REGIONAL SERVICE COMMISSION 11
COMMISSIONS DE SERVICES RÉGIONAUX 11

ANNUAL REPORT
RAPPORT ANNUEL

2013

Contents

Chairperson's Report

On behalf of the Board of Directors of Regional Service Commission 11, I am pleased to present the 2013 Annual report. This is the first annual report for RSC 11 as we came into being on January 1, 2013 as a result of the passing of the Regional Service Delivery Act on June 13, 2012.

The work of establishing the RSC began in early September with the formation of an interim board. This Board worked diligently to ensure that the organization could effectively assume the operations of the former Rural Planning District Commission and the Fredericton Region Solid Waste Commission on Day One.

The creation of the Regional Service Commissions in the Province was part of the provincial government's Action Plan for a new local government system in New Brunswick. The RSCs have been tasked with enabling the needed collaboration and cooperation between communities to ensure that Municipalities, Rural Communities and Local Service Districts are better positioned to meet the service needs of residents and to benefit from collective efforts to build and sustain stronger regions.

In the pursuit of this goal all RSCs in the province are obligated to provide certain services. These are referred to as mandated services and include:

Regional Planning

We are responsible for the development of a Regional Plan, the aim of which is to better coordinate and manage development and land use within our region. More specifically, the Regional Plan will focus on strategies that foster sustainable development practices that encourage coordinated development between communities and influence and guide the location of significant infrastructure (e.g., major roadways, facilities, trails). Our Regional Plan will also serve as an important tool in better managing, protecting and harmonizing urban and rural landscapes and resources.

Local Planning in Local Service Districts

We are responsible to provide land use planning services to all Local Service Districts. This function includes the development of rural plans, the administration and enforcement of the plans, the issuance of building permits, conducting building inspections, and the approval of subdivisions, etc. We encourage Local Service Districts to develop common integrated plans, where possible and appropriate. All Municipalities and Rural Communities are able to obtain their local planning services from us and we have a number of municipalities that do.

Solid Waste Management

We are responsible to provide solid waste disposal services to the Municipalities, Rural Communities and Local Service Districts within our respective regions. This includes the operation of our landfill, as well as the coordination of recycling programs and the handling of hazardous waste. We also operate a gas based electrical power generation facility.

Regional Policing Collaboration

Through our Community Policing Committee we serve as a forum through which the effectiveness and efficiency of policing services is reviewed and evaluated on a regional basis. We identify issues of common concern within the region and provide direction on priorities for policing services.

Regional Emergency Measures Planning

In partnership with the Department of Public Safety we serve as the vehicle through which Municipalities, Rural Communities and Local Service Districts plan, coordinate and pool resources on a regional basis in order to enable more effective responses to emergency situations.

Regional Sport, Recreational, and Cultural Infrastructure Planning and Cost-Sharing

We are responsible for facilitating the planning and cost-sharing of major new sport, recreational and cultural facilities within our region. Agreements can be developed on a fully regional or on a sub-regional basis and can cover both initial capital and ongoing operational costs.

It is your Board's intention to diligently take on these challenges and I would like to take this opportunity to thank my fellow Directors, our transition leader and our staff for their support during our start up year.

What follows is a summary of activities in the past year broken down by operating division.

Original Signed by
Brad Woodside
Chairperson - 2013
Regional Service Commission 11

Governance

During 2013 we had to address a number of start-up issues such as arranging the appropriate continuity of insurance coverage for our directors and operations and establishing expense policies and procedures. However we also set in place our structures which will assist us in moving forward with our mandate.

The Board uses the "committee system" of governance which sees most items move from the appropriate committee to the Board. In our case we structured the following Committees with the following mandates:

- **Audit**
  - **review financially related by-laws;**
  - **review significant accounting and financial policies;**
  - **review and recommend audited financial statements;**
  - **recommend the appointment of auditors;**
  - **review audits and management letters with the auditors, discuss areas of disagreement or contention and recommend a follow-up action;**
  - **initiate special audits in areas of concern, review and assess the internal audit function; and**
  - **review and assess matters of risk for the Corporation.**

- **Community Policing**
  - **receive input and consolidate advice on community policing and security needs through the Advisory Group, and report on those needs to the Board of Directors and the Region's law enforcement agencies at regular intervals;**
  - **identify and recommend to the Board of Directors and regional law enforcement agencies the objectives and priorities for policing in member communities;**
  - **provide direction and advice to the Region's communities, through the Board of Directors, regarding the financial and resource needs of the Region's law enforcement agencies;**
  - **on behalf of the Board of Directors, monitor and report on the implementation of policing goals, objectives and priorities;**
  - **represent the Board of Directors in discussions with key stakeholders such as the Province of New Brunswick, law enforcement agencies and other interested parties;**
  - **constitute such sub-committees as are necessary to carry out the responsibilities of the Community Policing Committee in an efficient and effective manner; and**
  - **prepare and recommend to the Board of Directors a Community Policing Policy and Procedure Manual that will further define and regulate the roles and responsibilities of the Community Policing Committee, the Executive Group and the Advisory Group.**

- **Finance and Budget**
    - **receive, review, and co-ordinate the estimates of revenue and expenditures for the year for recommendation to the Board;**
    - **consider all requests for expenditures in excess of those provided for in the annual budget and report to the Board with recommendations;**
    - **co-ordinate the development of short and long-term financial planning for the Commission;**
    - **monitor financial management services; and**
    - **ensure that the acquisition and disposal of property is carried out within the terms of policy directives issued by the Board.**

- **Planning Management**
    - **provide direction to the Executive Director on the proposed budget parameters and considerations for the Community Planning line of business;**
    - **review and input on annual budget proposals in relation to the Community Planning line of business and to recommend to the Board of Directors the annual budget component relating to Community Planning;**
    - **receive regular financial reports on Community Planning and provide advice and reaction to the Executive Director in this regard; and**
    - **provide advice and suggestions to the Board in relation to high level operational and strategic directions for the Community Planning Line of Business.**

We also ensured that the Commission was compliant with both the Right to Information and Protection of Privacy and Official Languages Acts. This was also the first year that financial results for the region's solid waste and planning operations were reported according to the standards set by the Public Sector Accounting Board.

And finally we spent time and energy in board development. Sessions were held covering governance and developing our vision. Shortly after the end of the year we undertook a Board Survey which we will use to ensure that our efforts are spent efficiently.

We are looking forward to finalizing our Strategic Plan early in 2014 and moving forward to implement our vision.

Corporate

Much of the corporate efforts in 2013 focused on supporting the Board in its start up efforts. As well we integrated duplicate systems, consolidating our banking; payroll system; audit function and employment benefit packages. While much remains to be done in this area we are satisfied with the progress to date.

Considerable time and effort was also spent as we uncovered issues of common concern. As is the case with all new initiatives there were unexpected operational and legislative issues, but with the support of the staff of the Local Government Department and the other RSCs we were collectively finding solutions to them.

We look forward to a more predictable year in 2014 and more time spent finding efficiencies and areas where our communities can cooperate and lower costs.

Planning and Development Services Division

With the inception of the new Regional Service Commission which commenced January 1st, 2013, there were many changes that occurred in our line of business. The biggest change was the ability for us to provide our services to incorporated areas of the region.

January 1st Cambridge-Narrows became the first community to receive our services. Throughout the year there were more communities that agreed to take on our services such as the Village of Tracy, the Village of Gagetown and the Town of Nackawic. The Villages of Millville and Stanley have also signed on in the first quarter of 2014.

