

AAMDC Fall 2017 Endorsed Resolutions

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Centralization of Industrial Properties Assessment

MD of Taber

Carried

Advocacy Target: Alberta Municipal Affairs

WHEREAS Bill 21, the *Modernized Municipal Government Act* (MMGA) has created the new property type of Designated Industrial Property to be assessed by the new position of Provincial Assessor; and

WHEREAS Designated Industrial Property means: facilities regulated by the Alberta Energy Regulator (AER), Alberta Utilities Commission (AUC), or the National Energy Board (NEB), linear property, railway, and major plants as designated by the Minister in the regulation; and

WHEREAS sufficient conflict and ambiguity in the definitions between the MMGA and the draft regulations exist leaving municipalities open to significant risk in their primary funding model – property taxation; and

WHEREAS there is no published defining criteria on which the designation of ‘major plant’ is based; and

WHEREAS the valuation standard(s) for Designated Industrial Property are yet to be determined, published, and implemented by the Minister; and

WHEREAS studies of the impacts resulting from the draft regulatory definitions have not been completed and discussed with the affected municipalities; and

WHEREAS there has been little effort made to communicate the changes and impacts with municipalities and their representatives in a collaborative fashion; and

WHEREAS under the transitionary model contracts for services have not been fully communicated to municipalities so municipalities may understand their responsibilities, the delegation of authority, reimbursement methods, levels and frequency of communication, and right of appeal, and/or the methodology related to the exchange of information between the Government of Alberta and the municipality; and

WHEREAS the capacity and qualifications of the Provincial Assessor and his/her staff is unknown; and

WHEREAS implementation of the components of this initiative must occur prior to January 1, 2018 in accordance with Statute;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties request Alberta Municipal Affairs to delay implementation of the centralization of industrial property assessment until such time as Ministry personnel can procure the appropriate resources to develop valuation standards, regulated assessment rates, undertake and complete impact studies, communicate and collaborate with municipalities so the identified risks to their primary revenue structure can be mitigated throughout the transition and beyond.

Member Background

See following page.

Centralized Industrial Assessment

DESIGNATED INDUSTRIAL PROPERTY
FOOTHILLS LITTLE BOW - ZONE 1 - CONSTITUENCY MEETING
SEPT 15, 2017

Goal and Objective

Generate consistency in assessment methodology and application among municipalities in Alberta.

Remove the perceived apprehension of bias (conflict of interest) regarding the preparation of assessments and the levying of property taxes by the same municipal authority.

Provide the necessary resources for the calculation and defense of more complex property assessments (i.e. cost engineers, accounts, legal counsel).

What we Know

Bill 21 created:

- A new position, "Provincial Assessor"
- A new property type, "designated industrial property"

Designated Industrial Property means:

- *Facilities regulated by the AER, AUC, or NEB*
- *Linear property*
- *Railway*
- *Major plants as designated by the Minister in regulation.*

What we Know (con't)

DI property regulated by the AER, AUC, or NEB includes all components of the facility, including any M&E, buildings and structures, servicing, and land associated with the facility.

- Examples include, gas plants, oil batteries, substations, well sites, pipeline terminals, etc.

Municipalities are responsible to prepare assessments of these properties for 2017 (2018 tax year).

The transfer of responsibility to the PA and his/her staff for the assessment of these properties occurs Jan 1, 2018.

What we Know (con't)

The valuation standards and procedures used to determine DI property assessments for 2017 are 'status quo' as the Regulations referred to in Bill 21 are not yet finalized – consultation is open until September 22, 2017.

The transitional plan for DI properties is referred to as the 'hybrid approach/model'. Municipalities will have the option to enter into 'service contracts' with the PA and retain their current provider for a period anticipated to be 3 years.

What we Know (con't)

Draft Regulations were published for consultation July 24, 2017.

Matters Relating to Assessment and Taxation Regulation [MRAT] focuses on specifics regarding DIP assessment. It includes:

- Definitions
- Draft list of Major Plants
- Indicates the valuation standard has been moved to the Minister's Guidelines. The Minister's Guidelines are not yet published.

Today's Situation

Several issues can be identified in the DIP assessment process:

- Scope of services covered in the hybrid model contract including but not limited to:
 - the delegation of authority to perform DIP assessments to the municipal assessor from the PA,
 - determination of the reimbursement formula for services performed by the municipality (and time and materials for abnormal costs such as those incurred in the appeal process)
- How will assessment information will be shared/accessed between the PA and municipality.
- Will a municipality still be able appeal a DIP assessment, etc.

Today's Situation (con't)

- Frequency and quality of communication from the PA to municipalities for several purposes including:
 - budget forecasting,
 - assessment base at risk due to appeals, regulatory change, and/or the change in status of a property owner.
 - qualification of which properties are DIP vs. municipal,
 - qualification of quality standards to be met in the preparation of the DIP assessments, etc.

Today's Situation (con't)

MRAT definitions - The definitions present several issues with DIP

- Wells
 - now includes land for a well site on Crown land, but not on private land.
 - Now includes 'other improvements located at a well site'. The term 'well site' is not defined. This is troublesome because if there is a well in gas plant, potentially all the M&E, B&S, and the land attributable to the gas plant could be included in the definition of a "well". This means the M&E and B&S assessment could disappear upon the application of the regulated rate for the well. This would present a HUGE element of risk to a municipality's assessment base.
 - In the MD of Taber, our potential risk is estimated to be approx. 40% of our non-linear assessment base, or 25% of our total assessment base on this issue alone.

Today's Situation (con't)

- This means a separator package at a well site could potentially share the same assessed value as the entire gas plant.
- We don't know what the impact will be until the promised rate review is completed, signed off by the Minister, and published/implemented.

Today's Situation (con't)

- Operational
 - The changes to this definition allow the property owner, alone, to determine when property (M&E) becomes assessable and taxable opposed to the assessor making this determination.
 - A property only becomes assessable when it used for its 'intended' purpose – in terms of optimum capacity, some properties never achieve this. Thus they may never be assessable and taxable.

Today's Situation (con't)

- Railway
 - Its unclear how some properties with rail on them will be 'carved up' so the PA can assess the rail and the municipal assessor the remainder. It is also uncertain if the authority to do this exists in the MMGA.
 - The new definition excludes "public railway" as defined in the *Railway (Alberta) Act*. The effect of this is to make all railway except mainlines owned/operated by CN/CP assessable as regulated DI property. It's not clear how mainlines will be assessed (market value vs. regulated rate).
 - The valuation standard is not contained in MRAT so it is unclear if spur lines will be regulated while main line is market value and/or vice versa.
 - This will have significant impact on some municipalities such as those that are home to rail loading facilities.

Today's Situation (con't)

- Electric distribution/generation/transmission systems
 - Bill 21 states all portions of a property regulated by the AUC will be considered DIP, however the MRAT definitions contradict the MMGA and exclude land and buildings.
 - Again the valuation standard for the land and buildings for these facilities is unknown at this time. This presents an element of risk to the assessment base should they move from market value to a regulated rate.
 - Further, land and buildings at telecom facilities are excluded, but well sites have them included – there is no consistency in definitions in the draft Regulation.

Today's Situation (con't)

- Major Plants
 - No definitive criteria used to determine properties that are to be identified in the MRAT schedule as major plants have been published.
 - The draft list appears arbitrary, incomplete, and inequitable both within and among municipalities, industries, and property types.

Today's Situation (con't)

Valuation Standards

- These determine what measure of value an assessment is to meet – market value or a regulated rate. Historically regulated rates were modelled on the concept of reproduction cost.
- There is no published valuation standard for DI properties, or their component parts.
- The promised rate review is yet to be undertaken by the Ministry. Given the scope of this project, there may be an issue having new rates completed, signed, and in place for use in the preparation of the 2018 assessment.
- An unknown valuation standard and procedures means the impact of municipalities cannot be measured or predicted with any degree of certainty until these regulated procedures/rates are complete.

Outstanding Issues

Is property registered with a Regulator to a defunct company assessable and/or taxable?

- Neither Bill 21, Bill 8 or the draft Regulation have proposed a resolution to this issue being experienced by several municipalities.
- Legal counsel has forwarded all research on this issue to Alberta Justice & Municipal Affairs.
- No constructive response or effort in collaboration toward finding a resolution have been forthcoming from Municipal Affairs.
- Rather a "directive" with no explanation was forwarded. Unfortunately the directed action may place our professional assessors in breach of their Code of Conduct and Ethics as it instructs them to potentially contravene Statute and Regulation.

Recommendations

Given the identified issues it may be prudent for Municipal Affairs to delay the implementation of centralization until critical elements such as the valuation standards can be identified, the impacts studied, and risk mitigation strategies contemplated.

This would give municipalities the ability to understand the impact of the incoming assessment changes on their primary funding structure and potential tax shifts that could result.

At the very least, the issues identified need to be addressed with municipal stakeholders in a constructive and collaborative manner. Doing so would enable municipalities to mitigate potential risks to their funding structures.

AAMDC Background

3-16F: Implementation of the Centralized Property Assessment

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties call upon the Government of Alberta to delay or repeal the establishment of the Centralized Industrial Property Authority and the creation of the Provincial Assessor until such time as the appropriate studies, pilot projects, and consultation with all effected property owners has been completed and analyzed so the effectiveness of such a policy may be fully understood;

FURTHER BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties call upon the Government of Alberta to consult with the Alberta Association of Municipal Districts and Counties and the Alberta Assessors Association in order to answer the numerous procedural, policy and legal questions which arise from the decision to create the Centralized Industrial Property Authority under the newly created position of Provincial Assessor.

DEVELOPMENTS: The Government of Alberta response does not indicate a willingness to delay or repeal the process of transitioning to centralized assessment for designated industrial property. The response indicates that the Government of Alberta received sufficient feedback in favor of the move to centralized assessment during previous MGA consultation opportunities to warrant the decisions being final. The AAMDC appreciates the Government of Alberta's willingness to share as much information as possible with municipalities related to procedural changes, but this does not address the intent of the resolution. With this in mind, this resolution is assigned a status of Intent Not Met, and the AAMDC will continue to advocate on this issue.

