REGIONAL SERVICE COMMISSION 11
COMMISSIONS DE SERVICES RÉGIONAUX 11

# ANNUAL REPORT 2017

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# Chairperson's Report

On behalf of the Board of Directors of Regional Service Commission 11, I am pleased to present to you the 2017 Annual Report. On the pages that follow you will find reports from all of the Board's committees, reports from our operating divisions covering the year and our audited financial statement. I believe that after reviewing this information you will agree with me that the Commission is well positioned to have a successful year in 2018.

During the year the Board heard from the Greater Fredericton International Airport Authority (GFIAA) about its plans to enlarge the terminal building. Simply stated, the existing building is "bursting at its seams". The terminal was built to accommodate 200,000 passengers per year, a level that has been surpassed over ten years ago. In 2017 the airport accommodated 398,000 passengers travelling through the terminal. It was also the 8th consecutive year of record breaking growth.

The role that the airport plays in supporting our region cannot be understated. It plays a key role in providing access to markets for our businesses, and to the quality of life of our residents. The current terminal is limiting the opportunities for growth in new carriers and services.

Since late in 2015 the airport has a design and tender ready to go to market to increase the terminal capacity to 500,000 passengers per year. The anticipated cost of this development would be $30 million and GFIAA has $10 million it is prepared to invest in the project. It has been lobbying the provincial and federal governments to match its funding so that construction can begin.

The Board adopted a resolution supporting the terminal expansion and wrote to both levels of government encouraging them to make the requested funding available. At the date of this writing no decision has been announced and I would encourage all of you to raise this issue with your elected representative. A vibrant airport with the capacity for growth is important to our whole region.

**7.1%**

Region 11 population growth has increased 7.1 per cent ahead of Province of New Brunswick (**2.9**) and Canada (**5.9**).

**24.6%**

of Region 11 residents hold a university certificate or diploma at a bachelor level or above.

**48,530**

There were 48,530 dwellings in Region 11; 53 per cent of dwellings were constructed prior to 1981.

Early in the year Opportunities New Brunswick entered into a dialogue with the RSCs executive directors about regional economic development. These discussions came about as a result of the provincial government adopting its economic development strategy, The New Brunswick Economic Growth Plan, in September of 2016. That plan identified the importance of opportunities based on regional development to the success of the Province.

This dialogue resulted in the development of a Memorandum of Understanding (MOU) in which ONB offered to hire a community economic development executive to work in our region with local and regional stakeholders on a regular basis to identify and support specific economic opportunities that will drive growth.

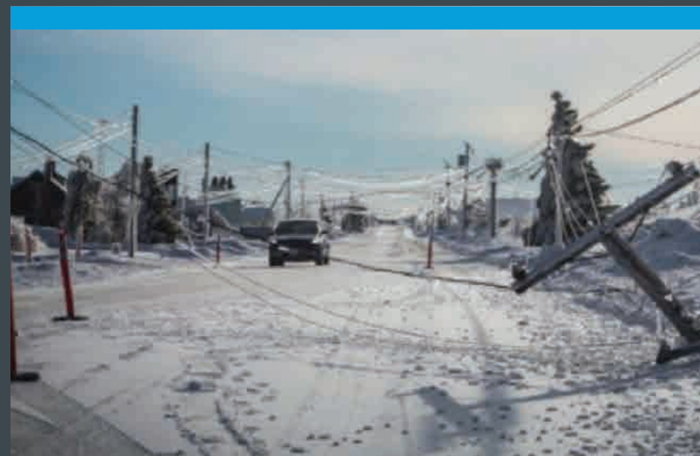
The Board approved the MOU and on November 27th I had the pleasure of signing the agreement with Minister Horsman and in early January ONB hired an individual to fulfill this role in our region. I am optimistic that this initiative will bear fruit.

One of the election platform commitments of the current provincial government was that it is committed to "….working with experts in municipal governance and representatives from municipalities and local service districts to improve the regional service commission model."

To respond to this undertaking the Minister of Environment and Local Government initiated a province wide consultation with the directors of the RSCs and provincial and municipal senior staff working in the local government area. As part of this process our board members met with the Minister and provided suggestions to him.

This process culminated with the Minister issuing a report titled "Improving the Regional Service Commissions in New Brunswick" in late May. In early June there was an all day session held in Miramichi where the report's 30 recommendations were presented and explained. All RSC Directors in the province were invited to participate and I am happy to report that RSC 11 was well represented.

Later in the year, after having had time to consider the potential impact of the report's recommendations, the Directors and their alternates, in a workshop session, developed a response to the report and forwarded it to the Minister. It is currently not clear when the Government will take action in this area or what such action will be. Since some of the recommendations could have significant impact on the Commission the Board will be closely monitoring the situation.



Recreation was a topic examined by the Board several times in 2017.

As many of you are aware the replacement of the region's competitive swimming pool was a matter of much public discussion during the year. In June the Board heard a presentation from the citizen/user group coalition describing the need for such a facility and detailing the broad number of groups who use the existing facility.

The presentation was informational and the Board was not asked to indicate its support for any of the options that were then being discussed. However, the presentation prompted a larger conversation about regional recreation. Staff were directed to review the shared service agreement that exists between Fredericton and some if its surrounding communities. This report was delivered to the Directors at their September meeting.

Later in the year staff reviewed with the Board the three separate streams of financial assistance offered by the Department of Tourism Heritage and Culture for regional recreation initiatives.

In the spring of 2016 Premier Gallant hosted a meeting for all local government officials in our region with the theme of how we might improve the performance of New Brunswick. The discussions were wide ranging and identified a number of common themes. This session was one of a number held throughout the Province.

In September of this year he met with our Directors and those of the Greater Miramichi RSC for a follow up session in Minto. In this session he reported on the steps the Government had taken on the identified themes of economic growth, healthcare, education and tourism. There were 15 local government officials from our region in attendance at this event.

Following his presentation the group was divided into smaller units to answer the question "What 3 things can the Province do to continue our momentum?". Needless to say there was a lively debate and kudos must be offered to our Vice-Chair, Scott Smith, who took advantage of the opportunity to lobby the Premier for the airport terminal expansion mentioned above.

Finally, the Board was briefed on the contents of the August 2017 report entitled "Ice Storm Review" prepared by the Clerk of the Executive Committee and Secretary to Cabinet. This report had an in-depth look at the 2017 ice storm that affected the northern areas of the province so severely and examined in detail the quality of the emergency response provided.

Of particular interest was the Clerk's recommendation #5 which stated:

"NBEMO and the Department of Environment and Local Government should collaborate on a proposal to clearly articulate the role of Regional Services Commissions in the coordination of emergency planning and service delivery."

While we would welcome the clarity that the Clerk is suggesting, the addition of emergency planning and in particular the delivery of emergency services would have a significant impact on our commission. In the coming year the Board will monitor this area closely.

In closing I would like to express my since appreciation for the support and efforts of my colleagues on the Board and the committee chairs for their excellent work. It has been my privilege to be your Chair.

Judy Wilson-Shee

# Governance Committee Report

The majority of Region 11 residents and the rest of the province have a regular place of work where they must travel.

**10%**

Some 10 per cent don't have a fixed work place.

**5%**

Just over five per cent work from home.

**89%**

of residents travel to work by vehicles.

**21.2**

The average commute time in Region 11 is 21.2 minutes.

The Governance Committee is tasked with three important duties:

1. To review annually the By-Laws of the Commission and to recommend to the Board, at its Annual General Meeting, such changes as necessary;

2. To monitor training practices for board members and make recommendations for new practices as necessary. The Committee, in collaboration with the Executive Director, will ensure an orientation process is in place for new board members; and

3. To ensure that a procedure for evaluating the functioning of the Board is in place and those evaluations are conducted on a regular basis.

In fulfilling this mandate the committee met 4 times during the year.

As part of its annual review of the Commission's by-laws the committee received and reviewed the recommendations of the Planning Management Committee concerning the updating of the Planning Review and Adjustment Committee (PRAC) by-law. Those changes are addressed more specifically in the report of the Planning Management Committee.

At its Annual General Meeting the Board accepted the recommended changes and adopted By-Law PRAC – 3.

The committee recommended to the Board a number of housekeeping and administrative changes to the Procedural By-Law. Most of these changes were made to provide clarity to the existing wording or to ensure the language in the by-law was consistent with our Act and its Regulation. However, there were three recommended changes of a more substantive nature.

It was recommended that the waiver of notice for cancelling or changing the date of a meeting be reduced from two weeks to one week. Given the speed of electronic communication in today's world it was considered appropriate to reduce this period.

It was also recommended that a request to summon a special meeting of the Board would have to be supported by a minimum of three Directors rather than just one. This change would still provide a mechanism where a relatively small number of members acting in concert can cause a meeting to be held to discuss matters of importance, but eliminates the possibility of a single Director causing a meeting to be held with the possibility that no other Director was in favour of such action.

The final substantive recommended change to the by-law came about as a result of direction to the committee from the Board to examine Director's remuneration. This area had not been evaluated since the formation of the RSC. The committee reviewed the policies of the other 11 commissions in light of their size and scope and recommended an adjustment as well as a mechanism to automatically adjust the rates by the same percentage as any inflationary increase applied to staff salary ranges during the annual budget process.

At the Annual General Meeting the Board accepted the recommended changes and adopted Procedural By-Law P – 4.

In June the committee had the directors complete a survey rating the quality of the orientation and training process they went through in 2016. While most such activities are evaluated immediately after delivery it was believed that for our purposes a more accurate review would be possible after directors were able to rate how well these activities prepared them for an annual cycle (budget, reserve recommendation, AGM etc.).

As a result of that survey staff were tasked with developing a "Quick Guide" on Robert's Rules, arranging a tour of the landfill for Directors and arranging more non-transactional time for Directors.

As has been our practice since the formation of the RSC, the Directors completed a "board self-evaluation" in December of 2016 which the committee reviewed in the first quarter of the year. To the best of our knowledge we are the only RSC that performs this self reflection and the committee is grateful to the Directors for supporting the initiative and for their candid feedback.

The responses to the overall majority of survey questions showed a stronger approval of the functioning of the Board than was the case in the previous year. It was also noted that for the most part the responses to individual questions showed a relatively narrow range of responses which indicates that the Board typically is of a common opinion with regard to the questions posed.

I am fortunate to have a committee that prepares well for meetings and is generous with their time and talents. I thank them for their support.

