



ALBERTA ASSOCIATION
OF MUNICIPAL DISTRICTS
AND COUNTIES

2016
2017

ANNUAL REPORT

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The Alberta Association of Municipal Districts and Counties is an **independent association** comprised of Alberta's sixty-four incorporated municipal districts and counties, four incorporated specialized municipalities, and the SpecialAreas Board. Since 1909, we have helped rural municipalities achieve **strong, effective local government** by providing our members with advocacy and aggregated business services including Trade, PFA, Genesis Reciprocal, and Jubilee Insurance.



Our Mission:

Empowering our members through proactive leadership, strategic partnerships, effective advocacy, and collective business services.

Our Vision:

Strong, vibrant, and resilient rural communities.

PRESIDENT'S MESSAGE

This past year has been one of education and transition for AAMDC members. With the approval of significant amendments to the *Municipal Government Act* (MGA), as well as proposed regulations that have been released throughout the spring and summer of 2017, Alberta's rural municipalities are focused on understanding the changes and preparing to transition their own policies and processes to thrive under new legislative requirements. The MGA amendments will lead to a significant shift in how we govern our municipalities and build partnerships with our municipal neighbors.

Climate change has also been a major advocacy focus for the AAMDC in the past year. This is the first year that rural municipalities have been impacted by the Government of Alberta's carbon levy, which has raised concerns for our members and residents, but has also opened the door to many new opportunities through various renewable energy funding programs. The AAMDC has taken a proactive approach to identifying climate change-re-

lated challenges and opportunities for rural municipalities through the formation of a Climate Change Advisory Committee (CCAC), which included member representation from each AAMDC district and was chaired by a board member. The CCAC reviewed a variety of issues related to climate change and mitigation, including provincial and federal policy and legislation to provide a rural perspective and develop both advocacy recommendations and strategies through which AAMDC members can take a leadership role in addressing climate change.

In the past year, the AAMDC Board of Directors prioritized improving their governance role to ensure they properly serve members. In late 2016, the AAMDC formed a Board Governance Review Committee, comprised of members from each AAMDC district, to review all aspects of how the AAMDC governs. The review covered everything from board compensation to membership definitions to association-member communications. The committee proposed nine recommendations,

Al Kemmere

President



all of which were endorsed by members at the spring 2017 convention. The Board of Directors is in the process of implementing the recommendations, and will report to members on their progress in 2018.

We are at the end of a year of weather extremes that has impacted communities across the province. From excess moisture in the fall of 2016 to record-breaking heat in the summer of 2017 to wildfires impacting the southwest corner of our province, rural residents, businesses, and the agriculture industry have all been impacted. As always, AAMDC members have taken a leadership role in supporting those that call rural Alberta home in remaining safe and growing stronger in the face of these weather-related challenges.

As we reflect on our municipal elections, I would like to thank all of you who have given so much time to serve your communities. You have left an imprint that will show for years to come. For those of you recently elected, I would like to welcome you to the world of municipal government. This will be

a challenging but truly rewarding venture, and the AAMDC is always available to support you in any way we can.

The AAMDC is your association. We advocate on your behalf based on the direction you give to us through our resolution process. We also provide a variety of councillor education programs and a significant suite of business tools that are intended to help you manage the costs of providing services to your residents.

Your board wishes to thank you for the opportunity to be your representatives at the AAMDC. As exciting as 2016/2017 was, next year promises more of the same!

A handwritten signature in black ink, appearing to read 'Al Kemmere', with a long horizontal flourish extending to the right.

EXECUTIVE DIRECTOR'S MESSAGE

The association's 2016/17 year will be remembered as the year of big changes, both provincially and federally, that will affect municipalities for years to come.

Provincially, it was a major work year as the province first approved the last set of amendments to the massive newly revised *Municipal Government Act* (MGA) and then spent the year developing the dozens of required regulations in advance of the 2017 municipal elections. Representing our members in the flurry of work that resulted was a challenge with so many new requirements like centralized industrial assessment, new offsite levy requirements, new public notification provisions, intermunicipal collaboration frameworks (ICFs) and more. The work is nowhere near done, and we will continue to assist members in the upcoming year with the provision of tools to help with the transition involved as a result of the new requirements.

On the federal side, the Liberal government launched its new Investing in Canada

plan—a 10-year commitment in funding to Canadian municipalities. Participating with the FCM, we have been working hard to acquire acknowledgement for rural municipalities in this funding package as the programs approved to date are more urban-centric. Totally new is the upcoming legalization of cannabis for recreational use across Canada. Again, we have been working both with the FCM to affect the federal rules, and here in Alberta to affect the Alberta implementation, before all three orders of government take on their different regulatory responsibilities mid-2018. Throughout all of this, one company is building the two largest Cannabis production facilities in Canada and both facilities are located in Alberta counties.

On the member side, many of our rural municipalities have been hit by the delayed results of the crash in oil prices. Companies have been selling off their oil and gas facilities and defaulting on their property taxes, leaving municipalities short on tax revenue,

Gerald Rhodes, CAE, MBA, CLGM

Executive Director



yet still having to pay school and seniors foundation requisitions. What started as a small problem has grown exponentially. At the same time, some rural municipalities affected by the provincial government fast tracking the shutting down of coal fired electric generation plants are facing additional dramatic tax assessment losses. Loss of what was once a secure property tax base was an unfortunate theme for the year which will affect our rural municipalities' ability to plan for the upcoming years.

All of these developments and many more have kept our Advocacy and Communications Department busy. Read Advocacy and Communications Director Kim Heyman's report for a summary of the many issues worked on.

The Aggregated Business Services (ABS) Division has continued to grow our business offerings and improve on the services we provide. For example, many changes and improvements were made to our insurance

program that have made its health and future better than ever. Please read ABS Director Duane Gladden's report along with those of his managers.

Lastly, our Corporate Services Department continued to provide the support needed for all departments to deliver their services; Olly Morrison, Director of Corporate Services, also provides a report within.

In conclusion, I encourage you again to read the reports from all our departments to learn more about the AAMDC. Enjoy our "year book."

A handwritten signature in blue ink that reads "Gerald Rhodes".

BOARD OF DIRECTORS



Al Kemmere

President

Al was elected as an AAMDC Director in 2010 and as President in 2014. Since 2004, he has been a Councillor for Mountain View County. Al is involved in numerous committees including the Federation of Canadian Municipalities National Board of Directors, the Strategic Transportation Advisory Committee, the Alberta Water Council Executive Committee, and the Alberta Energy Regulator Multi-Stakeholder Advisory Committee.



Carolyn Kolebaba

Vice President

Carolyn has served as AAMDC Vice-President since 2010 and previously held this role from 2005 to 2008. She currently serves as the Deputy Reeve of Northern Sunrise County and has served as a Councillor since 1998. Carolyn represents the AAMDC on a number of boards including the Clean Air Strategic Alliance, the Alberta Recycling Management Authority, and the Alberta Municipal Health and Safety Association.



Randy Taylor

*District 1 Director
(Foothills-Little Bow)*

Randy was elected to the AAMDC Board of Directors at the Fall 2016 Convention, and has also served the past 13 years as a Councillor with Warner County. Randy participates on a number of committees as an AAMDC representative, including the Provincial Agricultural Service Board, the AFRRCS Interoperability and Standards Council, and the Alberta Municipal Health and Safety Association.



Earl Graham

*District 2 Director
(Central)*

Earl was elected to the AAMDC Board of Directors in 2014. He currently serves as Deputy Reeve of Clearwater County, and has been a member of council since 2004. Earl represents the AAMDC on a number of boards and committees, including the Alberta Recreational Trails Partnership, the Endangered Species Conservation Committee, and the Alberta Game Management Advisory Group.



John Whaley

*District 3 Director
(Pembina River)*

John has served as an AAMDC Director since 2007. He served three consecutive terms as Reeve of Leduc County from 2004 to 2007 and was re-elected as Mayor in 2010. John represents the AAMDC on several boards and committees including the Local Authorities Pension Plan and the Safety Codes Council.



Tom Burton

*District 4 Director
(Northern)*

Tom has served as an AAMDC Director since 2008 and has been a Councillor in the MD of Greenview since 2001. Tom represents the AAMDC on committees across the province including the Justice Policy Advisory Committee, Firesmart - Partners in Protection, and the Peer Network for Municipal Dispute Resolution.



Soren Odegard

*District 5 Director
(Edmonton East)*

Soren has served as an AAMDC Director since 2010. He was elected Councillor in the County of Two Hills in 2007. Soren represents the AAMDC on several boards and committees, including the Environmental Farm Plan Stakeholder Advisory Committee, the Agri-Environmental Partnership, and the AAMDC Climate Change Committee.

EXECUTIVE INVOLVEMENT

Al Kemmere

President

- ABCGA (Alberta Common Ground Alliance) Task Force
- Agricultural Operation Practices Act (AOPA) (Policy Advisory Group)
- Agriculture Plastics Recycling
- Alberta Water Council Board
- Community Aggregate Payment (CAPL) Levy Regulation Review
- Drought & Excessive Moisture Advisory Group (DEMAG)
- Federation of Canadian Municipalities (FCM) National Board of Directors
- Great West Life Councillor Pension Plan Board of Trustees
- Genesis Reciprocal Insurance Exchange Board
- Strategic Transportation Advisory Committee (STAC)
- Western Canada Municipal Associations

Carolyn Kolebaba

Vice President

- AAMDC R.W. Hay Evaluation Committee
- Alberta Recycling Management Authority (and Assessment Committee)
- Clean Air Strategic Alliance (CASA) Board
- Great West Life Councillor Pension Plan Board of Trustees
- Genesis Reciprocal Insurance Exchange Board
- Local Authorities Pension Plan Stakeholder Consultation Group
- Used Oil Management Association (UOMA)
- Viability Review - Town of Grande Cache
- Water North Coalition (WNC)
- Western Canada Municipal Associations

Randy Taylor

District 1 Director (Foothills - Little Bow)

- Alberta First Responder Radio Communications System Interoperability & Standards Council
- Alberta Municipal Health and Safety Association (AMHSA) Board
- Drought & Excessive Moisture Advisory Group (DEMAG)
- Genesis Reciprocal Insurance Exchange Board
- Mayors & Reeves - Southern District
- Municipal Excellence Awards Review Committee
- Provincial Agriculture Service Board (ASB)
- Rural Road Infrastructure Working Group
- Viability Review - Village of Champion

Earl Graham

District 2 Director (Central)

- Alberta Game Policy Advisory Committee (AGPAC)
- Alberta Water Council-Water For Life Implementation Review Committee
- AUMA/AAMDC Joint Operating Committee
- Endangered Species Conservation Committee (ESCC)
- Government-Industry Joint Geophysical Steering Committee
- Genesis Reciprocal Insurance Exchange Board
- Mayors & Reeves - Central District
- Peer Network
- Multi-Jurisdictional Transportation Routing and Vehicle Information System (TRAVIS MJ)
- Viability Review - Village of Botha
- Viability Review - Village of Hussar

Committee participation is a huge part of each AAMDC board member's responsibilities. The AAMDC is regularly invited to sit on province-wide committees because we are seen as a credible voice for the rural municipal perspective. The AAMDC uses our role on committees as a key component of how we advocate on behalf of our members to government and to other stakeholders.