The AAMDC and several AAMDC members have been involved in the planning of the transition to centralized industrial property assessment with the intent to minimize the disturbance to municipalities and assessors.

4-16F: Centralized Industrial Assessment

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties lobby the Government of Alberta to leave the responsibility of industrial assessment with municipal governments and to provide local assessors with updated manuals and regulations required to perform the services they currently provide to municipalities for industrial assessment.

DEVELOPMENTS: The Government of Alberta response does not indicate a willingness to leave the assessment of industrial property as the responsibility of municipal assessors. The AAMDC appreciates the Government of Alberta's willingness to share as much information as possible with municipalities related to procedural changes associated with centralization, but this does not address the intent of the resolution. With this in mind, this resolution is assigned a status of Intent Not Met, and the AAMDC will continue to advocate on this issue.

Completion of Alberta's Land-use Framework Prior to Establishment of Conservation and Protected Areas for Species at Risk

County of Northern Lights

Carried

Advocacy Target: Alberta Environment and Parks

WHEREAS provincial recovery and action plans for species at risk appear to be developed and fully implemented in isolation; independently from directly impacted stakeholders, communities and other levels of governments; and

WHEREAS the Government of Alberta formally established the Land-use Framework (LUF) in 2008; which provides the tools, mechanisms and formal process for the delineation of smart regional growth opportunities, landscape-level planning and land-use management to effectively manage competing and sustainable activities through the development of regional land-use plans; and

WHEREAS natural resource industries form the lifeblood of many rural communities throughout Alberta by providing vital jobs and enhancing local wealth creation, and any restriction on land access will negatively impact local economies; and

WHEREAS the objective of Alberta's *Plan for Parks* (2009) is to improve the quality of human life; through new recreational opportunities and ease of local access to the Canadian wilderness; and

WHEREAS one objective of new parks or conservation areas is to enable protection for rare or vulnerable wildlife species; and

WHEREAS the local communities of rural Alberta are willing to participate in measures to enhance the natural environment, in conjunction with ensuring the existing and future economies of rural regions continue to prosper today and for future generations to come; and

WHEREAS the *Alberta Land Stewardship Act* establishes the legal basis for regional land use planning in Alberta, requiring local government bodies to review their regulatory instruments to ensure compliance with the regional plan developed under the LUF; and

WHEREAS regional land-use plans developed under the LUF would serve as an ideal mechanism to inform planning for conservation and protected areas as regional plan development should take into consideration both environmental and economic priorities within a region;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties requests that no additional conservation or protected areas be established, proposed or expanded in Alberta prior to the implementation of the remaining regional land-use plans.

Member Background

The federal *Species at Risk Act* (SARA) is the legislation used for species protection in Canada. Implementation of measures to protect species that are identified under SARA tends to fall to the provinces, based on the constitutional division of authority and responsibility.

The SARA legislation is premised around habitat protection; healthy habitat equals healthy species that is dependent on said habitat. Stringent protection of land with little regard for the socio-economic consequences is tolerable on a small scale. The challenge is that the same habitat protection requirements prevail even for large ungulates and animals that are migratory in nature. As a result, habitat protection to allow for the revival of some species no longer impacts a small localized area, but vast areas which are home to high numbers of primary resource industries.

The *Alberta Land Stewardship Act* (ALSA) is the legislation with the broadest authority to effect landscape level planning within the province. The Land Use Secretariat was also created under this act, along with the entire premise of the regional planning framework in Alberta.

It is through the tools available under this act that the province will likely enact enforceable caribou range plans that stand up to federal and legal scrutiny in Alberta. However, the province neglected to utilize any

of the rest of the provisions of ALSA when initially identifying areas for potential permanent habitat protection.

The South Saskatchewan Regional Plan (SSRP) was the second regional plan developed under the Alberta Land-Use Framework. In reporting on the regional outcomes of the SSRP, the Government of Alberta recognizes the need to balance a healthy economy and habitat protection. This approach should be considered in the development of other regional plan development, with the understanding that different regions of the province have different industries that must be considered as economic drivers.

The SARA legislation is 'jealously biased' in the measures that need to be taken to recover said species. ALSA is the tool in Alberta that has the legislative merit to enable the recovery. It is imperative that the remaining tools in ALSA be utilized by the province in order to consider the whole picture, specifically including the socio-economic impacts on communities.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Municipal Action on Caribou Recovery Planning

County of Northern Lights

Carried

Advocacy Target: AAMDC

WHEREAS provincial recovery and action plans for species at risk appear to be developed and fully implemented in isolation; independently from directly impacted stakeholders, communities and other levels of governments; and

WHEREAS provincial and territorial range plans for the recovery of boreal woodland caribou were due to the Government of Canada by October 2017; demonstrating a clear legal commitment for habitat protection in order to avoid legal action; and

WHEREAS the May 2016 recommendations report, entitled *Setting Alberta on the Path to Caribou Recovery* was accepted by the Government of Alberta; and included the permanent protection of 1.8 million hectares of land in northwestern Alberta for boreal woodland caribou recovery; and

WHEREAS the 2016 report's recommendations of permanent protected areas for woodland caribou recovery simply follow forestry management unit (FMU) boundaries, with little consideration for existing and future energy dispositions, other mineral exploration, and inter-jurisdictional infrastructure; with an apparent disregard for comprehensive land-use planning and regional growth as provided for with the Land-use Framework; and

WHEREAS the local communities of rural Alberta are willing to participate in measures to enable the recovery of local caribou populations and to enhance the natural environment, in conjunction with ensuring the existing and future economies of rural regions continue to prosper today and for future generations to come; and

WHEREAS municipalities across Canada have expressed concern regarding the socio-economic impacts of protecting and/or sterilization of land to support caribou range planning, as required by the *Species at Risk Act*; and

WHEREAS challenges and priorities related to caribou range planning spill beyond municipal and provincial/territorial boundaries;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties proactively lead inter-jurisdictional municipal level caribou population recovery planning across Western Canada.

Member Background

The federal *Species at Risk Act* (SARA) is the legislation used for species protection in Canada. Implementation of measures to protect species that are identified under SARA tends to fall to the provinces, based on the constitutional division of authority and responsibility.

The SARA legislation is premised around habitat protection; healthy habitat equals healthy species that is dependent on said habitat. Stringent protection of land with little regard for the socio-economic consequences is tolerable on a small scale. The challenge is that the same habitat protection requirements prevail even for large ungulates and animals that are migratory in nature. As a result, habitat protection to allow for the revival of some species no longer impacts a small localized area, but vast areas which are home to high numbers of primary resource industries.

The broad nature the SARA legislation is causing concerns for rural and primary resource dependant municipalities across Canada. Municipalities across Canada are currently fighting to protect their livelihoods. The following associations have all passed formal resolutions and/or taken a leading advocacy role:

- Federation of Northern Ontario Municipalities, Northwestern Ontario Municipal Association, Rural Ontario Municipal Association – have passed a variety of formal resolutions and have taken a strong advocacy role in Ontario.

- Montreal Economic Institute – published a report identifying the economic impact of caribou protection in Quebec. Several Quebec municipalities have been strongly advocating at the provincial and federal level.
- Eastern British Columbia regional municipalities have been working collaboratively to encourage the BC government to consider socio-economic impacts of caribou range planning
- Alberta Urban Municipalities Association has passed a resolution similar to previous resolution passed by the AAMDC in Fall 2016:
 - NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association request that the Government of Alberta complete an overall Socio-Economic Impact Assessment based on all the species at risk recovery and retention plans currently affecting the operations of all industries in the province, including but not limited to oil and gas, forestry, agricultural, tourism and mineral exploration;
 - AND FURTHER BE IT RESOLVED THAT the Alberta Urban Municipalities Association urge the Government of Alberta to not develop, implement or enforce range plans without the consent of the forest industrial partners affected within the range plan.

The Alberta and Canadian Chambers of Commerce each recently passed resolutions advocating for the consideration of the socio-economic impacts in caribou range planning. The resolution brought forward to the Canadian level originated from Ontario.

Within Alberta many municipalities and businesses have been advocating diligently on their own, with two of the more prominent groups being the Alberta Forest Alliance and the Northwest Species at Risk Committee.

Industry associations from across Canada have also been advocating strongly for socio-economic impacts to be considered. This, combined with the actions from municipal groups and associations from across the country speaks to the significance and cause for concern that the current SARA legislation provides. Additionally, provincial responses have not provided confidence to rural communities that their concerns will prevail.

Note: because of the October 2017 deadline by the federal government for provinces to submit caribou recovery range plans, there may be significant announcements made in the time since this resolution was submitted and the AAMDC resolution session.

AAMDC Background

9-17S: Legal Opinion for Species at Risk Proposed Policies

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) seek a legal opinion on the proposed *Species at Risk Act* policies to determine what effect that the proposed policies will have on municipal operations and the rights and freedoms of rural landowners;

FURTHER BE IT RESOLVED that if the legal opinion determines that the proposed *Species at Risk Act* policies will negatively impact rural landowners, that the AAMDC proceed with further action to work with the provincial and federal government on these proposed policies to demonstrate the social and economic impacts of policy implementation on the rural landscape.

DEVELOPMENT: To fulfill the first part of this resolution, the AAMDC hired MLT Aikins to provide a legal opinion on the proposed Species at Risk Act Policies. The legal response identifies impacts for municipalities and rural landowners in regards to the policies, and AAMDC members should be aware of the implications some policies may have in regards to land-use planning and infrastructure project decisions. The legal response in its entirety is available on the AAMDC website.

As the obtaining the legal opinion addresses a portion of this resolution, it has been assigned a status of Accepted in Part and the AAMDC will continue to advocate on the importance of a socio-economic approach to policy implementation, as identified in the legal analysis.

