
CONSULTANT COSTS							
Growth/ Servicing Plan	\$0.00	\$0.00	\$ -	\$0.00	\$0.00	\$0.00	\$0.00
Regional Initiatives	\$600,000.00	\$150,000.00	\$ 101,643.86	\$48,356.14	\$600,000.00	\$164,068.49	\$435,931.51
REF Consultants	\$80,000.00	\$20,000.00	\$ 8,971.98	\$11,028.02	\$80,000.00	\$22,050.97	\$57,949.03
TOTAL CONSULTANT COSTS	\$680,000.00	\$170,000.00	\$ 110,615.84	\$59,384.16	\$680,000.00	\$186,119.46	\$493,880.54
CONTINGENCY	\$75,000.00	\$18,750.00	\$ 12,148.57	\$6,601.43	\$75,000.00	\$12,566.26	\$62,433.74
TOTAL EXPENDITURE	\$1,937,000.00	\$481,500.00	\$ 420,404.99	\$61,095.01	\$1,937,000.00	\$1,271,016.02	\$665,983.98

Notes:

1. Salary increase for staff is an in year budget change
2. Inflation drove a significant increase in operation costs
3. Contingency was used to pay for Growth Plan expenses as well as part of salary increase
4. Delay in start of other initiatives resulted in significant in-year savings, these savings will fund programs in out years.

Agenda Item 7i

Agenda Item	8
Submitted to	Governance Committee
Purpose	Present to the Governance Committee for Recommendation
Subject	CMRB 2023 Q1 Actuals
Meeting Date	April 14, 2023
<i>That the Committee receive for information and recommend for review by the Board the 2023 Q1 actuals</i>	
<p>Background</p> <ul style="list-style-type: none"> The CMRB has been funded by the Government of Alberta through the Alberta Community Partnership grant program. 	
<p>Attachments</p> <ul style="list-style-type: none"> Q1 Actuals 	

1. Introduction

CMRB Administration has compiled the Q1 Actuals for review by the Governance Committee.

2. Recommendation

That the Governance Committee receive for information and recommend for review by the Board the 2023 Q1 Actuals.

	2023 Budget	2023 Q1 Budget	2023 Q1 Actuals	Q1 Variance
REVENUE				
GoA Grant	\$1,000,000.00	\$0.00	\$0.00	\$0.00
Interest on GIC	\$0.00	\$0.00	\$0.00	\$0.00
Withdrawal from Reserves	\$937,000.00	\$337,000.00	\$307,650.99	-\$29,349.01
TOTAL Revenue	\$1,937,000.00	\$337,000.00	\$307,650.99	-\$29,349.01
EXPENDITURES				
<u>CAPITAL EXPENSES</u>				
Computers & Hardware	\$6,000.00	\$1,500.00	\$2,645.07	-\$1,145.07
Office Furniture	\$6,000.00	\$1,500.00	\$0.00	\$1,500.00
Phone/Internet Hardware	\$3,000.00	\$750.00	\$0.00	\$750.00
TOTAL CAPITAL EXPENSES	\$15,000.00	\$3,750.00	\$2,645.07	\$1,104.93
<u>OPERATING EXPENSES</u>				
STAFFING COSTS				
Salary	\$690,000.00	\$180,000.00	\$180,371.31	-\$371.31
Benefits	\$136,000.00	\$34,000.00	\$28,754.84	\$5,245.16
Board Chair	\$110,000.00	\$27,500.00	\$21,038.01	\$6,461.99
TOTAL STAFFING COSTS	\$936,000.00	\$241,500.00	\$230,164.16	\$11,335.84
OFFICE LEASE	\$87,000.00	\$21,750.00	\$19,871.88	\$1,878.12
OFFICE OPERATING COST				
General Operating Costs	\$40,000.00	\$10,000.00	\$6,531.65	\$3,468.35
Professional Fees	\$30,000.00	\$7,500.00	\$0.00	\$7,500.00
TOTAL OFFICE OPERATION COSTS	\$70,000.00	\$17,500.00	\$6,531.65	\$10,968.35
TRAVEL & STAFF DEVELOPMENT	\$30,000.00	\$7,500.00	\$262.88	\$7,237.12
MEETING COSTS				
Meeting Venue/Catering	\$30,000.00	\$7,500.00	\$2,586.69	\$4,913.31
Per Diem	\$50,000.00	\$12,500.00	\$0.00	\$12,500.00
TOTAL MEETING COSTS	\$80,000.00	\$20,000.00	\$2,586.69	\$17,413.31
CONSULTANT COSTS				
Growth/ Servicing Plan	\$0.00	\$0.00	\$0.00	\$0.00
Regional Initiatives	\$600,000.00	\$150,000.00	\$45,588.66	\$104,411.34
REF Consultants	\$80,000.00	\$20,000.00	\$0.00	\$20,000.00
TOTAL CONSULTANT COSTS	\$680,000.00	\$170,000.00	\$45,588.66	\$124,411.34
CONTINGENCY	\$75,000.00	\$18,750.00	\$0.00	\$18,750.00
TOTAL EXPENDITURE	\$1,973,000.00	\$500,750.00	\$307,650.99	\$193,099.01

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- Notes
1. Withdrawals are below quarterly budgeted amount due to
 2. Evergreening of computer systems complete - will be on budget for the year.
 3. CPP and EI deductions decline through the year - will be on budget for the year.
 4. Anticipate spending on consultants to increase as the year progresses and more projects mature.

Agenda Item 8i

Agenda Item	9
Submitted to	Governance Committee
Purpose	For Recommendation
Subject	2022 Draft Audited Financial Statements
Meeting Date	April 14, 2023
<i>That the Committee recommend for approval by the Board the 2022 Audited Financial Statements</i>	
<p>Background</p> <ul style="list-style-type: none"> • CMRB Administration has been working with Avail to provide all required documentation for the 2022 audit. • Audited financial statements are required as part of the annual report which the CMRB is mandated to provide to the Minister of Municipal Affairs. • Draft 2022 audit statement and attachments are available for the Committee’s review 	
<p>Attachments: 1. Draft Financial Statement for 2022</p> <p style="padding-left: 40px;">2. Management Letter</p> <p style="padding-left: 40px;">3. Post Audit Letter</p>	

1. Recommendation

That the Committee recommend for approval by the Board the 2022 Audited Financial Statements.

