Resort Village of Elk Ridge

July 18th, 2023 at 3:00 p.m. – Regular Meeting – Elk Ridge Resort

1. **Call to Order –** The Mayor called the meeting of Council to order.
2. **Approval of Agenda:**

MOTION: That the agenda for this meeting be approved as presented.

1. **Adoption of Minutes:**

3.1 Minutes of the June 30th, 2023 Special Meeting.

MOTION: That the Minutes of the June 30th, 2023 Meeting be approved as presented.

3.2 Page – Minutes of the June 27th, 2023 Regular Meeting.

MOTION: That the Minutes of the June 27, 2023 Regular Meeting be approved as presented.

1. **Declaration of Conflict of Interest:** None
2. **Delegations Scheduled:**
	1. Clint Austin – Joint Utility Review Committee presentation (pages 6-14)
3. **Public Hearings:**
4. **Public Acknowledgements:**
5. **Business Arising from Minutes:**
6. **New Business:**
7. **Motions:**
8. **Administration Reports:**
	1. CAO Report and Updates (page 15)
9. **Financial Reports:**

12.1 Page – Payments register and budgetary control (page 16 – 18)

MOTION: That Council receive and file the financial statement and list of accounts payable for June, 2023.

1. **Reading of Bylaw(s):**
2. **Notice of Motion:**
3. **Inquiries:**
4. **In camera:**

16.1 Personnel – regarding filling the CAO position

16.2 Outdoor amenities

16.3 Waste Management Depot

1. **Information Items/Correspondence:**

17.1 Wendy Gowda (pages 19 - 21)

1. **Adjournment**

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| Resort Village of Elk Ridge |
| Meeting Minutes |
| June 30th, 2023 at 3:30 p.m. – Special Council – Elk Ridge Resort |

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| Present: | Mayor Garry McKay  |
|  | Councillor Danberg |
|  | Councillor Trudy Engel |
|  | Councillor Ross Hewett |
|  | Councillor Margaret Smith-Windsor |
|  |  |
|  | Michele Bonneau (Acting CAO) |

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| 1. **Call to Order –** The Mayor called the meeting of Council to order at 3:32 p.m.
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| 1. **Delegations:**
 | N/A |
| 1. **Approval of Agenda:**
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| **172-2023** | **HEWETT:** | That the agenda for this meeting be approved as presented. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| 1. **Public Hearings:**
 | None |
| 1. **Readings of Bylaws:**
 | None |
| 1. **Adoption of Minutes:**
 | None |
| 1. **Business Arising from Minutes:**
 | None |
| 1. **Action/Motion Items:**
 | None |
| 1. **Administration Reports:**
 | None |
| 1. **Accounts for Payments:**
 | None |
| 1. **Financial Statements:**
 | None |
| 1. **Council Divisional Reports:**
 | N/A |
| 1. **New Business:**
 | None |
| 1. **In camera:**
 | None |
| 1. **Correspondence:**
 | None |
| 1. **Other Business:**
 |  |
| 16.1 Draining issue - #4 Elk Ridge Estates (Item 9.2 tabled from June 27, 2023 agenda) |
| **173-2023** | **DANBERG** | That the request from the owner of lot #4 Elk Ridge Estates for an extension of their building permit #598 to September 21, 2023 be approved subject to the following conditions:1. That failure to meet any of the conditions below will result in the revoking of the extension to Permit #598 with 7 days’ notice and under section 366(1) of the Municipalites Act:

366(1) A municipality may take whatever action or measure is necessary to remedy a contravention of this Act or a bylaw or to prevent a recurrence of the contravention. 369(1) A council may add the following amounts to the tax roll of a parcel of land:(c) unpaid expenses and costs incurred by the municipality in remedying a contravention of a bylaw or enactment if the contravention occurred on all or part of the parcel;1. That the drainage swale between lot #3 and #4 be cleared by the owner of Lot #4 of all soil by July 15, 2023 and maintained on an ongoing basis to facilitate surface drainage in a manner that allows for the flow of surface water to the back of their property without negatively impacting the neighboring properties.
2. That a retaining wall structure be constructed by the owner of lot #4 between lot #3 and lot #4 by August 30, 2023 to hold and secure existing ground and imported soil from eroding into the adjacent swale or neighboring properties.
3. That the owner of #4 Estates Drive acknowledges in writing, within seven days of receipt of the extension and conditions, the acceptance of the above terms.
 |
| **SECONDED** | **HEWETT** | **CARRIED** |
| 1. **Adjournment:**
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| **174-2023** | **SMITH-WINDSOR** | That the meeting adjourn at 4:30 pm |
| **SECONDED:** | **ENGEL** | **CARRIED** |