2013 was a great learning curve for all Planning and Development staff as many had never dealt with a municipality before. Many of these communities have very different policies and by-laws for building and development.

Building Inspection Department:

With the addition of the municipalities it was a challenge for our inspectors to get to know the differences that each municipality deals with regarding building inspections. Some municipalities inspect everything and others do not.

Staff completed new building by-laws for the Village of Tracy and the Town of Nackawic.

Our building permit numbers were down 34 permits over 2012, but the value of construction was actually up over 2012 with a value of $41,819,623 for the year.

There were several major projects which we worked on in 2013: the completion of the new Lincoln school, the start of a new $8 million school in Geary, four new churches in various areas of our commission, as well as, the $18 million new Mill Cove nursing home. These projects have kept our Building Inspection Department busy in 2013.

Development Officers Department:

The Development Officers Department also went through many changes with Marcelle Thibodeau-Hennigar off on maternity leave for the year and the addition of municipalities to our work load.

We drafted new subdivision by-laws for the Village of Tracy and the Town of Nackawic. New fee structures were also added for Development Officer work in Tracy and Nackawic. These new fees bring these municipalities in line with the Local Service Districts bringing continuity to more areas of RSC 11.

The number of lots created in 2013 was actually down 3% over 2012. This can be attributed to the down turn in the economy for the past few years and the glut of new lots that are still on the market.

Development Officers continued to deal with the Planning Review and Adjustment Committee (PRAC) which is a quasi judicial function away from the RSC main board.

The Planning Review and Adjustment Committee deals with variances of all kinds in municipalities and all the unincorporated areas of the region. There were eleven meetings last year, as well as, one orientation session for new members. Each municipality that receives our services is permitted to have a member appointed to this committee by the main RSC board. The numbers of the PRAC has grown to 11 as the Village of Tracy, the Town of Nackawic, the Village of Gagetown, the Village of Cambridge-Narrows and Village of Millville now have members on the committee.

Planning Department:

The Planning Department was also extremely busy in 2013.

Rural plans that were completed in 2013 were:

- **Burton Greater Geary Rural Plan;**
- **Central York County Rural Plan;**
- **Dumfries Rural Plan;**
- **Prince William Rural Plan;**
- **Review of the Lincoln Rural Plan;**
- **Commencement of the revision of the Village of Tracy Rural Plan; and**
- **Commencement of the revision of the Rusagonis-Waasis Rural Plan.**

On top of the new plans and plan reviews the department also deals with rezoning in our area. There were seven (7) amendments in 2013.

Our GIS division had a busy year helping the Planners in their meetings, GPS work on all plan amendments and new mapping for all of the new municipal and rural plans.

In this report it was difficult in using comparables for 2012 and 2013 as the former Rural Planning District Commission territory was so different than the new RSC 11 model. With the advent of the addition of municipalities to our line of business in 2013, it would be more pertinent to use 2013 as

our baseline going forward. In that regard the following chart illustrates the level of activity we supported in the past year.

Building Permit Dollars	Development Permits	Zoning Letters	Electrical Waivers	T&C Applications	Deed Stamping	Parcel additions	Subdivisions
$41,819,623	214	85	34	39	59	45	258

Planning Review and Adjustment Committee Report

2013 was the first year for the Planning Review and Adjustment Committee (PRAC). The Committee by-laws follow closely to the former Planning Commission guidelines which made for a smooth transition from the former Rural Planning District Commission to the new Regional Service Commission model.

The Committee has a good balance of members that have varied backgrounds which helped formulate decisions on many applications presented to PRAC.

With the additions of the Villages of Tracy, Gagetown and Cambridge-Narrows, and the Town of Nackawic in 2013, the Planning Review & Adjustment Committee increased in size to 11 members by year end.

There were 91 applications heard by the PRAC in 2013. Only one application was rejected by the Committee which pertained to a gravel pit in the Nashwaak area operating too close to residential dwellings.

PRAC also commented (as mandated by legislation) on six Rural Plans that were completed in 2013. These included the LSDs of Dumfries, Prince William, Burton and Lincoln, along with the Central York County Rural Plan and the Village of Gagetown Rural Plan.

There was an orientation session held in January 2013 for this new Committee and a refresher session in January 2014 for PRAC members and staff.

2013 was a slower year for subdivision applications compared to previous years as the economic slowdown that we have felt here in New Brunswick took its toll on development.

Respectfully Submitted,

Eldon Hunter
Chairperson,
Region 11 PRAC

Solid Waste Division (SWD)

The SWD experienced a satisfactory year in 2013 and operates on the philosophy of continuous improvement. We now have five lines of business (garbage, household hazardous waste, landfill gas utilization, recycling and construction and demolition).

Our newest line of business, landfill gas utilization, operates under a 20-year deal with NB Power to produce 2.1-megawatts of power from decaying garbage through its Landfill Gas Utilization Plant, generating revenue and receiving positive environmental coverage. The purpose of the year in review is to provide an accurate data production that reviews and interprets the day-to-day operations of the SWD.

SWD is dealing with a 28-year-old landfill when it comes to ensuring proper cell construction for the placement of garbage it brings in from an expanding population base.

Cells around the perimeter of the landfill are more expensive per cubic meter of waste capacity because of the lost volume associated with the exterior 4:1 slope ratio. Perimeter sloping is standard practice, required by regulators and necessary to ensure the safe functioning of a landfill. The current increase in landfill cell development costs has been forecasted for years and is part of the regular development and expansion of a landfill site.

The landfill received 79,019 metric tonnes of garbage in 2013.

Our Household Hazardous Waste (HHW) program continues to gain community acceptance and offering three remote HHW collection days for our residents region-wide allows for increased community contributions. Our Materials Recovery Facility continues to thrive.

What follows are key data sets that review and interpret the day-to-day operations of the SWD.

Household Hazardous Waste (HHW) Days

The Household Hazardous Waste Depot, located at the SWD landfill, operated each Wednesday from 7:30 a.m. to 4 p.m. and each Saturday from 7:30 a.m. to 3 p.m. In addition, three successful remote HHW days were held in 2013 including Stanley (May), Minto (August) and Kingsclear (October).

All three remote days ran from 11 a.m. to 3 p.m.

The total annual results for HHW are shown in Table 1.

Table 1: Household Hazardous Waste Depot Results 2013

Month	# vehicles	Labpack (kg)	Paint (kg)	Total Weight (kg)	Waste Oil (L)*	Glycol (L)*	Total Volume (L)
January	168	1,300	1,200	2,500	-	-	-
February	136	960	4,000	4,960	-	-	-
March	272	2,250	4,000	6,250	-	-	-
April	344	1,210	8,400	9,610	-	-	-
May	544	2,210	7,600	9,810	1,205	205	1,410
June	496	1,740	7,600	9,340	-	-	-
July	482	3,940	12,800	16,740	-	-	-
August	587	4,672	10,000	14,672	1,025	205	1,230
September	464	2,610	10,000	12,610	-	-	-
October	384	3,400	11,200	14,600	1,000	205	1,205
November	302	1,640	8,000	9,640	-	-	-
December	136	1,570	4,800	6,370	-	-	-
TOTAL	**4,315**	**27,502**	**89,600**	**117,102**	**3,230**	**615**	**3,845**

***Only includes oil and glycol collected at remote HHW events**

Landfill

Landfill operations went well in 2013, with no major problems to report. Construction of cell B4 phase 1 was completed on schedule, damage caused by the fire in the garbage baling facility was repaired and the facility brought back online, and areas A1 and A2 were cleared, grubbed and partially graded.