DRAFT

CALGARY METROPOLITAN REGION BOARD

FINANCIAL STATEMENTS

For the year ended December 31, 2022

CALGARY METROPOLITAN REGION BOARD
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For the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To: The Board of
Calgary Metropolitan Region Board

Opinion

We have audited the financial statements of the Calgary Metropolitan Region Board which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2022, its results of operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lethbridge, Alberta

April 14, 2023

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Chartered Professional Accountants

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 990,446	\$ 1,416,801
Short term investments (note 3)	1,485,228	1,292,792
Accounts receivable (note 4)	24,664	50,845
	<u>2,500,338</u>	<u>2,760,438</u>
Liabilities		
Accounts payable and accrued liabilities	47,447	56,147
Deferred revenue (note 5)	478,527	735,031
	<u>525,974</u>	<u>791,178</u>
Net financial assets	<u>1,974,364</u>	<u>1,969,260</u>
Non-financial assets		
Prepaid expenses	14,004	9,184
Tangible capital assets (schedule 1)	5,371	3,747
	<u>19,375</u>	<u>12,931</u>
Accumulated surplus (note 6, schedule 2)	<u>\$ 1,993,739</u>	<u>\$ 1,982,191</u>

Commitments (note 11)

Approved on behalf of the board:

Member _____

Member _____

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF OPERATIONS
For the year ended December 31, 2022

	Budget (unaudited)	2022	2021
Revenue			
Alberta Municipal Affairs	\$ 1,000,000	\$ 1,256,504	\$ 1,468,224
Interest	-	14,848	5,985
	1,000,000	1,271,352	1,474,209
Expenses			
Wages and benefits	779,000	789,115	769,939
Consulting fees	755,000	186,537	401,496
Board chair remuneration	110,000	102,469	120,003
Rent	87,000	78,254	73,457
Meeting costs	95,000	33,497	43,595
Office and administration	36,000	22,657	9,169
Professional fees	30,000	18,840	21,002
Dues and subscriptions	-	11,109	17,210
Professional development	-	5,786	6,114
Insurance	-	3,858	3,616
Travel and accommodation	30,000	2,236	1,768
Freight and delivery	-	1,520	67
Interest and bank charges	-	627	788
Amortization	3,299	3,299	1,658
	1,925,299	1,259,804	1,469,882
Excess of revenue over expenses	(925,299)	11,548	4,327
Accumulated surplus, beginning of year	1,982,191	1,982,191	1,977,864
Accumulated surplus, end of year	\$ 1,056,892	\$ 1,993,739	\$ 1,982,191

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2022

	Budget (unaudited)	2022	2021
Excess of revenue over expenses	\$ (925,299)	\$ 11,548	\$ 4,327
Purchase of tangible capital assets	15,000	(4,923)	(688)
Amortization of tangible capital assets	3,299	3,299	1,658
	18,299	(1,624)	970
Net change in prepaid expenses	-	(4,820)	(3,075)
Change in net financial assets	(907,000)	5,104	2,222
Net financial assets, beginning of year	1,969,260	1,969,260	1,967,038
Net financial assets, end of year	\$ 1,062,260	\$ 1,974,364	\$ 1,969,260

CALGARY METROPOLITAN REGION BOARD
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	2022	2021
Operating transactions		
Excess of revenue over expenses	\$ 11,548	\$ 4,327
Adjustments for items which do not affect cash		
Amortization of tangible capital assets	3,299	1,658
	14,847	5,985
Net change in non-cash working capital items		
Accounts receivable	26,180	(4,698)
Prepaid expenses	(4,820)	(3,075)
Accounts payable and accrued liabilities	(8,700)	(196,964)
Deferred revenue	(256,504)	31,776
Cash applied to operating transactions	(228,997)	(166,976)
Capital transactions		
Purchase of tangible capital assets	(4,923)	(688)
Investing transactions		
Change in short term investments	(192,435)	639,544
(Decrease) increase in cash and cash equivalents	(426,355)	471,880
Cash and cash equivalents, beginning of year	1,416,801	944,921
Cash and cash equivalents, end of year	\$ 990,446	\$ 1,416,801

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. Nature of operations

Calgary Metropolitan Region Board is constituted under the Municipal Government Act and was approved by the Minister of Municipal Affairs on January 1, 2018 for the purpose of promoting long term sustainability, ensuring environmentally responsible land-use planning, growth management and efficient land use, developing policies regarding the coordination of regional infrastructure investment and service delivery, and promoting economic well-being and competitiveness of the region.

The members of the Board are City of Airdrie, City of Calgary, City of Chestermere, Town of Cochrane, Town of High River, Town of Okotoks, Rocky View County, and Foothills County.

The Board is exempt from income taxation under Section 149 of the Canada Income Tax Act.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian public sector accounting standards and reflect the assets, liabilities, revenues and expenses, and change in the financial position of the Board. Significant aspects of the accounting policies adopted by the Board are as follows:

- (a) Cash and cash equivalents
Cash and cash equivalents consists of cash on deposit and are recorded at cost.
- (b) Short term investments
Short term investments consists of term deposits with original maturities of greater than one month at the date of acquisition and are recorded at cost.
- (c) Revenue recognition
Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Restricted investment income is recognized in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government transfers are recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets acquired

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. Significant accounting policies, continued

(d) Non-financial assets

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Furniture and fixtures	10
Office equipment	5
Computer equipment	3

The full amount of the annual amortization is charged in the year of acquisition and none in the year of disposal.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Leases

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

(e) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

3. Short term investments

Short term investments consists of Guaranteed Investment Certificates (GICs) that have effective interest rates of 0.50% to 4.50% and mature between March to October 2023.

4. Accounts receivable

	2022	2021
Interest receivable	\$ 13,493	\$ 1,333
GST receivable	11,171	49,512
	\$ 24,664	\$ 50,845

5. Deferred revenue

Deferred revenue consists of the unspent portion of the Alberta Municipal Affairs conditional grant for core administration costs and coordination of strategic initiatives related to provincially mandated responsibilities.

	Opening	Received	Recognized	Closing
Alberta Municipal Affairs	735,031	1,000,000	1,256,504	478,527

6. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2022	2021
Unrestricted surplus	\$ 1,988,368	\$ 1,978,444
Equity in tangible capital assets (note 7)	5,371	3,747
	\$ 1,993,739	\$ 1,982,191

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

7. Equity in tangible capital assets

	2022	2021
Tangible capital assets (schedule 1)	\$ 28,244	\$ 23,321
Accumulated amortization (schedule 1)	(22,873)	(19,574)
	<u>\$ 5,371</u>	<u>\$ 3,747</u>

8. Financial instruments

The Board's financial instruments consist of cash and cash equivalents, short term investments, accounts receivables, and accounts payable and accrued liabilities. It is management's opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of these financial instruments approximates their fair value.