John Whaley

District 3 Director (Pembina River)

- Agricultural Operation Practices Act (AOPA) (Policy Advisory Group)
- Alberta Blue Cross Nominating Committee
- Genesis Reciprocal Insurance Exchange Board
- Local Authorities Pension Plan
- Safety Codes Council Board
- Safety Codes Council Technical Committee

Tom Burton

District 4 Director (Northern)

- AAMDC Resolutions Committee Chair
- AER Multi Stakeholder Engagement Advisory Committee (MSEAC)
- Alberta Fire Chiefs Recruitment & Retention
- Caribou Project - Cold Lake
- Caribou Project - Little Smoky
- Firesmart - Partners in Protection
- Foothills Research Institute - Board of Directors
- Forest Resource Improvement Association - FireSmart Advisory Committee
- Genesis Reciprocal Insurance Exchange Board
- Mayors & Reeves - Northern (aka Northern Alberta Elected Leaders)
- Peer Network
- Viability Review - Village of Rycroft
- Viability Review - Village of Berwyn
- Wildfire Management Advisory Committee (WMAC)

Soren Odegard

District 5 Director (Edmonton East)

- Agri-Environmental Partnership (AEP) Board
- Agri-Environmental Partnership (AEP) Land-Use Framework
- Alberta Data Partnerships
- AUMA/AAMDC Joint Operating Committee
- Environmental Farm Plan Stakeholder Advisory Committee
- Foreign Animal Disease Emergency Support (FADES)
- Genesis Reciprocal Insurance Exchange Board
- Municipal Excellence Awards Review Committee
- Viability Review - Village of Ferrintosh
- Viability Review - Village of Innisfree

Gerald Rhodes

Executive Director

- Alberta Elected Officials Education Program Board of Directors
- Alberta Centre for Sustainable Rural Communities Advisory Committee
- Alberta Local Authorities Reciprocal Insurance Exchange
- Alberta Land Institute Community Advisory Board
- Alberta Recreation & Parks Association Rural Recreation Committee
- Centralized Designated Industrial Property Assessment Executive Advisory Committee
- Federation of Canadian Municipalities (FCM) Provincial & Territorial Municipal Associations Executive Directors Group
- Municipal Climate Change Action Center Executive Committee

OUR TEAM

Executive

Gerald Rhodes, *Executive Director*

Susan Valentine, *Executive Administrative Coordinator*

Corporate Services

Olly Morrison, *Director of Corporate Services*

Kelsy Propp, *Project Management Coordinator*

Monica An, *Finance & HR Analyst*

Julie Thibeault, *Financial Analyst*

Susan Wolfe, *Financial Analyst*

Barb Brazel, *Accounts Receivable*

Leona Munro, *Accounts Payable*

Katia Hunt, *Receptionist*

Zeeshan Arain, *IT Administrator*

Advocacy & Communications

Kim Heyman, *Director of Advocacy & Communications*

Cindy Carstairs, *Administrative & Convention Coordinator*

Courtenay McKay, *Communications & Design Coordinator*

Tasha Blumenthal, *Policy Analyst*

Matt Dow, *Policy Analyst*

Wyatt Skovron, *Policy Analyst*

Chelsea Parent, *Policy Analyst*

Aggregated Business Services (ABS)

Duane Gladden, *Director of ABS*

Miranda Andersen, *Administrative Coordinator*

Carolyn Caldwell, *Manager of Client Relations & Trade*

Dave Dextraze, *Client Relations Manager*

Ryan Yavis, *Client Relations Manager*

Jared Uytterhagen, *Client Relations Manager*

Jubilee Insurance Agencies

Craig Pettigrew, *Manager of Insurance*

John Hackwell, *Risk Management Advisor*

Darcy Hale, *Risk Management Advisor*

Dayna Johnson, *Client Relations Manager*

Lindsay Mickanuck, *Manager of Claims*

Tom Hirst, *Senior Claims Examiner*

Lacey Barnhard, *Junior Claims Examiner*

Debbie DePeel, *Insurance & Risk Advisor*

Holly Neill, *Insurance & Risk Advisor*

Kerry Dutton, *Insurance & Risk Advisor*

Karen Ankerstein, *Administrative Support*

PFA

Tyler Hannemann, *PFA Canada Manager*

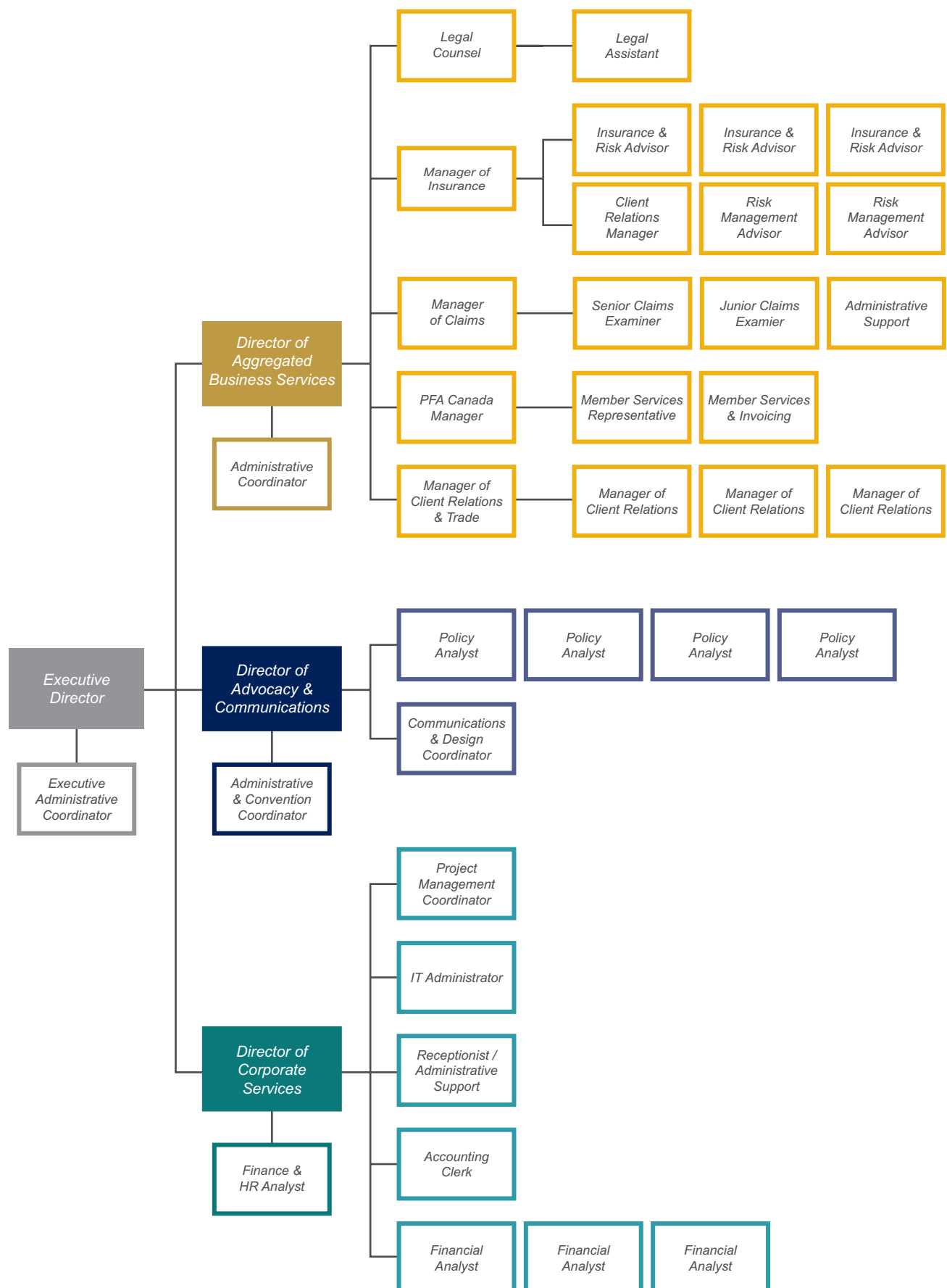
Lorraine Boake, *Member Services Representative*

Kayla Mason, *Member Services & Invoicing*

Legal

Raman Khabra, *Legal Counsel*

Michele Carroll, *Legal Assistant*



YEAR AT A GLANCE



The AAMDC holds conventions, workshops, and seminars throughout the year to provide our members with the information and tools they need. Here are some of the highlights from the past fiscal year, August 1, 2016 to July 31, 2017.



ADVOCACY AND COMMUNICATIONS

The 2016-17 fiscal year has been a busy one for the AAMDC Advocacy and Communications Department due in part to the review of the *Municipal Government Act* (MGA) and the accompanying regulations. With the majority of the legislation passed, our focus has been on the regulations and working with Municipal Affairs and the Alberta Urban Municipalities Association (AUMA) to develop toolkits to assist our members in the transition to meet the new legislative requirements.

As Minister of Municipal Affairs Shaye Anderson announced at our spring 2017 convention, the Ministry has provided funding to the AAMDC and AUMA to collaboratively develop toolkits to assist municipalities in adapting to new MGA-related requirements. This funding has also been used to develop Munis 101, a two-day course offered

through Elected Officials Education Program (EOEP) to meet the new MGA requirements that municipalities offer orientation to new and returning councillors within 90 days of municipal elections. Not only will Munis 101 meet mandatory training requirements, but it will set councillors up for success in their next term. Munis 101 will be offered in twelve different locations around the province between October 2017 and January 2018.