Members of the Committee are:
Chris Melvin – Vice Chair
Carson Atkinson
Judy Wilson-Shee
Don Fitzgerald – (ex-officio)

Debby Peck – Governance Committee Chair

# Community Policing Committee Report

The Community Policing Committee's purpose is to provide the region's communities a forum for cooperative action with respect to the efficiency and effectiveness of policing services. During the year the committee met 7 times and on 4 of those occasions the meeting included the RCMP detachment commanders as well as Mayors and LSD Advisory Committee Chairs or their representatives.

These sessions allow for "Community Policing approach" to be taken in the delivery of protective services in Region 11. Community Policing focuses on building ties between law enforcement agencies and the communities they serve so that strategies for reducing crime and disorder can be developed collaboratively. In short, it recognizes that everyone has a responsibility in crime reduction efforts, not just uniformed officers.

In addition to the mutual reporting that takes place at these meetings this "forum" heard presentations on several timely topics.

RCMP Officers briefed on the SAFE (School Action for Emergencies) Plan. A SAFE Plan gives responding police instant and mobile access to locations, details and photos for: roadblocks; staging areas; tactical points; as well as pertinent building features such as fire alarms, common areas, hazards, gas, etc.

A SAFE Plan also includes school contacts, floor plans, aerial photos, maps, lockdown procedures and other site-specific emergency response information. This helps law enforcement and other emergency service providers work together and act quickly in critical incidents occurring at schools. There is a specific SAFE plan for all of the schools in our region that are part of the RCMP service area.

The group was also briefed on the multitude of financial crimes and scams that have become increasingly common. While the bulk of these schemes have migrated to the Internet we were reminded that that is not always the case.

What was planned as a presentation about off-road vehicle enforcement, a source of concern throughout the region, became an overview of the many Acts and Regulations managed by Public Safety's Enforcement Division.

In the final meeting of the year the forum took time to evaluate the sessions with a view to improving its performance. A particular objective was set to facilitate more meaningful and timely input into the RCMP's annual performance plan at its March 2018 meeting.

In the current year the committee will be working to make sure that the RSC's by-law is reflective of our current practices and to improve reporting from the RCMP along with a focus on how our communities can better support the Force in their efforts.

My sincere thanks go out to the committee members, as well as the region's detachment commanders, Sergeants Andrew Griffiths and Andrea Gallant.

The committee members are:
Peter Morrison – Vice Chair
Chris Melvin
Dale Mowry
Debby Peck
Don Fitzgerald (ex-officio)

Ian Kitchen – Community Policing Committee Chair

# Finance and Budget Committee Report

The Finance and Budget Committee of the Board is tasked with developing and recommending to the Board an annual budget and monitoring financial management of the Commission, including the operating results of the various divisions. During 2017 the Committee met eight times in exercising this mandate.

With the support and assistance of staff the committee presented its 2018 budget proposal to the Board on September 7th. The Board passed a resolution to distribute that proposal to its member communities for their review, in accordance with Section 28 of the Regional Service Delivery Act, in advance of the October 26th vote, where the budget was adopted.

During the year the committee received and reviewed the monthly operating results and quarterly met with staff for a more detailed review. I am pleased to report that each of our operating divisions operated responsibly throughout the year with the end result being that favourable variances to budget were experienced in all divisions.

Last year in this report I described how all landfills in the Province are required to set aside funds from their current operations to cover the costs of dealing with and managing the landfill site once it is closed and no longer receiving solid waste. In our case we set aside $2.25 of the tipping fee for each tonne of waste received into a “post-closure” account. These funds are then invested and held separate from the commission’s operating funds.

As previously reported in 2016 for the first time the Board approved an Investment Policy Statement (IPS) to govern the fund’s investing activities. During 2017 the committee closely monitored the fund performance and compared it to the return required to allow the fund to cover the landfill’s end of life expenses.

Notwithstanding the investment market’s strong performance during the year it has become apparent that the existing IPS will not generate sufficient growth to accomplish this objective. The committee has begun the work of rethinking the investment parameters and in 2018 it will be receiving an updated post closure report which will identify the amount of money required in the fund in 2037.

This report will form the basis of new recommendations to the Board concerning an updated IPS and a more aggressive investment strategy.

I want to thank the committee members for their support during the year. Each has made a valued contribution to the committee’s work.

The members are:
Robert Powell – Vice Chair
Don Gould
Michael Blaney
Daryl Prince
Don Fitzgerald (ex-officio)

Mike Chamberlain – Finance and Budget Committee Chair

# Planning Management Committee Report

The Planning Management Committee is composed of Directors whose communities receive their planning, development and building inspection services from the Commission. It is tasked with overseeing the financial performance of the Planning Division which includes recommending to the Board an annual budget. As well, this committee is responsible for providing advice and suggestions to the Board in relation to high level operational and strategic directions for the Community Planning line of business. During 2017 the Committee met four times in exercising this mandate.

This committee is separate and distinct from the Board's Planning Review and Adjustment Committee (PRAC) which is a statutory committee appointed pursuant to the provisions of the Community Planning Act with specific legislated duties outlined under that Act. PRAC's report is included elsewhere in this document.

During the year the committee completed the work it began in 2016 in recommending to the Board an updated PRAC by-law as well Policy PRAC – 01. The by-law changes included housekeeping items, a clarification of the term of the Chair and Vice Chair, and a positive statement clarifying that PRAC performs its duties on behalf of the Board. This updated by-law was adopted by the Board at its Annual General Meeting.

The Policy established a process and documentation to provide an acknowledgement by PRAC members that they were appointed by the Board for a specific term and confirm that they have received specific training. This Policy was also adopted at the Annual General Meeting and all PRAC members have signed their acknowledgments.

As expected, building permit activity was down over the previous year which was exceptionally strong ($38,329,047 - $54,253,835). A detailed breakdown by community and category is presented later in this report. This difference is entirely attributable to a number of large 2016 projects as there were actually 5 more building permits issued in 2017 than was the case in 2016.

The total number of transactions processed by the division (includes subdivisions, zoning permits, development letters etc.) was up 16% over the previous year.

It was a pleasure to work with the committee members during the year and I can report that they were diligent in their work on behalf of the Board.

The committee members are:
Eleanor Lindsay – Vice Chair
Scott Smith
Daryl Prince
Ian Kitchen
Don Fitzgerald (ex-officio)

Michael Blaney – Planning Management Committee Chair

# Audit Committee Report

The Audit Committee performs an important function on behalf of the Board and the public. Its prime role is to oversee the work of the external auditors and at the same time ensure that the work of the auditors is independent of management. The Audit Committee is the only standing committee of the Board on which the Executive Director is not an ex-officio member.

The Committee has met twice in connection with the preparation and delivery of the audited financial report which will be presented to the Board for approval at the Annual General Meeting.

In the first meeting we reviewed in detail the Audit Plan with MacMillan, Lawrence & Lawrence, our auditors. We found it to be satisfactory. At this meeting we also held an in-camera session with the firm to address any potential areas of concern with management. I am pleased to report there were none.

At the second meeting we reviewed the draft audit report and satisfied ourselves that the audit work was carried out in accordance with the engagement and plan details. In addition we reviewed the results in detail and agreed that the Committee would recommend to the Board adoption of the audited statements as well as a motion appointing MacMillan, Lawrence & Lawrence as our auditors for the 2018 year.

I want to close by thanking the members of the Committee for their diligence in preparing for and participating in the Committee's important work.

Members of the Committee are:
Scott Smith – Vice Chair
Blair Cummings
Bev Forbes
Mike O'Brien

Dale Mowry – Audit Committee Chair

**34%**

of NB public administration workers are located in Region 11.

**25.4%**

Public and social services employs 25.4 per cent of residents including education, health care and waste management.

**$6,000**

The average household income in Region 11 is higher than the provincial average by over $6,000.

# Planning Review and Adjustment Committee

The Planning Review and Adjustment Committee is a statutory committee appointed pursuant to the Provisions of the Community Planning Act with specific legislated advisory and decision making functions and duties outlined under that Act. Committee members do not represent the specific community from which they were appointed but rather serve in an "at-large" capacity.

The committee makes decisions on applications from the region's unincorporated area as well as the following municipalities, the villages of: Cambridge-Narrows; Gagetown; Tracy; Fredericton Junction; Millville; Minto; Chipman; Stanley; The Rural Community of Hanwell and the Town of Nackawic. Typically the committee meets the last Tuesday of each month and meetings are open to the public. Additionally the committee makes recommendations to Councils and or the Minister of Environment and Local Government on re-zonings. In 2017 the Committee met 10 times and considered 48 applications.

One rezoning in 2017 which caused a significant public interest was the proposed rezoning for a rock quarry in the Estey's Bridge Local Service District. After much deliberation, the PRAC decided not to support the application and ultimately the Minister of Environment and Local Government declined the application.

A 2016 decision of the committee was appealed by the applicant to the Provincial Planning Appeals Board. The issue was the applicant's desire to keep a 5th wheel trailer in a residential zone. The application was turned down by the Committee. The Appeal Board found in favour of the committee and validated its decision.

I want to thank all the members of the committee for their hard work over the year and in particular I would also like to thank Eldon Hunter, who served as Chair for the last four years. The committee has benefited greatly from his dedication and guidance.

Tom Nisbet
Chairperson, PRAC

## PRAC Members

Peter Corey
Susan Jonah
Daryl Prince
Mike Chamberlain
Paul Milburn
Scott Smith
Bernie Hoganson
Carman Nason
Brian Toole
Eldon Hunter
Tom Nisbet
Colin Trail

# Planning and Development Services

The Planning and Development division is comprised of three departments: the Planning Department; the Building Inspection Department and the Development Officer Department. All three departments had a very busy 2017.

The planning group completed a number of projects during the year which included: a new zoning by-law for the Town of Nackawic; a rural plan for the LSDs of Cambridge and Waterborough; and the beginning of a rural plan for the Village of Millville which will be completed in 2018. A review of rural plans for the Village of Stanley and the Village of Fredericton Junction were also begun. The planning department also facilitated a strategic planning session for the Village of Chipman and a substantial portion of the feasibility study of the York Rural Community project was prepared by our planners.

During 2017 there were five rezoning applications evaluated, the most contentious of which was the much contested rezoning for a possible new quarry in Estey's Bridge. The rezoning request was eventually rejected by the Minister of Environment and Local Government. The division also saw the departure of Monica Belliveau, who moved to Ottawa, and was succeeded by Isabelle Ouellette.

For 2017 the building inspection department was busy in what could be referred to as 'The Year of the Fire Station'. Five stations were expanded in the unincorporated area: Keswick Ridge; Nashwaak; Jemseg; Cumberland Bay; and Burtt's Corner. The Rural Community of Hanwell built a new station for which the department provided project management services. Project management services were also provided to Village of Millville and the Town of Nackawic for the construction of their new fire halls as well as refurbishment of the exterior of the municipal building in the Village of Minto.