9. Economic dependence

The Board is economically dependent on Alberta Municipal Affairs, as Alberta Municipal Affairs provides the Board with a substantial portion of its revenues.

10. Local authorities pension plan

Employees of the Board participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pensions Plans Act. LAPP is financed by the employer and employee contributions and investment earnings.

The Board is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.80% for the excess. Employees of the board are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Board to the LAPP were \$69,656 (2021 - \$72,900). Total current service contributions by the employees of the Board to the LAPP were \$63,112 (2021 - \$66,630).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.9 billion.

CALGARY METROPOLITAN REGION BOARD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

11. Commitments

The Board entered into various consulting agreements prior to December 31, 2022. The Board's total obligation under these agreements are \$391,690. These commitments are not recorded in the records until they are payable in accordance with the consulting agreements.

The Board has entered into an operating lease for a building and a digital copier. The Board's total obligation under these leases are \$20,978.

12. Budget amounts

The 2022 budget was approved by the Board and has been reported in the financial statements for information purposes only. The budget amounts have not been audited, reviewed, or otherwise verified.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted deficit per financial statements	\$ (925,299)
Less: Capital expenditures	(15,000)
Add: Amortization	3,299
Transfers from reserves	937,000
<hr/>	
Equals: approved balanced budget	\$ -
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13. Approval of financial statements

These financial statements were approved by Board and Management.

CALGARY METROPOLITAN REGION BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of tangible capital assets						Schedule 1	
	Office equipment	Computer equipment	Furniture and fixtures	2022	2021	2022	2021
Cost:							
Balance, beginning of year	\$ 5,285	\$ 14,317	\$ 3,719	\$ 23,321	\$ 22,633		
Acquisitions	-	4,923	-	4,923	688		
Balance, end of year	5,285	19,240	3,719	28,244	23,321		
Accumulated amortization:							
Balance, beginning of year	4,228	13,858	1,488	19,574	17,916		
Annual amortization	1,057	1,870	372	3,299	1,658		
Balance, end of year	5,285	15,728	1,860	22,873	19,574		
Net book value	\$ -	\$ 3,512	\$ 1,859	\$ 5,371	\$ 3,747		
2021 net book value	\$ 1,057	\$ 459	\$ 2,231	\$ 3,747			

CALGARY METROPOLITAN REGION BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

Schedule of changes in accumulated surplus**Schedule 2**

	Unrestricted	Equity in tangible capital assets	2022	2021
Balance, beginning of year	\$ 1,978,444	\$ 3,747	\$ 1,982,191	\$ 1,977,864
Excess of revenue over expenses	11,548	-	11,548	4,327
Current year funds used for tangible capital assets	(4,923)	4,923	-	-
Annual amortization expense	3,299	(3,299)	-	-
Change in accumulated surplus	9,924	1,624	11,548	4,327
Balance, end of year	\$ 1,988,368	\$ 5,371	\$ 1,993,739	\$ 1,982,191

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April 14, 2023

Board of Directors
Calgary Metropolitan Region Board
602 - 11 Ave SW, Unit 305
Calgary, AB T2R 1J8

Ladies and Gentlemen:

We have completed our audit of the financial statements of the Calgary Metropolitan Region Board for the year ended December 31, 2022. Our audit included consideration of internal control relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, our review of any given control was limited and would not disclose all weaknesses in the system or all matters which an in-depth study might indicate. As you know, the maintenance of an adequate system of internal controls is the responsibility of the Board of Directors.

During the course of our audit for the year ended December 31, 2022, we identified no significant matters which may be of interest to the Board.

This communication is prepared solely for the information of the Board members and management of the Calgary Metropolitan Region Board and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to thank Jordon and Shelley for their assistance during our audit. Thank you for the continuing opportunity to be of service to your organization and we look forward to serving you in the future. If you have any questions or concerns regarding our audit or any other issues with which you may require our assistance, please do not hesitate to contact us.

Thank you.

Yours truly,

AVAIL LLP

Calvin Scott, CPA, CA

Agenda Item 9ii

DRAFT

April 14, 2023

Board of Directors
Calgary Metropolitan Region Board
602 - 11 Ave SW, Unit 305
Calgary, AB T2R 1J8

Ladies and Gentlemen:

RE: 2022 ANNUAL AUDIT OF CALGARY METROPOLITAN REGION BOARD

We are pleased to provide the following report relating to our audit of the financial statements of Calgary Metropolitan Region Board for the year ending December 31, 2022.

During the course of our audit we identified matters which may be of interest to the Board. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to the Board in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The matters identified are included in this report which has been prepared solely for the information of the Board and is not intended for any other purpose. As such, we accept no responsibility to a third party who uses this report. Should any member of the audit committee or equivalent wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Our report is intended to assist the Board in fulfilling its obligation with respect to the 2022 financial statements. We have also attached a separate communication regarding the role of the Board and our recommendations for the Board of the Board.

We would be pleased to further discuss any of the issues addressed in the report or any other issue which may be of interest or concern to the Board.

Yours truly,

AVAIL LLP

Calvin Scott, CPA, CA
Enclosure

I. Purpose and Scope of Examination

We refer you to our communication dated February 28, 2023, which outlines the purpose and scope of our examination.

II. Results of Examination

As a result of our examination, we report that, in our opinion, the financial statements as at December 31, 2022 present fairly, in all material respects, the financial position of the Board in accordance with Canadian public sector accounting standards.

Throughout the course of our examination, we received full co-operation from Board officials and employees. No restrictions were imposed on the method or extent of our examination. We were given access to all records, documents and other supporting data and were furnished all information and explanations we required. In addition, we had the opportunity to discuss accounting matters with Board officials.

III. Communication with Board

In accordance with the auditing standard "communications with those having oversight responsibility for the financial reporting process", the following matters are recommended to be communicated to the Board.