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| Resort Village of Elk Ridge |
| Meeting Minutes |
| June 27th, 2023 at 9:00 p.m. – Regular Meeting – Elk Ridge Resort |

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| --- | --- |
| Present: | Mayor Garry McKay  |
|  | Councillor Danberg |
|  | Councillor Trudy Engel |
|  | Councillor Ross Hewett |
|  | Councillor Margaret Smith-Windsor |
|  |  |
|  | Michele Bonneau (Acting CAO) |

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| 1. **Call to Order –** The Mayor called the meeting of Council to order at 9:00 a.m.
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| 1. **Approval of Agenda:**
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| **161-2023** | **HEWETT:** | That the agenda for this meeting be approved as presented with added items. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| 1. **Adoption of Minutes:**
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| **3.1** | Minutes of the May 16th, 2023 Regular Council Meeting |
| **162-2023** | **DANBERG:** | That the Minutes of the May 16th, 2023 Meeting be approved as presented. |
| **SECONDED:** | **HEWETT** | **CARRIED** |
| **3.2** | Minutes of the June 6, 2023 Special Meeting |
| **163-2023** | **ENGEL:** | That the Minutes of the June 6, 2023 Special Meeting be approved as presented. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| 1. **Declaration of Conflict of Interest:**
 | None |
| 1. **Delegations Scheduled:**
 | None |
| 1. **Public Hearings:**
 | None |
| 1. **Public Acknowledgements:**
 | The Resort Village would like to acknowledge the Routes2Sk group for hosting a phenomenal PGA golf event that showcased our community very well. |
| 1. **Business Arising from Minutes:**
 | None |
| 1. **New Business:**
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| **9.1 Financial Statement Extension** |  |
| **164-2023** | **DANBERG:** | That Bylaw 07 of 2023 a Bylaw to Extend the Time Required for the Completion of the 2022 Financial Statement be introduced and read a first time, |
| **SECONDED:** | **HEWETT** | **CARRIED** |
| **165-2023** | **ENGEL:** | That Bylaw 07 of 2023 a Bylaw to Extend the Time Required for the Completion of the 2022 Financial Statement be now read a second time. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| **166-2023** | **DANBERG:** | That leave be granted for third reading of Bylaw 07 of 2023 a Bylaw to Extend the Time Required for the Completion of the 2022 Financial Statement. |
| **SECONDED:** | **HEWETT** | **CARRIED** |
| **167-2023** | **ENGEL:** | That Bylaw 07 of 2023 a Bylaw to Extend the Time Required for the Completion of the 2022 Financial Statement be read a third time and adopted. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| **9.2 Drainage issue - #4 Elk Ridge Estates – request for extension to September 15, 2023** |
| **Speaker 1: Lionel Katchmar** |  |
| **Speaker 2: Clay Sumner** |  |
| **Speaker 3: Gord McClelland** |  |
| **168-2023** | **DANBERG:** | That the request for an extension to the building permit/notice of remedy be tabled to a special meeting of Council on Friday June 30, 2023 at 3:30. |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |
| 1. **Motions:**
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| 1. **Administration Report:**
 |  |
| **169-2023** | **DANBERG:** | That the Acting Administrator’s report be adopted as presented |
| **SECONDED:** | **HEWETT** | **CARRIED** |
| 1. **Financial Report:**
 |  |
| **170-2023** | **DANBERG** | That Council receive and file the list of accounts payable to June 25, 2023 |
| **SECONDED:** | **HEWETT** | **CARRIED** |
| 1. **Reading of Bylaw(s):**
 | None |
| 1. **Notice of Motion:**
 | None |
| 1. **Inquiries:**
 | None |
| 1. **In camera:**
 | None |
| 1. **Information Items/Correspondence:**
 |  |
| 17.1 SaskEnergy Municipal Surcharge on SaskEnergy bills |
| 1. **Adjournment:**
 |  |
| **171-2023** | **ENGEL** | That the meeting adjourn at 10:31 am |
| **SECONDED:** | **SMITH-WINDSOR** | **CARRIED** |