The landfill gas collection system was upgraded during the year, with the construction and installation of three P-traps on horizontal extraction wells in cells B1, B2 and B3 and the construction and installation of a condensate trap overflow pipe. The LFG Utilization Facility has continued to work well throughout the year, with 9,047 Mwh sold to the New Brunswick Electric Power Commission and revenues of $884,239.

Garbage Tonnage/Tipping Fee

Table 2 shows the garbage tonnage and tipping fee for each of the last six years. The tipping fee for 2013 was $74 per metric tonne. Garbage intake for 2013 was 79,019 metric tonnes, an increase of 789 metric tonnes from 2012.

Table 2: Garbage Tonnage

Year	Tonnage (tonnes)	Tipping Fee (per tonne)
2008	81,636	$66.00
2009	79,835	$66.00
2010	81,345	$69.00
2011	81,864	$74.00
2012	78,230	$74.00
2013	79,019	$74.00

Leachate Treatment Pond

The leachate treatment pond, constructed in 2000, receives leachate generated in the landfill cells and provides treatment through biological activity supported by an aeration system. Leachate remains in the pond for approximately 127 days prior to discharge to the Fredericton Area Pollution Control Commission for final treatment. In 2013, a total of 44,222,659 litres of treated liquid were discharged from the leachate treatment pond.

Construction and Demolition Site

The Construction and Demolition site (C&D) increased. The 2013 total was 7,789 metric tonnes, an increase of 1,794 metric tonnes from a year ago. The tipping fee was $32 a tonne for the seventh consecutive year.

Table 3: Construction and Demolition Tonnages

Year	Tonnage (tonnes)	Tipping Fee (per tonne)
2008	4,788	$32.00
2009	4,989	$32.00
2010	5,351	$32.00
2011	5,997	$32.00
2012	5,995	$32.00
2013	7,789	$32.00

Scales

In 2013, a total of 65,011 vehicles crossed the weigh scales, an average of 223 per day.

Ash Cell

A cell designed for the disposal of ash generated by the University of New Brunswick's physical plant was constructed in late fall of 2001. UNB reimburses SWD for capital and operational costs associated with the ash cell. In 2013, a total of 1,332 metric tonnes of ash were received from UNB. The revenue was $98,568.

Table 4 details the tonnages and revenue for the Ash Cell since 2008.

Table 4: Ash Cell

Year	Tonnage (tonnes)	Revenue
2008	1,975.50	$130,383.00
2009	1,719	$113,454.00
2010	1,359	$94,791.00
2011	1,319	$98,459.00
2012	1,602	$118,549.00
2013	1,332	$98,568.00

Asbestos

SWD continues to accept asbestos from a variety of construction sites. In 2013, the site had 201.95 cubic metres delivered.

Table 5 details the asbestos volume since 2008.

Table 5: Asbestos Volumes

Year	Volume (m^3)
2008	228.38
2009	327.30
2010	246.36
2011	757.83
2012	73.13
2013	201.95

Recycling

The overall tonnage handled by the Materials Recovery Facility (MRF) was 5,630 metric tonnes.

Table 6 shows the breakdown of tonnage entering the MRF.

Table 6: Breakdown of Recyclable Material Tonnage

Recyclable Material Source	Tonnage 2012	Percentage of Tonnage 2012	Tonnage 2013	Percentage of Tonnage 2013
Recycling@Work	1,375	23.4%	1,366	24.3%
City of Fredericton	1,913	32.5%	1,823	32.4%
Drop Off	649	11%	557	9.8%
Village of New Maryland	234	4.0%	241	4.3%
Town of Oromocto	401	6.8%	404	7.2%
Minlak Training Programs	48	.8%	38	0.7%
Region-wide Blue/Grey Box Program	1,206	20.5%	1,155	20.5%
Confidential Shredding	50	1.0%	46	0.8%
TOTAL	**5,876**	**100.0%**	**5,630**	**100.0%**

Table 7 shows the breakdown of recyclable materials by commodity.

Table 7: MRF Commodity Tonnage

Commodity	2012 Tonnage	Percentage of Total 2012 Tonnage	2013 Tonnage	Percentage of Total 2013 Tonnage
Old Corrugated Cardboard	897.3	19.9%	866.9	18.9%
Office Mix	92	2.0%	94.8	2.1%
Coated Book	9.2	0.2%	45.8	1.0%
Plastic Containers (1-7)	261.8	5.8%	228.2	5.0%
Plastic Bags	24.7	.5%	26.4	0.6%
Metal Cans	111.8	2.5%	84.0	1.8%
#6 News	1,368.7	33.9%	1,983.1	43.2%
Hardpack	1,702.6	37.7%	1,143.3	24.9%
Aluminum Cans	3.9	.1%	1.4	0.1%
Milk Cartons	34.6	.8%	33.0	0.7%
Box Board			78.5	1.7%
TOTAL	**4,506.6**	**100.0%**	**4,585.4**	**100.0%**

***The difference in total tonnage between Table 6 and Table 7 is refundables, inventory not shipped at year-end and the weight of out throws.**

Revenues totaling $37,590.27 five and 10 cent refundable units were received in 2013.

Diversion Rate

Material diverted on-site from the engineered landfill cells for 2013 was 15.0 per cent. The breakdown for tonnage for each of the diverted materials is shown in Table 8:

Table 8: Diversion Rate 2013

	Garbage (tonne)	Metal (tonne)	Tires (tonne)	C&D (tonne)	Recycle (MRF Tonne)	HHW (tonne)	Total (tonne)
Landfill Tonnage	**79,019**						**79,019**
Diverted Tonnage		**409.07**	**36.55**	**7,789**	**5,630**	**117.1**	**13,981.72**
Total							**93,000.72**
Diversion Rate for 2013					**15.0%**		

Capital Purchases and Disposals

Capital purchases in 2013 were made using money from the Operating Fund, and borrowing from the New Brunswick Municipal Finance Corporation. Some of the larger purchases included on-site paving services, and all work on cell B4.

Carbon Credits

The SWD continued to sell carbon credits – including one sale - following its 2010 approval through projects that qualified through a demanding and public registration process designed to ensure real, measurable and verifiable emission reductions through strenuous United Nations' protocol. The ability to sell carbon credits continued after almost six years of behind-the-scenes work, diligence and SWD dedication to the process.

Landfill Gas Management System (Utilization of Gas)

The utilization of the landfill gas management system continues to be an environmental and financial success for SWD. Since signing its deal with NB Power, the system has received positive media response and has worked well toward the continued goal of sustainability from an environmental impact to the contractual success of the extended contract with the provincial utility.