Matters to be Communicated	Reference/Comment
1. Significant Deficiencies in Internal Controls	During our audit, we did not encounter any significant deficiencies in internal controls.
2. Illegal Acts and Fraud	<p>An audit conducted in accordance with generally accepted auditing standards does not provide assurance about an entity's compliance with the laws and regulations that may affect it. These standards include, however, a requirement that the nature, extent and timing of the auditors' procedures should be designed so that, in the auditors' professional judgment, the risk of not detecting a material misstatement in the financial statements is reduced to an appropriately low level.</p> <p>However, due to the nature of illegal acts, an auditor conducting an audit in accordance with generally accepted auditing standards may not detect an illegal act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material.</p> <p>Based on the results of our testing, we did not identify any illegal, improper or questionable payments or acts nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.</p>

3. Significant Accounting Principles and Policies	We refer you to note 2 to the financial statements for a summary of significant accounting policies adopted by the Board.
4. Management's Judgments and Accounting Estimates	<p>There were no disagreements between management and ourselves regarding management's judgments and accounting estimates.</p> <p>Going Concern Assumption - It is now a requirement that management make an assessment each year regarding the Board's ability to continue as a going concern. This assessment requires management to make certain judgments about the Board's ability to meet its obligations in the foreseeable future.</p> <p>Management has advised that they are aware of no events or conditions that cast doubt upon the Board's ability to continue as a going concern in the foreseeable future, and there is no intention to liquidate the Board's assets or otherwise cease operations.</p>
5. Written Representation from Management	As requested, management has provided us written representations that it has fulfilled its responsibility for the preparation of the financial statements and that it has provided us with the required information for us to complete our audit.
6. Other Information in Documents Containing Audited Financial Statements	Should the Board issue any report during the year that includes the audited financial statements, we will be required to read the unaudited information in the report prior to its release to ensure consistency with the information presented in the financial statements.
7. Disagreements with Management	There were no disagreements between management and ourselves with respect to the Board's accounting policies or presentation and disclosure in the financial statements.
8. Difficulties Encountered in Performing the Audit	The full co-operation of management and other personnel was received during our examination.
9. Financial Statement Disclosure	There were no contentious financial statement disclosure issues.
10. Other Matters	No other matters were noted.
11. Emerging Issues	<p>FUTURE ACCOUNTING CHANGES</p> <p>The Public Sector Accounting Board has issued the following accounting standards:</p> <p><u>PSG-8 Public Sector Guideline - Purchased Intangibles</u> (effective fiscal years beginning April 1, 2023) This guideline will allow recognition of purchased intangibles as assets. Earlier adoption is permitted.</p> <p><u>PS 3450 Financial Instruments</u> (effective fiscal years beginning April 1, 2022) Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report</p>

transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

PS 3280 Asset Retirement Obligations

(effective fiscal years beginning April 1, 2022)

This standard provides guidance on how to account for and report a liability for retirement of tangible capital assets. Early adoption of this section may be mandated by the Government of Alberta, pending recommendations from the ARO working group.

PS 3400 Revenue

(effective fiscal years beginning April 1, 2022)

This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange and non-exchange (unilateral) transactions.

PS 3160 Public Private Partnerships

(effective fiscal years beginning April 1, 2023)

This standard provides guidance on the accounting for a public private partnership (P3).

PS 1201 – Financial Statement Presentation

(effective when PS 2601 and PS 3450 are adopted)

A new standard has been proposed to replace PS 1201 Financial Statement Presentation and is intended to provide an improved financial reporting framework.

Some of the key proposed changes are:

- liabilities will be separated into two categories: financial and non-financial
- the Statement of Financial Position will be restructured to present total assets followed by total liabilities to arrive at net assets
- the net debt indicator will be removed from the Statement of Financial Position and will be shown on a separate statement “Statement of Net Financial Assets or Net Financial Liabilities”
- the requirement to present a Statement of Changes in Net Financial Assets (Debt) will be removed
- other minor changes are proposed to the Statement of Cash Flows and budgeted information

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Calgary Metropolitan Region Board
Unadjusted Financial Statement Misstatements
For the year ended December 31, 2022

Unadjusted Financial Statement Misstatements	Proposed Adjustments Dr (Cr)				
	Opening Equity	Income Statement	Balance Sheet		
			Assets	Liabilities	Closing Equity
Subtotal	-	-	-	-	-
Income taxes	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Agenda Brief	10
Submitted to	Governance Committee
Purpose	For Decision
Subject	CMRB Member Funding Model
Meeting Date	April 14, 2023
<p><i>Motion that the Governance Committee recommend to the Board that the population based funding model be adopted starting for the 2024 CMRB Budget year and direct CMRB administration to explore other funding formulas with interested member municipalities to determine if a more appropriate formula exists.</i></p>	
<p>Background</p> <ul style="list-style-type: none"> • Discussions with the Government of Alberta (GoA) have indicated that Municipal Affairs intends to continue funding the CMRB into the future at \$1 million/year. • CMRB Administration solicited feedback on potential funding models during Q3 2019 from member CAOs to inform the fall meeting of the Governance Committee. No consensus was reached, however CAOs agreed on two principles for the formula, it should be simple and fair. • In Q4 2019, the Governance Committee directed CMRB Administration to stop work on the development of a CMRB Member funding model. • In Q4 2020, the Governance Committee directed CMRB Administration to complete a CMRB member funding model by year-end 2021, with Administration to restart work after the Growth and Servicing Plans were submitted to the GoA. • The Board decided to leave this decision on a funding model to the next Board, following the 2021 municipal election. • At the Board Strategy session in January 2023, CMRB Administration raised the need for a funding model as the reserve funds policy requirements coupled with the GoA grant of \$1 million/year will not be sufficient to cover forecast Budget 2024 expenses. • CMRB Administration laid out a plan to consult with member CAOs and bring a proposed funding model to the Governance Committee for review. • CMRB Administration met with member CAOs on March 15 and April 3, 2023 to get feedback on potential funding models. 	
<p>Attachments</p> <ul style="list-style-type: none"> • Potential Funding Models • 2023 CMRB Approved Budget 	

1. Introduction

CMRB has been funded since inception through the ACP (Alberta Community Partnership) Grant program. The Government of Alberta has reduced annual grant levels from \$2 million in 2019 to \$1 million in 2022/23. CMRB annual expenditure has varied, but the average has been less than \$2 million per year.

EMRB and CMRB are funded to the same level each year. EMRB has had a member requisition in place for several years. This requisition is used to fund EMRB activities beyond what the provincial grant covers. EMRB activities are determined by the Board.