The value of building permits issued in 2017 was $45,316,997, a decrease from the previous year where total value was $54,253,835. This difference was primarily due to a 2016 hotel project in Hanwell which had a value of $12 million.

## Building permit data

for the region in 2017 is as follows:

CAMBRIDGE - NARROWS

| | $ | # |
|---|---|---|
| Residential | $137,120 | 2 |
| Other | 385,280 | 21 |
| Total | $522,400 | 23 |

CHIPMAN

| | $ | # |
|---|---|---|
| Residential | $257,999 | 3 |
| Multi-Unit | 250,000 | 1 |
| Commercial | 38,000 | 3 |
| Other | 167,500 | 13 |
| Total | $713,499 | 20 |

FREDERICTON JUNCTION

| | $ | # |
|---|---|---|
| Residential | $690,000 | 3 |
| Other | 106,354 | 19 |
| Total | $796,354 | 22 |

GAGETOWN

| | $ | # |
|---|---|---|
| Residential | $241,420 | 2 |
| Commercial | 6,000 | 1 |
| Other | 446,000 | 15 |
| Total | $693,420 | 18 |

HANWELL

| | $ | # |
|---|---|---|
| Residential | $1,975,000 | 10 |
| Industrial | 225,000 | 2 |
| Commercial | 2,224,582 | 12 |
| Institutional | 2,840,000 | 3 |
| Other | 583,300 | 22 |
| Total | $7,802,882 | 49 |

### MINTO

| | $ | # |
|---|---|---|
| Residential | $475,000 | 7 |
| Commercial | 1,350,000 | 1 |
| Other | 296,080 | 20 |
| Total | $2,121,080 | 28 |

### MILLVILLE

| | $ | # |
|---|---|---|
| Residential | $60,000 | 1 |
| Other | 2,300 | 1 |
| Total | $62,300 | 2 |

### NACKAWIC

| | $ | # |
|---|---|---|
| Commercial | $250,000 | 1 |
| Institutional | 69,000 | 2 |
| Other | 69,925 | 4 |
| Total | $388,925 | 7 |

### STANLEY

| | $ | # |
|---|---|---|
| Residential | $85,000 | 1 |
| Other | 29,600 | 3 |
| Total | $114,600 | 4 |

### TRACY

| | $ | # |
|---|---|---|
| Residential | $225,000 | 2 |
| Other | 21,100 | 4 |
| Total | $246,100 | 6 |

### UNINCORPORATED AREA

| | $ | # |
|---|---|---|
| Residential | $23,412,534 | 183 |
| Multi-Unit | 75,000 | 2 |
| Industrial | 200,000 | 2 |
| Commercial | 1,734,000 | 19 |
| Institutional | 509,000 | 4 |
| Other | 5,924,903 | 270 |
| Total | $31,855,437 | 480 |

Hanwell Fire Hall

Millville Fire Hall

The Development Officer Department deals with many aspects of zoning, subdividing of property, stamping of final survey plans for commercial and residential uses among many other functions. The Development Officer also deal with files that need to go to the Planning Review and Adjustment Committee for terms and conditions, variances to size of lots and frontages, among others. The number of subdivisions created in 2017 was 139 compared to 136 in 2016.

Development officers also prepared reports for the ten municipal councils throughout the year for many variances and land use transactions.

### 2017 SUBDIVISIONS / TERMS AND CONDITIONS

| | Subdivisions | Terms and Conditions |
|---|---|---|
| Municipal | 21 | 2 |
| York | 60 | 7 |
| Sunbury | 33 | 1 |
| Queens | 25 | 3 |
| Total | 139 | 13 |

# Solid Waste Division (SWD)

Despite one of the driest summers on record and difficult early winter storms, the Solid Waste Division (SWD) of Regional Service Commission 11 experienced a strong year of progress, showing sustainability and efficiency in the management of the region's solid waste.

It was a solid year of maintaining those philosophies while remaining committed to leading-edge innovations and programs in regards to technology and environmental stewardship.

With the landfill site now 32-years-old, environmental protection remains paramount for a coverage area of some 125-square kilometres.

Garbage, household hazardous waste, landfill gas to energy, recycling and construction and demolition all reflected SWD's continued commitment to responsible environmental stewardship.

**45,000**

Landfill gas to energy system eliminates between 45,000 and 60,000 tonnes of greenhouse gas per year.

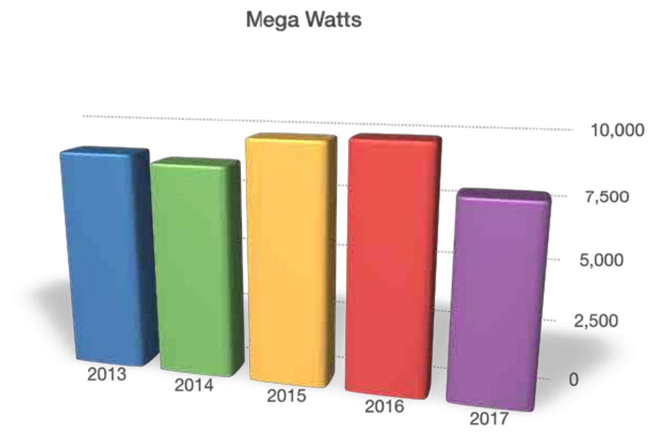
**3**

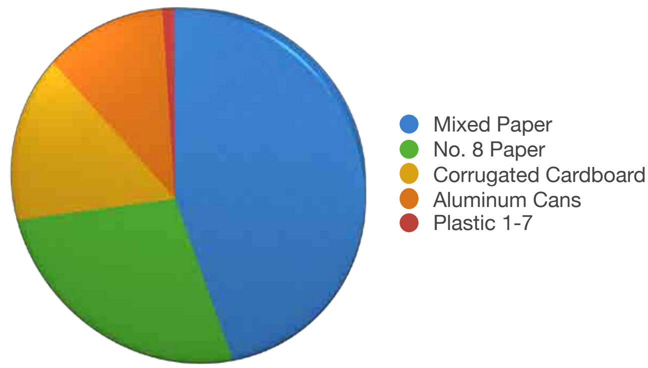
Three successful remote Household Hazardous Waste days were held in 2017 including Nackawic, Keswick Ridge and Minto.

**35,120**

A total of 35,120 kilograms of labpack items such as lighter fluid, swimming pool chemicals, paint thinners and other like items were collected in 2017.

SWD moved into digital advertising and had 41 public landfill tours and 34 classroom visits.




## Landfill Gas to Energy

With the dry summer months, the SWD's landfill gas to energy plant produced just under 8,000 Mega Watts in 2017, down from 10,000 in 2016.

Water is required to help garbage decompose in the landfill cell areas. With the severe lack of rain during the late spring and summer months, that garbage was unable to decompose as normal into methane gas. The field did not generate its usual amount of gas without the water, resulting in lower than anticipated Mega Watts.

A direct comparison through Environment Canada shows the drop in precipitation. In June of 2016, the region received 92.9 mm of precipitation compared to 59.8 in 2017. In July of 2016, there was 80.5 mm compared to 32.4 and August, 2016, the area received 103 mm compared to 26.5 in 2017.

Still, the energy plan produces enough energy to power approximately 2,500 homes. It eliminates between 45,000 and 60,000 tonnes of greenhouse gas in the air per year.

Despite the environmental circumstances, the landfill gas to energy product is a viable entity that is truly a green project.

## Material Recovery Facility and Recycling

The overall tonnage handled by the Materials Recovery Facility (MRF) was 4,726 metric tonnes in 2017.

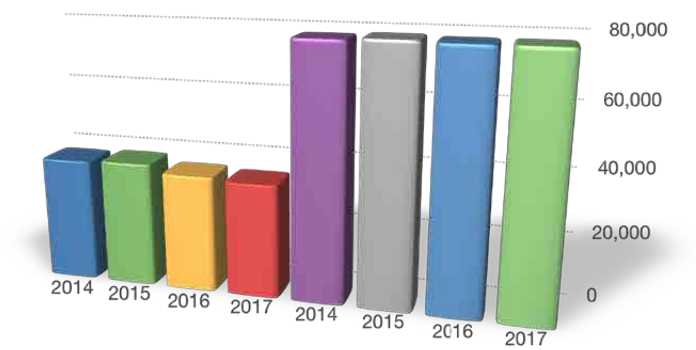
Revenues totaling $6,108 were received on five and 10-cent refundables during the year.

The MRF accepts mixed paper, aluminum cans, No. 8 paper, corrugated cardboard and plastics No. 1 through 7.

Items are baled into approximate 700-kilogram bales and sold across the world.

Despite media reports indicating China was not accepting recycled materials from North America, Fredericton Region Solid Waste continues to send product to the world's largest exporter. With the dual sorting practice of grey and blue box recycling, product is sorted at home before being sorted again at SWD. That approach allows for clean and consistent product to be shipped world-wide including China.

SWD actually experienced higher recycling yields in 2017.




## Household Hazardous Waste

Household hazardous waste can be dropped off at the landfill site each Wednesday and Saturday during operation. It is a no charge service for residential HHW only. There are also three full staffed remote HHW collection days through May to October to allow region-wide residents the opportunity to have their items properly disposed.

In 2017, HHW remotes were held in Nackawic, Keswick Ridge and Minto. The remote HHW events are advantageous to those living in the outlying areas. Almost 600 vehicles were recorded in 2017 visiting the three remote sites allowing for easier residential access as opposed to making a special trip to the landfill site each Wednesday or Saturday.

Just under 4,600 vehicles crossed the SWD scales for HHW drop-off in 2017. The schedule for 2018 HHW events will be announced in early spring.

Labpack total weight was 35,120 kilograms. Items included in labpack are lighter fluid, swimming pool chemicals, Drano, paint thinners and other similar items which are separated and stored in 45-gallon drums. Paint received totalled 79,000 litres. Waste oil was 22,200 litres and total volume yielded 101,510 litres diverted from the landfill site.

## Landfill

The tipping fee for 2017 was $85. Garbage intake for 2017 was 78,340 metric tonnes.

## Construction and Demolition

Waste that comes from construction and demolition is kept out of main engineered landfill site. Instead, construction and demolition material is diverted to its own special area.

The reason to separate the construction material from regular waste is two-fold. The first is the size of some of the items such as large pieces of concrete. These large portions of concrete cannot be baled without damaging the machinery and would take up a significant amount of space in the landfill. The second reason is some items are recyclable such as metals (ie. copper and steel). By keeping construction and demolition waste separate, the lifespan of the landfill is prolonged.