Public Relations Campaigns

In 2013, SWD was the recipient of key media exposure for environmental stewardship and remained in a visible position in its region, throughout the province and Atlantic Canada through a series of Environmental Moments campaign that was well received. Public education campaigns promoted recycling, milk carton recycling, Landfill Gas Management System, Household Hazardous Waste and recycling. SWD was also represented at a number of environmental and climate conferences throughout New Brunswick. SWD hosted numerous on-site tours and attended several off-site visits not including trade shows and environmental events. Other media coverage included:

- The Daily Gleaner
- Oromocto Post-Gazette
- Astral Radio
- Rogers Radio
- Riverside Neighbours
- Grand Lake Mirror
- Rogers Television
- Aitken University Centre
- FRED FM
- Here Magazine
- CBC radio
- CBC Television
- CTV (Atlantic)
- Global Television
- Joy FM
- CJPN Radio
- New Brunswick Telegraph Journal
- Halifax Metro Newspaper

Staff members of the SWD attended a number of workshops, provided media interviews, delivered tours and classroom visits for elementary through university age groups along with numerous off-site presentations to businesses and departments of various governmental agencies.

Blue, Grey Box Collection Schedules

The SWD produced its annual Blue Box/Grey Box program and calendar for Fredericton and New Maryland. Approximately 30,000 copies were distributed to households and local businesses for public pickup for those using the weekly blue and grey recycling box program.

University Partnership Continues

The University of New Brunswick Fredericton (UNBF) and SWD have a long history of partnership in a wide range of our operations. In addition to having provided UNBF reliable paper recycling services for more than 15 years, FRSW is a regular contributor to UNBF programs and continues working with UNBF to provide ash disposal services.

SWD also continued its relationship with St. Thomas University. SWD provides bins for all residences at STU, provides boxes for each classroom as well as desk side boxes and dollies allowing for paper recycling.

Minlak

SWD continued its association with Minto-based Minlak and also supplied a letter of support in its pursuit of New Brunswick Environmental Trust Fund grants.

Appendix A – Member Communities

Village of Cambridge-Narrows	Village of Chipman	The City of Fredericton
Village of Fredericton Junction	Village of Gagetown	Village of Millville
Village of Minto	Town of Nackawic	Village of New Maryland
Town of Oromocto	Village of Stanley	Village of Tracy
Parish of Blissville	Parish of Bright	Parish of Burton
Parish of Cambridge	Parish of Canning	Parish of Chipman
Parish of Clarendon	Parish of Dumfries	Estey's Bridge
Parish of Douglas	Upper Gagetown	Parish of Gladstone
Hampstead	Hanwell	Keswick Ridge
Parish of Kingsclear	Parish of Lincoln	Parish of Maugerville
Parish of New Maryland	Noonan	Parish of Northfield
Parish of Prince William	Parish of Queensbury	Rusagonis-Waasis
Parish of Saint Marys	Parish of Sheffield	Parish of Southampton
Parish of Stanley	Parish of Waterborough	Wirral-Enniskillen

Appendix B - Board Composition

Directors	Representing	Expenses[1]
Michael Blaney	Gagetown	$2,617.29
Judy Wilson-Shee	New Maryland	3,302.83
Brad Woodside	Fredericton	1,262.32
Daryl Prince	Local Services Districts	4,407.94
Robin Anderson	Local Services Districts	1,940.71
Eric Barnett	Minto	1,862.25
Susan Cassidy	Local Services Districts	2,293.38
Mike Chamberlain	Local Services Districts	2,679.37
Nancy Cronkhite	Nackawic	2,643.50
Blair Cummings	Cambridge-Narrows	2,288.02
Gerard Daly	Local Services Districts	5,166.60
Edward Farris	Chipman	4,447.78
Beverly Forbes	Millville	2,781.54
Mark Foreman	Stanley	2,672.40
Gary Mersereau	Fredericton Junction	3,361.00
Mary Mesheau	Local Services Districts	2,777.88
Peter Morrison	Local Services Districts	2,778.40
Dale Mowry	Tracy	2,195.32
Robert Powell	Oromocto	1,738.49
Jim Arbeau	LSD Alternate	100.00
Gerald McCann	LSD Alternate	149.20
Scott Smith	LSD Alternate	524.15
Don Fitzgerald	Executive Director	1,956.32

[1] Members of the Board are paid $100 per meeting ($125 for the Chair) and are reimbursed for mileage at a rate of 41 cents per kilometer. Meal allowances of up to $37.50 per day are also available when on Commission business.

Appendix C - Meeting Attendance

Member	Jan 8	Jan 15	Feb 5	Mar 5	Apr 2	May 7	Jun 4	Jul 2	Aug 6	Sep 3	Oct 1	Nov 5	Dec 3	Dec 19
Mike Blaney	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓
Judy Wilson-Shee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brad Woodside	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✗	✗	✗	✗
Daryl Prince	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Robin Anderson	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓
Eric Barnett	✗	✓	✓	✗	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓
Susan Cassidy	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✗
Mike Chamberlain	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nancy Cronkhite	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Blair Cummings	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Gerard Daly	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ed Farris	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bev Forbes	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Foreman	✓	✗	✗	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓	✓
Gary Mersereau	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Mary Mesheau	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Peter Morrison	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✗
Dale Mowry	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robert Powell	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗

Regional Service Commission 11

Audited Financial Statements

December 31, 2013

MacMillan Lawrence & Lawrence
Chartered Accountants

Regional Service Commission 11

December 31, 2013

Contents

MacMillan Lawrence & Lawrence
Chartered Accountants

Independent Auditors' Report

To the Commissioners of
Regional Service Commission 11

We have audited the accompanying financial statements of Regional Service Commission 11, which comprise the statement of financial position as at December 31, 2013, and the statement of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements present fairly, in all material respects, the financial position of Regional Service Commission 11 as at December 31, 2013, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MacMillan Lawrence & Lawrence

Fredericton, NB
April 8, 2014

Chartered Accountants

152 Main Street ~ Fredericton, New Brunswick ~ E3A 1C8 ~ Telephone (506) 458-9390 ~ Fax (506) 453-7860

Regional Service Commission 11

Statement of Financial Position

December 31, 2013

		2013
Financial assets		
Cash and cash equivalents (Note 3)	$	908,847
Receivables (Note 4)		1,724,277
Interest receivable		5,131
Inventory		41,545
Investments (Note 5)		3,301,720
		5,981,520
Liabilities		
Payables and accruals		899,278
Deferred revenue		7,514
Funds held in trust (Note 15)		104,246
Retiring allowance (Note 9)		444,500
Long term debt (Note 7)		5,261,000
Accrued post-closing costs (Note 6)		2,200,933
		8,917,471
Net debt		(2,935,951)
Non-financial assets		
Tangible capital assets (Schedule 1)		12,547,741
Prepaid expenses		104,379
Deferred financing charges		35,281
		12,687,401
Accumulated surplus	$	9,751,450

See accompanying notes to financial statements

Contingencies and commitments (Note 12 & 13)

Approved by the Commission:

Original Signed by Brad Woodside

________________________________ Member

Original Signed by Judy Wilson-Shee

________________________________ Member

Regional Service Commission 11

Statement of Operations and Accumulated Surplus

Year ended December 31, 2013

	(Unaudited) Budget 2013	Actual 2013
Revenue		
Sale of services (Schedule 6)	$ 5,261,476	$ 5,309,108
Member charges (Schedule 6)	3,451,114	3,297,518
Other (Schedule 6)	87,000	130,610
Grants - Environmental Trust Fund	-	40,270
Interest	10,000	34,796
	8,809,590	8,812,302
Expenditures		
Administration (Schedule 6)	1,834,504	1,719,056
Fiscal services	166,195	168,022
Governance (Schedule 6)	51,196	60,710
Planning and building inspection services (Schedule 6)	718,532	594,903
Post-closing costs	173,466	199,070
Regional emergency measures planning	2,500	-
Regional planning	2,500	-
Regional policing collaboration	2,500	-
Regional sport, recreation and culture	2,500	-
Solid waste services (Schedule 6)	6,730,475	6,076,996
	9,684,368	8,818,757
Annual deficit before unrealized losses on investments	(874,778)	(6,455)
Unrealized losses on investments		(39,690)
Annual deficit		(46,145)
Accumulated surplus, beginning of year		9,797,595
Accumulated surplus, end of year		$ 9,751,450