CMRB Administration has compiled a number of potential funding models for consideration, which are attached to this document. Each of the models is predicated on the two pillars of fairness and simplicity which were agreed to by the CAOs in previous meetings. Each of the models look at different ways to balance population, ability to pay, growth rates and recognition of each member's participation on the Board.

There are several key inputs to note in reviewing the funding models:

1. The population figures are drawn from the 2021 federal census.
2. Employment and population growth projections for the 2018-2048 horizon were approved by the Board and published in the CMRB Growth Plan (page 33).
3. The equalized assessment figures were sourced from Municipal Affairs, Government of Alberta.
4. The requisition value of \$1 million is used for ease of reference – budget approval lies solely with the CMRB Board of Directors.

2. FAQ

CMRB Administration solicited feedback during August 2021 from member administrations and received some clarifying questions which are answered below.

Q1: The examples of different funding models (except for the CRP (Calgary Regional Partnership) Models) illustrate a fundraising goal of \$1 million. It is assumed this was done for simplicity and ability to compare models. However, this begs the question, how much money is needed to fundraise?

A: The amount needed to fundraise will be determined by the Board based on the work the Board wishes to pursue. Should the Board choose an aggressive agenda, higher levels of funding will be required.

Q2: Does the CMRB propose that municipal funding would accompany Provincial funding? What portion of the budget would municipal funding support?

A: Municipal funding would accompany provincial funding. The portion of the budget covered would be determined by the overall budget set by the Board.

Q3: How and when does the CMRB propose that municipal funding commence?

A: The current CMRB reserve funds will cover funding requirements through to December 31, 2023, at current budgeted levels while meeting the requirements of the CMRB Reserve Fund Policy. However, the forecast 2024 budget expenses would not be covered by GoA grant funds alone, assuming the grant funding remains consistent.

Q4: What budgetary efficiencies (e.g., office space) can the CMRB realise to reduce budget needs?

A: CMRB has achieved budgetary efficiencies with a move to all committee meetings being held online, reducing travel and meeting venue expenses. The meeting efficiencies are important and result in savings of roughly \$40,000 per year. CMRB Administration is currently in search of additional budgetary efficiencies including investigating a more cost-effective administration office space.

3. Update from CAO Meetings on March 15 and April 3, 2023

At the meeting on March 15, 2023, the following two questions were posed to the group:

1. What, if any, are your top two preferred funding models?
2. What opportunities or challenges do you see with implementing member funding of CMRB operations?

The following bullets summarize the conversation.

- CMRB Chief Officer gave a summary of the work which had been done to date to develop a funding model, noting that all but one of the meeting participants were new to the discussion.
 - Following out of previous work, five funding models were circulated to spark conversation.
- A discussion about principles of the funding formula arose and the participants were updated on previous work of CAO group where simplicity, fairness and ability to pay were the key principles which had been previously identified
 - This sparked a conversation that perhaps another principle could be added; value of the CMRB to member municipalities
- While the majority of participants in the meeting stated they preferred the population formula (it should be noted this was not unanimous) as the preferred model a discussion sparked proposing two alternative funding models – a tiered approach and a more nuanced population formula based on the Alberta Municipalities funding model.

At the meeting on April 3, 2023, the proposed tiered formula and the formula based on the Alberta Municipalities funding model were discussed. CAOs appreciated the tiered formula approach, and wanted to see if there were some formulas to substantiate the proposed tiered model.

It was agreed that most of the formulas discussed would be workable – and there was continued support for the population-based formula, recognizing that it is simple, easy to administer and that the formula can be changed at the discretion of the Board at any time in the future.

From the guidance of these meetings, three top funding formulas were identified. Those funding formulas are listed in the accompanying spreadsheets as:

- Option 1 – 100% of requisition is population based
- Option 2 – 50% requisition based on projected population growth, 50% requisition based on projected employment growth
- Option 5 – 50% requisition based on population. 50% requisition based on projected employment growth

3. Pros and Cons of Top 3 Funding Formulas

Funding Formula	Pro	Con
Option 1 Population Based	<ul style="list-style-type: none"> • Simple • Fair • Easy to administer 	<ul style="list-style-type: none"> • Does not account for employment growth • Not every municipality updates population annually
Option 2 50% population growth 50% employment growth	<ul style="list-style-type: none"> • Simple • Easy to administer • Based on Growth Plan projections 	<ul style="list-style-type: none"> • Municipalities with smaller populations bear more weight per capita
Option 5 50% population growth 50% employment growth	<ul style="list-style-type: none"> • Relatively simple • Easy to administer • Based on Growth Plan projections 	<ul style="list-style-type: none"> • Not every municipality updates population annually

4. Recommendation

As noted above, there are a number of funding formulas which could be supported by all member municipalities – it depends on the rationale. During the discussion with CAOs a desire to support the CMRB financially to see it succeed was expressed by a number of CAOs, and that this desire should be a factor. However, this is difficult to quantify via a formula and the desire for a formula based approach was strongly expressed by the group.

In light of this conundrum, and recognizing that this is the first time CMRB has looked to implement a funding formula CMRB Administration recommends that the Governance Committee recommend to the Board that the population based funding model be adopted starting for the 2024 CMRB Budget year and direct CMRB administration to

explore other funding formulas with interested member municipalities to determine if a more appropriate formula exists.

This allows a very simple funding model to be implemented while allowing CMRB Administration and group of willing member administrations to explore a more nuanced funding model and bring it back to the Committee and potentially Board for further discussion at a future date.