The tipping fee for 2017 was $42.50, exactly half of the price of the regular tipping fee. The intake for the year was 5,973 metric tonnes, an increase of 12 tonnes from 2016.

## Leachate Treatment Pond

The landfill has a leachate treatment pond which was constructed in 2000. The pond 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 2017, a total of 52,457,877 litres of treated liquid were discharged from the treatment pond.

## Ash Cell

A cell designed for the disposal of ash generated by the University of New Brunswick's physical plant was constructed in 2001. UNB reimburses the landfill for capital and operational costs associated with the ash cell. In 2017, 2,435 metric tonnes of ash were received from UNB. The revenue was $206,933.

## Public Relations & Education

The SWD continued its foray into cinema advertising and moved into digital adverting for the first time, creating a tremendously successful landfill gas to energy commercial showcase and milk recycling campaigns.

Recycling advertising continued, but SWD is moving toward the new generation of digital campaigns to target audiences in specific areas of the region with recycling, household hazardous waste and Recycle Hotline number information.

There were 34 classroom visits from K to fifth year university students and an additional 41 tours to the landfill site were held from a variety of visitors.

SWD also has its own YouTube site where recycle videos, landfill gas to energy and other environmental shorts are available for schools. The YouTube channel and website videos are shown to classes with a mix of real and animated scenes.

Last year's milk recycling digital campaign was met with tremendous feedback which will lead into a 2018 household hazardous waste campaign.

## Appendix A

# Member Communities

| | | |
|---|---|---|
| Village of Cambridge-Narrows | Village of Chipman | 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 |
| Rural Community of Hanwell | 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 | Parish of Blissville | 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

# Directors Expenses

| DIRECTOR | REPRESENTING | EXPENSES |
|---|---|---|
| Carson Atkinson | Chipman | $3,538.40 |
| Michael Blaney | Gagetown | $3,102.88 |
| Mike Chamberlain | Local Service Districts | $3,182.24 |
| Blair Cummings | Cambridge-Narrows | $2,218.32 |
| Beverly Forbes | Millville | $2,172.76 |
| Mark Foreman | Stanley | $2,224.60 |
| Donald Gould | Minto | $4,370.56 |
| Ian Kitchen | Nackawic | $3,920.55 |
| Eleanor Lindsay | Local Service Districts | $1,795.20 |
| Chris Melvin | Hanwell | $1,908.68 |
| Gary Mersereau | Fredericton Junction | $1,358.70 |
| Peter Morrison | Local Service Districts | $2,660.90 |
| Dale Mowry | Tracy | $2,973.22 |
| Mike O'Brien | Fredericton | $136.48 |
| Debby Peck | Local Service Districts | $3,333.40 |
| Robert Powell | Oromocto | $3,206.39 |
| Daryl Prince | Local Service Districts | $3,957.40 |
| Scott Smith | Local Service Districts | $3,197.15 |
| Judy Wilson-Shee | New Maryland | $2,197.56 |

| ALTERNATES | REPRESENTING | EXPENSES |
|---|---|---|
| Gerard Daly | Local Service Districts | $1,617.34 |
| Barb McDonald | Stanley | $348.40 |
| James Nason | Tracy | $122.14 |
| Kate Rogers | Fredericton | $589.36 |

Members of the Board are paid $125 per meeting ($150 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

| COMMUNITY | REPRESENTATIVE | MEETINGS |
|---|---|---|
| Cambridge-Narrows | Blair Cummings | 10 of 13 |
| Chipman | Carson Atkinson | 13 of 13 |
| Fredericton | Mike O'Brien | 1 of 13 |
| | Kate Rogers | 9 of 12 |
| Fredericton Junction | Gary Mersereau | 7 of 13 |
| Gagetown | Michael Blaney | 10 of 13 |
| | Robert White | 2 of 3 |
| Hanwell | Chris Melvin | 13 of 13 |
| Millville | Bev Forbes | 13 of 13 |
| Minto | Don Gould | 13 of 13 |
| Nackawic | Ian Kitchen | 12 of 13 |
| New Maryland | Judy Wilson -Shee | 12 of 13 |
| Oromocto | Robert Powell | 13 of 13 |
| Stanley | Mark Foreman | 10 of 13 |
| | Barb McDonald | 2 of 3 |
| Tracy | Dale Mowry | 11 of 13 |
| | James Nason | 1 of 2 |
| LSD Representatives | Mike Chamberlain | 11 of 13 |
| | Eleanor Lindsay | 12 of 13 |
| | Peter Morrison | 10 of 13 |
| | Debby Peck | 13 of 13 |
| | Daryl Prince | 13 of 13 |
| | Scott Smith | 13 of 13 |
| | Gerard Daly | 5 of 5 |
| | Leo Kolijn | 1 of 1 |

## Appendix D

# PRAC Expenses 2017

| | PER DIEM | MILEAGE | MEALS | TOTAL |
|---|---|---|---|---|
| Paul Milburn | $1,100.00 | $279.62 | - | $1,379.62 |
| Bernie Hoganson | $900.00 | $461.25 | $175.50 | $1,536.75 |
| Mike Chamberlain | $700.00 | $189.42 | - | $889.42 |
| Eldon Hunter | $1,200.00 | $451.00 | $178.50 | $1,829.50 |
| Peter Corey | $800.00 | $196.80 | - | $996.80 |
| John T. Nisbet (Tom) | $900.00 | $546.12 | - | $1,446.12 |
| Daryl Prince | $900.00 | $369.00 | $175.50 | $1,444.50 |
| Scott Smith | $700.00 | $140.06 | - | $840.06 |
| Ian Methven | - | - | - | - |
| Andrew Phillips | - | - | - | - |
| Brian Toole | $600.00 | $344.40 | - | $944.40 |
| Colin Trail | $300.00 | $214.02 | - | $514.02 |
| Carman Nason | $500.00 | $141.45 | - | $641.45 |
| Susan Jonah | $850.00 | $207.30 | $156.00 | $1,213.30 |
| | | | | |
| | $9,450.00 | $3,540.43 | $685.50 | $13,675.93 |
| | | | | |
| | | $13,675.93 | | |

# Regional Service Commission 11

## Audited Financial Statements

## December 31, 2017

*MacMillan Lawrence & Lawrence*
*Chartered Professional Accountants*

# Regional Service Commission 11

## December 31, 2017

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MacMillan Lawrence & Lawrence
*Chartered Professional 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, 2017, 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, 2017, 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 3, 2018

Chartered Professional Accountants

# Regional Service Commission 11

## Statement of Financial Position

## December 31, 2017

| | | 2017 | | 2016 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents (Note 3) | $ | 3,574,365 | $ | 3,623,605 |
| Receivables (Note 4) | | 914,868 | | 861,225 |
| Loan receivable (Note 5) | | 99,372 | | - |
| Inventory | | 62,151 | | 34,262 |
| Investments (Note 6) | | 3,118,833 | | 2,854,352 |
| | | 7,769,589 | | 7,373,444 |
| **Liabilities** | | | | |
| Payables and accruals | | 969,741 | | 1,145,616 |
| Funds held in trust (Note 16) | | 106,031 | | 105,561 |
| Retiring allowance (Note 10) | | 638,000 | | 570,000 |
| Long term debt (Note 8) | | 3,927,000 | | 4,305,000 |
| Accrued post-closing costs (Note 7) | | 3,417,772 | | 3,080,348 |
| | | 9,058,544 | | 9,206,525 |
| **Net debt** | | (1,288,955) | | (1,833,081) |
| **Non-financial assets** | | | | |
| Tangible capital assets (Schedule 1) | | 11,860,125 | | 12,447,834 |
| Prepaid expenses | | 120,718 | | 161,968 |
| Deferred financing charges | | 20,340 | | 24,073 |
| | | 12,001,183 | | 12,633,875 |
| **Accumulated surplus** | $ | 10,712,228 | $ | 10,800,794 |

See accompanying notes to financial statements

Contingencies and commitments (Note 13 & 14)

Approved by the Commission:

Original Signed by Judy Wilson-Shee - Member

Original Signed by Mike Chamberlain - Member

# Regional Service Commission 11

## Statement of Operations and Accumulated Surplus

## Year ended December 31, 2017

| | (Unaudited) Budget 2017 | Actual 2017 | Actual 2016 |
|---|---|---|---|
| **Revenue** | | | |
| Sale of services (Schedule 6) | $ 5,695,990 | $ 5,855,303 | $ 5,547,559 |
| Member charges (Schedule 6) | 4,247,413 | 4,049,023 | 3,812,659 |
| Other (Schedule 6) | 55,000 | 110,638 | 107,132 |
| Grants (Schedule 6) | - | 23,685 | - |
| Insurance recovery | - | - | 247,428 |
| Interest | 10,620 | 31,351 | 22,749 |
| | 10,009,023 | 10,070,000 | 9,737,527 |
| **Expenditures** | | | |
| Administration (Schedule 6) | 1,992,839 | 1,960,269 | 1,875,540 |
| Fiscal services | 205,482 | 113,761 | 197,549 |
| Governance (Schedule 6) | 62,500 | 58,027 | 53,277 |
| Planning and building inspection services (Schedule 6) | 741,047 | 685,619 | 644,616 |
| Post-closing costs | 191,250 | 306,428 | 197,440 |
| Regional planning | 10,000 | - | - |
| Regional policing collaboration | 2,500 | - | - |
| Regional sport, recreation and culture | 10,000 | - | - |
| Solid waste services (Schedule 6) | 7,389,048 | 7,078,239 | 5,796,113 |
| | 10,604,666 | 10,202,343 | 8,764,535 |
| **Annual (deficit) surplus before unrealized gain (losses) on investments** | (595,643) | (132,343) | 972,992 |
| Unrealized gain (losses) on investments | | 43,777 | (10,637) |
| **Annual (deficit) surplus** | | (88,566) | 962,355 |
| Accumulated surplus, beginning of year | | 10,800,794 | 9,838,439 |
| **Accumulated surplus, end of year** | | $ 10,712,228 | $ 10,800,794 |

See accompanying notes to financial statements

# Regional Service Commission 11

## Statement of Changes in Net Debt

## Year ended December 31, 2017

| | 2017 | 2016 |
|---|---|---|
| Annual (deficit) surplus | $ (88,566) | $ 962,355 |
| Acquisition of tangible capital assets | (1,119,118) | (1,279,962) |
| Writedown of tangible capital assets | 8,415 | - |
| Amortization of tangible capital assets | 1,698,411 | 1,188,650 |
| | 499,142 | 871,043 |
| Change in deferred financing charges | 3,733 | 3,743 |
| Change in prepaid expenses | 41,251 | (49,262) |
| Decrease in net debt | 544,126 | 825,524 |
| Net debt, beginning of the year | (1,833,081) | (2,658,605) |
| **Net debt, end of year** | **$ (1,288,955)** | **$ (1,833,081)** |