In addition to our MGA-related work, the Advocacy and Communications Department has been occupied with a wide variety of issues. We have been working closely with the Federation of Canadian Municipalities to continue building asset management capacity among all municipalities, something we hope to increase our focus on in the upcoming year. The department also spent a signif-

Kim Heyman
Director of Advocacy & Communications



ificant amount of time in the past year working on presentations and submissions to the Electoral Boundaries Commission. AAMDC President Kemmere presented on two occasions to the commission and we are hopeful that the rural perspective that he brought resonated with the commission's members.

We have also been representing the rural municipal perspective to both provincial and federal governments on a wide range of issues including the *Species at Risk Act*, cannabis legalization, climate change and renewable energy, broadband funding, and many others that impact our members.

On a final note, I would like to welcome our new policy analyst, Chelsea Parent. This will be Chelsea's first convention so please make her feel welcome. I also want to thank my

talented and hardworking staff for all they do to support the board and their dedication to rural Alberta. If you see Policy Analysts Tasha Blumenthal, Wyatt Skovron, Matt Dow, Convention Coordinator Cindy Carstairs, or Communication and Design Coordinator Courtenay McKay around, please stop us and say hi. We would all be more than happy to answer any of your questions. We hope you enjoy convention!

A handwritten signature in white ink, consisting of a large, stylized 'K' and 'H' intertwined.

WORKING WITH MEMBERS, FOR MEMBERS

As the voice of rural Alberta, the AAMDC is serious about its responsibility to represent the perspectives of its members and to support sustainable rural communities. That is why the AAMDC's Advocacy and Communications Department works hard to collaborate with members to ensure that their priorities are reflected in the AAMDC's advocacy positions. We realize that while we are the voice of rural Alberta, our members are the rural municipal experts.

For this reason, two-way communication is critical to our advocacy success. We strive to share information with members on policy and legislative changes, opportunities for input to government, upcoming events, and anything else that will support strong rural governance. Conversely, we solicit member input on issues through surveys and resolutions, as well as member visits, phone calls, and chats. Whatever the method, communication is at the heart of what we do!

ALWAYS IMPROVING

As an organization, the AAMDC prioritizes the need to constantly evaluate and improve upon how we operate to meet the needs of our members. This year, the AAMDC's Advocacy and Communications Department staff provided support to the Board Governance Review Committee (BGRC). The BGRC is comprised of one AAMDC member from each district, as well as a past AAMDC President. The mandate of the BGRC was to critically examine how the AAMDC Board of Directors operates to identify areas for improvement. Whether it is improving efficiency, increasing accountability, or strengthening association-member communication, the BGRC considered many areas for improvement.

Advocacy and Communications staff played an important role in this process by researching best practices used in other organizations in Alberta as well as municipal associations across Canada, and proposing various options for the BGRC to consider. In the end, the BGRC made nine recommendations on how the AAMDC Board of Directors can improve on the already great work that they do, and the AAMDC is currently in the process of implementing them.

In addition to supporting a stronger association, the BGRC presented Advocacy and Communications staff with an excellent chance to work more closely with members, something we look forward to focusing on more in the future.

ALBERTA'S RURAL MUNICIPAL VOICE

While the AAMDC advocates using a variety of methods, both with and on behalf of members, one of the most common and most effective ways is through relationship-building with government. Through years of developing credible positions and providing constructive input, the AAMDC has become a trusted source of information for the Government of Alberta. Similarly, through collaboration with the Federation of Canadian Municipalities (FCM) or independently, the AAMDC regularly provides the Government of Canada with feedback on proposed legislative and policy changes. For the AAMDC, the key to success in this area is acting proactively, credibly, and respectfully.

In 2016/17, the AAMDC attended meetings with the Minister of Municipal Affairs, Minister of Transportation and Infrastructure, Minister of Environment and Parks, Minister of Service Alberta, Minister of Agriculture and Forestry, Minister of Energy, and Minister of Justice and Solicitor General, all of which presented excellent opportunities to discuss the rural municipal perspective on issues under the responsibility of each ministry. In addition to meetings, the AAMDC has provided submissions to both the provincial and federal governments on a wide range of issues including the *Municipal Government Act*, the *Local Authority Elections Act*, the Alberta Electoral Boundary Review, federal consultations on the future of transportation in Canada, the *Fisheries Act*, the *Navigable Waters Protection Act*, the tanker moratorium on British Columbia's northern coast, the Alberta SuperNet operating agreement, the CRTC's proposed fund to enhance rural broadband access, and proposed *Species at Risk Act* policies.

RESOLUTIONS: THE AAMDC'S MARCHING ORDERS

Resolutions form a critical part of AAMDC's advocacy work by providing direction on important issues impacting rural municipalities. In 2016/17, the AAMDC debated 40 resolutions during the fall and spring conventions, and officially endorsed 33 resolutions. These resolutions provide valuable insight as to the priorities of our members and have been incorporated into the AAMDC's advocacy efforts.

With direction provided from the membership and the Board Governance Review Committee, the AAMDC undertook a review of the Resolutions Process Policy in 2016-17 to ensure that our process was as effective and efficient as possible. With input from our members, and in collaboration with the AAMDC Resolutions Committee, a new policy was developed and released in June 2017. The new policy provides guidelines on resolution writing, clarity on the process regarding emergent resolutions, and outlines the procedure for the resolutions session.

To further understand the changes to the resolutions policy, visit AAMDC.com.

MGA REVIEW

In the past year, the AAMDC has continued to be participate in numerous committees and opportunities to provide feedback on how the MGA will change and what that means for rural municipalities. In the fall of 2016, Alberta Municipal Affairs released a series of amendments to the *Modernized Municipal Government Act* (formerly Bill 21). The Government of Alberta also introduced an *Act to Strengthen Municipal Government* (Bill 8) in the spring of 2017 which introduced a new series of amendments to the MGA and clarified some previous amendments that had been made through earlier legislation. The AAMDC has provided comment where applicable on behalf of AAMDC members to ensure to the best of our abilities, that the legislation reflects the interests of municipalities of all types to operate sustainably and serve both residents and industry.

Coinciding with the legislative changes to the MGA has been the associated regulatory review process

which has required Alberta Municipal Affairs to review more than fifty regulations to ensure they align with the MGA. The AAMDC has provided comments and attended numerous meetings and committees that have discussed the regulatory changes and have communicated those changes to AAMDC members.

While the work on the MGA to this point has been extensive, there remains much to do. The Advocacy and Communications Department has transitioned its focus towards change management and ensuring AAMDC members are ready for when the amended MGA takes forces. The AAMDC has received a grant from Alberta Municipal Affairs to develop resources, guides, and tools to ease the transition for municipalities. The AAMDC will continue this work through 2017 and into 2018.

Key Changes to the Municipal Government Act

- **Intermunicipal Collaborative Frameworks:** All municipalities in Alberta will be required to develop agreements with their neighboring municipalities to find efficiencies in planning and service provision.
- **Centralized Assessment:** Select industrial properties will be classified as “designated industrial properties” (DIP) and will be assessed by the Government of Alberta.
- **Council Codes of Conduct:** All municipal councils in Alberta will be required to develop a council code of conduct.
- **Split Non-Residential Mill Rates:** Municipalities in Alberta will have the ability to divide the non-residential millrates to differentiate between large industrial property owners and small businesses.

The AAMDC's Advocacy and Communications Department **remains engaged in the review of the *Municipal Government Act (MGA)***. This review has been a multi-year project but is nearing completion with the majority of legislative amendments having been passed. **The MGA is the defining legislation for municipalities in Alberta**; it sets out roles, responsibilities and legal requirements for how municipalities operate. It is also the **second-largest piece of legislation in Alberta**, so reviewing and updating is a significant process.

For a summary of all the changes to the Municipal Government Act, visit **AAMDC.com**.

COMMITTEE PARTICIPATION

Committee participation is at the heart of how the AAMDC advocates. The Government of Alberta and other stakeholders know that if they need the rural municipal perspective on a committee, the AAMDC is the go-to source. As a result, we have highlighted a few of our key committees this year, along with a complete list of all committee participation.

FCM Municipal Asset Management Program Technical Working Group

As part of the \$50 million Municipal Asset Management Program (MAMP), the Federation of Canadian Municipalities (FCM) has formed a technical working group to guide the development of funding and capacity-building components under MAMP. The working group is comprised of asset management experts from across Canada. The AAMDC successfully applied to participate in the technical working group to ensure that all MAMP components meet the needs of rural and small municipalities in Alberta. The working group met in Calgary earlier in 2017, and is scheduled to meet again in Quebec City later in 2017.

Municipal Legislation Change Management Partnership Committee (MLCMP)

As part of the review of the *Municipal Government Act* (MGA), Alberta Municipal Affairs assembled the Municipal Legislation Change Management Partnership Committee (MLCMP). The MLCMP committee is comprised of Alberta Municipal Affairs, the AAMDC, and the Alberta Urban Municipalities Association (AUMA). This committee has been tasked with the important role of ensuring that Alberta's municipalities are prepared for the changes that were made to the MGA, and that the transition to the new legal requirements is as seamless and efficient as possible. Part of the work of the MLCMP has been to develop a series of resources and tools that municipalities can use to guide their implementation of the MGA changes. The AAMDC looks forward to sharing these tools with members in late 2017 and 2018.

- AAMDC/AUMA Joint Operating Committee
- AAMDC Board Governance Review Committee
- AAMDC Resolutions Committee
- Alberta Land Institute Community Advisory Board
- Alberta Municipalities and Cannabis Legalization Roundtable
- Alberta Water Council – Conservation, Efficiency and Productivity Project (CEP) Team
- Alberta Water Council – Lakes Management Working Group & Project Team
- Alberta Water Council – Water Literacy Project Team
- Alternative Transportation for Seniors Advisory Committee
- Cannabis Regulation and Supply Chain Roundtable
- Clean Air Strategic Alliance Non-Point Source Project Team
- Community Emergency Management Program
- Drought and Excessive Moisture Advisory Group
- Elected Officials Education Program (EOEP) Management Team
- EOEP Marketing and Branding Working Group
- FCM Ad Hoc Working Group on Rail Safety
- FCM Ad Hoc Working Group on Cannabis Legalization
- FCM Municipal Asset Management Program Technical Working Group
- FCM Asset Management Working Group
- Girder Engineering Assessment Steering Committee
- Infrastructure and Asset Management Alberta
- Intensive Agricultural Operations Working Group
- Inter-Ministry Tax Recovery Working Group
- Minister’s Awards for Transportation Innovation Review Committee
- Municipal Climate Change Action Centre Steering Committee
- Municipal Dispute Resolution Advisory Committee
- Municipal Government Act (MGA) Review
- Municipal Legislation Change Management Partnership Committee (MLCMP)
- Municipal Sustainability Strategy Advisory Committee
- North American Waterfowl Management Partnership (NAWMP) Wetland Education Network Working Group
- North American Waterfowl Management Partnership (NAWMP) Wetland Municipal Engagement Working Group
- North American Waterfowl Management Partnership (NAWMP) Wetland Stewardship and Agriculture Working Group
- Strategic Transportation Advisory Committee
- Technical Working Group for the Proposed Changes to the Remediation Certificate Regulation (Brownfields)
- Multi-Jurisdictional Transportation Routing and Vehicle Information System Advisory Committee
- Watershed Resiliency and Restoration Program Advisory Team

AAMDC CONVENTIONS

Twice a year, the AAMDC brings together rural municipal councillors, administrative officials, stakeholder representatives, and government partners to share ideas and build relationships.