**5.1**

**JC Status on Terms of Reference (as of July 4, 2023)**

**Summary**: The JC has fulfilled its primary mandate but has two outstanding items on the scope of work to complete.

**Mandate Elements**:

* We have determined that it is feasible to amalgamate ERU with the RV and establishing a public utility.
* We have determined that a public utility board is an option, but not the direction we recommend
* We have provided a report of our findings and recommendation on July 1 2023 (i.e. 158 days post approval of the ToR)

**Scope of Work:**

1. We have assessed 3 feasible methods for legally establishing a public utility that result in transferring all controlling interests to the RV
2. We have clarified the requirements for establishing a public utility (3 different ways)
3. We have considered the benefits, issues, and risks for establishing a public utility for all 3 options.

-We are assuming the risk of incurring a capital gain tax is null but wish to rule out that risk in advance of implementation.

-We view the Amalgamation Option (i.e. In-House or One-Set of Books) as the best option to resolve the key threats to long-term viability and sustainability

1. We have learned that a public utility board (PUB) is form controlled corporation. We have assessed and determined that a PUB is not a great option as the same outcome could be achieved more efficiently by restructuring the Membership of the Utility so that the RV was the sole member.
2. We have developed a high-level Roadmap, but not an Implementation Plan.  We are deferring development of an Implementation Plan until we have more certainty around the decision and structure of what is to be implemented (e.g. Option 1, 2, 3)
3. ERU has provided both an audited set of financials and its long-term budget and capital plan
4. To my knowledge we have provided quarterly reports either written or verbal.
5. Best advice – will continue to provide advise through the stakeholder engagement phase, the development of the implementation plan and any tasks related to due diligence.

**Budget:** I have reconciled the total expenditures for the JC work up to July.  I believe at this point the JC is at its’ authorized budget threshold.

* Pre-GST: $22,535.50
* Incl: GST: $27,173.13

**Early Feedback From Distributed Reports**

I have consolidated the feedback that I have received into the attached report “Early Feedback Stakeholder Groups”

**Other Recommendations:**

To reduce the risk of incurring income tax on the transfer of assets from ERU to the RV, as well as assist with implementation work, the JC reached out to Baker-Tilley to request an estimate for the following four tasks:

1. Assess fair market value of the utility.
2. Draft a technical interpretation request to send the Canada Revenue Agency to gain confirmation of their position on the matter. This is task will reduce any uncertainty as to CRAs interpretation of the transaction and therefore reduce exposure of
3. Should Council wish to due diligence on the Utility Financials Baker Tilley can conduct an audit of the utility financials and assess transition tasks that need to be done in relation to public accounting standards.
4. Chart of Accounts – migration to one-set of accounts in the RV bookkeeping system will require a standard chart of accounts relative to other municipalities. Baker-Tilley has experience with other municipality with water/sewage works and can assist with this work.

Baker-Tilley estimates that the four tasks will take between 40-60 hours. At an average rate (over all staff involved) of $150/hr, this puts us in the range of $6,000 to $9,000.

The JC requests an additional $9,000 for the Pre-Implementation Phase of Work.

**Misc Information**:

Baker-Tilley has also offered its services to perform the 2023-12-31 audit of the Resort Village of Elk Ridge. They estimate this to be between 60 – 70 hours of work – which at an average bill out rate of $150/hr puts us in a range of $9,000 to $10,500, which is less that the audit fees that the Utility paid of its 2022 audit at $12,500.

I have attached the Baker-Tilley Proposal for your reference and consideration.

**-End Report-**

Regards,

Clint

**FEEDBACK FROM DISTRIBUTION TO R2SK, CONDO CORPS, UTILITY BOARD OF DIRECTORS**

**From:** rewalter@sasktel.net
**Sent:** July 7, 2023 9:27 AM
**To:** infoelkridge@sasktel.net
**Subject:** FW: Joint Committee Final Report: Establishment of Public Utility

Elk Ridge Utility Board members were sent a copy of the stakeholder report on July 2 and were invited to provide any feedback we might have to the email address supplied by July 8.   Following are my comments.  Please note these are my personal comments as a Utility Board member.  I have not shared these comments yet with the Townhouse Board as I am not sure the Townhouse Board has received the information package however I did send the Townhouse Board some information about the recommendation passed by the Utility and the Village Council last month.