See accompanying notes to financial statements

# Regional Service Commission 11

## Statement of Cash Flows

## Year ended December 31, 2017

| | 2017 | 2016 |
|---|---|---|
| Increase (decrease) in cash and cash equivalents | | |
| **Operating activities** | | |
| Annual (deficit) surplus | $ (88,566) | $ 962,355 |
| Amortization of tangible capital assets | 1,698,411 | 1,188,650 |
| Gain on disposal of tangible capital assets | (46,584) | (43,000) |
| Unrealized (gain) loss on investments | (43,777) | 10,637 |
| | 1,519,484 | 2,118,642 |
| **Change in non-cash working capital** | | |
| Receivables | (53,643) | 470,968 |
| Interest receivable | - | 5,039 |
| Loan receivable | (99,372) | - |
| Inventory | (27,889) | (21,247) |
| Payables and accruals | (175,875) | (549,560) |
| Deferred revenue | - | (106,246) |
| Funds held in trust | 470 | 325 |
| Retiring allowance | 68,000 | 51,700 |
| Accrued post-closing costs | 337,424 | 310,785 |
| Deferred finance charges | 3,733 | 3,743 |
| Prepaid expenses | 41,251 | (49,262) |
| | 94,099 | 116,245 |
| Cash flows provided by operating activities | 1,613,583 | 2,234,887 |
| **Capital activities** | | |
| Acquisition of tangible capital assets | (1,119,118) | (1,279,962) |
| Proceeds from disposal of tangible capital assets | 55,000 | 43,000 |
| Cash flows used in capital activities | (1,064,118) | (1,236,962) |
| **Financing activities** | | |
| Long term debt (net) | (378,000) | (33,000) |
| Cash flows used in financing activities | (378,000) | (33,000) |
| **Investing activities** | | |
| Investments (net) | (220,705) | 218,011 |
| Cash flows (used in) provided by investing activities | (220,705) | 218,011 |
| **Net (decrease) increase in cash and cash equivalents** | (49,240) | 1,182,936 |
| Cash and cash equivalents, beginning of year | 3,623,605 | 2,440,669 |
| **Cash and cash equivalents, end of year** | $ 3,574,365 | $ 3,623,605 |

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 Chartered Professional Accountants of Canada.

**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, receivables and investments.

Financial liabilities measured at amortized cost include payables and accruals and long term debt.

Financial assets measured at fair value include investment in balanced funds and term deposits.

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

**Investments**
Investments are managed in accordance with the New Brunswick Trustees Act.

**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.

## 2. Significant accounting policies (continued)

**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.

**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 7.

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.

**SWD 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.

**2. Significant accounting policies (continued)**

**Employee future benefits**
The Commission has a sick leave benefit as documented in Note 9.

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 10.

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, 2017 was $48,798 (2016 - $43,101).

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Pension Plan, which is a multi-employer shared risk pension plan. 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**

| | 2017 | 2016 |
|---|---|---|
| Cash and cash equivalents - restricted | $ 1,901,564 | $ 1,989,541 |
| Cash and cash equivalents - unrestricted | 1,672,801 | 1,634,064 |
| | $ 3,574,365 | $ 3,623,605 |

The Commission has a revolving line of credit of $300,000, which was not utilized at December 31, 2017. Interest at prime less 0.5% secured by letter from the Chairman of the Commission, under seal, authorizing the Commission to borrow for the purpose of bridging normal member funding and financing receivables.

### 4. Receivables

| | | 2017 | | 2016 |
|---|---|---|---|---|
| Planning and development | $ | 1,076 | $ | 76 |
| Solid waste | | 692,697 | | 668,093 |
| Recycling | | 40,077 | | 31,335 |
| Power generation | | 75,508 | | 104,000 |
| HST rebate | | 105,510 | | 57,721 |
| | $ | 914,868 | $ | 861,225 |

### 5. Loan receivable

| | | 2017 | | 2016 |
|---|---|---|---|---|
| Amount due from Elmtree Environmental Ltd. of $100,000 at 0% repayable over a maximum of six years, repayable $1 per tonne added to the tonnage fee until the loan is repaid. After three years if $50,000 has not been repaid the difference between the $50,000 and the payments to date is due. Upon maturity, August 2023, any remaining unpaid balance is due. Annual interest at the daily prime bank commercial lending rate plus 2% will accrue upon default. | $ | 99,372 | $ | - |
| Less principal due within one year | | 4,152 | | - |
| | $ | 95,220 | $ | - |

Estimated principal payments due in each of the next five years, include:

| 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| $ 4,152 | $ 4,152 | $ 41,068 | $ 4,152 | $ 4,152 |

### 6. Investments

| | 2017 | | 2016 | |
|---|---|---|---|---|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Cash | $ 265,853 | $ 265,853 | $ 189,130 | $ 189,130 |
| Balanced funds | 2,796,870 | 2,852,980 | 2,652,896 | 2,665,222 |
| | $ 3,062,723 | $ 3,118,833 | $ 2,842,026 | $ 2,854,352 |

The balance of cash and balanced funds is restricted for future closure and post closure costs.

### 7. 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.

At December 31, 2017 the capacity of the landfill had been estimated at 2,750,423 metric tonnes of which 1,525,000 (2016 - 1,609,000) metric tonnes remains unused as at December 31, 2017.

At December 31, 2017 the estimated post closure liability is $3,417,772 (2016 - $3,080,348) of which the Commission has funded with cash and balanced funds with a cost of $3,062,723 (2016 - $2,842,026) and with a market value of $3,118,833 (2016 - $2,854,352) for a shortfall of $298,939 (2016 - $225,996) based on market value at year end. Investment detail is documented in Note 6.

### 8. Long term debt

| New Brunswick Municipal Finance Corporation | 2017 | 2016 |
|---|---|---|
| Debentures: | | |
| BH47 1.35% - 2.15%, due 2017, OIC 10-0107 | $ - | $ 64,000 |
| B152 1.35% - 3.25%, due 2023, OIC 11-0005 | 2,261,000 | 2,607,000 |
| BL47 1.2% - 2.15%, due 2019, OIC 14-0003 | 181,000 | 269,000 |
| BO50 1.45% - 2.0%, due 2021, OIC 15-0046 | 193,000 | 239,000 |
| BP40 1.20% - 2.0%, due 2021, OIC 06-0011, 16-0003 | 907,000 | 1,126,000 |
| BR46 1.65% - 2.35%, due 2022, OIC 16-0003, 17-0041 | 385,000 | - |
| | $ 3,927,000 | $ 4,305,000 |

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:

| 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| $ 787,000 | $ 802,000 | $ 725,000 | $ 741,000 | $ 473,000 |

**9. 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.

An actuarial valuation was performed on the 53 employee plan in accordance with PS 3255 at December 31, 2017. 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 estimate.

The following summarizes the major assumptions in the valuation:
- annual salary increase is 2.0%;
- the discount rate used to determine the accrued benefit obligation is 3.07% (2016 - 3.17%);
- retirement age is 60; and
- estimated average excess utilization 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 $124,300 on December 31, 2017 (2016 - $110,745).

**10. 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. The Commission paid a retirement allowance of $12,449 during the year (2016 - $nil).

**11. Pension plan**

The Commission's solid waste employees are members of the City of Fredericton Shared Risk Plan, which is a Shared Risk Pension Plan in accordance with the New Brunswick Pension Benefits Act. The Plan is administered by an independent Board of Trustees. Under the Plan, contributions are made by the Plan members and Regional Service Commission 11. The Plan was created effective March 31, 2013.

Plan members contribute at a rate of 9% of pensionable earnings. The Commission matches these contributions to form the Plan's Initial Contributions. In addition, the Commission is making Temporary Contributions in the amount of 4.25% of pensionable earnings for at least 10 years and at most 15 years beginning March 31, 2013. As per the Plan's Funding Policy, contributions may increase or decrease by 2.25% of payroll for both the Commission and the employees should certain funding levels be reached.

**11. Pension plan (continued)**

For service up to and including March 31, 2013, benefits accrue at a rate of 1.3% on the first $5,000 of earnings and 2.0% on the remainder of pensionable earnings, to a maximum benefit of $2,000 per year of pensionable service. For this period of pre-conversion service, benefits are available on an unreduced basis for members who retire on or after age 55 and whose age plus service total at least 80. For service after March 31, 2013, benefits accrued at a rate of 1.8% of pensionable earnings. For this period of post-conversion service, benefits are available on an unreduced basis for members who retire on or after age 65.

The last actuarial valuation of the Plan was conducted as at March 31, 2014. At that date, the open group funded ratio of the Plan was 103.8%.

Contributions to the plan in 2017 totalled $600,011 (2016 - $473,233).

**12. 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 6.

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 balanced 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.

### 13. Contingency

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 16).

After the five year extension renewal option, exercised in 2004, expired September 2009 the lease was subject to litigation. The Commission settled the litigation effective August 14, 2017.

Under the terms of the Settlement, both parties have undertakings to perform. It is management's estimate that the remaining costs associated with the Settlement is $170,000 (2016 - $250,000). This amount has been accrued in the financial statements as of December 31, 2017. Actual settlement costs may be materially different.

### 14. Commitments

The Commission has entered into an agreement retro-active to September 2013 to rent a portion of landfill property for use as a hydrocarbon contaminated soil remediation facility. Terms of the agreement allow for the renewal of the lease every five years. Rent is $2,850 per month plus $2.75 per tonne of soil.

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 two years are as follows:

| 2018 | 2019 |
|---|---|
| $ 79,971 | $ 26,657 |

### 15. 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 2017 the Commission has complied with these restrictions.

**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.

**16. Funds held in trust**

Represents funds held in trust by the Commission to cover any cleanup costs which may be required to support the tenant's obligation to remediate their leased land as referred to in Note 13. In the event that these trust funds drop below $100,000 as a result of payment for non-hydrocarbon remediation costs the tenant is obligated to pay an additional $2 per tonne until the trust fund once again reaches $100,000.