The fall 2016 convention featured workshops on renewable energy, broadband, farm safety, councillor codes of conduct, and regional planning. AAMDC members also endorsed twenty-two resolutions at the convention, on a wide variety of issues such as centralized industrial assessment, carbon levy exemptions, pipeline support, and many others. The convention was highlighted by addresses from the Ministers of Municipal Affairs, Service Alberta, Transportation and Infrastructure, and the Premier of Alberta, among others.



The spring 2017 convention featured our annual trade show and included addresses from the Federation of Canadian Municipalities, the Municipal Climate Change Action Centre, the Canadian Association of Petroleum Producers, and a number of provincial ministers. Workshop topics included a primer on the role of the Alberta Ombudsman, municipalities and wetlands, and a municipality's guide to insurance. Members endorsed eleven resolutions on topics such as carbon levy exemptions, the *Species at Risk Act*, and the need for a national broadband strategy.



Our conventions are excellent opportunities for our members to work with each other, network and learn about how they can improve their communities.



PRIORITY ISSUES

The AAMDC advocates on a wide variety of issues on behalf of rural municipalities. Because AAMDC members are responsible for providing a wide range of services and infrastructure, the AAMDC is involved in providing input or collaborating with government on issues in nearly every government ministry. The list below provides some examples of the key issues or projects that the AAMDC has been involved in over the past year. It is by no means exhaustive, but speaks to the diversity of rural municipalities.

Species at Risk Act

The federal *Species at Risk Act* (SARA) has been identified as an ongoing challenge by AAMDC members through the endorsement of multiple resolutions. The AAMDC recognizes that a socio-economic approach to protecting species at risk is necessary to balance species protection, land-use, economic activity, and resource development, and has been advocating this position to the provincial and federal governments. With increasing pressures related to caribou recovery efforts and the existing protection of the greater sage grouse, rural municipalities may be impacted by sterilization of lands.

In addition to continued advocacy to support resolutions, the AAMDC provided a formal submission to Environment and Climate Change Canada in March 2017 regarding proposed SARA policies. The AAMDC also began to the process of obtaining a legal opinion on the proposed policies that would inform continued advocacy efforts, as directed by our membership via resolution.

Cannabis Legalization

In April 2017, the Government of Canada introduced the *Cannabis Act*; a framework for the legalization of recreational cannabis in Canada. The Act is expected to be implemented in July 2018, requiring provinces and municipalities to rapidly plan for the production, distribution, and retail sale of cannabis.

The AAMDC has been working closely with the Government of Alberta and other stakeholders to ensure that Alberta's recreational cannabis system takes into consideration the uniqueness of rural Alberta. The AAMDC has made a formal submission to the Alberta Cannabis Secretariat, and has participated in two province-wide working groups: one on the municipal impacts of cannabis legalization, and one on the design of an effective distribution and retail system. Throughout all aspects of the consultation, the AAMDC has prioritized the importance of considering how decisions related to retail availability, co-location of retail cannabis with other products, and regulations related to public consumption will impact Albertans in both urban and rural areas.

Alberta Electoral Boundary Review

In 2016, the Government of Alberta initiated a review of Alberta's electoral boundaries. This review will determine the constituencies for future provincial elections. With changes to Alberta's demographics and the relatively higher rate of urbanization across the province, changes

to Alberta's electoral boundaries risks reducing the number of seats in rural areas in favour of growth in the number of seats to Alberta's urban areas. The AAMDC participated in the various stages of this review to ensure the voice of rural Albertans were heard and that Albertans everywhere continue to be effectively represented in the Alberta Legislature. The AAMDC anticipates the final report to be tabled in the fall of 2017.

Climate Change Advisory Committee

In late 2016, the AAMDC established an ad hoc committee to analyze the impacts, challenges, and opportunities of various climate change policies on Alberta's rural municipalities. The Climate Change Advisory Committee (CCAC) was tasked with providing a rural municipal perspective on the positive and negative impacts of provincial and federal legislation, policies, and programming related to climate change.

To gather a province-wide perspective, the AAMDC CCAC was comprised of an elected official from each of the AAMDC's five districts and a chair from the AAMDC's Board of Directors. These elected officials were nominated independently with support from their respective municipalities, and selected by the AAMDC Board based on their knowledge of the issue and perspectives they bring to the committee.

As part of the Committee's mandate, recommendations were drafted for consideration by the AAMDC Board of Directors. Those recommendations are featured in the CCAC final report available at AAMDC.com.

Through this process, the CCAC recognized the important perspective and voice that rural municipalities have within the climate change discussion. Rural municipalities are willing and active partners in this dialogue and should continue to pursue meaningful engagement with the provincial and federal government to minimize the impacts of climate change and any adverse impacts that climate change policies and legislation have on rural Alberta and its residents.

RESOLUTIONS

Resolution Wins

Defining resolution “wins” is always tricky, as it typically relies on changes to legislation or how government programs operate. In many cases, the AAMDC makes significant progress on issues identified with resolutions, but not quite enough to declare them as “wins.” Typically, we consider wins to be resolutions in which we are able to define the status based on the government’s response as one of the following:

Resolutions form the backbone of how the AAMDC advocates. We take the direction of our members seriously, and strive to prioritize that direction through resolutions. In the following few pages you will find a summary of resolution “wins” from the 2016/17 fiscal year.



Accepted

Government response addresses intent of resolution.



Accepted in Principle

Government response indicates progress is being made towards addressing intent of resolution.



Accepted in Part

Government response addresses intent of one or more parts of a resolution with multiple requests.

The following resolutions were considered “wins” in 2016/17:

3-14F: Wildlife Damage Compensation Program



The Government of Alberta’s response to the more recent resolution, 7-16S: Wildlife Damage Compensation Program indicates that Alberta Environment and Parks is aware of the weaknesses of the current Wildlife Damage Compensation Program identified in the resolution and are undertaking a program review to address issues related to funding and to proving wildlife predation. The review will involve the participation of other ministries involved in administering the Program.

The Alberta Beef Producers have similar concerns with livestock predation. The AAMDC will continue to monitor this issue and explore opportunities for joint advocacy in the future.

This resolution is assigned a status of **Accepted in Part**, and the AAMDC will follow up with Alberta Environment and Parks on the status of the review.

2-15S: Elk Quota Hunt



The AAMDC appreciates the willingness of Alberta Environment and Parks to implement elk quota hunts and extend hunting seasons in order to address elk population growth. As the resolution specifically asks for an elk quota hunt based upon the principles of the former Chronic Wasting Disease Quota Hunt, and this has not yet occurred, this resolution is assigned a status of **Accepted in Principle**.

5-15F: Recovery of Linear Property Tax Arrears



In the recent response to resolution 3-16S, Alberta Municipal Affairs has indicated steps moving forward to address a number of issues that have resulted from the non-payment of taxes, specifically those related to linear and other industrial property. Alberta Municipal Affairs has convened an inter-ministry working group consisting of representatives from Municipal Affairs, Energy, Treasury Board and Finance, Education, and the AER. The purpose of this working group is to address the concerns identified in resolution 3-16S and resolution 5-15F. More specifically, the working group is exploring how the suite of tools available to municipalities to recover unpaid linear property taxes could be expanded, as well as possible legislative or regulatory solutions to relieve or exempt municipalities from paying provincial education property tax requisitions on linear properties in which the municipality has not been able to gather tax revenues from the property owner. This resolution is assigned a status of **Accepted in Principle** and will be revisited as the working group progresses.

11-16S: Provincial Funding for Municipal Public Libraries and Regional Library Systems



The Government of Alberta response indicates an increase to library funding in the previous budget year as well as a smaller increase in the 2016/17 budget targeted to improve library services to on-reserve and on-settlement

Indigenous populations at public libraries. While this contribution is appreciated, its specific nature may not address broader operating challenges faced by rural libraries and regional library systems.

The Budget 2017 Capital Plan includes \$11 million dedicated to enhance Alberta's regional library system. As a result of this funding influx, this resolution is assigned a status of **Accepted** and will continue to be reviewed in future provincial budgets.

8-14F: Improvement of High-Speed Internet Services in Rural Alberta



The Government of Alberta and the Government of Canada are currently in the process of administering several programs intended to improve high-speed internet service in rural Alberta.

The Government of Alberta has developed an RFP to seek a new SuperNet operator when the current contract with Axia expires in 2018 and is in the process of developing a new operating agreement to ensure that the SuperNet better supports both public sector connectivity and rural development. Service Alberta has worked with the AAMDC and other stakeholders to identify weaknesses with SuperNet, and are committed to improving it through the new operating agreement.

Alberta Economic Development and Trade has developed an educational resource for municipal officials in rural and small urban municipalities that consolidates relevant regulatory, funding, and technical information to assist them in taking local steps to improve broadband access in their communities.

The Government of Canada is currently accepting applications for the \$500 million Connect to Innovate program intended to enhance middle and final-mile infrastructure in rural Canada. The AAMDC expressed concern with the extent to which the program's eligibility parameters reflect the challenges faced by Alberta, including the fact that many rural municipalities may be unable to apply under the eligibility parameters, despite having underserved areas. The impact that the program will have in Alberta will not be known until applications are evaluated and funding is distributed later in 2017.

In late 2016, the CRTC formally declared broadband as a basic telecommunications service. This declaration will result in the connection speeds for what was considered an adequately served household being raised from 5 mbps download / 1 mbps upload to 50 mbps download / 10 mbps upload, which places Canada's expectations more in line with similar countries. Additionally, the CRTC plans to develop a \$750 million industry-supported fund to enhance rural broadband. At this point, details of the fund have not been determined, but the AAMDC plans to provide input into the fund design and parameters.