15-16F: Species at Risk and the Need for an Overall Socio-Economic Impact Assessment

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties works with the Government of Alberta in a timely fashion, to complete an overall Socio-Economic Impact Assessment based on all the species at risk recovery plans and retention plans currently affecting the operations of all industries in the Province of Alberta, including but not limited to oil and gas, forestry, agriculture, tourism and mineral exploration.

DEVELOPMENTS: The Government of Alberta response summarizes the work done to date to develop strategies to comply with SARA as it impacts Alberta's caribou population, and acknowledges that socio-economic impacts of habitat protection formed a component of the recovery planning process. However, the response does not indicate a willingness to conduct a broad socio-economic impact assessment on all species at risk recovery plans in the province. Therefore, this resolution is assigned a status of Intent Not Met, and the AAMDC will continue to advocate the need for a socio-economic impact assessment on species at risk recovery plans.

16-15F: Species at Risk Act (SARA)

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties facilitate a round table discussion with representation from the federal Environment Minister and provincial Environment Minister to rebuild the current *Species at Risk Act* to improve it in a way that seeks a balanced and cooperative approach (economic, environmental, and social) to species protection that focuses on ecosystem protection; limiting impact on agriculture, industry, rural development, and land use in Alberta.

DEVELOPMENTS: The Government of Alberta response indicates a willingness to work with the AAMDC and the federal government to take a collaborative approach to aligning species at risk protection with the need to address social and economic impacts. This is encouraging and will be followed up on by the AAMDC. The AAMDC also provided input into the draft Species at Risk Act (SARA) policies that were released in 2016, noting that a balanced approach to protect species and their habitats needs to be considered to consider the social, economic and environmental impacts of these efforts.

Until a formal response from the Government of Canada is received, this resolution holds a status of Incomplete Information. The AAMDC is continuing advocacy efforts at the provincial and federal levels to move this issue forward.

Water Act Approvals for Municipal Projects on Municipal Land

County of Stettler

Carried

Advocacy Target: Alberta Environment and Parks

WHEREAS Alberta municipalities continue to facilitate growth and promote economic development that requires construction activity including road construction on municipal right of ways or construction of municipal projects on municipal land; and

WHEREAS Alberta Environment and Parks, under the *Water Act*, requires approvals for all road construction and/or municipal projects on municipal property or right of ways; and

WHEREAS the required approvals are resulting in long delays on many projects requiring these approvals; and

WHEREAS roadways often require burrow pits (dugouts) that retain water better in drought conditions and many road ditch structures develop wetland environments;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Alberta to relax the requirement for formal approvals on all road construction on municipal right of ways less than 40 metres wide and consider alternate strategies for protecting water resources.

Member Background

The current process requires the applicant, in this case, municipalities, to do the assessment and valuation of each project. Alberta Environment and Parks then reviews and endorses any reports of action items that are a result of the assessment. Municipalities are completing these assessments in a timely manner, often with the assistance of consultants, but the projects' progress is halted waiting on Alberta Environment and Parks approvals, often times upwards of 3-5 years. These delays in approvals can put municipalities at a disadvantage in finding and retaining contractors to do the work. Additionally, it costs money if their own fleet is waiting to complete any of the projects waiting for approvals. Some projects in recent times have been waiting for approval for over a year, making it difficult for councils and administrations to predict and budget for expenditures.

Municipalities, much like the provincial government, work in the best interest of their ratepayers and their tax dollars. Rather than increase staff and resources into the current system, there can be changes could be made to the existing process to improve efficiency while maintaining the legislative oversight that was intended within the *Water Act*.

One option could be to allow municipalities to save both time and money by fast tracking approvals initiated by municipalities. This allows municipalities to move projects forward which are beneficial to their citizens and bolster local economy in a more timely and efficient manner. A tiered approach may also be considered; where projects with low environmental risk are approved through a faster track than those requiring a more detailed study and review.

The basic principle behind requesting a change to the process is to bring municipalities in as a partner, rather than just another applicant for a construction process, recognizing municipalities have a stake in preserving and prolonging the life of our surrounding environment as well. Municipalities would like to be considered a "net-zero" partner, municipalities are requesting AEP to consider municipalities as "net zero trusted partners", considering wetlands filled in balance wetlands created.

AAMDC Background

1-16F: Alberta Environment and Parks Approvals for Construction Projects

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties requests that consideration be given to safety concerns related to delayed environmental approval processing and supports the creation of a process for municipalities to receive timely approvals from Alberta Environment and Parks with regard to construction projects.

DEVELOPMENTS: The Government of Alberta response acknowledges the challenges that municipalities are facing in receiving timely approvals of works related to wetlands. The AAMDC is encouraged that Alberta Environment and Parks has identified this as a problem and is in the process of developing an updated regulatory process for road works impacting wetlands which will balance provincial and municipal needs regarding regulatory compliance and timeliness. The Government of Alberta has indicated that an Alberta Wetland Construction Directive and Alberta Wetland Construction Guide will be released in fall 2017. The AAMDC assigns this resolution a status of Accepted in Principle, and will monitor progress made.

Alberta Energy Regulator – Amendment to Transfer Approval Process

Camrose County

Carried

Advocacy Target: Alberta Municipal Affairs, Alberta Energy, Alberta Energy Regulator

WHEREAS municipalities in Alberta are governed by the *Municipal Government Act*, established by the Government of Alberta; and

WHEREAS municipalities in Alberta are dependent on property tax revenues to provide essential municipal services; and

WHEREAS municipalities in Alberta are responsible to collect and forward the education requisition to Alberta Education; and

WHEREAS property taxes remain the main source of revenue for municipalities, as provincial and federal transfers are diminishing, while the downloading and offloading of services and programs continues; and

WHEREAS the ability of a municipality to recover linear property tax arrears is affected by provincial acts and regulations established by Alberta Energy under which the Alberta Energy Regulator (AER) authorizes transfers; and

WHEREAS the AER does not currently have the power to impose conditions on license transfers relating to unpaid municipal taxes; and

WHEREAS the current legislation has limited the recourse available to a municipality to recover tax arrears owed from oil and gas companies;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) requests the Government of Alberta amend the *Municipal Government Act* (MGA), and other provincial legislation, regulations and policies, including AER Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process to:

- **broaden the tax recovery power of municipalities to collect linear property taxes, Alberta housing foundation requisitions and Alberta school requisitions owing on oil and gas operations, and**
- **provide the Alberta Energy Regulator (AER) the ability to include municipal tax compliance as part of the specified list of AER requirements before license transfers will be considered;**

FURTHER BE IT RESOLVED that the AAMDC request that Alberta Energy direct the AER that prior to refunding any security deposits, check with all municipalities in which the company requesting the refund had leases in, to ensure property taxes are current.

Member Background

Camrose County has been challenged with the collection of tax arrears from numerous oil and gas companies. The tax collection obstacles are created by the existing restrictions within current legislation and the ability of assets to be transferred from the current license holder to another without respect to and in fact, free and clear of any obligation for payment of the outstanding municipal taxes. As a result, the County's prospect for collecting \$491,031.09 in taxes and education requisition is bleak. The education tax, of some \$103,589.50, must be remitted to the Government of Alberta regardless of whether it has been collected, ratepayers are responsible to cover that deficit resulting from uncollected oil and gas taxes, which in turn actually costs \$207,179.00 from the current budget.

The Alberta Energy Regulator Directive 006, released February 17, 2016 states that:

The purpose of the Alberta Energy Regulator (AER) LLR Program and licence transfer process as set out in this directive is to

- ***prevent the costs to suspend, abandon, remediate, and reclaim a well, facility, or pipeline in the LLR Program from being borne by the public of Alberta should a licensee become defunct.***

And further as a result of the Redwater decision AER issued Bulletin 2016-21 which again states that:

“The Alberta Energy Regulator (AER) has considered feedback on its interim measures to protect Albertans from unfunded liabilities and issues Bulletin 2016-21 to clarify the requirements. “

The AER reiterates that the interim measures are necessary to protect Albertans from unfunded liabilities.

Bulletin 2016-21 further states that:

As a condition of transferring existing AER licences, approvals, and permits, the AER will require transferees to demonstrate that they have a LMR of 2.0 or higher immediately following the transfer or provide other evidence that the transferee will be able to meet their obligations throughout the life cycle of energy development with an LMR of less than 2.0.

It is the contention of the County that requiring the transferee to demonstrate that they will be able to meet their obligations throughout the life cycle of energy development should, and does include their obligations to pay municipal taxes. Municipal taxes not recovered will be borne by all Albertans, and as a result should fall under the AER mandate to protect Albertans from unfunded liabilities. Therefore, the AER should have jurisdiction to impose a specified condition that all municipal taxes in arrears should be paid prior to the license being transferred.

The AAMDC currently has two active resolutions related to this issue, brought forward from the County of Paintearth in 2016 and Mackenzie County in 2015.

Alberta Municipal Government Act (MGA)

Directive 006 of the *Licensee Liability Rating (LLR) Program and License Transfer Process (March 12, 2013)* details the application requirements for oil and gas well transfers. Under this Directive, the Alberta Energy Regulator reviews the compliance record of the transferor and the transferee and determines if the regulatory requirements have been satisfied. The Minister of Energy has notified Camrose County that the Alberta Energy Regulator does not have jurisdiction to impose conditions on license transfers relating to unpaid municipal taxes.

The AAMDC is participating in a working group with the Government of Alberta including representatives from Municipal Affairs, Alberta Energy and the Alberta Energy Regulator to explore improvements that can be made to this issue, including determining ways that municipalities can recover unpaid taxes.

AAMDC Background

4-17S: Collection of Outstanding Taxes for Education Requisitions from the Province of Alberta

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties request that the Government of Alberta develop new tools or utilize existing mechanisms to ensure that municipalities that are unable to collect education property taxes through the tax recovery process be exempted from forwarding those uncollectible tax amounts to Alberta Education, or have the uncollectible amount refunded.