**17. 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, 2017

| | Land | Land improvements | Buildings | Machinery and equipment | Vehicles | Electronic equipment | Furniture and fixtures | Assets under construction | 2017 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| Balance, beginning of year | $ 539,511 | $ 2,898,561 | $ 5,128,608 | $ 15,135,492 | $ 555,182 | $ 154,041 | $ 103,855 | $ - | $ 24,515,250 |
| Add: | | | | | | | | | |
| Additions and transfers during the year | - | 559,326 | - | 216,392 | 239,657 | 53,922 | 12,323 | 37,498 | 1,119,118 |
| Less: | | | | | | | | | |
| Disposals and writedowns | - | - | - | (88,409) | (228,521) | (25,827) | - | - | (342,757) |
| Balance, end of year | 539,511 | 3,457,887 | 5,128,608 | 15,263,475 | 566,318 | 182,136 | 116,178 | 37,498 | 25,291,611 |
| **Accumulated amortization** | | | | | | | | | |
| Balance, beginning of year | - | 1,801,217 | 1,788,792 | 7,768,288 | 498,711 | 121,132 | 89,276 | - | 12,067,416 |
| Add: | | | | | | | | | |
| Amortization during the year | - | 694,866 | 131,112 | 795,277 | 60,404 | 11,478 | 5,274 | - | 1,698,411 |
| Less: | | | | | | | | | |
| Accumulated amortization on disposals and writedowns | - | - | - | (88,409) | (220,106) | (25,826) | - | - | (334,341) |
| Balance, end of year | - | 2,496,083 | 1,919,904 | 8,475,156 | 339,009 | 106,784 | 94,550 | - | 13,431,486 |
| **Net book value of tangible capital assets** | $ 539,511 | $ 961,804 | $ 3,208,704 | $ 6,788,319 | $ 227,309 | $ 75,352 | $ 21,628 | $ 37,498 | $ 11,860,125 |
| **Consists of:** | | | | | | | | | |
| Local planning assets | $ - | $ - | $ - | $ - | $ - | $ 7,434 | $ 12,253 | $ - | $ 19,687 |
| Landfill assets | 539,511 | 943,984 | 889,295 | 3,243,003 | 11,617 | 56,735 | 4,849 | 37,498 | 5,726,492 |
| Recycle assets | - | 17,820 | 2,314,760 | 138,595 | 215,692 | 11,183 | 4,526 | - | 2,702,576 |
| Power generation assets | - | - | 4,649 | 3,406,721 | - | - | - | - | 3,411,370 |
| | $ 539,511 | $ 961,804 | $ 3,208,704 | $ 6,788,319 | $ 227,309 | $ 75,352 | $ 21,628 | $ 37,498 | $ 11,860,125 |

# Regional Service Commission 11

## Schedule 1: Schedule of Tangible Capital Assets

## Year ended December 31, 2016

| | Land | Land improvements | Buildings | Machinery and equipment | Vehicles | Electronic equipment | Furniture and fixtures | Assets under construction | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| Balance, beginning of year | $ 539,511 | $ 2,856,766 | $ 3,438,083 | $ 14,462,107 | $ 555,182 | $ 126,678 | $ 103,855 | $ 1,435,467 | $ 23,517,649 |
| Add: | | | | | | | | | |
| Additions and transfers during the year | - | 41,795 | 1,690,525 | 955,746 | - | 27,363 | - | (1,435,467) | 1,279,962 |
| Less: | | | | | | | | | |
| Disposals and write downs | - | - | - | (282,361) | - | - | - | - | (282,361) |
| Balance, end of year | 539,511 | 2,898,561 | 5,128,608 | 15,135,492 | 555,182 | 154,041 | 103,855 | - | 24,515,250 |
| **Accumulated amortization** | | | | | | | | | |
| Balance, beginning of year | - | 1,622,149 | 1,660,888 | 7,256,581 | 432,122 | 108,185 | 81,202 | - | 11,161,127 |
| Add: | | | | | | | | | |
| Amortization during the year | - | 179,068 | 127,904 | 794,068 | 66,589 | 12,947 | 8,074 | - | 1,188,650 |
| Less: | | | | | | | | | |
| Accumulated amortization on disposals and writedowns | - | - | - | (282,361) | - | - | - | - | (282,361) |
| Balance, end of year | - | 1,801,217 | 1,788,792 | 7,768,288 | 498,711 | 121,132 | 89,276 | - | 12,067,416 |
| **Net book value of tangible capital assets** | $ 539,511 | $ 1,097,344 | $ 3,339,816 | $ 7,367,204 | $ 56,471 | $ 32,909 | $ 14,579 | $ - | $ 12,447,834 |
| **Consists of:** | | | | | | | | | |
| Local planning assets | $ - | $ - | $ - | $ - | $ - | $ 2,740 | $ 888 | $ - | $ 3,628 |
| Landfill assets | 539,511 | 1,077,645 | 949,537 | 3,479,579 | 35,489 | 30,169 | 5,496 | - | 6,117,426 |
| Recycle assets | - | 19,699 | 2,385,330 | 179,979 | 20,982 | - | 8,195 | - | 2,614,185 |
| Power generation assets | - | - | 4,949 | 3,707,646 | - | - | - | - | 3,712,595 |
| | $ 539,511 | $ 1,097,344 | $ 3,339,816 | $ 7,367,204 | $ 56,471 | $ 32,909 | $ 14,579 | $ - | $ 12,447,834 |

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus

## Year ended December 31, 2017

| | Co-operative and Regional Planning Operating Fund | Local Planning Operating Fund | Solid Waste Operating Fund | Generation Operating Fund | Local Planning Capital Fund | Solid Waste Capital Fund | Sub-total Carry Forward |
|---|---|---|---|---|---|---|---|
| 2017 annual surplus (deficit) | $ 11,831 | $ 75,014 | $ 1,049,779 | $ 466,432 | $ 309 | $ (1,405,914) | $ 197,451 |
| **Adjustments to annual surplus (deficit) for funding requirements** | | | | | | | |
| Second previous year's surplus (deficit) | 14,035 | 14,580 | 101,826 | 120,294 | - | - | 250,735 |
| Transfer between funds | | | | | | | |
| Transfer elimination | - | (700) | - | (100,000) | - | 210,000 | 109,300 |
| Transfer elimination - capital asset additions | - | (15,751) | (508,365) | - | 15,751 | 508,365 | - |
| Long-term debt principal repayment | - | - | (417,000) | (346,000) | - | 417,000 | (346,000) |
| Issuance of new debt | - | - | - | - | - | - | - |
| Change in sick leave accrual | - | (4,728) | 18,283 | - | - | - | 13,555 |
| Amortization expense | - | - | - | - | (309) | 1,397,499 | 1,397,190 |
| Writedown of tangible capital assets | - | - | - | - | - | 8,415 | 8,415 |
| Unrealized gain on marketable securities | - | - | (43,777) | - | - | - | (43,777) |
| **Total adjustments to 2017 annual surplus (deficit)** | $ 14,035 | $ (6,599) | $ (849,033) | $ (325,706) | $ 15,442 | $ 2,541,279 | $ 1,389,418 |
| | $ 25,866 | $ 68,415 | $ 200,746 | $ 140,726 | $ 15,751 | $ 1,135,365 | $ 1,586,869 |
| 2017 annual surplus per PNB requirements | $ 25,866 | $ 68,415 | $ 200,746 | $ 140,726 | | | |

Continued

# Regional Service Commission 11

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

## Year ended December 31, 2017

| | Sub-total Carry Forward | Generation Capital Fund | Local Planning Operating Reserve Fund | Solid Waste Operating Reserve Fund | Solid Waste Capital Reserve Fund | Generation Capital Reserve Fund | Total |
|---|---|---|---|---|---|---|---|
| 2017 annual surplus (deficit) | $ 197,451 | $ (301,221) | $ - | $ 1,829 | $ 12,937 | $ 438 | $ (88,566) |
| **Adjustments to annual surplus (deficit) for funding requirements** | | | | | | | |
| Second previous year's surplus (deficit) | 250,735 | - | - | - | - | - | 250,735 |
| Transfer between funds | | | | | | | |
| Transfer elimination | 109,300 | - | 700 | - | (210,000) | 100,000 | - |
| Transfer elimination - capital asset additions | - | - | - | - | - | - | - |
| Long-term debt principal repayment | (346,000) | 346,000 | - | - | - | - | - |
| Issuance of new debt | - | - | - | - | - | - | - |
| Change in sick leave accrual | 13,555 | - | - | - | - | - | 13,555 |
| Amortization expense | 1,397,190 | 301,221 | - | - | - | - | 1,698,411 |
| Writedown of tangible capital assets | 8,415 | - | - | - | - | | 8,415 |
| Unrealized gain on marketable securities | (43,777) | - | - | - | - | - | (43,777) |
| **Total adjustments to 2017 annual surplus (deficit)** | $ 1,389,418 | $ 647,221 | $ 700 | $ - | $ (210,000) | $ 100,000 | $ 1,927,339 |
| | $ 1,586,869 | $ 346,000 | $ 700 | $ 1,829 | $ (197,063) | $ 100,438 | $ 1,838,773 |

# Regional Service Commission 11

## Schedule 2: Schedule of Reconciliation of Annual Surplus

## Year ended December 31, 2016

| | Co-operative and Regional Planning Operating Fund | Local Planning Operating Fund | Solid Waste Operating Fund | Generation Operating Fund | Local Planning Capital Fund | Solid Waste Capital Fund | Sub-total Carry Forward |
|---|---|---|---|---|---|---|---|
| 2016 annual surplus (deficit) | $ 9,378 | $ (51,706) | $ 1,511,872 | $ 667,475 | $ (5,514) | $ (930,511) | $ 1,200,994 |
| **Adjustments to annual surplus (deficit) for funding requirements** | | | | | | | |
| Second previous year's surplus (deficit) | 15,121 | 51,668 | (451,044) | 95,486 | - | - | (288,769) |
| Transfer between funds | | | | | | | |
| Transfer elimination | - | - | - | - | - | - | - |
| Transfer elimination - capital asset additions | - | - | (793,976) | (340,986) | - | 793,976 | (340,986) |
| Long-term debt principal repayment | - | - | (318,000) | (340,000) | - | 318,000 | (340,000) |
| Issuance of new debt | - | - | 625,000 | - | - | (625,000) | - |
| Change in sick leave accrual | - | 377 | (21,642) | - | - | - | (21,265) |
| Amortization expense | - | - | - | - | 5,514 | 930,511 | 936,025 |
| Unrealized loss on marketable securities | - | - | 10,637 | - | - | - | 10,637 |
| **Total adjustments to 2016 annual surplus (deficit)** | $ 15,121 | $ 52,045 | $ (949,025) | $ (585,500) | $ 5,514 | $ 1,417,487 | $ (44,358) |
| | $ 24,499 | $ 339 | $ 562,847 | $ 81,975 | $ - | $ 486,976 | $ 1,156,636 |
| 2016 annual surplus per PNB requirements | $ 24,499 | $ 339 | $ 562,847 | $ 81,975 | | | |