The timelines set out in the report are very ambitious and quite unrealistic to allow Board members to consult with their condo board and then for the condo boards to consult with their condo owners.  I expect there will not be much substantive comment provided because the time allowed does not provide  for meaningful discussion and input

1. I would not support the proposal until I see and understand better how current staff will be transitioned to become Village employees.  While there are comments in the report about the staff becoming Village employees with some municipal benefits, its just in general and no guarantees and costs provided to ensure staff are treated fairly and equitably with supporting salary and benefits compared to current salary and benefits.
2. While the report outlines the potential benefits of the recommendation to amalgamate with the Village, there has still not been enough detailed cost estimates other than the reference to the transition costs of $35,000 – primarily for Professional Services. I have asked for this kind of information from the beginning of this process and unfortunately still don’t have the information I believe is needed to make an informed decision on this important change.
3. If the proposed recommendation is pursued further, I believe Option one would provide the most efficient governance and operational model going forward.

­On Jul 10, 2023, at 14:57, Mark Silzer <marksilzer@sasktel.net> wrote:

﻿Hi Clint

 I circulated the report to the board and we met last week. Some concerns were raised about the timing allowed for questions. I expect to hear back regarding concerns by mid week. If so I will forward them on to you.

In the mean time a couple things that did come up were as follows.

1. How will the proposed option to move to a public affect the current staff?
2. What is the amount of the current cash reserve in the Utility?

Mark Silzer, Villas

**From:** clint austin [mailto:clintaustin@shaw.ca]
**Sent:** July 10, 2023 3:44 PM
**To:** Mark Silzer
**Subject:** Re: Joint Committee Report to Members: Establishing a Public Utility

Thanks for your questions Mark.

Both Qs are addressed in the report so but I will make an effort edit those elements to make it more clear.

The goal was to have the entire community aware of the facts by end July.  The short deadline is to give the member, council and board entities a heads up and provide comment or question before public circulation. Most have gotten back to the JC with something.  Some comments have been helpful to tweak unclear facts.  August 9 is the deadline for all community feedback and the members will also have a chance to submit final comments if they wish by then.   Members will also have an alignment meeting with the Utility Board and Council at a date TBD in September / Oct.  The public will get a copy of the report by early next week and everyone will get a chance to ask questions at the townhall at the BBQ on July 29.

Ops staff are an important component in the continuity of day-to-day service. The plan is to  offer employment agreements with the RV with the intent to include access to municipal benefits which they currently don’t have with the utility. My personal  recommendation to the council would be that offers be drawn and signed given well in advance of the formal transition date. Of course agreements need to consider terms and conditions in existing agreements plus be aligned w other communities and SK employment stds.

The reserve is about 900k.  I can give you specifics if you like at the July 29 meeting      It may be less or more on date of transfer as there are many renewal projects in the utility pipeline to spend it on.

The JC is recommending an assessment of fair market value of ERU for purpose of tax calculation on date of transfer and expert in tax treatment and a letter of CRA ruling in advance. This reduces risk of a surprise tax bill   Not fair market value will be different than book value shown on the financials - we don’t know what it is until we actually it as it could be zero with all the asset renewal projects in the pipeline.  Note that legal tax advice tells us that any distribution of funds to the members is prohibited by the current articles and could risk nullifying the non-profit income tax exemption clauses which would one wants to avoid.

On a historical note past memos and the UMA tells us that ERU paid $3 for the land and assets from ERGC and the 5 members allegedly paid a $1.00 each for their ERU memberships. However ERGC or ERU was not able to provide any monetary receipt or certificate documentation or sale/transfer documentation of this transaction.  Not sure if your condo has a recorded receipt or certificate for its membership on file - not be able to locate one yet.

Hope this helps

Clint

On Jul 10, 2023, at 16:46, Mark Silzer <marksilzer@sasktel.net> wrote:

﻿Thanks Clint I dont know that the corp would be able to find any documentation. It certainly predates my time here.

I think it only makes sense that the assets including the reserve be transferred to the public utility and not dispersed.

To access grant funding the proposed direction only makes sense in my opinion.