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Changes in Net Debt

Year ended December 31, 2013

		2013
Annual deficit	$	(46,145)
Acquisition of tangible capital assets		(696,391)
Amortization of tangible capital assets		1,457,457
		714,921
Change in deferred financing charges		(35,281)
Change in prepaid expenses		11,428
Decrease in net debt		691,068
Net debt, beginning of the year		(3,627,019)
Net debt, end of year	$	(2,935,951)

See accompanying notes to financial statements

Regional Service Commission 11

Statement of Cash Flows

Year ended December 31, 2013

	2013
Increase (decrease) in cash and cash equivalents	
Operating activities	
Annual deficit	$ (46,145)
Amortization of tangible capital assets	1,457,457
Gain on disposal of tangible capital assets	(6,520)
Unrealized losses on investments	39,690
Net non-cash balances transferred (Note 1)	(450,752)
	993,730
Change in non-cash working capital	
Receivables	(1,724,277)
Interest receivable	(5,131)
Inventory	(41,545)
Payables and accruals	899,278
Deferred revenue	7,514
Funds held in trust	104,246
Retiring allowance	444,500
Accrued post-closing costs	2,200,933
Prepaid expenses	(104,379)
Deferred finance charges	(35,281)
	1,745,858
Cash flows provided by operating activities	2,739,588
Capital activities	
Acquisition of tangible capital assets	(696,391)
Proceeds from disposal of capital assets	6,520
Cash flows used in capital activities	(689,871)
Financing activities	
Short term financing	(3,100,000)
Long term debt (net)	3,316,000
Cash flows provided by financing activities	216,000
Investing activities	
Investments	(1,356,870)
Cash flows used in investing activities	(1,356,870)
Net increase in cash and cash equivalents	908,847
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	$ 908,847

See accompanying notes to financial statements

1. **Nature of operations**

The Commission was established under a special act of the New Brunswick legislature with a mandate to provide or facilitate the provision of regional planning services and solid waste disposal services to all its members, and to all its members that are local service districts, a land use planning service. Regional Service Commission 11 (the "Commission") was created effective January 1, 2013.

In accordance with a Ministerial Order, Sections 41 and 48 of the *Regional Service Delivery Act*, SNB 2012, c.37 effective January 1, 2013, all assets, liabilities, rights, obligations, powers and responsibilities of the Fredericton Region Solid Waste Commission and the Rural Planning District Commission, with the exception of $4,146 in capital assets, are transferred to and become the assets, liabilities, rights, obligations, powers and responsibilities of Regional Service Commission 11.

2. **Significant accounting policies**

Basis of accounting
The financial statements of the Commission have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Reporting entity
The financial statements of the Commission reflect the assets, liabilities, revenues and expenses and changes in net debt and cash flows of the reporting entity. Inter-fund balances and transactions have been eliminated.

Revenue recognition
Revenues are recognized as they are earned and measurable. Tipping fees are recorded when the waste is delivered to the landfill facility and when collection is reasonably assured. Recycling commodity sales are recognized upon shipment of the recyclables to the customer and when collectability is reasonably assured. Planning fees are recognized as they are earned or upon issuance of a permit.

Financial instruments
The Commission initially measures its financial assets and financial liabilities at fair value. The Commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and receivables.

Financial liabilities measured at amortized cost include payables and accruals.

Financial assets measured at fair value include investment in bond funds.

The fair value of investments in bond funds are determined by reference to the latest closing transactional net asset value of each respective bond fund.

2. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of ninety days or less.

Inventory
Inventory held for sale is valued at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis.

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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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 of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

	Useful Lives
Land	Indefinite
Land improvements:	
Paving	20 years
Fencing	10 years
Gas collection system	20 years
Landfill cells	Estimated capacity of cell
Buildings	15 - 40 years
Machinery and equipment	5 - 40 years
Vehicles	5 years
Electronic equipment	5 years
Furniture and fixtures	10 years

Assets under construction are not amortized until the asset is available for productive use.

Deferred financing charges
Financing charges related to the issuance of long term debt are deferred and amortized over the terms of the related debt.

Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or 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.

Expense recognition
Expenses are recorded on the accrual basis as they are incurred and measurable based on the receipt of goods or services and legal obligation to pay.

2. Significant accounting policies (continued)

Landfill closure and post closure liability
The Commission accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachate from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management as documented in Note 6.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

Segmented information
The Commission's operations are broken down into five distinct areas which encompass a wide range of services. For management reporting purposes, the Commission's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Commission services are provided by departments as follows:

Co-operative and Regional Planning
This department is responsible for providing its members with a forum in order to initiate cooperative action among its members, which include discussions with respect to regional planning, regional policing collaboration, regional emergency measures planning, regional sport, recreation and culture infrastructure planning and cost-sharing.

Local Planning Services
This department is responsible to oversee building inspection, development and planning services.

Landfill Operations
This department is responsible for the acceptance and disposition of waste received at the landfill site, including, but not limited to, garbage, construction and demolition waste, and household hazardous waste.

SWC Recycling
This department is responsible for the collection and acceptance of recyclable material, including its sorting and subsequent sale.

Power Generation
This department is responsible for the generation of electricity which is sold to the New Brunswick Power Commission.

Employee future benefits
The Commission has a sick leave benefit as documented in Note 8.

Certain Commission employees, having five years of continuous service, are entitled to a retirement allowance of five days for each full year of continuous service not exceeding 125 days at the employee's regular rate of compensation at retirement. The liability is actuarially determined as documented in Note 9.

2. Significant accounting policies (continued)

Employee future benefits (continued)

The Commission provides a defined contribution money purchase pension plan for eligible planning and development employees. The amount of the member's benefit is not determined until the time the benefit is provided. The Commission's responsibility is limited to matching contribution to a maximum of 5.0% to 7.0% of gross pay of the employee and upon retirement the Commission has no further responsibility to the plan. Total benefit expense for the year ended December 31, 2013 was $38,381.

The Commission's solid waste employees are members of the City of Fredericton Pension Plan, which is a multi-employer shared risk pension plan. As a result, the Commission is not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with Public Sector Accounting Handbook PS3250 - Retirement Benefits.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include assumptions used in estimating useful lives of tangible capital assets, landfill closure and post-closure liability and in performing actuarial valuations of employee future benefits. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

3. Cash and cash equivalents

	2013
Cash and cash equivalents - restricted	$ 117,134
Cash and cash equivalents - unrestricted	791,713
	$ 908,847

4. Receivables

	2013
Planning and development	$ 1,157
Solid waste	1,130,322
Recycling	95,783
Power generation	64,916
Legal fees recoverable	104,509
HST rebate	332,922
	$ 1,729,609
Less: allowance for doubtful accounts	(5,332)
	$ 1,724,277

5. Investments

	2013		
	Cost	Fair Value	Unrealized loss
Cash	$ 43,280	$ 43,280	$ -
Term deposits	286,500	286,500	-
Bond funds	1,790,874	1,751,184	(39,690)
	2,120,654	2,080,964	(39,690)
Guaranteed investment certificates	1,220,756	1,220,756	-
	$ 3,341,410	$ 3,301,720	$ (39,690)

Fair values have been determined based on quoted market rates supplied by ScotiaMcLeod.