As both the provincial and federal governments are undertaking policy and funding changes in an effort to improve rural broadband, this resolution is assigned a status of **Accepted in Principle**, and will be re-evaluated based on the outcomes of these attempts.

16-14F: Family and Community Support Services (FCSS) Funding



In the 2015/16 budget, the Government of Alberta increased funding for FCSS services from \$76 million to \$101 million, which is a needed increase to ensure that FCSS services continue to assist vulnerable Albertans. This funding level was maintained in the 2016/17 budget and the 2017/18 budget.

In 2016, the AAMDC collaborated with the Family and Community Support Services Association of Alberta (FCSSAA) and the Alberta Urban Municipalities Association (AUMA) to engage the Government of Alberta in a strategy to strengthen FCSS programming through revisions to the FCSS Regulation.

In the summer of 2016, the Minister of Alberta Human Services (now the Minister of Community and Social Services) consulted with FCSS providers, the FCSSAA, the AAMDC, and the AUMA during a process to update the FCSS Regulation to better meet the needs of communities. Community and Social Services staff recently indicated to the AAMDC that there will be no substantial changes to the FCSS Regulation, as stakeholder input did not identify any major concerns with the current structure. The Ministry of Community and Social Services' decision to maintain the current FCSS structure does not match the intent of the second request in this resolution, which calls for a more sustainable FCSS program. The AAMDC's 2016 submission to the previous Ministry of Human Services on how the FCSS Regulation could be amended includes a request to increase flexibility of how FCSS providers can use funding, empower FCSS providers to fill gaps in provincial services, standardize reporting requirements and assist small FCSS providers in developing the capacity to meet them.

As a result of the funding increase and the efforts of the AAMDC to work with other stakeholders on improving FCSS services, this resolution is deemed **Accepted in Part**, although the AAMDC is disappointed that the FCSS Regulation will likely remain unchanged except for minor "housekeeping" adjustments.

2-15F: Enhance Funding for Roads, Highways and Local Bridges in Rural Municipalities



The AAMDC is pleased by the Government of Alberta's commitment to restore Strategic Transportation Infrastructure Program (STIP) funding in the 2017-18 budget year, as well as their targeted STIP funding for the 2018-19 and 2019-20 budget years. The inclusion of the funding of the Local Road Bridge Program and the Resource Road Program sub-components within the STIP meets the intent of request for increased rural road funding in this resolution.

Additionally, the Government of Alberta's 2017-18 Capital Plan identifies a steady projected increase in annual capital funding for provincial roads and bridges, from \$450 million in 2017-18, culminating at \$588 million in 2020-21. While this funding is not specifically targeted towards rural roads and highways, it is likely that rural funding will see a proportional increase as well. As such this resolution is assigned a status of **Accepted**.

20-15F: Capital Funding for Community Airports



The return of the Strategic Transportation Infrastructure Program (STIP) in the 2017-18 budget year has allocated \$2 million for the Community Airport Program (CAP). During the process of redesigning STIP, the Government of Alberta consulted with both urban and rural municipalities to determine priority infrastructure types for funding. Rural municipalities that participated in the survey indicated that a relatively small proportion of overall STIP funding (approximately 10%) should be directed towards CAP. The \$2 million allocated in 2017-18 is roughly aligned with this input. While this is slightly less than the amounts suggested in the survey, it is reasonably similar, particularly considering the high level of funding needed for roads and bridges which is also addressed in other STIP components. The AAMDC is also pleased that eligibility criteria under CAP has been expanded to include lighting. As such, this resolution is assigned a status of **Accepted**.

6-14F: Improvement of Highways in Alberta



The Government of Alberta's 2015-16 budget reduced highway maintenance funding from the previous year. This resulted in a reduction in preventative maintenance such as crack-sealing, which will likely decrease the overall lifespan of Alberta's highways. Alberta Transportation's 2015-16 business plan identified several priority initiatives that may lead to the long-term improvement of highway infrastructure, including the following:

- Create and implement a transparent and infrastructure plan to sustain an efficient and effective road network in Alberta;
- Enhance transportation asset management planning to support strategic decision-making, taking into account life-cycle costs, economic, environmental and social impacts;
- Implement approaches to ensure highway operations and maintenance achieve the results Albertans need.

While the 2016-17 provincial budget maintained the reduction in summer highway maintenance, this was emphasized to be a short-term measure by Alberta Transportation staff. The Minister of Transportation has indicated that previous funding levels for summer highway maintenance will be returned in the 2017 summer season, although this figure is not specifically itemized in the budget. Additionally, the 2016-17 provincial budget included an increase of \$71.5 million for provincial highway rehabilitation compared to the 2015-16 budget, with an additional \$8 million increase in the 2017-18 budget. Additionally, the 2017-18 budget estimates to include a \$166 million increase in highway twinning, widening and expansion.

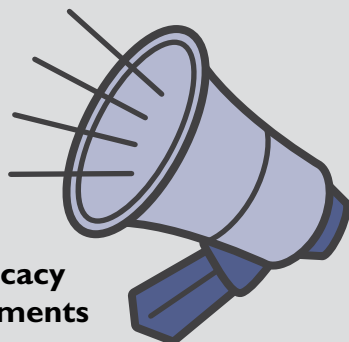
This resolution has been assigned a status of **Accepted**. The AAMDC is pleased by the Government of Alberta's increase in highway rehabilitation and improvement funding, as well as their commitment to restore summer highway maintenance funding in the summer of 2017.

COMMUNICATIONS

For the AAMDC, how we communicate is as important as what we communicate. We know that members, government, stakeholders, and the public have varying levels of expertise and interest in rural municipal issues, and look to us as a source of information on different issues and for different reasons. For this reason, we prioritize accessibility and clarity in our communication tools, and strive to ensure that those that require detailed analysis receive it, while those that only need a quick overview of issues can access that as well. Below are some of the primary communications tools we use and how they support our advocacy efforts:

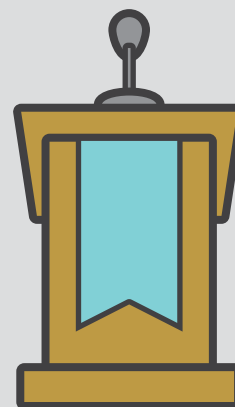
AAMDC Advocacy Position Statements

The AAMDC's position statements are a one-stop shop for government and stakeholders to gather a quick overview of the rural municipal perspective on major issues.



President's Update

The President's Update keeps members informed about the work that the AAMDC Board of Directors is undertaking, and the advocacy issues that are being pursued.



Contact Newsletter

In addition to member bulletins that provide important information on current issues, Contact also features announcements, reminders, municipal job postings, rural news, and more.



Social Media

For the AAMDC, social media is a great way to communicate important news and events to members, the public, and the media.



Rural Connects

Rural Connects is the AAMDC's issue focused newsletter that is sent directly to the elected Members of Alberta's Legislature (MLA).



AGGREGATED BUSINESS SERVICES

AAMDC's Aggregated Business Services (ABS), which is comprised of Jubilee Insurance Agencies Ltd. (JIAL), Genesis Reciprocal, PFA Canada and the Trade Division, would once again like to thank all of its members for the patronage they have shown throughout the 2016/17 fiscal year. We are very proud that despite declining assessments and reduced overall expenditures, our members have continued to grow their spend with the AAMDC. Further, we are proud that our offerings continue to be of value to our members, as we have worked quite hard to improve our offerings across all programs.

The Trade Division worked hard to improve offerings and found a great success particularly in the areas of OTR tires, traffic signage, and culverts. The Trade Division also brought forward several new standing offers to compliment our current traditional portfolio. These advancements were driven by listening to our membership and in particular our Trade Advisory Committee.

PFA Canada experienced an excellent year of growth achieving its highest annual volume to date. This is a direct result of the relationships created through the RFP procurement process and the ongoing management by PFA Canada staff.

Duane Gladden, MBA
Director of Aggregated Business Services



JIAL worked with the Alberta Superintendent of Insurance to solidify its position for allowing Additional Named Insureds (ANIs). This was an effort to maintain our current philosophy to act on behalf of not only our members but their communities as well. JIAL continues to grow its book of business by further diversifying its risk profile to create benefits to all members.

ABS has been gifted with one of the most loyal and involved customer bases in any industry. Through member input and our responses to that feedback, we feel that our business offerings are the best in class and the most effective that they have ever been.

We know that our work is not done. Over the next year members can expect to see coverage improvements from JIAL, new procurement relationships within Trade, digital platform improvements in PFA Canada, and educational opportunities within all units.

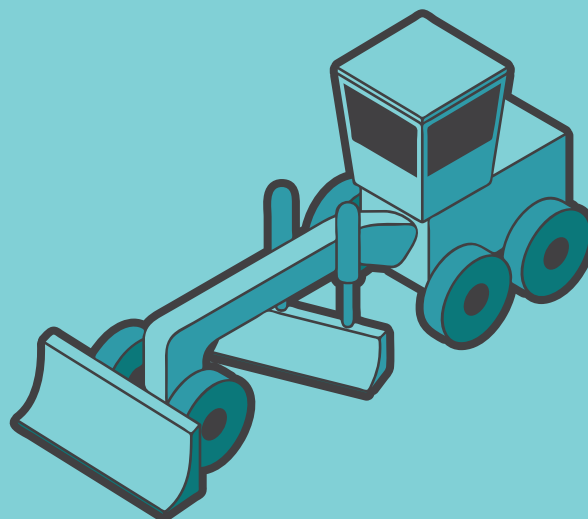
A handwritten signature in dark ink, reading "Duane Gladden". The signature is fluid and cursive, with the first name "Duane" and last name "Gladden" clearly distinguishable.

WHAT CAN AGGREGATED BUSINESS SERVICES DO FOR YOU?



PFA CANADA

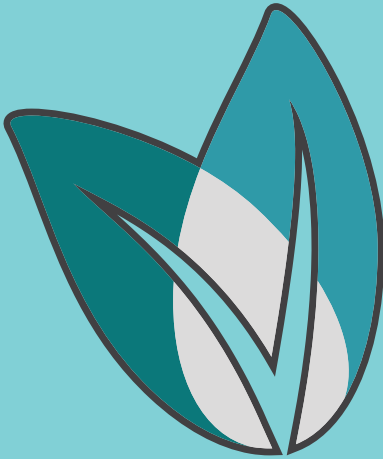
PFA is one of the leading fuel and lubricant suppliers for municipalities, school divisions, and other public sector entities across Canada. Founded on the idea of group buying power, PFA has partnered with government associations to increase volumes, thereby decreasing costs for members. PFA provides fuel and lubricants from coast to coast and has the provision of third party fuel and oil testing. Members are able to purchase at will, with no minimum purchasing requirements, and receive membership benefits. Request a cost analysis today to see if PFA can save you money!