DEVELOPMENT: The AAMDC appreciates the responsiveness of the Government of Alberta in forming a working group to address this issue in response to previous similar resolutions (3-16S, 5-15F). However, the AAMDC is becoming increasingly concerned with the time that has elapsed between the working group developing recommendations for addressing the issue of uncollectible taxes on industrial properties (early 2017) and the response from the Minister of Municipal Affairs as to what, if any, actions will be taken to address the issue. As many rural municipalities continue to experience similar or greater levels of industrial tax arrears in the current fiscal year, expedient action on this issue is becoming an even greater priority.

The AAMDC assigns this resolution a status of Intent Not Met, but will continue advocating for a Ministerial response to the working group's recommendation, and will consider amending this status if a response is received prior to the next round of resolution updates.

3-16S: Recovery of Linear Property, Commercial Property, and Education Requisition Tax Arrears

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) request the Government of Alberta to amend the *Municipal Government Act* (MGA), and other provincial legislation to broaden the tax recovery power of municipalities to collect linear property taxes by granting a lien in favour of the municipality as follows:

A lien equivalent to that granted to the Alberta Energy Regulator (AER) by s. 103 of the *Oil and Gas Conservation Act* (OGCA) that being: “on the debtor’s interest in any well, facilities, and pipelines, land or interests in land, including mines and minerals, equipment and petroleum substances” and the power to garnish funds owed to the debtor;

A lien which ranks in priority (or equivalent) to the lien granted in favour of the AER by s. 103(2) of the OGCA;

FURTHER BE IT RESOLVED that the AAMDC requests the Government of Canada to amend the federal *Bankruptcy and Insolvency Act* to recognize municipal linear property taxes and other municipal non-property taxes as a secured interest in priority to other unsecured interests;

FURTHER BE IT RESOLVED that the AAMDC request the Government of Alberta to provide a credit reimbursement to compensate for the education property taxes that become uncollectable due to linear and commercial property bankruptcy.

DEVELOPMENTS: In 2016, Alberta Municipal Affairs had 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 was to address the concerns identified in resolution 3-16S and resolution 5-15F. More specifically, the working group explored 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.

Early in 2017, the working group completed their research and Government of Alberta staff internally developed options for the Minister of Municipal Affairs based on the working group’s findings. At this point, the AAMDC has been informed that the options are still being considered by the Minister and decision-makers in other related ministries such as Energy and Education. The AAMDC is concerned that as the Government of Alberta continues to evaluate options, rural municipalities throughout the province face increasing financial challenges caused by unpaid linear taxes.

The AAMDC assigns this resolution a status of Intent Not Met, but will continue advocating for a Ministerial response to the working group’s recommendation, and will consider amending this status if a response is received prior to the next round of resolution updates.

5-15F: Recovery of Linear Property Tax Arrears

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) requests the Government of Alberta to amend the *Municipal Government Act* (MGA), and other provincial legislation to broaden the tax recovery power of municipalities to collect linear property taxes by granting a lien in favour of the municipality as follows:

- a) A lien equivalent to that granted to the Alberta Energy Regulator (AER) by s. 103 of the *Oil and Gas Conservation Act* (OGCA) that being: “on the debtor’s interest in any well, facilities, and pipelines, land or interests in land, including mines and minerals, equipment and petroleum substances” and the power to garnish funds owed to the debtor;
- b) A lien which ranks in priority (or equivalent) to the lien granted in favour of the AER by s. 103(2) of the OGCA; and

FURTHER BE IT RESOLVED that the AAMDC requests the Federation of Canadian Municipalities to request the Government of Canada to amend the federal *Bankruptcy and Insolvency Act* to recognize municipal linear property taxes and other municipal non-property taxes as a secured interest in priority to other unsecured interests;

FURTHER BE IT RESOLVED that the AAMDC request the Province of Alberta to provide a credit reimbursement to compensate for the Education Property Taxes that becomes uncollectable due to linear property bankruptcy.

DEVELOPMENTS: In 2016, Alberta Municipal Affairs had 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 was to address the concerns identified in resolution 3-16S and resolution 5-15F. More specifically, the working group explored 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.

Early in 2017, the working group completed their research and Government of Alberta staff internally developed options for the Minister of Municipal Affairs based on the working group's findings. At this point, the AAMDC has been informed that the options are still being considered by the Minister and decision-makers in other related ministries such as Energy and Education. The AAMDC is concerned that as the Government of Alberta continues to evaluate options, rural municipalities throughout the province face increasing financial challenges caused by unpaid linear taxes.

The AAMDC assigns this resolution a status of Intent Not Met, but will continue advocating for a Ministerial response to the working group's recommendation, and will consider amending this status if a response is received prior to the next round of resolution updates.

Financial Support from AAMDC for Appeal of Virginia Hills/Dolomite Decision

Northern Sunrise County

Carried

Advocacy Target: AAMDC

WHEREAS the Court of Queen's Bench of Alberta ruled in favour of the Applicant on their motion to have the status of secured creditor as described in Section 304 of the *Municipal Government Act* in cases of insolvency of linear property to be superseded by the requirements of the *Bankruptcy and Insolvency Act* and indebtedness to municipal taxing authorities be listed as unsecured debt; and

WHEREAS Northern Sunrise County (NSC) is a municipal taxing authority of linear properties controlled and owned by Virginia Hills Oil Corp. and Dolomite Energy Inc.; and

WHEREAS the law firm of Reynolds Mirth Richards & Farmer (RMRF) identified valid considerations on which this ruling could be challenged; and

WHEREAS RMRF invited NSC to stand as the appellant of this decision and NSC has so agreed; and

WHEREAS NSC has borne the cost of \$4,191 to date to initiate this appeal and RMRF estimates costs will run to \$30,000 to completion of the process; and

WHEREAS the implications of this decision would potentially affect all Alberta municipalities that have linear assessment; and

WHEREAS as per Alberta Association of Municipal Districts and Counties (AAMDC) policy (FIN-2007-07-2: AAMDC Involvement in Member Legal Matters), an endorsed resolution is required to support member legal appeals that have been heard by a Provincial or Federal Court;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties, through financial resources, support Northern Sunrise County in the legal fees associated with this appeal in an act of solidarity as the overruling of this case is imperative for all municipalities that are owed taxes and outstanding penalties from insolvent organization.

Member Background

See following page.



BARRISTERS SOLICITORS

Reynolds
Mirth
Richards
& Farmer LLP

WRITER'S E-MAIL

mmccabe@rmrf.com

WRITER'S DIRECT PHONE

780.497.3344

YOUR FILE

OUR FILE

114412-002-MJM

October 3, 2017

Via Email: kkashuba@torys.com

Torys LLP

Attention: Kyle Kashuba

46th Floor, Eighth Avenue Place East

525 8th Ave S.W.

Calgary AB T2P 1G1

Dear Sir:

**Re: *The Bank of Nova Scotia and Alberta Treasury Branches v.
Virginia Hills Oil Corp. and Dolomite Energy Inc.***

Action No. 1701 02184

- **Appeal From the June 20, 2017 Decision of the Justice K.D. Yamauchi – Appeal
No. 1701-0221-AC**

Thank you for letter of October 2, 2017.

With respect, I disagree with your interpretation of the Rules as they apply to the time for filing an appeal. This is not an appeal under s. 193 of the *Bankruptcy and Insolvency Act* and the *Bankruptcy and Insolvency Act* Rule have no application. You need to look no further than the style of cause to determine this. The Queen's Bench Action number is 1701 02184 which is a standard file at the Court of Queen's Bench. If this were a bankruptcy matter, to which the *Bankruptcy Act* and Rules applied, it would be in the Bankruptcy action, Estate No. 24-094778.

I also point out that the timing of your suggestion is most unfortunate. We have now filed the Record and have put a considerable amount of effort into reviewing the provisions of the *Municipal Government Act* in furtherance of our anticipated factum.

If it is your intention to bring the application you suggest, please contact our office before selecting a date for the hearing so that we might find something mutually acceptable. You can expect that we would be bringing a costs application for the alternative relief of an extension for the time of appeal and will be putting into evidence the circumstances surrounding the delay in the application.

With respect to our request that you pass on a request to amend the Proofs of Claim from unsecured to secured, we simply do that as we know the Alvarez & Marsal is represented by counsel. We could certainly have our client contact them directly if you require.

Finally, we repeat our request for the Schedules to the Receiver's Report.

Yours truly,

REYNOLDS MIRTH RICHARDS & FARMER LLP

PER:



MICHAEL J. MCCABE, Q.C.

MJM/ljs

Enc.

c: Northern Sunrise County
Attention: Bob Madore (via email)
c: Sheila McNaughtan & Shauna Finlay (firm)
1915943.doc

October 2, 2017

EMAIL

Reynolds Mirth Richard & Farmer LLP
Barristers & Solicitors
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

Attention: Michael McCabe, Q.C.

Dear Sir:

Re: The Bank of Nova Scotia, et al v Virginia Hills Oil Corp. et al
Court of Queen's Bench Action No. 1701-02184
Civil Notice of Appeal re: June 20, 2017 Order of Mr. Justice K.D. Yamauchi

We write in response to the above noted notice of appeal filed by Northern Sunrise County ("**Northern Sunrise**") on July 19, 2017. We advise you that our client, Alvarez & Marsal Canada Inc. (the "**Trustee**"), takes the position that this notice of appeal has not been filed in accordance with the requirements of the *Bankruptcy and Insolvency Act*, RSA 1985, c B-3 ("**BIA**") and the *Bankruptcy and Insolvency General Rules*, CRC, c 368 (the "**Rules**"). As a result, the Court of Appeal lacks jurisdiction to hear this appeal.