Continued

# Regional Service Commission 11

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

## Year ended December 31, 2016

| | Sub-total Carry Forward | Generation Capital Fund | Local Planning Operating Reserve Fund | Solid Waste Operating Reserve Fund | Solid Waste Capital Reserve Fund | Generation Capital Reserve Fund | Total |
|---|---|---|---|---|---|---|---|
| 2016 annual surplus (deficit) | $ 1,200,994 | $ (252,625) | $ - | $ 2,280 | $ 10,591 | $ 1,115 | $ 962,355 |
| **Adjustments to annual surplus (deficit) for funding requirements** | | | | | | | |
| Second previous year's surplus (deficit) | (288,769) | - | - | - | - | - | (288,769) |
| Transfer between funds | | | | | | | |
| Transfer elimination | - | 145,000 | - | - | - | (145,000) | - |
| Transfer elimination - capital asset additions | (340,986) | 340,986 | - | - | - | - | - |
| Long-term debt principal repayment | (340,000) | 340,000 | - | - | - | - | - |
| Issuance of new debt | - | - | - | - | - | - | - |
| Change in sick leave accrual | (21,265) | - | - | - | - | - | (21,265) |
| Amortization expense | 936,025 | 252,625 | - | - | - | - | 1,188,650 |
| Unrealized loss on marketable securities | 10,637 | - | - | - | - | - | 10,637 |
| **Total adjustments to 2016 annual surplus (deficit)** | $ (44,358) | $ 1,078,611 | $ - | $ - | $ - | $ (145,000) | $ 889,253 |
| | $ 1,156,636 | $ 825,986 | $ - | $ 2,280 | $ 10,591 | $ (143,885) | $ 1,851,608 |

# Regional Service Commission 11

## Schedule 3: Schedule of Segment Disclosure

## Year ended December 31, 2017

| | Co-operative and Regional Planning | Local Planning | Landfill | SWD Recycling | Power Generation | 2017 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Member charges | $ 74,141 | $ 1,277,237 | $ 2,697,645 | $ - | $ - | $ 4,049,023 |
| Sale of services | - | - | 4,471,342 | 555,399 | 828,562 | 5,855,303 |
| Other | - | 20,132 | 32,082 | 58,424 | - | 110,638 |
| Grants | - | - | 23,685 | - | - | 23,685 |
| Interest | - | 763 | 29,720 | - | 868 | 31,351 |
| | 74,141 | 1,298,132 | 7,254,474 | 613,823 | 829,430 | 10,070,000 |
| **Expenditures** | | | | | | |
| Salaries and benefits | 36,957 | 980,193 | 2,539,025 | 751,499 | 86,701 | 4,394,375 |
| Operating expenses | 25,353 | 242,925 | 3,099,811 | 427,616 | 206,087 | 4,001,792 |
| Amortization | - | (309) | 1,233,805 | 163,694 | 301,221 | 1,698,411 |
| Interest | - | - | 27,506 | 2,072 | 69,772 | 99,350 |
| Other | - | - | 8,415 | - | - | 8,415 |
| | 62,310 | 1,222,809 | 6,908,562 | 1,344,881 | 663,781 | 10,202,343 |
| Unrealized gain on investments | - | - | 43,777 | - | - | 43,777 |
| **Annual (deficit) surplus** | $ 11,831 | $ 75,323 | $ 389,689 | $ (731,058) | $ 165,649 | $ (88,566) |

# Regional Service Commission 11

## Schedule 3: Schedule of Segment Disclosure

## Year ended December 31, 2016

| | Co-operative and Regional Planning | Local Planning | Landfill | SWD Recycling | Power Generation | 2016 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Member charges | $ 68,058 | $ 1,122,833 | $ 2,621,768 | $ - | $ - | $ 3,812,659 |
| Sale of services | - | - | 4,154,378 | 359,006 | 1,034,175 | 5,547,559 |
| Other | - | 12,953 | 94,179 | - | - | 107,132 |
| Interest | - | 946 | 20,132 | - | 1,671 | 22,749 |
| Insurance recovery | - | - | - | 247,428 | - | 247,428 |
| | 68,058 | 1,136,732 | 6,890,457 | 606,434 | 1,035,846 | 9,737,527 |
| **Expenditures** | | | | | | |
| Salaries and benefits | 32,168 | 910,201 | 2,328,694 | 458,813 | 79,331 | 3,809,207 |
| Operating expenses | 26,512 | 278,237 | 2,733,436 | 384,936 | 215,482 | 3,638,603 |
| Amortization | - | 5,514 | 775,525 | 154,986 | 252,625 | 1,188,650 |
| Interest | - | - | 54,818 | 814 | 72,443 | 128,075 |
| | 58,680 | 1,193,952 | 5,892,473 | 999,549 | 619,881 | 8,764,535 |
| Unrealized loss on investments | - | - | (10,637) | - | - | (10,637) |
| **Annual (deficit) surplus** | $ 9,378 | $ (57,220) | $ 987,347 | $ (393,115) | $ 415,965 | $ 962,355 |

# Regional Service Commission 11

## Schedule 4: Schedule of Statement of Reserves

## Year ended December 31, 2017

| | Local Planning Operating Reserve | Local Planning Capital Reserve | Solid Waste Operating Reserve | Solid Waste Capital Reserve | Generation Capital Reserve | 2017 Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 25,000 | $ 8,000 | $ 388,840 | $ 1,208,557 | $ 165,137 | $ 1,795,534 |
| | 25,000 | 8,000 | 388,840 | 1,208,557 | 165,137 | 1,795,534 |
| **Accumulated surplus** | $ 25,000 | $ 8,000 | $ 388,840 | $ 1,208,557 | $ 165,137 | $ 1,795,534 |
| **Revenue** | | | | | | |
| Operating fund transfer | $ 700 | $ - | $ - | $ - | $ 100,000 | $ 100,700 |
| Interest | - | - | 1,829 | 12,937 | 438 | 15,204 |
| | 700 | - | 1,829 | 12,937 | 100,438 | 115,904 |
| **Expenditures** | - | - | - | 210,000 | - | 210,000 |
| **Annual surplus (deficit)** | $ 700 | $ - | $ 1,829 | $ (197,063) | $ 100,438 | $ (94,096) |

**Resolutions regarding transfers to and from reserves:**

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $700 from the Local Planning Services Operating Fund to the Local Planning Services Operating Reserve Fund. Motion by Mike Chamberlain, seconded by Don Gould.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $100,000 from the Generation Facility Operating Fund to the Generation Facility Capital Reserve Fund. Motion by Mike Chamberlain, seconded by Mike Blaney.

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $210,000 from the Solid Waste Services Capital Reserve Fund to the Solid Waste Services Capital Fund. Motion by Mike Chamberlain, seconded by Peter Morrison.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 19, 2017.

Original Signed by D. R. Fitzgerald

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

April 3, 2018

Date

# Regional Service Commission 11

## Schedule 4: Schedule of Statement of Reserves

## Year ended December 31, 2016

| | Local Planning Operating Reserve | Local Planning Capital Reserve | Solid Waste Operating Reserve | Solid Waste Capital Reserve | Generation Capital Reserve | 2016 Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 24,300 | $ 8,000 | $ 386,568 | $ 1,400,414 | $ 64,698 | $ 1,883,980 |
| Due from Solid Waste Operating Fund | - | - | 443 | 5,390 | - | 5,833 |
| | 24,300 | 8,000 | 387,011 | 1,405,804 | 64,698 | 1,889,813 |
| **Accumulated surplus** | $ 24,300 | $ 8,000 | $ 387,011 | $ 1,405,804 | $ 64,698 | $ 1,889,813 |
| **Revenue** | | | | | | |
| Interest | $ - | $ - | $ 2,280 | $ 10,591 | $ 1,115 | $ 13,986 |
| | - | - | 2,280 | 10,591 | 1,115 | 13,986 |
| **Expenditures** | - | - | - | - | 145,000 | 145,000 |
| **Annual surplus (deficit)** | $ - | $ - | $ 2,280 | $ 10,591 | $ (143,885) | $ (131,014) |

**Resolutions regarding transfers to and from reserves:**

Motion: Be it resolved that Regional Service Commission 11 transfer a total of $145,000 from the Generation Facility Capital Reserve Fund to the Generation Facility Capital Fund. Motion by Robert Powell, seconded by Daryl Prince.

I hereby certify that the above are true and exact copies of resolutions adopted at a Commission meeting on December 21, 2016.

Original Signed by D. R. Fitzgerald

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

April 3, 2018

Date

# Regional Service Commission 11

## Schedule 5: Schedule of Operating Budget to PSA Budget

## Year ended December 31, 2017

| | Corporate Services Operating Budget | Co-operative and Regional Planning Operating Budget | Local Planning Operating Budget | Solid Waste Operating Budget | Generation Facility Operating Budget | Amortization TCA | Other Sick Leave | Transfers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Member charges | $ - | $ 74,142 | $ 1,274,347 | $ 2,898,924 | $ - | $ - | $ - | $ - | $ 4,247,413 |
| Sale of services | - | - | - | 4,595,990 | 1,100,000 | - | - | - | 5,695,990 |
| Transfer from own or other fund | 507,245 | - | - | - | - | - | - | (507,245) | - |
| Interest | - | - | 3,000 | 6,960 | 660 | - | - | - | 10,620 |
| Surplus (deficit) of second previous year | - | 14,035 | 14,580 | 101,826 | 120,294 | - | - | (250,735) | - |
| Other revenue | - | - | - | 55,000 | - | - | - | - | 55,000 |
| | 507,245 | 88,177 | 1,291,927 | 7,658,700 | 1,220,954 | - | - | (757,980) | 10,009,023 |
| **Expenditures** | | | | | | | | | |
| Governance | 62,500 | - | - | - | - | - | - | - | 62,500 |
| Administration | 437,978 | 65,677 | 551,822 | 1,435,407 | 9,200 | - | - | (507,245) | 1,992,839 |
| Regional planning | - | 10,000 | - | - | - | - | - | - | 10,000 |
| Regional policing collaboration | - | 2,500 | - | - | - | - | - | - | 2,500 |
| Regional sport, recreation and culture infrastructure planning and cost sharing | - | 10,000 | - | - | - | - | - | - | 10,000 |
| Planning & building inspection services | - | - | 730,905 | - | - | 9,142 | 1,000 | - | 741,047 |
| Solid waste services | - | - | - | 5,462,359 | 326,089 | 1,598,600 | 2,000 | - | 7,389,048 |
| Post-closing costs | - | - | - | 191,250 | - | - | - | - | 191,250 |
| Fiscal services | | | | | | | | | |
| Interest | - | - | - | 64,475 | 70,000 | - | - | - | 134,475 |
| Other financing charges | 6,767 | - | 3,000 | 2,500 | 4,240 | - | - | - | 16,507 |
| Other fiscal services | - | - | - | 6,000 | - | - | - | - | 6,000 |
| Transfer to Capital Fund | - | - | 5,500 | 496,709 | 346,000 | - | - | (799,709) | 48,500 |
| Transfer to Operating Reserve Fund | - | - | 700 | - | - | - | - | (700) | - |
| Transfer to Capital Reserve Fund | - | - | - | - | 465,425 | - | - | (465,425) | - |
| | 507,245 | 88,177 | 1,291,927 | 7,658,700 | 1,220,954 | 1,607,742 | 3,000 | (1,773,079) | 10,604,666 |
| **Surplus (deficit)** | $ - | $ - | $ - | $ - | $ - | $ (1,607,742) | $ (3,000) | $ 1,015,099 | $ (595,643) |