Option 1: by population from 2021 Census data

Total Requisition of \$1,000,000

	Population (2021 StatsCan Census)	Percentage of regional population (%)	Requisition (\$)	Cost Per Capita (2021 Census)
Airdrie	74,100	4.80	\$ 47,985.95	\$0.648
Calgary	1,306,784	84.63	\$ 846,251.98	\$0.648
Chestermere	22,163	1.44	\$ 14,352.40	\$0.648
Cochrane	32,199	2.09	\$ 20,851.55	\$0.648
Foothills	23,199	1.50	\$ 15,023.29	\$0.648
High River	14,324	0.93	\$ 9,275.99	\$0.648
Okotoks	30,405	1.97	\$ 19,689.78	\$0.648
Rocky View	41,028	2.66	\$ 26,569.06	\$0.648
Total	1,544,202	100.00	\$ 1,000,000.00	\$0.648

Option 2: 50% projected population growth, 50% projected employment growth (horizon assumed: 2018-2048 Rennie 2018, from approved Growth Plan)

Total Requisition of \$1,000,000

	Population Growth (2018- 2048 horizon, source GP)	Employment Growth (2018- 2048 horizon, Source GP)	Share of projected Regional Pop Growth (GP) (%)	Share of projected Regional Emp Growth (GP) (%)	Requisition (\$)	Cost Per Capita (2021 Census)
Airdrie	63,420	23,500	7.2	4.8	\$59,903	\$0.81
Calgary	686,650	337,660	77.6	69.2	\$733,834	\$0.56
Chestermere	28,030	8,050	3.2	1.6	\$24,082	\$1.09
Cochrane	25,520	9,140	2.9	1.9	\$23,780	\$0.74
Foothills	14,400	22,230	1.6	4.6	\$30,910	\$1.33
High River	14,840	8,590	1.7	1.8	\$17,184	\$1.20
Okotoks	27,300	9,840	3.1	2.0	\$25,503	\$0.84
Rocky View	24,960	69,010	2.8	14.1	\$84,804	\$2.07
Total	885,120	488,020	100.0	100.0	\$1,000,000	\$0.65

Option 3 50% by population, 50% by projected population growth (2021 census pop, GP 2018-2048 population projections from approved Growth Plan)

Total Requisition of \$1,000,000

	Percentage of regional population (from Option 1) (%)	Requisition for population (\$500,000)	% Share of Regional Pop Growth (from Option 2) (%)	Requisition for population growth (\$500,000)	Total Requisition (\$1,000,000) (\$)	Cost Per Capita (2021 Census)
Airdrie	4.8	\$ 23,993	7.2	\$35,826	\$ 59,819	\$0.81
Calgary	84.6	\$ 423,126	77.6	\$387,885	\$ 811,011	\$0.62
Chestermere	1.4	\$ 7,176	3.2	\$15,834	\$ 23,010	\$1.04
Cochrane	2.1	\$ 10,426	2.9	\$14,416	\$ 24,842	\$0.77
Foothills	1.5	\$ 7,512	1.6	\$8,134	\$ 15,646	\$0.67
High River	0.9	\$ 4,638	1.7	\$8,383	\$ 13,021	\$0.91
Okotoks	2.0	\$ 9,845	3.1	\$15,422	\$ 25,267	\$0.83
Rocky View	2.7	\$ 13,285	2.8	\$14,100	\$ 27,384	\$0.67
Total	100.00	\$ 500,000	100.0	\$500,000	\$ 1,000,000	\$0.65

Option 4 33% by population, 33% projected population growth, 33% projected employment growth (2021 census pop, GP 2018-2048 population projections from approved Growth Plan)

Total Requisition of \$1,000,000

	Percentage of regional population (from Option 1) (%)	Requisition for population (\$333,333)	% Share of Regional Pop Growth (from Option 2) (%)	Requisition for population growth (\$333,333)	Share of projected Regional Emp Growth (GP) (%)	Requisition for employment growth (\$333,333)	Total Requisition (\$1,000,000) (\$)	Cost Per Capita (2021 Census)
Airdrie	4.80	\$15,995	7.2	\$23,884	4.8	\$16,051	\$ 55,930	\$0.75
Calgary	84.63	\$282,084	77.6	\$258,590	69.2	\$230,632	\$ 771,306	\$0.59
Chestermere	1.44	\$4,784	3.2	\$10,556	1.6	\$5,498	\$ 20,839	\$0.94
Cochrane	2.09	\$6,951	2.9	\$9,611	1.9	\$6,243	\$ 22,804	\$0.71
Foothills	1.50	\$5,008	1.6	\$5,423	4.6	\$15,184	\$ 25,615	\$1.10
High River	0.93	\$3,092	1.7	\$5,589	1.8	\$5,867	\$ 14,548	\$1.02
Okotoks	1.97	\$6,563	3.1	\$10,281	2.0	\$6,721	\$ 23,565	\$0.78
Rocky View	2.66	\$8,856	2.8	\$9,400	14.1	\$47,136	\$ 65,392	\$1.59
Total	100.00	\$333,333	100.0	\$333,333	100	\$333,333	\$ 999,999	\$0.65

Option 5 50% population, 50% employment growth (2021 census pop, GP 2018-2048 population projections from approved Growth Plan)

Total Requisition of \$1,000,000

	Percentage of regional population (from Option 1) (%)	Requisition for population (\$500,000)	Share of projected Regional Emp Growth (GP) (%)	Requisition for employment growth (\$500,000)	Total Requisition (\$1,000,000) (\$)	Cost Per Capita (2021 Census)
Airdrie	4.8	\$23,993	4.8	\$24,077	\$48,070	\$0.65
Calgary	84.6	\$423,126	69.2	\$345,949	\$769,075	\$0.59
Chestermere	1.4	\$7,176	1.6	\$8,248	\$15,424	\$0.70
Cochrane	2.1	\$10,426	1.9	\$9,364	\$19,790	\$0.61
Foothills	1.5	\$7,512	4.6	\$22,776	\$30,287	\$1.31
High River	0.9	\$4,638	1.8	\$8,801	\$13,439	\$0.94
Okotoks	2.0	\$9,845	2.0	\$10,082	\$19,926	\$0.66
Rocky View	2.7	\$13,285	14.1	\$70,704	\$83,989	\$2.05
Total	100.00	\$500,000	100.0	\$500,000	\$1,000,000	\$0.65

Option 6 66% population, 33% employment growth (2021 census pop, GP 2018-2048 employment projections from approved Growth Plan)

Total Requisition of \$1,000,000

	Percentage of regional population (from Option 1) (%)	Requisition for population (\$666,666)	Share of projected Regional Emp Growth (GP) (%)	Requisition for employment growth (\$333,333)	Total Requisition (\$999,999) (\$)	Cost Per Capita (2021 Census)
Airdrie	4.8	\$31,991	4.8	\$16,051	\$48,042	0.65
Calgary	84.6	\$564,167	69.2	\$230,632	\$794,800	0.61
Chestermere	1.4	\$9,568	1.6	\$5,498	\$15,067	0.68
Cochrane	2.1	\$13,901	1.9	\$6,243	\$20,144	0.63
Foothills	1.5	\$10,016	4.6	\$15,184	\$25,199	1.09
High River	0.9	\$6,184	1.8	\$5,867	\$12,051	0.84
Okotoks	2.0	\$13,127	2.0	\$6,721	\$19,848	0.65
Rocky View	2.7	\$17,713	14.1	\$47,136	\$64,849	1.58
Total	100.0	\$666,666	100.0	\$333,333	\$999,999	0.65