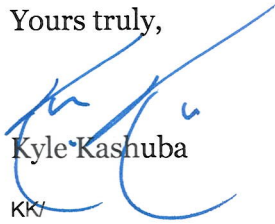
Justice Yamauchi's Order of June 20, 2017 was granted pursuant to the Court of Queen's Bench's jurisdiction to decide matters in bankruptcy proceedings under the *BIA*. Under section 31 of the Rules, any appeal to the Court of Appeal of Alberta must be made by filing a notice of appeal with the Court of Queen's Bench "within 10 days after the day of the order or decision appealed from" (June 30, 2017 in this instance). Upon filing of a notice of appeal, the Court of Queen's Bench is required to transmit to the Court of Appeal the notice of appeal and the file, pursuant to section 32 of the Rules.

We note that Northern Sunrise was duly served with notice of the application that was heard on June 20, 2017 before Justice Yamauchi, and further, the Trustee was provided with two unsecured proof of claims by your client, claiming all debt owed as being unsecured. That is how the proof of claims were filed and recorded by the Trustee. In addition, Northern Sunrise was immediately served with Mr. Justice Yamauchi's Order by our office. If your client wishes to attempt to revise the proof of claim(s) now, that is a step that they can consider taking. That is an onus that remains with the creditor.

In the event that Northern Sunrise continues to pursue this appeal, we expect to receive instructions to file an application to have Northern Sunrise's appeal struck, pursuant to section

14.37(1) of the *Alberta Rules of Court*, AR 124/2010, on the basis that the statutory requirements under the *BIA* and Rules have not been satisfied.

Yours truly,



Kyle Kashuba

KK/

Copy to: The Receiver, Alvarez & Marsal Canada Inc., Attention: Tim Reid and Orest Konowalchuk (via email)

AAMDC Background

See following page.

FIN-2008-07-2: AAMDC Involvement in Member Legal Matters

Date Approved: July 30, 2008

Next Review Date: Prior to December 2019

Amended: January 19, 2012

Reconfirmed: December 15, 2016

Purpose: To provide guidelines for the Association's involvement in the legal affairs affecting or legal actions involving members. This includes, but is not limited to, the timing of the involvement, the level of participation and any financial contributions.

Policy Statement: The AAMDC will balance member-directed involvement in matters with fiscal and resource management in the support and protection of member interests while mitigating the risks to the organization. The Association has a mechanism to support issues of sufficient concern and of ultimate benefit to a majority of the membership.

Procedures:

1. It is only through an endorsed resolution that the AAMDC will become involved in member legal matters. For the purposes of this policy, member legal matters include only legal appeals that have already been heard at least once by a Provincial or Federal Court. Subsequent appeals will only be supported by the Association through a new member-endorsed resolution.
2. It is only through an endorsed resolution that the AAMDC can be directed by the membership to conduct a legal analysis or review of an issue.
3. The AAMDC will enter into a specific agreement for each member-directed legal matter to establish the items outlined in Procedures 4, 5 and 6 below.
4. The AAMDC reserves the right to engage legal counsel of their choice.
5. Regardless of the AAMDC being named as a plaintiff, the AAMDC becomes the lead in the legal action with full decision-making powers.
6. The AAMDC shall be the only entity authorized to provide direction to legal counsel unless expressly authorized by written consent.
7. The AAMDC will contribute 25 per cent of the legal costs up to a maximum of \$10,000 in any member legal appeal.
8. The AAMDC will contribute up to a maximum of \$5,000 to obtain a legal analysis or review.

9. Any remaining or additional legal costs pursuant to Procedure 7 or 8 will be requisitioned from the membership based on the formula used to calculate membership fees.
10. Any financial recovery that is realized from legal proceedings will be returned to the AAMDC and the members for costs incurred as outlined in Procedures 7, 8 and/or 9. Any damages or additional awards are not included in this policy.
11. The AAMDC will not financially support member legal matters where the matter has been decided prior to the resolution passing on the convention floor.

Provincial Communications Plan for Farm Workplace Legislation

Sturgeon County

Carried

Advocacy Target: Alberta Agriculture and Forestry, Alberta Labour

WHEREAS the *Enhanced Protection for Farm and Ranch Workers Act* received Royal Assent on December 11, 2015; and

WHEREAS the Government of Alberta subsequently established technical working groups to provide recommendations on how employment standards, occupational health and safety, and labour relations should be applied to the agriculture sector, with the intent of influencing the *Fair and Family-Friendly Workplace Act*; and

WHEREAS the *Fair and Family-Friendly Workplace Act* received Royal Assent on June 7, 2017; and

WHEREAS it is generally understood that both acts and any associated regulations will impact the agricultural industry; and

WHEREAS a detailed understanding of these impacts, and any associated changes required of agricultural producers and stakeholders is necessary to ensure compliance given the scope of the new legislation; and

WHEREAS without a thorough understanding of farmworker legislation, agriculture producers and workers are challenged to understand how their businesses, families, and livelihoods are impacted; and

WHEREAS agriculture is an integral part of Alberta's economy and Albertans' way of life and misinformation and lack of certainty regarding legislative requirements make it challenging to make informed business decisions;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties request that the Government of Alberta develop and implement a communications plan to advise Alberta's agriculture sector of actual and intended changes regarding workplace legislation, with the outcome of establishing increased awareness and effective change management.

Member Background

Sturgeon County remains committed to working with the Government of Alberta to maintain and grow Alberta's agriculture sector. Sturgeon County supports the AAMDC's position statement: that the AAMDC recognizes that the *Enhanced Protection for Farm and Ranch Workers Act* serves an important purpose in ensuring agricultural workers have the same rights and protections as other workers in Alberta, and it is important that this legislation and associated regulations do not unfairly compromise the ability of agricultural producers to operate sustainably.

While the Government of Alberta's public consultation processes regarding this Act, as well as the *Fair and Family-Friendly Workplace Act*, were well-intentioned, there appears to be a knowledge gap within the agricultural community as to impacts and next steps required of agricultural producers, as this sentiment was expressed to Sturgeon County Council by our Agricultural Service Board. While this is an example within a Sturgeon County context, we believe this experience is likely common amongst other counties and municipal districts across Alberta.

Therefore, the intent of this resolution is that increased awareness and certainty be achieved amongst Alberta's agricultural community regarding any required operational changes as result of new legislation, and that this be done by the Ministry of Agriculture and Forestry, in collaboration with the Ministry of Labour, by "closing the loop" with Alberta's agricultural community through a communications plan.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

AAMDC Refusal to Engage in Exploratory Discussion to Merge with AUMA

MD of Willow Creek

Carried

Advocacy Target: AAMDC

WHEREAS the Alberta Association of Municipal Districts and Counties (AAMDC) has provided a clear and constant voice for rural Alberta for over 90 years; and

WHEREAS the AAMDC exists to provide a slate of member services for rural Alberta, including but not limited to advocacy, elected officials education, insurance management, networking, research, risk management, and a trade division; and

WHEREAS the Board of the AAMDC is comprised of democratically elected rural representatives who have been given a clear mandate, from its membership, to provide a strong voice to advance the ideals, values and concerns of rural municipalities that would otherwise be lost; and

WHEREAS a merger with the Alberta Urban Municipalities Association (AUMA) would result in lost representation, lost autonomy, lost influence with senior levels of government and the eventual amalgamation of rural municipalities with 266 urban municipalities, looking to obtain the lucrative trade division of AAMDC;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) refuse to enter into any discussions with the Alberta Urban Municipalities Association (AUMA) that would result in any attempt to merge the AAMDC with AUMA.

Member Background

AUMA and AAMDC have been operating as separate municipal organizations for decades and the separation of the Insurance Reciprocal at that time resulted in a painful and prolonged “divorce”. There are 266 towns and villages and 75 rural municipalities. The voice of rural Alberta will be lost in a ratio of more than 3 to 1. The needs and wants of urban municipalities are completely different than those of rural municipalities. While the majority of rural infrastructure is designed around transportation corridors and emergency and enforcement services, urban municipalities require millions of dollars to subsidize recreational services. There has always been a disconnect between the two entities regarding municipal servicing priorities. The continuous ongoing attempt, by AUMA, to absorb and cherry pick what is successful about AAMDC will leave rural Alberta without its last great voice.

AUMA Announcement:

July 13, 2017



SPECIAL EDITION

I am pleased to provide you with advance notice of a resolution that the AUMA Board is putting forward at our fall Convention. The enclosed resolution calls for your support to explore the possibility of merging AUMA and AAMDC into one new municipal association that would represent all of Alberta's municipalities.

The resolution reflects the common goals of urban and rural municipalities in providing infrastructure and other community services that enable quality of life and support economic development, environmental

stewardship and social wellbeing within and outside of your individual municipal boundaries. Given the need for greater collaboration between all municipalities, this is also a very appropriate time to explore the feasibility of merging AUMA and AAMDC into one association so that we can build consensus on policy and advocacy matters, while more efficiently and effectively creating tools and resources to build municipal capacity.

AUMA is well accustomed to building consensus across municipalities of different types, sizes and locations. We have a proven track record of identifying issues and opportunities of importance to our diverse membership and then working with our members to develop practical solutions. As well, we have also had a lot of success in working with AAMDC to develop common policy positions such as those relating to the Municipal Government Act and in delivering services through our jointly owned programs (e.g. Elected Officials Education Program and Municipal Climate Change Action Centre).

The concept of one municipal association is not ground-breaking. Other provinces such as Ontario, British Columbia and Manitoba have effectively evolved to one municipal association and indicate that they have a much stronger impact with federal and provincial governments since they can act as one voice on behalf of all municipalities. As well, many of you have been suggesting that it would be beneficial for AUMA and AAMDC to merge.

The AUMA Board agrees that the time is right for our associations to stop competing with each other and to instead explore combining our respective resources so that we can provide greater services to municipalities, realize cost savings and efficiencies and strengthen our impact with governments and service providers.

While we have not received an indication of whether AAMDC supports the exploration of a merger, it will be a key topic of discussion at the August annual meeting of the AUMA and AAMDC Boards. In the interim, I want to clarify that it will take some time to complete this exploration as we would need to develop a proposed scope of services and a governance, legal and financial structure. The proposal would then need to be presented to our respective members in 2018 for input. Assuming there is support to proceed, it would likely take a few years to implement, given the regulatory and other requirements.