ABS TRADE DIVISION

The Trade Division is a business unit of the AAMDC Aggregated Business Services (ABS), which provides public sector entities access to quality and competitively priced goods and services for their everyday needs. With more than 100 approved suppliers and customized programs, members on average purchase \$46 million worth of products through the AAMDC Trade Division annually, making it one of the leading public sector buying groups in Canada

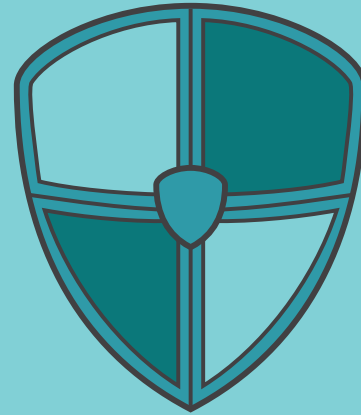
Trade programs include tires, equipment purchasing, office supplies, group benefits, energy, cellular, fabric shelters and grader blades. Our full Trade Directory listing is available on our website.



GENESIS RECIPROCAL EXCHANGE

Genesis is the newly re-branded Genesis Reciprocal Insurance Exchange. Genesis merges both the Genesis Reciprocal Insurance Exchange (liability) and the Jubilee Reciprocal Insurance Exchange (property), bringing our members the best of both programs under one entity. This also helps eliminate the confusion with our Jubilee Agency products. In the 2016/2017 fiscal year there were 296 members of Genesis-Property and 202 members of Genesis-Liability Policy.

Genesis began writing insurance in 1986, making it one of the oldest municipal reciprocals in Canada. Genesis insures \$9 billion worth of assets and writes \$15 million in premium, making it one of the largest municipal reciprocals in Canada.



JUBILEE INSURANCE AGENCIES LTD.

Jubilee Insurance Agencies Ltd. has been helping make organizations safer for over 50 years. No organization is truly safe until they have a comprehensive insurance program and risk management plan. Established in 1955 by the AAMDC, Jubilee has become a trusted foundation for Alberta's municipalities, private/charter schools, kindergartens, senior housing organizations and other eligible non-profit community groups.

As a member-owned, non-profit organization, Jubilee has one central goal: to help your organization gain the safety and service you need, while helping you control and reduce long-term risk related costs. In keeping with this goal, Jubilee has an experienced staff that can match your organization with the right insurance and risk management program (consulting and training), while keeping you on budget.

TRADE DIVISION UPDATE

The AAMDC Trade Division would once again like to thank all of its members for continuing to support our programs. The AAMDC has the best member base in the industry and we continue to strive to provide programs to inspire our members' confidence.

Building on the strength of the 2015/16 year, the Trade Division continued its strong performance in 2016/17. To achieve this success, the Trade Division built upon the programs that were put in place the previous year. These programs included the ground engagement (grader blades) standing offer, the culvert standing offer, and the introduction of Acklands Grainger and Fox Signs. These new programs have resonated with our membership and we are happy to report that member participation reflects this.

It was not just new programs that showed strong growth: our relationships with Finning Canada, Kal Tire, ATS, Staples, and Lane Quinn Benefits Consultants proved that the AAMDC has best in class vendors. Finning, in particular, has embraced the cooperative purchasing model not only on parts and service but also through the growing AAMDC/NJPA (National Joint Powers Alliance) capital purchasing program. The Trade Division has also established relationships with the Saskatchewan Association of Rural Municipalities (SARM) and the Association of Manitoba Municipalities (AMM), and with the additional volume that these regions will bring, AAMDC members will see cost reductions.

The Trade Division did not simply focus on pricing and terms, we listened to our membership and expanded training opportunities as well. We are proud to have offered and participated in the following events: AAMDC/NJPA cooperative sessions; tire training sessions; several presentations to fellow associations including AMSA, ARMAA, and LGAA; individual member presentations; and several manufacturing plant tours.

Looking to 2017/18, the Trade Division will continue its focus on consistency, transparency, and partnership. As a result you will see increased access to pricing information through a website redevelopment, expansion of our standing offer portfolio, and assistance with changing compliance requirements. We will continue to expand our training opportunities and will remain focused on the relationships that have become the key to our success. As always, we will strive to bring as much value to our membership as possible. We look forward to meeting with you in the coming year.

Duane Gladden, MBA

Director, Aggregated Business Services

We are always focused on receiving member feedback to develop our program in the most responsive way. The Trade Division is proud to support and attend many conferences throughout the year. This is done to ensure that our staff are visible and available to all levels of our members' organizations.

JUBILEE INSURANCE UPDATE

This past year, Jubilee Insurance Agencies had set some ambitious strategic goals which carried a substantial impact on the program as a whole. These goals included:

- The enhancement of RiskPro, making it a larger event with more topics to assist more member departments manage their risk.
- Improving the overall member experience by forming the Jubilee Advisory Committee.
- Adoption of new insurance agency software.
- The merging of Jubilee Reciprocal Insurance Exchange (JRIE) with Genesis Reciprocal Insurance Exchange (GRIE) to form Genesis.

Our annual RiskPro seminar, a risk management course to give members the opportunity to explore solutions of trending exposures, was expanded from a single day seminar to two-day event. The purpose of the change was to add multiple topic streams to increase the effectiveness of risk management on the varying departments within our membership's organizations.

The Jubilee Advisory Committee is made up of a cross section of our members and vendors and was designed to create a better conduit of the member feedback to Jubilee. The committee meets quarterly to discuss topics important to the membership in order for Jubilee to develop solutions for implementation program wide.

Internally, we chose to adopt a new agency software to manage our insurance policies. We are eager to take advantage of the suite of added features that will improve efficiencies for both staff and members. The end goal is to have a member portal where our insured members can see, in real-time, their asset schedule of insurance and submit their changes on-line.

The two reciprocals, Jubilee Reciprocal Insurance Exchange and Genesis Reciprocal Insurance Exchange, were successfully merged as of November 1, 2016 to form one reciprocal, Genesis. Genesis writes both property and liability insurance, and the lowered expenses this merger created directly translates to better rates for the reciprocal members going forward.

To ensure competitiveness in the municipal marketplace, at the 2016 renewal, despite breaching our reciprocal's property aggregate limit, we were able to reduce overall rates for member premiums. As always, our goal of stable premiums balanced with broad converge remains the primary goal of Jubilee Insurance Agencies Ltd.

Craig Pettigrew

Manager of Insurance

GENESIS UPDATE

The 2016/2017 year was marked by the merger of the Jubilee and Genesis reciprocals into Genesis. This merger has allowed Genesis to capture several cost savings and better position itself for the future. We have new branding but continue to focus on the same service, coverage and pricing models that have helped us achieve success for over 30 years.

2016 was a very interesting year for the insurance industry in Alberta. The devastating wildfire in the RM of Wood Buffalo became the largest insurable loss in Canadian history. While Genesis did not insure Wood Buffalo, that event has resulted in implications across the insurance market, but specifically in the municipal sphere. Through our broad risk profile and the flexibility of the reciprocal, Genesis members did not feel a rating impact from the market.

Through the efforts of subscribers and strong internal processes Genesis has several key achievements.

- Genesis continues to outstrip the regulatory and internal targets for capital. Our Minimum Capital Test (MCT) score was 393% for the 2016 year, well above the 210% supervisory target.
- Genesis continues to use its flexibility to its subscribers' benefit. The property program decreased its aggregate from \$7 million to \$6 million in order to allow members to benefit from a continued soft external market. The liability program remained flat at a \$5 million aggregate.
- Genesis experienced strong growth in its investment income over 2016 and as a result will be looking to implement additional programs in 2017 for subscribers.
- Both the property and liability posted strong net incomes, adding to a combined \$4,648,001 net income for Genesis.
- Genesis continues to meet and exceed the requirements of the Office of the Superintendent of Insurance. The reciprocal has experienced positive claims development and have passed all claims audits with extremely favourable results.

Genesis is the combination of two very strong reciprocals and has proven that when merged it is greater than the sum of its parts. Our success is not taken lightly and subscribers should expect to be very pleasantly surprised at the additions that are planned in the coming year.

Duane Gladden, MBA
Principal Attorney, Genesis

This past year Genesis experienced its own rash of claims involving emergency response equipment and heavy equipment from across the province. In a fashion that is now commonplace for Genesis, subscribers are working collaboratively on risk management efforts that appear to be making large improvements. This is the strength of Genesis and, in truth, always has been. Our subscribers are capable and responsive.

PFA CANADA UPDATE

The 2016/2017 fiscal year was a very interesting one for PFA Canada. PFA Canada saw a year of overall growth in all markets with the exception of Ontario. This was a direct result of the addition of Petro-Canada into the program on August 1, 2017. With increased discounts from our current suppliers we increased volumes in a down year for many municipalities. With the growth of the AAMDC trade programs with the Saskatchewan Association of Rural Municipalities and the Association of Manitoba Municipalities we look forward to seeing this growth continue. PFA is pleased to report:

- **Business Acquisition and Development:** With the launch of the Alberta's carbon levy on January 1st 2017, PFA Canada had to update its systems and invoicing functionality to accommodate this change. This function will be available for all provinces once the federal government establishes the new carbon tax for the country. With our new supply contracts, PFA Canada was able to add membership in all areas of the country outside of Ontario. We are looking at the out of Alberta market as the focus for growth for the next fiscal year. Our cardlock pricing is very strong right now so our targets will be focused on locations in Saskatchewan, Manitoba and Ontario. As cardlock grows so will our bulk membership.
- **Volume Increases:** For 2016/2017, PFA Canada facilitated over 61 million litres of fuel and lubricant transactions across Canada. This was a 3.7% increase from our previous year's volumes.
- **Increased Marketing/Service Capacity:** We have seen an overall increase in the number of fuel cost analyses completed as well as the ability to respond to more RFPs and tenders. Our growing relationship with Imperial Oil and Petro-Canada has allowed us to be more flexible when responding to tenders. With more tenders being completed we have seen an increase in successful tender outcomes. Our presence out of province has also allowed more analyses to be conducted from members reaching out to us through our website or in response to material they received at a tradeshow.
- **Continual System Improvements:** As mentioned earlier, PFA Canada worked on including carbon levy functionality within its internal invoicing system. We have begun a revamp of the PFA Canada website which should include more member functions and easier access to request a fuel cost analysis online for new members.