# Regional Service Commission 11

## Schedule 5: Schedule of Operating Budget to PSA Budget

## Year ended December 31, 2016

| | Corporate Services Operating Budget | Co-operative and Regional Planning Operating Budget | Local Planning Operating Budget | Solid Waste Operating Budget | Generation Facility Operating Budget | Amortization TCA | Other Sick Leave | Transfers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Member charges | $ - | $ 68,059 | $ 1,122,832 | $ 2,719,613 | $ - | $ - | $ - | $ - | $ 3,910,504 |
| Sale of services | - | - | - | 4,620,087 | 1,100,000 | - | - | - | 5,720,087 |
| Transfer from own or other fund | 503,885 | - | - | 182,000 | - | - | - | (685,885) | - |
| Interest | - | - | 3,000 | 12,000 | 1,050 | - | - | - | 16,050 |
| Surplus (deficit) of second previous year | - | 15,121 | 51,668 | (451,044) | 95,486 | - | - | 288,769 | - |
| Other revenue | - | - | - | 105,000 | - | - | - | - | 105,000 |
| | 503,885 | 83,180 | 1,177,500 | 7,187,656 | 1,196,536 | - | - | (397,116) | 9,751,641 |
| **Expenditures** | | | | | | | | | |
| Governance | 62,500 | - | - | - | - | - | - | - | 62,500 |
| Administration | 435,045 | 65,680 | 540,145 | 1,275,137 | 11,200 | - | - | (503,885) | 1,823,322 |
| Regional planning | - | 5,000 | - | - | - | - | - | - | 5,000 |
| Regional policing collaboration | - | 2,500 | - | - | - | - | - | - | 2,500 |
| Regional sport, recreation and culture infrastructure planning and cost sharing | - | 10,000 | - | - | - | - | - | - | 10,000 |
| Planning & building inspection services | - | - | 620,355 | - | - | 9,000 | 3,000 | - | 632,355 |
| Solid waste services | - | - | - | 5,248,003 | 424,603 | 1,660,000 | 6,000 | - | 7,338,606 |
| Post-closing costs | - | - | - | 182,746 | - | - | - | - | 182,746 |
| Fiscal services | | | | | | | | | |
| Interest | - | - | - | 62,270 | 84,556 | - | - | - | 146,826 |
| Other financing charges | 3,500 | - | 3,000 | 2,500 | 2,700 | - | - | - | 11,700 |
| Other fiscal services | 2,840 | - | 7,500 | 6,000 | - | - | - | - | 16,340 |
| Transfer to Capital Fund | - | - | 5,500 | 411,000 | 389,000 | - | - | (757,000) | 48,500 |
| Transfer to Operating Reserve Fund | - | - | 1,000 | - | 140,000 | - | - | (141,000) | - |
| Transfer to Capital Reserve Fund | - | - | - | - | 144,477 | - | - | (144,477) | - |
| | 503,885 | 83,180 | 1,177,500 | 7,187,656 | 1,196,536 | 1,669,000 | 9,000 | (1,546,362) | 10,280,395 |
| **Surplus (deficit)** | $ - | $ - | $ - | $ - | $ - | $ (1,669,000) | $ (9,000) | $ 1,149,246 | $ (528,754) |

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures

## Year ended December 31, 2017

| | (Unaudited) Budget 2017 | Actual 2017 | Actual 2016 |
|---|---|---|---|
| **Revenue** | | | |
| **Sale of services** | | | |
| Industrial/Commercial/Institutional tipping fees | $ 3,886,075 | $ 4,187,019 | $ 3,862,657 |
| Construction and demolition | 255,000 | 253,913 | 245,926 |
| Recycling materials | 420,415 | 555,399 | 359,006 |
| Power generation | 1,100,000 | 828,562 | 1,034,175 |
| Other | 34,500 | 30,410 | 45,795 |
| | $ 5,695,990 | $ 5,855,303 | $ 5,547,559 |
| **Member charges** | | | |
| Cooperative and regional planning fees | $ 74,142 | $ 74,141 | $ 68,058 |
| Local planning and inspection services fees | 1,274,347 | 1,277,237 | 1,122,833 |
| Tipping fees | 2,898,924 | 2,697,645 | 2,621,768 |
| | $ 4,247,413 | $ 4,049,023 | $ 3,812,659 |
| **Other** | | | |
| Gain on disposal of capital assets | $ 15,000 | $ 46,584 | $ 43,000 |
| Other (Planning and Development) | - | 20,132 | 12,953 |
| Other (Solid Waste) | 40,000 | 43,922 | 51,179 |
| | $ 55,000 | $ 110,638 | $ 107,132 |
| **Grants** | | | |
| ETF (Solid Waste) | $ - | $ 23,685 | $ - |
| | | | |
| **Expenditures** | | | |
| **Administration** | | | |
| Executive Director's office | $ 222,380 | $ 235,591 | $ 206,516 |
| | | | |
| *Financial management* | | | |
| External audit | 19,500 | 22,460 | 19,000 |
| Personnel | 103,298 | 90,613 | 34,571 |
| Professional services - Sub-contract personnel | 8,000 | 16,653 | 61,510 |
| | 130,798 | 129,726 | 115,081 |
| | | | |
| *Other* | | | |
| Liability insurance | 46,000 | 45,340 | 44,164 |
| Professional services | 8,000 | 400 | 375 |
| Public relations | 2,500 | - | - |
| Office expense | 12,300 | 10,263 | 11,385 |
| Legal services | 6,000 | 1,841 | 550 |
| Translation | 10,000 | 2,461 | 3,924 |
| | 84,800 | 60,305 | 60,398 |

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures (Continued)

## Year ended December 31, 2017

| | (Unaudited) Budget 2017 | Actual 2017 | Actual 2016 |
|---|---|---|---|
| *Administration* | | | |
| Local planning office | 249,935 | 251,263 | 262,020 |
| Liability insurance | 2,000 | 1,073 | 2,787 |
| Professional services | 4,000 | 357 | - |
| Public relations | 1,500 | 442 | 93 |
| Office expense | 129,017 | 122,979 | 130,961 |
| HST | 7,500 | 8,243 | 7,418 |
| Legal services | 5,000 | - | 5,191 |
| | 398,952 | 384,357 | 408,470 |
| *Administration* | | | |
| Solid waste office | 527,242 | 582,273 | 530,276 |
| Liability insurance | 150,000 | 152,564 | 135,531 |
| Professional services | 90,100 | 60,390 | 94,359 |
| Public relations and education | 112,000 | 120,380 | 108,814 |
| Environmental Trust Fund | - | 23,685 | - |
| Office expense | 116,500 | 118,586 | 111,939 |
| Legal services | 25,000 | 8,782 | 12,586 |
| HST | 125,867 | 76,091 | 86,176 |
| | 1,146,709 | 1,142,751 | 1,079,681 |
| *Administration* | | | |
| Generation facility | 9,200 | 7,539 | 5,394 |
| | 9,200 | 7,539 | 5,394 |
| | $ 1,992,839 | $ 1,960,269 | $ 1,875,540 |
| **Governance** | | | |
| Honorariums | $ 40,000 | $ 41,250 | $ 37,877 |
| Travel | 13,500 | 11,152 | 12,684 |
| Meetings | 9,000 | 5,625 | 2,716 |
| | $ 62,500 | $ 58,027 | $ 53,277 |
| **Planning and Building Inspection Services** | | | |
| *Planning services* | | | |
| Personnel | $ 395,959 | $ 378,237 | $ 317,576 |
| Advertising | 7,000 | 951 | 5,113 |
| Planning advisory committee | 19,200 | 14,766 | 13,324 |
| Amortization | 4,571 | (309) | 5,514 |
| Sick leave | 1,000 | (4,728) | 377 |
| Other | 5,500 | 3,589 | 4,032 |
| | 433,230 | 392,506 | 345,936 |

# Regional Service Commission 11

## Schedule 6 - Schedule of Revenue and Expenditures (Continued)

## Year ended December 31, 2017

| | (Unaudited) Budget 2017 | Actual 2017 | Actual 2016 |
|---|---|---|---|
| *Inspection Services* | | | |
| Personnel | 301,446 | 290,622 | 297,685 |
| Supplies | 1,800 | 2,491 | 995 |
| Amortization | 4,571 | - | - |
| | 307,817 | 293,113 | 298,680 |
| | $ 741,047 | $ 685,619 | $ 644,616 |
| **Solid Waste Services** | | | |
| Station and building | $ 278,500 | $ 318,649 | $ 265,163 |
| Machinery and equipment | 1,096,100 | 888,311 | 752,818 |
| Landfill operations | 2,597,904 | 2,409,101 | 2,101,669 |
| Scale house | 269,591 | 237,032 | 274,638 |
| Waste diversion | 1,051,370 | 1,081,866 | 794,536 |
| Hazardous household waste | 168,894 | 141,028 | 160,132 |
| Sick leave | 2,000 | 18,283 | (21,642) |
| Amortization | 1,298,600 | 1,397,499 | 930,513 |
| | 6,762,959 | 6,491,769 | 5,257,827 |
| *Generation facility* | | | |
| Personnel | 90,089 | 86,701 | 79,331 |
| Machinery and equipment | 236,000 | 198,548 | 206,332 |
| Amortization | 300,000 | 301,221 | 252,623 |
| | 626,089 | 586,470 | 538,286 |
| | $ 7,389,048 | $ 7,078,239 | $ 5,796,113 |