We are excited about this resolution as it opens the door for a stronger municipal voice in Alberta. We look forward to hearing your views before and during the resolution session this fall. Please feel free to email me at president@auma.ca to share your questions and perspectives.

Lisa Holmes
AUMA President

AUMA Resolution 2017
AUMA Board of Directors

Collaborative discussions Between AUMA and AAMDC on the Opportunity to Merge

WHEREAS the Alberta Urban Municipalities Association (AUMA) and the Alberta Association of Municipal Districts and Counties (AAMDC) each have over 100 years of experience in supporting Alberta's municipalities;

WHEREAS AUMA and AAMDC share a common goal to enable strong, vibrant and sustainable communities;

WHEREAS the member municipalities of each association need to work more collaboratively together to deliver municipal infrastructure and services within and outside of their individual boundaries;

WHEREAS given the common goals of rural and urban municipalities, the associations themselves have recognized their own need for greater collaboration and have been able to reach consensus on many policy, advocacy and program matters;

WHEREAS the experiences of other provinces like Manitoba and Ontario illustrate that having one association to represent all municipalities with a unified policy and advocacy position has a more robust impact with federal and provincial governments;

WHEREAS combining our respective policy and advocacy resources would expand our impact, lower costs, and increase our sustainability; and

WHEREAS there is an opportunity for the associations to unite their efforts in providing property and casualty insurance, retirement and employee benefits, and utilities so that instead of competing with each other we can improve services to our members, reduce costs and provide the best possible pricing for our members, while combatting competition from the private sector so that our modest proceeds can be used to fund other services to help municipalities.

NOW THEREFORE BE IT RESOLVED THAT the AUMA invite AAMDC to engage in exploratory discussions to merge our associations into one new municipal association.

BACKGROUND:

AUMA and AAMDC have been operating as separate municipal organizations since the early 1900s. Both associations provide member-based advocacy and business services to municipalities. AUMA represents 269 of Alberta's urban municipalities and AAMDC represents 69 counties and municipal districts. Some municipalities are full voting members of both associations, while others are associate members for the purpose of acquiring business services.

AUMA and AAMDC jointly own the Elected Official Education Program and Municipal Climate Change Action Centre. In addition, our associations are accustomed to working collaboratively to provide resources and tools to build municipal capacity and advocate on municipal issues and opportunities through our participation on committees and correspondence and meetings with other governments and stakeholders.

As AUMA and AAMDC each provide business services such as insurance, benefits, water and utilities, we compete with each other to serve the needs of urban and rural municipalities. While each association has a combination of urban and rural municipal clients, our respective market shares are at risk given the emergence of private sector competitors who would like to attract our respective clients. Instead of competing with each other, AUMA and AAMDC need to join forces to combat this competition so we can continue to provide quality service at low cost to our members.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Provincial Industry-led Methane Flaring Strategy

MD of Greenview

Carried

Advocacy Target: Alberta Energy, Alberta Environment and Parks

WHEREAS the Alberta Climate Leadership Plan states “Alberta will reduce methane emissions from oil and gas operations by 45% by 2025;” and

WHEREAS these new regulations may cause increased costs and layoffs of oil and gas personnel along with the closure of many marginal wells; and

WHEREAS this initiative may negatively affect municipal linear assessments, machinery and equipment assessments and add to the orphan well list;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties advocate to the Government of Alberta to permit an industry-led approach to a reduction in methane emissions.

Member Background

The oil and gas sector accounts for 26% of Canada’s total greenhouse gas emissions, and it is Canada’s largest industrial emitter of methane. Cutting methane emissions is the most cost-effective way to accelerate greenhouse gas reductions.

Alberta will reduce methane emissions from oil and gas operations by 45% by 2025 using the following approaches:

- I. Applying new emissions design standards to new Alberta facilities. Applying standards at the planning stage will be less expensive.
- II. Improving measurement and reporting of methane emissions, as well as leak detection and repair requirements.
- III. Developing a joint initiative on methane reduction and verification for existing facilities, and backstopping this with regulated standards that take effect in 2020, to ensure the 2025 target is met. This initiative will include Alberta industry, environmental groups and Indigenous communities.

Implementation of the new oil and gas methane standards will be led by the Alberta Energy Regulator, in collaboration with Alberta Energy and the Alberta Climate Change Office.

Alberta’s reduction target and timeline match the commitments announced by the Canadian and American federal governments while protecting economic competitiveness through alignment with North American environmental standards.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Specialized Clinical Counselling and Therapy for Distressed Emergency First Responders

County of St. Paul

Carried

Advocacy Target: Alberta Health, Alberta Municipal Affairs, Alberta Community and Social Services

WHEREAS accidents, emergencies, human conflict, natural disasters, and events where there is the potential for illness, injury, or death occur daily in Alberta; and

WHEREAS emergency first responders are typically found at the scene of accidents, emergencies, human conflict, natural disasters, and events where there is the potential for illness, injury, or death which results in emotionally distressing situations; and

WHEREAS research indicates that emergency first responders are at high risk for depression, anxiety, family dysfunction, negative work-site interactions, substance abuse, post-traumatic stress disorder, and toxic stress and over time, ongoing toxic stress leads to increased rates of heart disease, cancer, arthritis, diabetes, and other medical illnesses; and

WHEREAS research indicates that the suicide rates for emergency first responders are much higher than the general population; and

WHEREAS emergency first responders are traditionally viewed by the public as emotionally resilient and are expected to always remain calm under pressure, which often creates difficult emotional challenges for emergency first responders experiencing distress; and

WHEREAS emergency first responders, their respective agencies, and municipalities have various methods for debriefing following serious emergency incidents, debriefing is not necessarily sufficient in assisting individuals with managing the emotional and psychological effects of traumatic experiences; and

WHEREAS not all psychiatrist, psychologist or therapist clinicians are skilled and trained at treating emergency first responders; it is crucial that clinicians treating first responders have extensive experience and expertise in the specialized area of treating emergency first responders; and

WHEREAS many small, remote, and rural municipalities do not have specialized clinicians present in their communities; and

WHEREAS it is currently an additional burden placed on many emergency first responders experiencing distress to have to travel long distances to seek treatment; and

WHEREAS the Government of Alberta has demonstrated its prioritization of mental health initiatives through the Valuing Mental Health Report and other various programs and initiatives;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties strongly encourages the Government of Alberta to create and staff a governmental unit capable of providing specialized clinical counselling and therapy for distressed emergency first responders capable of servicing and travelling to all regions of the Province.

Member Background

Volunteer fire fighters are a ubiquitous and necessary presence in rural communities; there are over 450 volunteer fire departments in Alberta dedicated to providing fire suppression and emergency first response services. The County of St. Paul boasts four volunteer fire departments within its boundaries supported by over one hundred volunteer fire fighters.

Over the past several years, some volunteer fire fighters within the County have responded to a series of highly traumatic incident scenes including several fatalities. Specifically, the volunteers' response to motor vehicle collisions has been particularly traumatic. Due to the exposure of these traumatic incidents, several volunteers fire fighters have experienced negative consequences to their mental and psychological health.

The County finds that while the treatment of acute stress can typically be managed with local resources, the treatment of chronic stress in the weeks and months following a traumatic incident is very difficult to manage.

As these volunteer fire fighters sought out treatment, they often are forced to drive long distances to Edmonton to seek appropriate care. This has placed an additional strain on volunteer fire fighters within the County of St. Paul, their families, and their jobs as they are required to travel to seek appropriate care.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

AAMDC Advisory Committee to Support the Alberta Gaming and Liquor Commission in Reviewing Charitable Gaming in Alberta

County of Barrhead

Carried

Advocacy Target: AAMDC

WHEREAS there is a great need for charitable organizations to find ways to raise funds to maintain and expand their operations in Alberta for the good of the residents of the Province of Alberta; and

WHEREAS there is a large disparity between the frequency of opportunities available to rural charitable organizations and the funding provided compared with charitable organizations in major urban communities, with an average difference of \$60,000; and

WHEREAS the challenges of rural charitable organizations regarding access to casinos and the distribution of proceeds from casinos has been formally under review since at least 2009 with limited progress; and

WHEREAS the membership of the Alberta Association of Municipal Districts and Counties (AAMDC) approved a resolution at its November 2016 convention urging the Government of Alberta to change Alberta's charitable gaming model so as to provide equity to all charitable organizations in Alberta, by addressing the disparity between the funding provided, and the frequency of opportunities available to charitable organizations in major urban centers compared with those in rural communities, and

WHEREAS although it appears that the Alberta Gaming and Liquor Commission (AGLC) acknowledges the challenges of rural municipalities associated with accessing funding through casinos, to date, neither Alberta Treasury Board and Finance, nor the AGLC, have indicated any timeline for implementation of any change to Alberta's current charitable gaming model; and

WHEREAS it would be beneficial and expedient to establish a committee consisting of representatives from the AAMDC membership to support the work planned by the AGLC, under the authority of Alberta Treasury Board and Finance, in reviewing the province's current charitable gaming model;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties establish an advisory committee with a mandate to provide a rural perspective in support of the efforts of the Alberta Gaming and Liquor Commission's commitment in moving forward with changes in the charitable gaming funding to treat all organizations equally across the province.

Member Background

March 2010 – MLA Advisory Committee that was tasked to Review Eligible Organizations' Access to and Distribution of Proceeds from Licensed Casino Events issued a report with six (6) recommendations to the Minister responsible for the AGLC. Executive summary for the report is attached. Full report can be found at http://aglc.ca/pdf/news/MLA_AdvisoryCommitteeReport.pdf

Fall 2016 AAMDC Convention - Resolution 20-16F Casino Opportunities for Charitable Organizations was supported by the AAMDC membership for advocacy.

Government response from the Treasury Board and Finance to Resolution #20-16F included the following:

The Alberta Gaming and Liquor Commission (AGLC) acknowledges the ongoing challenges faced by charitable organizations in relation to the current charitable gaming model, as well as the efforts made by stakeholders to raise these concerns with government. The AGLC considers this issue a top priority among its current initiatives.