The main goal for PFA Canada is to maintain volume growth. To do this, we plan to continue aggressively marketing our programs in conjunction with the trade programs of our partner associations. We will continue to put customer service first.

Tyler Hannemann
PFA Manager

CORPORATE SERVICES

The Corporate Services Department provides a wide variety of administrative and financial services to all entities within AAMDC including the subsidiaries, PFA Canada and Jubilee Insurance Agencies Ltd (JIAL) and the insurance reciprocal, Genesis Reciprocal Insurance Exchange (GRIE). On behalf of the Corporate Services Department team, I am pleased to present some of the successful undertakings over the last year.

Strategic Planning and Policy

This past year has been quiet for Strategic Planning activities and we are preparing for next year's review. However, it has been a busy year for policies. The board policies were reviewed and approved plus appropriately renamed to governance policies. Changes to Alberta's Employment Standards Code will come into effect January 1, 2018. We have started work early on the personnel policies to make appropriate amendments to accommodate the Code changes. These policies will be brought forward for approval in the Fall 2017.

Human Resources and Administration

AAMDC's priority is to have a high performing and effective workforce. Strategic planning, analysis and emphasis on value to our members determined a need for additional staff in key areas. We supported the onboarding and placement of these new employees. We also encourage ongoing education and professional development of staff, Board of Directors, and members. We provide ongoing advice, research, guidance, plus administer day to day payroll and employee benefit plans.

Information Technology

This year saw many upgrades to IT infrastructure with the aim of integrating and unifying many of the main data and communications technologies. We have focused on security of the organization and its member information. Over the last few months we have implemented multiple technologies to assist in increasing our cyber security and protecting our corporate data against ransomware and other potential threats. Internally, we have

Olly Morrison
Director of Corporate Services



concentrated on user training to increase awareness of current threats and how to identify them. The combination of current and evolving security tools as well as user education has dramatically reduced our risk of attack and data corruption. This year also saw advancement in software replacement and upgrades. The focus is enhancements that support the trade and insurance areas.

Facilities

The association continues to grow our services and there is need to maximize the space in our building. The Board has approved a renovation of existing storage space into offices and a meeting room. The renovation will begin Fall 2017. Our staff spends a lot of time at their desks, therefore we are upgrading chairs and equipment to provide ergonomic options. We also took advantage of the provincial rebate program to upgrade our internal lighting. We continue building maintenance schedules to keep our facility up to date so it can be fully utilized by staff, members, the Board of Directors, and committees.

Finance and Accounting

This year saw the merger of the two insurance reciprocals, Jubilee Reciprocal Insurance Exchange (JRIE) and Genesis Reciprocal Insurance Exchange (GRIE). This required additional efforts for both reporting and audit. The financial position of all entities remains strong and the membership was well served with an AAMDC dividend declaration of \$250,000. Please contact us for a copy of the detailed financial statements and notes.

Credit for these achievements goes directly to the fantastic Corporate Services team who support the diverse requirements of each of the departments. Well done!

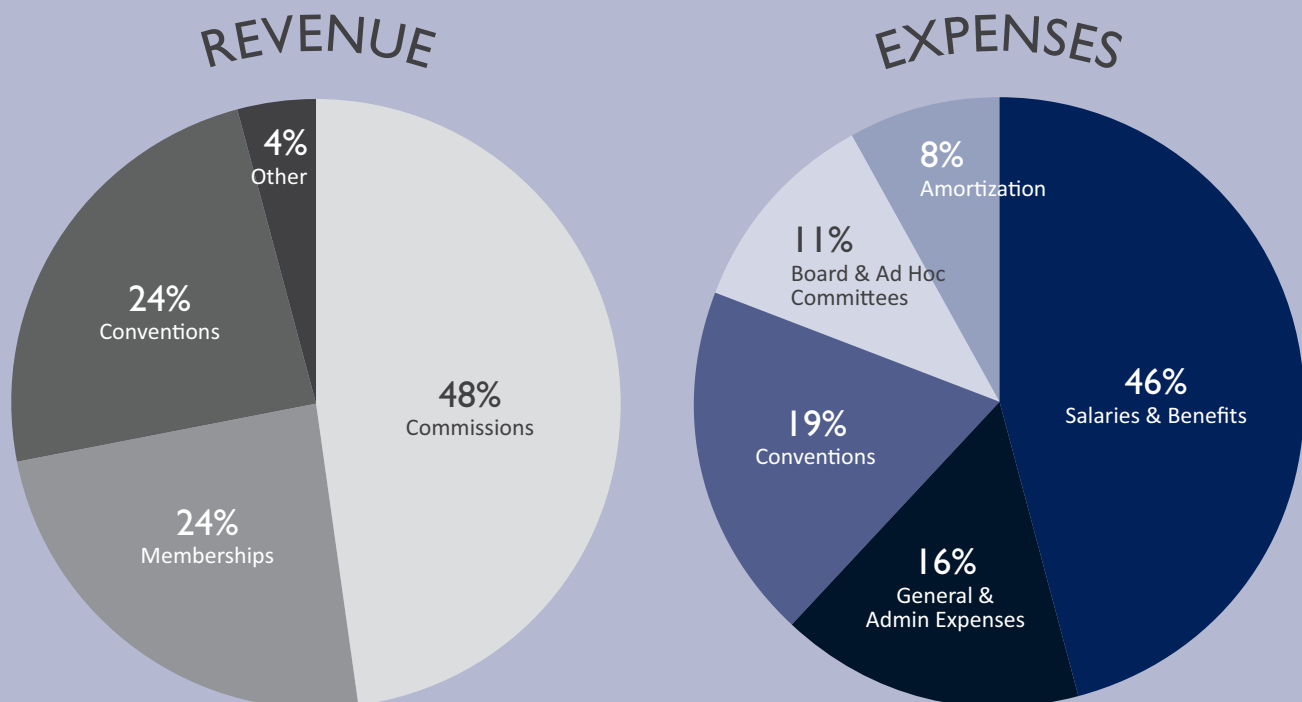
A handwritten signature in white ink, appearing to read 'O. Morrison', located at the bottom right of the page.

FINANCIAL OVERVIEW

Alberta Association of Municipal Districts and Counties

AAMDC Fiscal Year Ending July 31, 2017

AAMDC generates income from the Trade program, conventions, and membership fees paid by our members. The financial statements show an increase in revenues of 2% in the trade programs, and a stable revenue from the conventions and memberships. As always, AAMDC is member-driven and focused on service.



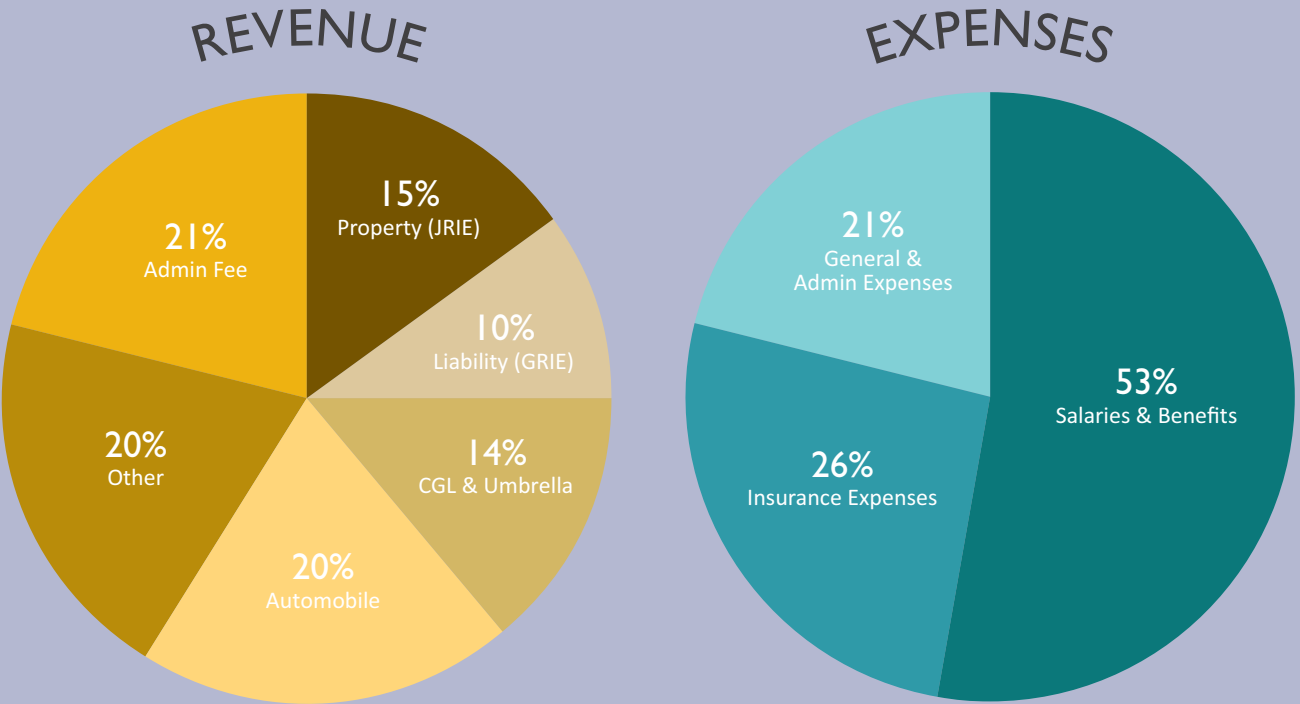
From a finance and accounting perspective, the Alberta Association of Municipal Districts and Counties, Jubilee Insurance Agencies Ltd., PFA Canada, and the Genesis Reciprocal are continuously increasing capabilities and prospering under the solid leadership of the Board of Directors as well as the Executive Director, Director of Advocacy and Communications, Director of Aggregated Business Services, and Director of Corporate Services.

AAMDC is committed to improving both the quantity and quality of financial information available to our members. This annual report has been presented in a concise manner. For further detailed information or to share your thoughts on the information provided, please contact Olly Morrison, Director of Corporate Services.

Jubilee Insurance Agencies Ltd.

JIAL Fiscal Year Ending July 31, 2017

Jubilee generates income from commissions and administration fees on all premiums paid by our members. We continually strive to find efficiencies and ensure solid business practices are in place to safeguard the value of Jubilee to our members. From a finance and accounting perspective, Jubilee insurance Agencies Ltd. is meeting or exceeding all goals under the solid leadership of the Board of Directors and the AAMDC Directors.