Thanks again for the clarity and I will pass it to the directors of the villas.

Sent from my iPhone

**From:** Scott Nesbitt <snesbitt.140@gmail.com>
**Sent:** Friday, July 7, 2023 10:42 PM
**To:** Darcy Simoneau <ypcpromo@telus.net>; Nevin Anderson <nevin.anderson@sourcecorrosion.ca>; Lisa Button-Rowe <bod.elkridgeutility@gmail.com>; Ron Walter <rewalter@sasktel.net>; Gord Webster <thewebsters@sasktel.net>; Gren Smith-Windsor <gsmithwindsor@gmail.com>; Gary <prov.fam@sasktel.net>; glen braun <glenbraun57@gmail.com>; Robert Thurmeier <thurmeier@gmail.com>
**Subject:** Re: Joint Committee Final Report: Establishment of Public Utility

 Greetings,

 While I certainly don't want to stand in the way of progress, I do have some outstanding concerns with regards to the disillusion of the ERU and transfer to the Resort Village.

 First, a quick comment / question about the Stakeholder Report presentation;

 Slide 3 - Is "sale and transfer" the correct terminology? Are the ERU corporate members going to receive dividends or payment as a result of the transfer to the Village. If so, this is news to me. Perhaps this might need to be edited \ corrected before this document is shared publicly. If this is the case... why hasn't this been more broadly discussed with the ERU board?

 In the "Road Map" slide, you mention the mandate of the Joint ERU / RV committee; to ": Assess the feasibility of amalgamating Elk Ridge Utility Ltd. under the Resort Village of Elk Ridge...". I would be remiss if I didn't remind my fellow board members that we are also a not-for-profit, mandate driven corporation. To paraphrase our mandate, we, as board members, have made a commitment to "ensure the water flows and the shit goes".

 The materials presented do a pretty good job at assessing the options and presenting recommendations for amalgamation but with one exception, there is no information on the Resort Village Of Elk Ridge's capacity to absorb and administer the Utility as well as take on the urgently required capital improvement projects. It has been just over a year and a half since the village became a reality and the council has done very little to keep its citizens informed as to their progress in meeting the numerous legislative requirements of the new village. You'll have to forgive me that I don't take it on blind faith that the village is ready to take on additional responsibilities at this time.

 My question in the process has always and continues to be, does the village have the capacity to take on the utility at this time?  I think that a detailed list of the current, outstanding legislative and administrative responsibilities of the village as well as a plan and schedule to meet these requirements should be a part of this assessment. Also, in the interest of ensuring we meet our boards mandate, I would like more details on how the village plans on advancing the filter project that has so effectively been put on indefinite hold by the departure of our latest president. Will the council be in a position to prioritize the replacement of the water filters?

 To summarize, until someone shows me otherwise, I don't think this village has the capacity to manage the utility at this time and I wouldn't recommend in favor of amalgamation until I see a better developed plan from the village. This plan should be more substantial than "we'll hire someone". I believe that I am not alone in my understanding that this was, in part, the board's concern when pressing for more information during the discussions of the "in principle agreement" motion passed at our May 15th meeting. I think we all agree that amalgamation should happen, but we need to know more about the how and when. Like I said, you've got most of it, but I think the joint committee needs to do some additional work on addressing the current capabilities of the Village council (in context of the council's current laundry list of legislative requirements) to be included in the open house presentation.

 I fell this is important because the solution to supporting the village in this amalgamation (and other responsibilities) will rely on volunteer support from community members. The community needs to understand what the council is facing and how and where they can support.

 I likely have more to say but that's it for now,

Scott Nesbitt

Phone Call – Janelle Heidrich, Estates

Janelle has forwarded the information to the Estates board but has heard nothing back. There is a plan to discuss the meeting at an upcoming board meeting, which I believe is in mid-July. Janelle has not read the document, but as independent citizen is in favour of amalgamation as it reduces the number of governing entities in the community and makes the RV operation like most other municipalities in the province.

Feedback from R2SK Owner Group

Clint, we have circulated this and no major concerns or comments for this.

Thanks,

Ryan Danberg

Managing Partner

Email: ryan.danberg@elkridgeresort.com

Phone: 306-663-4653 EXT: 3012

Mail: Box 13 Waskesiu Lake,

SK S0J 2Y0 Canada

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