Funding model #7 (Assessment and Population based)

Total Requisition of \$1,000,000

	Population	50% based on Assessment	50% based on Population	Total	Per Capita
Airdrie	74,100	\$19,133.94	\$ 18,499.37	\$37,633.30	\$0.51
Calgary	1,306,784	\$427,436.21	\$ 413,260.41	\$840,696.61	\$0.64
Chestermere	22,163	\$6,472.54	\$ 6,257.88	\$12,730.42	\$0.57
Cochrane	32,199	\$9,556.33	\$ 9,239.40	\$18,795.73	\$0.58
Foothills	23,199	\$12,861.26	\$ 12,434.72	\$25,295.97	\$1.09
High River	14,324	\$3,304.99	\$ 3,195.38	\$6,500.37	\$0.45
Okotoks	30,405	\$8,373.48	\$ 8,095.78	\$16,469.26	\$0.54
Rocky View	41,028	\$ 29,017.07	\$ 12,861.26	\$41,878.33	\$1.02
Total	1,544,202	\$516,155.82	\$ 483,844.18	\$ 1,000,000.00	

Funding model #8 (Population based)

Total Requisition of \$1,000,000

	Population	Percentage of total population	Total	Per Capita Cost
Airdrie	74100	4.80	\$ 47,985.95	\$0.648
Calgary	1306784	84.63	\$ 846,251.98	\$0.648
Chestermere	22163	1.44	\$ 14,352.40	\$0.648
Cochrane	32199	2.09	\$ 20,851.55	\$0.648
Foothills	23199	1.50	\$ 15,023.29	\$0.648
High River	14324	0.93	\$ 9,275.99	\$0.648
Okotoks	30405	1.97	\$ 19,689.78	\$0.648
Rocky View	41028	2.66	\$ 26,569.06	\$0.648
Total	1544202	100.00	\$ 1,000,000.00	

Funding Model #9 (10% divided equally - 45% based on population - 45% based on assessment)

Total Requisition of \$1,000,000

	Population	10% Divided Equally	45% Assessment	45% Population	Total	Per Capita
Airdrie	74100	\$ 12,500.00	\$ 16,649.43	\$ 21,593.68	\$ 50,743.11	\$ 0.68
Calgary	1306784	\$ 12,500.00	\$ 371,934.37	\$ 380,813.39	\$ 765,247.76	\$ 0.59
Chestermere	22163	\$ 12,500.00	\$ 5,632.09	\$ 6,458.58	\$ 24,590.67	\$ 1.11
Cochrane	32199	\$ 12,500.00	\$ 8,315.46	\$ 9,383.20	\$ 30,198.65	\$ 0.94
Foothills	23199	\$ 12,500.00	\$ 11,191.24	\$ 6,760.48	\$ 30,451.73	\$ 1.31
High River	14324	\$ 12,500.00	\$ 2,875.84	\$ 4,174.19	\$ 19,550.04	\$ 1.36
Okotoks	30405	\$ 12,500.00	\$ 7,286.20	\$ 8,860.40	\$ 28,646.60	\$ 0.94
Rocky View	41028	\$ 12,500.00	\$ 26,115.36	\$ 11,956.08	\$ 50,571.44	\$ 1.23
TOTAL	1544202	\$ 100,000.00	\$ 450,000.00	\$ 450,000.00	\$ 1,000,000.00	

Funding Model #10 (flat fee per capita, not targeted to a budgeted value)

Option 1 - flat cost per capita with a \$500.00 minimum

Option 7 - flat cost per capita doubled

	Population	Multiplier	Total	Multiplier	Total
Airdrie	74100	\$ 0.40	\$ 30,140.00	\$ 0.80	\$ 59,280.00
Calgary	1306784	\$ 0.20	\$ 523,213.60	\$ 0.40	\$ 522,713.60
Chestermere	22163	\$ 0.40	\$ 9,365.20	\$ 0.80	\$ 17,730.40
Cochrane	32199	\$ 0.40	\$ 13,379.60	\$ 0.80	\$ 25,759.20
Foothills	23199	\$ 0.40	\$ 9,779.60	\$ 0.80	\$ 18,559.20
High River	14324	\$ 0.40	\$ 6,229.60	\$ 0.80	\$ 11,459.20
Okotoks	30405	\$ 0.40	\$ 12,662.00	\$ 0.80	\$ 24,324.00
Rocky View	41028	\$ 0.40	\$ 16,911.20	\$ 0.80	\$ 32,822.40
Total			\$ 621,680.80		\$ 712,648.00

* NOTE: This model is based on the CRP funding formula and was not intended to fund a specific budgetary need, but rather was an annual contribution.

Funding Model #11 (Tiered model)

Tiers	Municipalities	# of Municipalities	Contribution	Contribution percentage	Total Contribution	
U4	Calgary	1	\$ 650,000.00	65%	\$ 650,000.00	65%
U3	Airdrie	1	\$ 100,000.00	10%	\$ 100,000.00	10%
U2	Cochrane, Okotoks, Chest	3	\$ 40,000.00	4%	\$ 120,000.00	12%
U1	High River	1	\$ 15,000.00	2%	\$ 15,000.00	1%
R2	Rocky View	1	\$ 100,000.00	10%	\$ 100,000.00	10%
R1	Foothills	1	\$ 20,000.00	2%	\$ 20,000.00	2%
		<u>8</u>			<u>\$ 1,005,000.00</u>	

Funding Model #12 (differential population cost)