SUMMARY FINANCIAL STATEMENTS

Management's Responsibility

To the Members of Alberta Association of Municipal Districts & Counties:

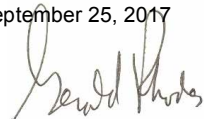
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

September 25, 2017



Gerald Rhodes, CLGM, MBA, CAE
Executive Director



Olly Morrison, CPA, CMA
Director of Corporate Services

Report of the Independent Auditor on the Summary of Financial Statements

To the Members of the Alberta Association of Municipal Districts & Counties:

The accompanying summary financial statements are comprised of the following:

- The summary statement of financial position as at July 31, 2017 and the summary statement of operations for the year then ended for Alberta Association of Municipal Districts & Counties (AAMDC).
- The summary balance sheet as at July 31, 2017 and the summary statement of earnings for the year then ended for Jubilee Insurance Agencies Ltd. (Jubilee) and Prairie Fuel Advisors (2008) Ltd. (PFA).
- The summary statement of financial position as at December 31, 2016 and the summary statement of comprehensive income for the year then ended for Genesis Reciprocal Insurance Exchange (GRIE).

The summary financial statements noted above are derived from the audited financial statements of the respective entities. We expressed an unmodified audit opinion on those financial statements in our reports dated September 25, 2017 (AAMDC, Jubilee, and PFA) and February 24, 2017 (GRIE). Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not include the statements of changes in net assets, retained earnings, subscribers' surplus, and cash flows as required by the applicable accounting frameworks; Canadian accounting standards for not-for-profit organizations for AAMDC, Canadian accounting standards for private enterprises for Jubilee and PFA, and International Financial Reporting Standards for Genesis Reciprocal Insurance Exchange. The summary financial statements also do not contain any note disclosures as required by the applicable accounting frameworks. Reading the summary financial information, therefore, is not a substitute for reading the audited financial statements of the entities.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations, Canadian accounting standards for private enterprises, and International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial information based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Alberta Association of Municipal Districts & Counties, Jubilee Insurance Agency Ltd., Prairie Fuel Advisors (2008) Ltd. and Genesis Reciprocal Insurance Exchange for the years ended July 31, 2017 and December 31, 2016 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, Canadian accounting standards for private enterprises, and International Financial Reporting Standards.

October 16, 2017
Edmonton, AB

MNP LLP
Chartered Professional Accountants



Summary Financial Statements:

ALBERTA ASSOCIATION OF MUNICIPAL DISTRICTS & COUNTIES

Audited Statement of Financial Position

As at July 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,479,343	\$ 1,604,184
Cash - restricted	27,540	27,317
Accounts Receivable	4,119,199	4,720,748
Prepaid Expenses	119,170	78,726
	6,745,252	6,430,975
Property and Equipment	2,417,149	2,854,460
Investment in Jubilee Insurance Agencies Ltd.	2,777,333	2,448,783
	\$ 11,939,734	\$ 11,734,218
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 3,403,967	\$ 3,736,794
Deferred Revenue	528,114	80,667
Deficiency in Alberta Elected Officials Education Program Corp.	6,343	17,805
Deficiency in Prairie Fuel Advisors (2008) Ltd.	38,945	131,895
	3,977,369	3,967,161
NET ASSETS		
Net assets invested in property and equipment	2,417,149	2,854,460
Net assets internally restricted	600,000	-
Unrestricted net assets	4,945,216	4,912,597
	7,962,365	7,767,057
	\$ 11,939,734	\$ 11,734,218

Summary Financial Statements:

ALBERTA ASSOCIATION OF MUNICIPAL DISTRICTS & COUNTIES

Audited Statement of Operations

For the year ended July 31, 2017

	2017	2016
REVENUE		
Commissions	\$ 2,156,438	\$ 1,989,643
Convention registration and tickets	1,084,079	1,046,544
Memberships	1,055,937	1,037,809
Rental income	166,000	166,000
Sundry income	17,601	35,989
Grants	2,926	60,620
Service charges	1,607	(905)
	4,484,588	4,335,700
EXPENSES		
Salaries, Benefits and Training	2,066,218	1,875,982
Convention	829,770	813,405
Board and Ad hoc Committees	485,400	472,222
Amortization	352,695	338,166
Professional fees	176,850	106,245
Building operations	126,668	96,879
Advertising and promotion	121,399	110,708
Computer	57,020	27,426
Grant expenses	65,431	138,217
Automotive	55,377	49,596
Insurance	30,631	27,137
Office Supplies	23,502	23,972
Telephone	16,634	18,154
Memberships & subscriptions	12,234	15,327
Postage	5,719	4,509
Interest	4,975	5,202
	4,430,523	4,123,147
Surplus from operations	54,065	212,553
OTHER INCOME (EXPENSE)		
Increase in equity in Jubilee Insurance Agencies Ltd.	359,322	582,743
Dividends	125,000	125,000
Increase in equity in Prairie Fuel Advisors (2008) Ltd.	98,186	76,245
Other Income	11,688	10,337
Increase (decrease) in equity in Alberta Elected Officials Education Program Corporation	11,462	(974)
Loss on system conversion	(219,799)	-
	385,859	793,351
Excess of Revenue over Expenses	\$ 439,924	\$ 1,005,904

Summary Financial Statements:

JUBILEE INSURANCES AGENCIES LTD.

Audited Balance Sheet

As at July 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,070,892	\$ 899,502
Marketable Securities	1,365,849	819,654
Prepaid Expenses	6,997	4,943
Due from AAMDC	147,788	117,017
Accounts Receivable	143,537	131,503
	2,735,063	1,972,619
Marketable Securities	429,640	934,411
	\$ 3,164,703	\$ 2,907,030
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 215,645	\$ 270,818
Deferred Revenue	23,936	70,412
	239,581	341,230
SHAREHOLDER'S EQUITY		
Common Shares	600	600
Retained Earnings	2,924,522	2,565,200
	2,925,122	2,565,800
	\$ 3,164,703	\$ 2,907,030

Summary Financial Statements:

JUBILEE INSURANCES AGENCIES LTD.

Audited Statement of Earnings

For the year ended July 31, 2017

	2017	2016
REVENUE		
Commissions	\$ 2,726,245	\$ 2,743,355
Administration Fee	744,852	756,361
Risk Module	27,808	12,379
	3,498,905	3,512,095
EXPENSES		
Salaries & Benefits	1,636,614	1,490,699
Service Fees	360,000	405,000
Insurance	58,507	58,102
Computer & Equipment	223,082	243,247
Risk Pro Premium Credit	352,684	273,320
Rent	54,600	54,600
Staff Education & Training	58,442	67,395
Risk Pro Program & Seminars	79,155	37,125
Executive (AAMDC Board allocation)	85,000	85,000
Professional Fees, Dues & Memberships, Interest & Bank Charges	62,535	40,662
Travel - Automobile & Meals/Entertainment	40,253	46,675
Office Supplies	18,382	22,838
Telephone	15,863	17,345
Advertising & Promotion	31,672	16,841
Courier & Postage	8,633	9,660
	3,085,422	2,868,509
OTHER INCOME (EXPENSE)		
Interest Income	73,635	70,315
Unrealized Losses	(2,796)	(6,159)
	70,839	64,156
NET EARNINGS	\$ 484,322	\$ 707,742

Summary Financial Statements:

PRAIRIE FUEL ADVISORS (2008) LTD.

Audited Balance Sheet

As at July 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 623,124	\$ 67,931
Accounts Receivable	3,396,685	3,267,710
Prepaid Expenses	5,706	630
Marketable Securities	-	24,193
	4,025,515	3,360,464
Marketable Securities	48,867	24,949
Goodwill	732,688	732,688
Due from the Alberta Association of Municipal Districts and Counties	892,853	887,616
	\$ 5,699,923	\$ 5,005,717
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accruals	\$ 4,846,017	\$ 4,192,313
Current portion of long-term debt	-	57,684
	4,846,017	4,249,997
SHAREHOLDER'S EQUITY		
Common Shares	100	100
Retained Earnings	853,806	755,620
	853,906	755,720
	\$ 5,699,923	\$ 5,005,717

Summary Financial Statements:

PRAIRIE FUEL ADVISORS (2008) LTD.

Audited Statement of Earnings

For the year ended July 31, 2017

	2017	2016
REVENUE		
Commissions	\$ 634,798	\$ 599,585
EXPENSES		
Salaries, Benefits, and Training	411,040	375,396
Advertising & Promotion	31,795	40,866
Computer	29,712	30,365
Office	16,024	20,245
Professional Fees	14,579	19,195
Rent	14,000	14,000
Travel	11,890	11,402
Insurance	6,500	7,669
Interest & Bank Charges	1,072	4,202
	536,612	523,340
NET EARNINGS	\$ 98,186	\$ 76,245

Summary Financial Statements:

GENESIS RECIPROCAL INSURANCE EXCHANGE

Statement of Financial Position

December 31, 2016

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 11,399,041	\$ 4,762,856
Marketable securities	40,624,075	29,999,874
Insurance balances receivable	4,519,836	1,536,113
Deferred acquisition costs	1,011,430	234,591
Prepaid Expenses	-	10,105
	\$ 57,554,382	\$ 36,543,539
LIABILITIES		
Accounts payable and accrued expenses	\$ 100,833	\$ 32,472
Unpaid claims and adjustment expenses	21,224,189	18,219,000
Premium taxes payable	500,380	155,108
Unearned premiums	10,497,923	4,314,153
	32,323,325	22,720,733
SUBSCRIBERS' SURPLUS		
Retained earnings	25,231,057	13,822,806
	\$ 57,554,382	\$ 36,543,539

Summary Financial Statements:

GENESIS RECIPROCAL INSURANCE EXCHANGE

Statement of Comprehensive Income

Year ended December 31, 2016

	2016	2015
INCOME		
Gross premiums written	\$ 12,509,512	\$ 5,170,267
Increase in unearned premiums	(6,183,770)	(282,604)
Premiums earned	6,325,742	4,887,663
Net investment income	1,921,422	(157,159)
	\$ 8,247,164	\$ 4,730,504
EXPENSES		
Losses incurred	4,144,134	3,025,333
Premium tax	500,380	155,108
General and administrative	677,546	405,903
Change in deferred acquisition costs	(354,635)	(42,027)
	4,967,425	3,544,317
OTHER ITEMS		
Bargain purchase upon business combination	8,128,512	-
TOTAL COMPREHENSIVE INCOME	\$ 11,408,251	\$ 1,186,187



ALBERTA ASSOCIATION OF
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