The balance of cash, term deposits and bond funds is restricted for future closure and post closure costs.

The guaranteed investment certificates have maturity dates and interest rates as follows:

January 14, 2014	0.90%
June 20, 2014	1.33%
December 2, 2014	1.00%

Details of significant terms and conditions, exposure to interest rate and credit risks on term deposits are as follows:

	Interest receivable basis	2013 Effective rates (% range)
Term deposits	At maturity	1.7 to 1.9%

The maximum exposure to credit risk would be the fair value as indicated above.

6. Accrued post-closing costs

The Commission is responsible for the continued monitoring and treatment of the site following its closure.

The accrued liability for post-closing costs has been determined based on estimated post-closing costs of $503,100 per year, in future dollars, for a period of 30 years commencing in 2037.

Post-closing costs are discounted at a rate of 4.84% (6.99% nominal rate less 2.15% assumed inflation) for a current estimate of $16,874,084 required by the end of 2036 to fund post closure expenses.

6. Accrued post-closing costs (continued)

At December 31, 2013 the capacity of the landfill had been estimated at 2,750,423 metric tonnes of which 1,863,000 metric tonnes remains unused as at December 31, 2013.

At December 31, 2013 the estimated post closure liability is $2,200,933 of which the Commission has funded with cash, term deposits, and bond funds with a cost of $2,120,654 with maturities from one to two years and a market value of $2,080,964 for a shortfall of $119,969 based on market value at year end. Investment detail is documented in Note 5.

7. Long term debt

New Brunswick Municipal Finance Corporation	**2013**
Debentures:	
AV58 4.15% - 4.45%, due 2016, OIC 06-0011	$ 1,116,000
BD51 1.5% - 3.85%, due 2015, OIC 08-0011, 10-0028	176,000
BF46 1.35% - 3.45%, due 2016, OIC 00-0017	108,000
BH47 1.35% - 3.8%, due 2017, OIC 10-0107	250,000
B152 1.35% - 4.0%, due 2023, OIC 11-0005	3,611,000
	$ 5,261,000

Approval of the Municipal Capital Borrowing Board has been obtained for all long term debt.

Principal payments required in each of the next five years are as follows:

2014	$ 633,000
2015	646,000
2016	1,311,000
2017	410,000
2018	354,000

In 2016, debenture AV58 will mature with a final amount due of $871,000, however $740,000 of this payment is expected to be refinanced during that year.

8. Accrued sick leave

The Commission provides sick leave that accumulates at 1.25 days per month for full-time employees. These employees can accumulate a maximum of 150 sick days for planning and development division employees and 200 sick days for solid waste division employees.

8. Accrued sick leave (continued)

An actuarial valuation was performed on the 56 employee plan in accordance with PSA 3255 at December 31, 2011. 2013 estimates are based on roll forward amounts from the December 31, 2011 actuarial valuation. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Commission's best estimates.

The following summarizes the major assumptions in the valuation:
- annual salary increase is 3.5%;
- the discount rate used to determine the accrued benefit obligation is 4.26%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The unfunded liability was $129,200 on December 31, 2013.

9. Retiring allowance

Solid waste division employees of the Commission become eligible for a retiring allowance after five years of full-time consecutive service. Qualifying employees are entitled to five days of regular pay for each full year of continuous employment to a maximum of 125 days. The accrued benefit becomes payable in the year an employee ceases working for the Commission by retirement. There were no retirement allowances paid out during the year.

10. Pension plan

Full-time solid waste division employees of the Commission are members of the City of Fredericton Pension Plan. The City of Fredericton Pension Plan members will receive benefits based on 1.8% of pensionable earnings in each year after the conversion of the plan (2013). The cost of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for by the Commission as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the City of Fredericton Pension Plan by placing plan assets in trust and through investment policy. In consultation with its actuaries, the City of Fredericton Pension Plan requires that employees contribute 9.0% of basic pensionable earnings. The employers are required to match the employee contributions to the plan and make additional temporary contributions of 2.5% of pensionable earnings of all employees for a minimum of 10 years and a maximum of 15 years, depending on the funded level of the plan and other conditions described in the funding policy. The amount contributed by the Commission for 2013 is $247,427 which represents approximately 5% of contributions to the Plan.

10. Pension plan (continued)

As at December 31, 2012 (the most recent information available to the Commission), based on an actuarial valuation of the Plan dated June 30, 2011 and updated by extrapolation, the actuarial value of the Plan assets is $193,627,953 (2011 - $186,715,953) and the value of accrued benefits is $255,446,953 (2011 - $214,282,153), the unamortized actuarial losses is $59,545,900 (2011 - $26,517,900), which leaves a net pension fund liability of $2,273,100 (2011 - $1,048,300) in the plan.

The Superannuation Plan for the Employees of the City of Fredericton is exempted from funding on a solvency basis. The exemption was approved by the New Brunswick Superintendent of Pensions on March 19, 2007.

11. Financial instrument risk management

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its debt holdings in its post closure investment fund.

The maximum exposure to credit risk and concentration of this risk with respect to debt holdings is referred to in Note 5.

The Commission is subject to credit risk through receivables. The Commission minimizes credit risk through ongoing credit management.

(b) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the market interest rates of long-term debt with fixed interest rates only affects net income if such debt is measured at fair value. All of the Commission's fixed rate long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. The bond fund faces interest rate risk and income risk.

(c) Currency risk

Currency risk relates to the Commission operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. All foreign currency transactions during the year have been made during the normal course of operations. The Commission does not hold foreign currency reserves, investments, or receivables at year end.

12. Contingencies

The Commission previously entered into an agreement covering a ten year period commencing October 1, 1994 with a one time five year renewal option, to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. The income from this project was being placed in a reserve account for future capital acquisitions (Note 15).

After the five year extension renewal option, exercised in 2004, expired September 2009 the lease has been subject to litigation. The Commission has not accepted rent or tonnage payments since September 2009 and is currently subject to a court injunction prohibiting the interference of daily operations of the former tenant.

The outcome of the legal dispute is not determinable at this time, and therefore no amount has been accrued in the financial statements.

13. Commitments

a.) The Commission entered into two operating lease commitments for automotive equipment in 2011. The Municipal Capital Borrowing Board approval number for entering the operating leases is 10-0017 under subsection 4(3) of the Municipal Capital Borrowing Act dated December 31, 2010.

The estimated annual payments for these operating lease commitments are as follows:

2014	$1,870

b.) The Commission rents office space for its planning and development division under an operating lease agreement covering the period of May 1, 2012 to April 30, 2019. The minimum annual lease payments for the next five years are as follows:

2014	$74,359
2015	75,762
2016	78,568
2017	79,971
2018	79,971

c.) The Board of Commissioners passed a resolution to purchase land adjacent to the landfill facility at a cost of $300,000. The transaction has not been completed prior to December 31, 2013.