	Flat Fee	Population 0-3500 0.8863	Population 3501-10,000 0.9728	Population 10,001 - 20,000 0.7351	Population 20,000 - 30,000 0.4552	Population 30,001 - 600,000 0.3026	Population 600,001 + 0.1514	Total	
Airdrie	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 4,551.54	\$ 13,344.35	\$ -	\$ 35,298.38	8%
Calgary	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 4,551.54	\$ 172,481.70	\$ 107,006.95	\$ 301,442.68	66%
Chestermere	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 984.60	\$ -	\$ -	\$ 18,387.09	4%
Cochrane	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 4,551.54	\$ 665.41	\$ -	\$ 22,619.44	5%
Foothills	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 1,456.18	\$ -	\$ -	\$ 18,858.67	4%
High River	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 3,178.57	\$ -	\$ -	\$ -	\$ 13,230.80	3%
Okotoks	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 4,551.54	\$ 122.55	\$ -	\$ 22,076.58	5%
Rocky View	\$ 650.00	\$ 3,080.00	\$ 6,322.23	\$ 7,350.26	\$ 4,551.54	\$ 3,337.07	\$ -	\$ 25,291.10	6%
TOTAL	\$ 5,200.00	\$ 24,640.00	\$ 50,577.84	\$ 54,630.39	\$ 25,198.48	\$ 189,951.08	\$ 107,006.95	\$ 457,204.74	1

Equalized Assessment Worksheet

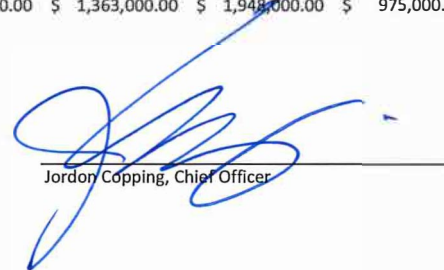
Total Requisition of \$1,000,000

	Total 2023 Assessment	Percentage of CMR Assessment	Assessment Based Levy (45%)	Assessment Based Levy (50%)
Airdrie	12,650,351,776	3.699873024	\$ 16,649.43	\$ 18,499.37
Calgary	282,598,321,110	82.65208141	\$ 371,934.37	\$ 413,260.41
Chestermere	4,279,304,163	1.251576424	\$ 5,632.09	\$ 6,257.88
Cochrane	6,318,142,661	1.84787949	\$ 8,315.46	\$ 9,239.40
Foothills	8,503,184,952	2.486943065	\$ 11,191.24	\$ 12,434.72
High River	2,185,086,429	0.639076484	\$ 2,875.84	\$ 3,195.38
Okotoks	5,536,106,645	1.619155894	\$ 7,286.20	\$ 8,095.78
Rocky View	19,842,635,347	5.803414209	\$ 26,115.36	\$ 29,017.07
TOTAL	3.41913E+11	100	\$ 450,000.00	\$ 500,000.00

	2021 Actual	2022 Budget	2022 Estimated	2023 Forecast	2024 Forecast
REVENUE					
GoA Grant	\$ 1,500,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Interest on GIC	\$ 17,965.55	\$ -	\$ -	\$ -	\$ -
Withdrawal from Reserves	\$ -	\$ 937,000.00	\$ 352,000.00	\$ 973,000.00	\$ 375,000.00
8 member contribution	\$ -	\$ -	\$ -	\$ -	\$ 614,000.00
TOTAL Revenue	\$ 1,517,965.55	\$ 1,937,000.00	\$ 1,352,000.00	\$ 1,973,000.00	\$ 1,989,000.00
EXPENDITURES					
CAPITAL EXPENSES					
Computers & Hardware	\$ 687.97	\$ 6,000.00	\$ 5,000.00	\$ 6,000.00	\$ 6,000.00
Office Furniture	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00	\$ 6,000.00
Phone/Internet Hardware	\$ -	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -
TOTAL CAPITAL EXPENSES	\$ 687.97	\$ 15,000.00	\$ 5,000.00	\$ 15,000.00	\$ 12,000.00
OPERATING EXPENSES					
STAFFING					
Salary	\$ 649,641.33	\$ 655,000.00	\$ 655,000.00	\$ 690,000.00	\$ 705,000.00
Benefits	\$ 113,733.20	\$ 124,000.00	\$ 124,000.00	\$ 136,000.00	\$ 140,000.00
Board Chair	\$ 119,412.11	\$ 110,000.00	\$ 100,000.00	\$ 110,000.00	\$ 110,000.00
TOTAL STAFFING	\$ 882,786.64	\$ 889,000.00	\$ 879,000.00	\$ 936,000.00	\$ 955,000.00
OFFICE LEASE	\$ 73,456.99	\$ 87,000.00	\$ 80,000.00	\$ 87,000.00	\$ 87,000.00
OFFICE OPERATION					
General Operating	\$ 37,291.90	\$ 36,000.00	\$ 36,000.00	\$ 40,000.00	\$ 40,000.00
Professional Fees	\$ 21,002.24	\$ 30,000.00	\$ 20,000.00	\$ 30,000.00	\$ 30,000.00
TOTAL OFFICE OPERATION	\$ 58,294.14	\$ 66,000.00	\$ 56,000.00	\$ 70,000.00	\$ 70,000.00
TRAVEL & STAFF DEVELOPMENT	\$ 1,768.03	\$ 30,000.00	\$ 12,000.00	\$ 30,000.00	\$ 30,000.00
MEETING					
Meeting Venue/Catering	\$ 3,743.36	\$ 40,000.00	\$ 15,000.00	\$ 30,000.00	\$ 30,000.00
Per Diem	\$ 39,598.28	\$ 55,000.00	\$ 40,000.00	\$ 50,000.00	\$ 50,000.00
TOTAL MEETING	\$ 43,341.64	\$ 95,000.00	\$ 55,000.00	\$ 80,000.00	\$ 80,000.00
CONSULTANT					
Growth/ Servicing Plan	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -
Regional Initiatives	\$ 53,601.55	\$ 600,000.00	\$ 175,000.00	\$ 600,000.00	\$ 600,000.00
REF Consultants	\$ 50,476.72	\$ 80,000.00	\$ 25,000.00	\$ 80,000.00	\$ 80,000.00
TOTAL CONSULTANT	\$ 354,078.27	\$ 680,000.00	\$ 200,000.00	\$ 680,000.00	\$ 680,000.00
CONTINGENCY	\$ 47,417.21	\$ 75,000.00	\$ 65,000.00	\$ 75,000.00	\$ 75,000.00
TOTAL EXPENDITURE	\$ 1,461,830.89	\$ 1,937,000.00	\$ 1,352,000.00	\$ 1,973,000.00	\$ 1,989,000.00
Reserves at Year End	\$ 2,300,000.00	\$ 1,363,000.00	\$ 1,948,000.00	\$ 975,000.00	\$ 600,000.00

As approved at the 2022-11-18 Board meeting


 Greg Clark, Board Chair


 Jordan Copping, Chief Officer