The AGLC has reviewed previous reports on charitable gaming in Alberta and recently conducted a new cross-jurisdictional assessment of charitable funding from gaming streams. Based on its research, the AGLC has confirmed that there is a need to address deficiencies in the effectiveness, integrity and sustainability of Alberta's charitable gaming model. The AGLC is presently developing strategies to address the same.

The AGLC recognizes the importance of charitable gaming funding to organizations across the province and is committed to moving forward with changes in a timely manner. At the same time,

the AGLC wants to ensure that any changes to the model provide not only immediate stakeholder benefits, but also long-term sustainability.

The AAMDC reaction and follow-up to the AGLC response to Resolution #20-16F reports that the AGLC indicates an acknowledgement that the current gaming model is disadvantageous to charities operating in rural Alberta. The AAMDC has assigned a status of "Accepted in Principle" to Resolution #20-16F, and will be re-evaluated by the AAMDC based when the review of the current model begins.

Unfortunately, although it appears that the AGLC acknowledges the challenges of rural municipalities associated with charitable casinos, to date, neither Alberta Treasury Board and Finance, nor the AGLC, have indicated any timeline for implementation of any change to Alberta's current charitable gaming model. It is likely that resolution 20-16F will expire prior to a new model being proposed.

Resolutions have been supported by the AAMDC membership since at least 2002, and formally under review by the province since 2009 with very limited progress.

The following resolutions are currently in the AAMDC Resolution database:

- 20-16F Casino Opportunities for Charitable Organizations - ACTIVE
- 8-03S, 2003 (Carried) Gaming Licenses for Non-Profit Groups/Dissolution Requirements - EXPIRED
- 18-02F, 2002 (Carried) Casino Opportunities for Charitable Organizations – EXPIRED

The AAMDC has formed or participated in a wide variety of Advisory Committees over the years, bringing expertise and the rural perspective to the issues. A few examples of Advisory Committee include, but are not limited to the following:

AAMD&C-AUMA Advisory Committee on Aboriginal Issues	EFP Stakeholder Advisory Committee
AAMD&C-AUMA Advisory Committee on Cost-Sharing for Success: A Pro-active Approach	FireSmart Advisory Committee
Ambulance Governance Advisory Council	MGA Review Advisory Committee
Climate Change Advisory Committee	Strategic Transportation Advisory Committee

At the time of drafting this resolution, Treasury Board and Finance indicated that a FOIPP request was required to obtain information on the charities that have participated in casinos and the amounts that they received.

AAMDC Background

20-16F: Casino Opportunities for Charitable Organizations

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Alberta to change Alberta's charitable gaming model so as to provide equity to all charitable organizations in Alberta, by addressing the disparity between the funding provided, and the frequency of opportunities available to charitable organizations in major urban centers compared with those in rural communities.

DEVELOPMENTS: The Alberta Gaming and Liquor Commission (AGLC) response indicates an acknowledgement that the current charitable gaming model is disadvantageous to charities operating in rural Alberta. The AAMDC is pleased that the AGLC is planning to revise the current model and hopes to be a part of the process. As such, this resolution is assigned a status of Accepted in Principle and will be re-evaluated based when the review of the current model begins.

Cannabis Act

MD of Taber

Carried

Advocacy Target: Health Canada, Alberta Cannabis Secretariat, Alberta Justice and Solicitor General

WHEREAS the Government of Canada has introduced legislation to legalize cannabis by July 2018 which will permit possession of up to 30 grams of dried cannabis by any person over 18 years of age and up to 5 grams by any person between the ages of 12 and 18 years of age; and

WHEREAS cannabis affects memory, attention, psychomotor function and poses a long term developmental risk to children and youth, an increased risk to the general public through impaired driving, uncertain long term effects to users mental health and public safety concerns related to its illicit production and distribution; and

WHEREAS it known that tobacco related illness is responsible for 37,000 deaths in Canada each year yet little is known regarding the social cost of the legalization of cannabis as it relates to increased health care costs; and

WHEREAS the Canadian Association of Chiefs of Police has indicated to the Government of Canada that a cautious implementation of legalization of cannabis is necessary to permit the science of law enforcement time to develop in order to support evidence based decision making; and

WHEREAS the Government of Alberta has a role in determining how cannabis will be distributed and consumed and has the legislative ability to address impaired driving, public health, education, taxation, and distribution of cannabis; and

WHEREAS Alberta's municipalities will be responsible for land use and zoning issues related to retail sale and production of cannabis;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties advocate that the Government of Alberta oppose the legalization of cannabis for recreational use in the Province of Alberta until a complete understanding of the implications that the legalization of cannabis will have on the health of individuals and on community safety is publicly available.

Member Background

Proposed federal legislation:

On April 13, 2017, the Government of Canada introduced legislation to legalize, regulate and restrict access to cannabis – bills [C-45 Cannabis Act](#) and [C-46 An Act to amend the Criminal Code](#). This legislation is expected to come into effect by July 2018. See also the [plain language overview of Bill C-45](#).

Cannabis is currently an illegal substance (with the exception of authorized medical use) under the federal [Controlled Drugs and Substances Act](#).

The federal legislation would:

- Allow adults to possess up to 30 grams of legally-produced cannabis
- Allow adults to grow up to four cannabis plants per household
- Set the minimum age for purchase and use at 18 years of age, with the option for provinces to increase the age limit
- Enable a regulatory regime for the licensed production of cannabis, which would be controlled by the federal government
- Enable a regulatory regime for the distribution and sale of cannabis, which would be controlled by the provincial government
- Establish new provisions to address drug-impaired driving, as well as making several changes to the overall legal framework to address alcohol impaired driving

Alberta's approach:

The Government of Alberta has an obligation and an opportunity to actively shape how the province will adapt to cannabis legalization in a way that best suits Albertans' needs, circumstances and values.

Our focus is on:

- Limiting the illegal market for cannabis
- Keeping cannabis out of the hands of children and youth
- Protecting public health
- Protecting safety on roads, in workplaces and in public space
-

To do this, government will continue to assess the implications of legalization, engage with a wide range of Albertans to hear their views and determine their needs, and respond in a way that makes the most sense for the province.

This will include:

- Developing a made-in-Alberta policy approach to address provincial aspects of legalization the Alberta Cannabis Framework.
- Advocating to the federal government on behalf of Albertans on issues of concern or uncertainty.
- Working with provincial and territorial colleagues to develop common approaches (where feasible) to issues where it makes sense to have consistency across the country.
- Supporting municipal and indigenous governments with the tools and information they need to decide issues within their jurisdiction in accordance with local needs.

Role of provinces:

While legalization is a federal decision, provinces and municipalities have been given areas of responsibility.

Table 1: Jurisdictional responsibilities

** Provinces will have the ability to strengthen legislation for these areas under federal jurisdiction.

Activity	Responsible		
	Federal	Provincial	Municipal
Possession limits **	Yes	No	No
Trafficking	Yes	No	No
Advertisement & packaging **	Yes	No	No
Impaired driving	Yes	Yes	No
Medical cannabis	Yes	No	No
Seed-to-sale tracking system	Yes	No	No
Production (cultivation and processing)	Yes	No	No
Age limit (federal minimum) **	Yes	No	No
Public health	Yes	Yes	No
Education	Yes	Yes	Yes
Taxation	Yes	Yes	Yes
Home cultivation (growing plants at home) **	Yes	No	No
Workplace safety	No	Yes	No
Distribution and wholesaling	No	Yes	No
Retail model	No	Yes	No
Retail location and rules	No	Yes	Yes
Regulatory compliance	Yes	Yes	No
Public consumption	No	Yes	Yes
Land use/zoning	No	No	Yes

Social and Health Care Costs:

The harms of alcohol and tobacco are well established. According to the Chief Public Health Officer's Report on the State of Public Health in Canada (2015), almost 80 percent of Canadians consume alcohol; in 2013, more than 7.4 million Canadians drank enough to be at risk for immediate injury and harm or for chronic health effects, such as liver cirrhosis and cancer. Tobacco-related illness is responsible for 37,000 deaths in Canada each year and results in \$4.4 billion of direct health-care costs.

Youth Criminal Justice Act Amendments

184 The schedule to the *Youth Criminal Justice Act* is amended by adding the following after item 4:

5 An offence under any of the following provisions of the *Cannabis Act*:

- (a)** section 9 (distribution and possession for purpose of distributing);
- (b)** section 10 (selling and possession for purpose of selling);
- (c)** section 11 (importing and exporting and possession for purpose of exporting);
- (d)** section 12 (production); and
- (e)** section 14 (use of young person).

Equivalent Amounts

Item	Column 1 Class of Cannabis	Column 2 Quantity that is equivalent to 1 g of dried cannabis
1	dried cannabis	1 g
2	fresh cannabis	5 g
3	solids containing cannabis	15 g
4	non-solids containing cannabis	70 g
5	cannabis solid concentrates	0.25 g
6	cannabis non-solid concentrates	0.25 g
7	cannabis plant seeds	1 seed

Information

<http://dailyhive.com/vancouver/marijuana-legalization-bill-canada>

<http://www.parl.ca/DocumentViewer/en/42-1/bill/C-45/first-reading>

<http://healthycanadians.gc.ca/task-force-marijuana-groupe-etude/framework-cadre/index-eng.php>



CACP Discussion Paper - Recommendations of the Task Force on Cannabis Legalization and Regulation February 8, 2017

Introduction:

The federal "Task Force on Cannabis Legalization and Regulation" submitted its report to the Government of Canada on November 30, 2016. As stated, "this report is a beginning, we all have a role to play in the implementation of this new, transformative public policy."

Policing in Canada is one of the major sectors that will be impacted by legalization. Policing's role from the beginning of this discussion was to look at the public safety impact and provide consultative advice to help mitigate the impact of such legislation towards "a legalized, regulated and restricted platform."