14. Short term borrowings compliance

Operating borrowing

As prescribed in the Regional Service Delivery Act, borrowing to finance operating expenses is limited to 5% of the amount budgeted for that service. With respect to a solid waste management service, the Commission shall not borrow for operating expenses more than 25% of the amount budgeted for that service. In 2013, the Commission has complied with these restrictions.

14. Short term borrowings compliance (continued)

Inter-fund borrowing
The Municipal Financial Reporting Manual requires the short-term inter-fund borrowings to be repaid in the next year unless the borrowing is for a capital project. The amounts payable between funds are in compliance with the requirements.

15. Funds held in trust

Represents funds held in trust by the Commission to cover any clean up costs which may be required when the land rental agreement referred to in Note 12 is terminated. This trust fund is a legal requirement of the land rental agreement. The Commission continues to hold the funds in trust as litigation over the termination of the land rental agreement is unresolved at December 31, 2013.

16. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Commission has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by the Board.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 5 - Schedule of Operating Budget to PSA Budget.

Regional Service Commission 11

Schedule 1: Schedule of Tangible Capital Assets

Year ended December 31, 2013

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Furniture and fixtures	Assets Under Construction	2013
Cost									
Balance, beginning of year	$ 239,511	$ 2,037,907	$ 4,481,911	$ 13,316,679	$ 533,979	$ 104,894	$ 101,699	$ 710,057	$ 21,526,637
Add:									
Additions and transfers during the year	-	1,073,061	13,450	294,911	18,514	4,938	-	(708,483)	696,391
Less:									
Disposals and write downs	-	-	-	(29,455)	(21,403)	(5,979)	(1,431)	-	(58,268)
Balance, end of year	239,511	3,110,968	4,495,361	13,582,135	531,090	103,853	100,268	1,574	22,164,760
Accumulated amortization									
Balance, beginning of year	-	1,381,635	1,664,012	4,771,196	267,981	73,259	55,601	-	8,213,684
Add:									
Amortization during the year	-	240,866	114,636	1,002,488	76,749	12,992	9,726	-	1,457,457
Less:									
Accumulated amortization on disposals	-	-	-	(29,455)	(21,403)	(3,192)	(72)	-	(54,122)
Balance, end of year	-	1,622,501	1,778,648	5,744,229	323,327	83,059	65,255	-	9,617,019
Net book value of tangible capital assets	$ 239,511	$ 1,488,467	$ 2,716,713	$ 7,837,906	$ 207,763	$ 20,794	$ 35,013	$ 1,574	$ 12,547,741
Consists of:									
Local planning assets	$ -	$ -	$ -	$ -	$ -	$ 8,471	$ 1,910	$ -	$ 10,381
Landfill assets	239,511	1,463,140	1,120,184	4,180,641	60,887	12,323	-	1,574	7,078,260
Recycle assets	-	25,327	1,590,680	119,730	146,876	-	33,103	-	1,915,716
Power Generation assets	-	-	5,849	3,537,535	-	-	-	-	3,543,384
	$ 239,511	$ 1,488,467	$ 2,716,713	$ 7,837,906	$ 207,763	$ 20,794	$ 35,013	$ 1,574	$ 12,547,741

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus

Year ended December 31, 2013

	Co-operative and Regional Planning Operating Fund	Planning and Development Operating Fund	Solid Waste Operating Fund	Generation Operating Fund	Planning and Development Capital Fund	Solid Waste Capital Fund	Sub-total Carry Forward
2013 annual surplus (deficit)	$ 17,962	$ (90,615)	$ 1,083,692	$ 391,058	$ (5,445)	$ (1,264,133)	$ 132,519
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus	-	123,564	165,321	-	-	-	288,885
Transfer between funds							
Transfer elimination	-	(8,000)	(450,000)	(350,000)	-	-	(808,000)
Transfer elimination	-	(1,645)	(452,700)	(5,999)	1,645	452,700	(5,999)
Long-term debt principal repayment	-	-	(295,000)	-	-	295,000	-
Change in sick leave accrual	-	34,226	10,900	-	-	-	45,126
Amortization expense	-	-	-	-	5,445	1,264,133	1,269,578
Unrealized losses on marketable securities	-	-	39,690	-	-	-	39,690
Total adjustments to 2013 annual surplus (deficit)	$ -	$ 148,145	$ (981,789)	$ (355,999)	$ 7,090	$ 2,011,833	$ 829,280
	$ 17,962	$ 57,530	$ 101,903	$ 35,059	$ 1,645	$ 747,700	$ 961,799
2013 annual surplus per PNB requirements	$ 17,962	$ 57,530	$ 101,903	$ 35,059			

Continued

Regional Service Commission 11

Schedule 2: Schedule of Reconciliation of Annual Surplus (Continued)

Year ended December 31, 2013

	Sub-total Carry Forward	Generation Capital Fund	Planning and Development Capital Reserve Fund	Solid Waste Operating Reserve Fund	Solid Waste Reserve Fund	Generation Capital Reserve Fund	Total
2013 annual surplus (deficit)	$ 132,519	$ (187,879)	$ -	$ 1,129	$ 7,946	$ 140	$ (46,145)
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus	288,885	-	-	-	-	-	288,885
Transfer between funds							
Transfer elimination	(808,000)	-	8,000	-	450,000	350,000	-
Transfer elimination	(5,999)	5,999	-	-	-	-	-
Long-term debt principal repayment	-	-	-	-	-	-	-
Change in sick leave accrual	45,126	-	-	-	-	-	45,126
Amortization expense	1,269,578	187,879	-	-	-	-	1,457,457
Unrealized losses on marketable securities	39,690	-	-	-	-	-	39,690
Total adjustments to 2013 annual surplus (deficit)	$ 829,280	$ 193,878	$ 8,000	$ -	$ 450,000	$ 350,000	$ 1,831,158
	$ 961,799	$ 5,999	$ 8,000	$ 1,129	$ 457,946	$ 350,140	$ 1,785,013

Regional Service Commission 11

Schedule 3: Schedule of Segment Disclosure

Year ended December 31, 2013

	Co-operative and Regional Planning	Local Planning	Landfill	SWC Recycling	Power Generation	2013
Revenue						
Sale of services	$ -	$ 105,906	$ 3,842,717	$ 476,246	$ 884,239	$ 5,309,108
Member charges	71,047	824,357	2,402,114	-	-	3,297,518
Other	-	27,425	99,185	4,000	-	130,610
Grants - Environmental Trust Fund	-	-	10,000	30,270	-	40,270
Interest	-	4,565	28,770	-	1,461	34,796
	71,047	962,253	6,382,786	510,516	885,700	8,812,302
Expenditures						
Salaries and benefits	21,653	819,367	2,172,545	598,990	68,381	3,680,936
Operating expenses	31,432	233,501	2,525,926	355,706	342,122	3,488,687
Amortization	-	5,445	1,120,111	144,023	187,878	1,457,457
Interest	-	-	64,842	2,566	83,999	151,407
Other	-	-	10,000	30,270	-	40,270
	53,085	1,058,313	5,893,424	1,131,555	682,380	8,818,757
Unrealized loss on investments	-	-	(39,690)	-	-	(39,690)
Annual (deficit) surplus	$ 17,962	$ (96,060)	$ 449,672	$ (621,039)	$ 203,320	$ (46,145)

Regional Service Commission 11

Schedule 4: Schedule of Statement of Reserves

Year ended December 31, 2013

	Local Planning Capital Reserve	Solid Waste Operating Reserve	Solid Waste Capital Reserve	Generation Capital Reserve	2013 Total
Assets					
Cash	$ 8,000	$ 1,447	$ 3,440	$ -	$ 12,887
Interest receivable	-	1,065	3,926	140	5,131
Due from Regional Service Commission 8	-	333	5,491	-	5,824
Due from General Operating Fund	-	-	650,000	-	650,000
Investments	-	113,080	757,676	350,000	1,220,756
	8,000	115,925	1,420,533	350,140	1,894,598
Accumulated surplus	$ 8,000	$ 115,925	$ 1,420,533	$ 350,140	$ 1,894,598
Revenue					
Operating fund transfer	$ 8,000	$ -	$ 450,000	$ 350,000	$ 808,000
Interest	-	1,129	7,946	140	9,215
	8,000	1,129	457,946	350,140	817,215
Expenditures	-	-	-	-	-
Annual Surplus	$ 8,000	$ 1,129	$ 457,946	$ 350,140	$ 817,215

Name of Investment	Principal Amount	Interest Rate	Date of Maturity
Cashable GIC	$ 498,311	0.90%	January 14, 2014
Non-cashable GIC	$ 350,000	1.33%	June 20, 2014
Cashable GIC	$ 372,445	1.00%	December 2, 2014

Resolutions regarding transfers to and from reserves:

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $8,000 for the Local Planning Services Operating Fund to the Local Planning Services Capital Reserve Fund. Motion by Judy Wilson-Shee, seconded by Mike Blaney.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $450,000 from the Solid Waste Services Operating Fund to the Solid Waste Services Capital Reserve Fund. Motion by Judy Wilson-Shee, seconded by Nancy Cronkhite.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $350,000 from the Generation Facility Operating Fund to the Generation Facility Capital Reserve Fund. Motion by Judy Wilson-Shee, seconded by Mary Mesheau.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 19, 2013.

Original Signed by D. R. Fitzgerald

May 5, 2014

D.R. Fitzgerald
Executive Director, Regional Service Commission 11

Date

Regional Service Commission 11

Schedule 5: Schedule of Operating Budget to PSA Budget

Year ended December 31, 2013

	Co-operative and Regional Planning Operating Budget	Local Planning Operating Budget	Solid Waste Operating Budget	Generation Facility Operating Budget	Amortization TCA	Transfers	Total
Revenue							
Member charges	$ 71,047	$ 918,821	$ 2,461,246	$ -	$ -	$ -	$ 3,451,114
Sale of services	-	137,472	4,392,004	732,000	-	-	5,261,476
Interest	-	2,000	8,000	-	-	-	10,000
Surplus of second previous year	-	138,000	165,321	-	-	(303,321)	-
Other revenue	-	-	87,000	-	-	-	87,000
	71,047	1,196,293	7,113,571	732,000	-	(303,321)	8,809,590
Expenditures							
Governance	10,239	6,911	34,046	-	-	-	51,196
Administration	50,808	470,295	1,313,401	-	-	-	1,834,504
Regional planning	2,500	-	-	-	-	-	2,500
Regional policing collaboration	2,500	-	-	-	-	-	2,500
Regional emergency measures planning	2,500	-	-	-	-	-	2,500
Regional sport, recreation and culture infrastructure planning and cost sharing	2,500	-	-	-	-	-	2,500
Planning & building inspection services	-	713,087	-	-	5,445	-	718,532
Solid waste services	-	-	4,611,463	667,000	1,452,012	-	6,730,475
Post-closing costs	-	-	173,466	-	-	-	173,466
Fiscal services							
Interest	-	-	85,595	65,000	-	-	150,595
Other financing charges	-	6,000	9,600	-	-	-	15,600
Transfer to Capital Fund	-	-	636,000	-	-	(636,000)	-
Transfer to Capital Reserve Fund	-	-	250,000	-	-	(250,000)	-
	71,047	1,196,293	7,113,571	732,000	1,457,457	(886,000)	9,684,368
Surplus (deficit)	$ -	$ -	$ -	$ -	$(1,457,457)	$ 582,679	$ (874,778)

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures

Year ended December 31, 2013

	(Unaudited) Budget 2013	Actual 2013
Revenue		
Sale of services		
Other planning services	$ 137,472	$ 105,906
Industrial/Commercial/Institutional tipping fees	3,518,700	3,543,306
Construction and demolition	180,341	249,241
Recycling materials	659,963	476,246
Power generation	732,000	884,239
Other	33,000	50,170
	$ 5,261,476	$ 5,309,108
Member charges		
Cooperative and regional planning fees	$ 71,047	$ 71,047
Local planning and inspection services fees	918,821	824,357
Tipping fees	2,461,246	2,402,114
	$ 3,451,114	$ 3,297,518
Other		
Gain on disposal of capital assets	$ 75,000	$ 6,520
Other (Planning and Development)	-	27,425
Other (Solid Waste)	12,000	96,665
	$ 87,000	$ 130,610
Expenditures		
Administration		
Executive Director's office	$ 157,087	$ 115,145
Financial management		
External audit	26,000	24,335
Other		
Liability insurance	43,750	45,190
Professional services	-	4,733
Public relations	-	438
Office expense	12,200	9,273
Legal services	-	1,259
Translation	15,000	4,340
	70,950	65,233
Administration		
Local planning office	275,116	281,828
Liability insurance	9,000	6,202
Professional services	-	10,305
Public relations	7,400	946
Office expense	139,400	117,998
Legal services	5,000	4,244
	435,916	421,523

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2013

	(Unaudited) Budget 2013	Actual 2013
Administration		
Solid waste office	$ 583,551	$ 503,589
Liability insurance	94,000	108,047
Professional services	82,000	130,145
Public relations and education	109,000	107,066
Office expense	122,000	124,397
Legal services	50,000	10,355
HST	104,000	66,334
	1,144,551	1,049,933
Administration		
Generation facility	-	7,041
Professional services	-	35,846
	-	42,887
	$ 1,834,504	$ 1,719,056
Governance		
Honorariums	$ 32,700	$ 40,725
Travel	15,496	14,389
Meetings	3,000	5,596
	$ 51,196	$ 60,710
Planning and Building Inspection Services		
Planning services		
Personnel	$ 331,262	$ 291,339
Advertising	10,000	5,026
Planning advisory committee	10,400	15,571
Amortization	2,723	2,723
Other	84,199	4,117
	438,584	318,776
Inspection Services		
Personnel	237,076	271,664
Supplies	1,900	1,740
Amortization	2,723	2,723
Other	38,249	-
	279,948	276,127
	$ 718,532	$ 594,903

Regional Service Commission 11

Schedule 6 - Schedule of Revenue and Expenditures (Continued)

Year ended December 31, 2013

	(Unaudited) Budget 2013	Actual 2013
Solid Waste Services		
Station and building	$ 302,250	$ 266,346
Machinery and equipment	850,544	819,706
Landfill operations	2,064,436	1,944,444
Scale house	232,884	196,411
Waste diversion	985,350	857,299
Hazardous household waste	175,998	135,073
Other - Environmental Trust Fund	-	40,270
Amortization	1,264,134	1,264,134
	5,875,596	5,523,683
Generation facility		
Personnel	-	68,381
Machinery and equipment	667,000	297,053
Amortization	187,879	187,879
	854,879	553,313
	$ 6,730,475	$ 6,076,996