The Canadian Association of Chiefs of Police (CACP) has participated widely in consultations on this issue and provided its own submission to the Task Force. In doing so, the CACP outlined concerns with regards to impaired driving, impact on organized crime, limiting youth access to marijuana and the fact that public education is critical and should begin immediately.

Additional Recommendations of the CACP:

- Begin with caution, allow all stakeholders (public, health, law enforcement, governments, regulators, etc.) to adjust, and allow the science to catch-up to support evidence-based decision-making.
- Hold off on 'Home Grows'
- A primary concern of policing in Canada is drug-impaired driving. This is an issue today. It will become an even greater issue with legalization.
- **Drugs and Driving Don't Mix!** We must change current perceptions and attitudes towards drug-impaired driving.
- The CACP encourages governments to immediately focus on education, awareness and public safety. Start now!
- The CACP urges the federal/provincial/territorial governments to develop an enforcement regime that discourages drug impaired driving, enhances public safety and provides for efficient and effective enforcement.

- In the absence of science-based drug impairment measures, the CACP strongly recommends that governments increase investment in Drug Recognition Experts (DRE's) and associated officer training to improve law enforcement's ability to detect and remove drug-impaired drivers from our streets.
- Ensure DRE training is Canadian-based, reflecting Canadian policing models

CACP Key Areas of Support and Concern - Recommendations of the Task Force on Cannabis Legalization and Regulation

The CACP commends the work of the Task Force and supports the large majority of the 86 recommendations included. The following is a summary of key areas of support and concern.

Key Areas of Support:

- Public Education targeted at youth, parents and vulnerable populations and that this should commence immediately. In addition, strong support to a comprehensive public education strategy on drug impaired driving.
- Care must be taken to price and tax policy measures so as to avoid creating an environment that stimulates a black market
- Labeling towards clear identification of products and their content
- Use of revenue as source of funding towards research, prevention, education and enforcement
- The development of occupational and safety standards
- Recognizing the link between cannabis use and mental health and resultant increases in demands for policing services
- Strong regulation, licensing and production controls
- Clear, proportional and enforceable penalties that seek to limit criminal prosecution for less serious offences
- Maintaining criminal offences for illicit production, trafficking, possession for purposes of import/export and trafficking to youth
- Penalties for contraventions of licensing rules of production, distribution, and sale
- Support the limit of 30 grams for personal possession (which may be reviewed in the future). The CACP cautions the federal government to take a 'start small' approach with a willingness to re-evaluate in future.
- Re-examination of per se limits should a reliable correlation between THC levels and impairment be established
- We strongly support the development of an appropriate roadside drug screening device for detecting THC levels
- The need to invest in law enforcement capacity, including the training and investment of Drug Recognition Experts, Standardized Field Sobriety Test training and staffing. Additional capacity should include investment into Canadian-based training.

- The CACP favours the elimination of designated persons under the Access to Cannabis for Medical Purposes Regulations (ACMPR) given that there is too much potential to abuse/enforce and our position on personal cultivation.
- Ensuring capacity is developed prior to the start of the regulatory regime (including Law Enforcement). Policing in Canada anticipates there will be increased demand on law enforcement, especially in the early stages, to ensure compliance with the new regulations.

Key Areas of Concern:

Personal Cultivation:

- The CACP has long been against in-home production. This is not to say our opinion could not change therefore we would recommend that it be reviewed at a later date as we all gain experience with a legalized system.
 - Law enforcements ability to enforce personal cultivation is very limited and diversion to black markets remains a concern.
 - Creates much greater demand on law enforcement resources to enforce over-production and diversion.
 - First responders have long seen the negative effects of home production. It is in all of our interests to ensure a safe product, with known THC levels, free from pesticides, mold, etc.
 - Counter to the stated objective of ensuring a highly regulated and controlled system as put forward by the federal government.
 - Contrary to other measures to minimize child/youth exposure and access to cannabis products.
 - Electrical and fire hazards pose a risk to first responders and nearby dwellings.
 - More information is required ie, municipal regulations, insurance. Etc.

Cannabis Impaired Driving:

- Current perceptions and attitudes towards drug-impaired driving.
 - The Canadian Centre on Substance Abuse recently released a report entitled "Canadian Youth Perceptions on Cannabis." One of the findings: *"Youth from the 2016 groups said they never or rarely heard of crashes or arrests due only to cannabis. As a result, there appeared to be a lack of concern among youth about cannabis-impaired driving. It appears that youth are strongly against alcohol-impaired driving, but do not have the same feelings about cannabis-impaired driving."*
- Impaired driving remains the top criminal cause of death in Canada
 - According to Statistics Canada "Impaired Driving in Canada, 2015": *"In 2015, police reported 72,039 impaired driving incidents...Almost 3,000 drug-impaired driving incidents were reported, representing 4% of all impaired driving incidents."*

- We are very concerned that the prevalence of driving under the influence of drugs is not on Canadian's consciousness. While we do not have Canadian statistics, we note the following:
 - According to the 2014 U.S. National Survey on Drug Use and Health (NSDUH), 10 million people aged 12 or older reported driving under the influence of illicit drugs during the year prior to being surveyed.
- Recognize that drug impaired driving cases are resource intensive both from an enforcement and legal perspective
 - According to Statistics Canada "Impaired Driving in Canada, 2015: *"Drug-impaired driving incidents were less likely to be cleared by charge than alcohol-impaired driving incidents. When heard by the courts, these cases also took longer to resolve and were less likely to result in a guilty finding."*
- Lack of science / evidence based determinants of impairment
 - Evidence-based permissible limits are not defined and supported by science.
 - There is no evidence that "per se" limits adequately quantify impairment and therefore we are concerned with regards to potential challenges within our judicial system. We know with cannabis that people react differently to its effects. Per se limits must be research-based and the science must catch-up to strengthen their credibility
- Understanding the tools available to officers and the current state of readiness
 - When a police officer suspects that a person is impaired by alcohol and/or drugs, he or she will conduct a series of tests to determine if there are reasonable grounds to conduct further testing
 - Oral Fluid Drug Screening Devices – Currently in testing phase, these devices will be useful in detecting the presence of a drug. Legislative changes will need to be enacted before the devices can be approved for use in an enforcement capacity in Canada.
 - Standardized Field Sobriety Tests (SFST) – A roadside test administered by an officer to further qualify impairment
 - Drug Recognition Experts (DRE) - The evaluation of a suspected drug impaired driver is conducted by an evaluator who is trained and accredited by the International Association of Chiefs of Police, through the RCMP. The Drug Recognition Expert (DRE) uses a 12-step procedure in performing the evaluation.
 - Urine, oral fluid or blood tests - The mere presence of a drug in the sample does not constitute sufficient evidence to charge a person as being impaired by a drug. They are used to support the DRE's findings.
- The strongest evidence to determine impairment can only be provided through the evaluation of a highly trained and qualified Drug Recognition Expert (DRE)

- Field certification is only offered in the United States. High costs are incurred by police services to train DRE's and therefore the number of DRE's in Canada is not sufficient to provide proper coverage.
- The CACP strongly recommends that governments increase investment in Drug Recognition Experts (DRE's) and associated officer training to improve law enforcement's ability to detect and remove drug-impaired drivers from our streets.
- The CACP also recommends that training and accreditation take place here in Canada to reflect our own standards/models, reduce overall costs and ensure availability of training to our officers.

The Canadian Association of Chiefs of Police was established in 1905 and represents approximately 1,000 police leaders from across Canada. The Association is dedicated to the support and promotion of efficient law enforcement and to the protection and security of the people of Canada. Through its member police chiefs and other senior police executives, the CACP represents in excess of 90% of the police community in Canada which include federal, First Nations, provincial, regional and municipal, transportation and military police leaders.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue. However, in the spring of 2017, the Government of Alberta invited the AAMDC to participate on several provincially-led stakeholder roundtables to discuss various aspects of the legalization process and its impact on rural municipalities. Additionally, the AAMDC made a submission to the Alberta Cannabis Secretariat in the summer of 2017 relating to the legalization process. This submissions can be viewed at <https://www.alberta.ca/cannabis-legalization.aspx>. The AAMDC also plans to make another submission to the Secretariat in response to their proposed Cannabis Framework. The submission deadline was October 27, 2017.

Stopping the Implementation of Proposed Federal Tax Reforms

Brazeau County

Carried

Advocacy Target: Finance Canada

WHEREAS on July 18, 2017, the Honourable Bill Morneau, Minister of Finance, announced changes to three areas of tax planning carried out by private corporations; and

WHEREAS there has been significant backlash from small to medium enterprises (SMEs) and the agricultural sector across the country; and

WHEREAS the proposed changes create two classes of taxpayers, not achieving the proposed crackdown on tax avoidance the Government of Canada sets out to achieve; and

WHEREAS the proposed changes significantly reduce the ability to income split, which may result in higher taxes for shareholders and current income splitting practices among family members; and

WHEREAS the proposed changes to rules that prevent keeping investment income inside a corporation to take advantage of lower tax rates, in order to more easily invest and grow a healthy business; and

WHEREAS the proposed changes aim to eliminate tax plans that convert dividend income into lower-taxed capital gains;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Canada not to proceed with the proposed federal tax reforms that will negatively impact small to medium enterprises and the agricultural sector.

Member Background

The Government of Canada claims they are not in support of how some Canadians use corporations as a tax shelter to pay lower tax rates (compared to personal income tax rates). While the proposed tax changes are meant to affect the wealthy, they will directly impact the average small business owners, and in Brazeau County, like the rest of Alberta and Canada, small business, specifically the oil and gas sector along with agriculture, is the backbone of the economy and will be negatively impacted by the proposed changes.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Integrate Emergency Social Services into Emergency Management at Provincial Level

County of St. Paul

Carried

Advocacy Target: Alberta Municipal Affairs, Alberta Community and Social Services, Alberta Health

WHEREAS the Minister of Municipal Affairs is designated as the Minister responsible for the *Emergency Management Act* as per the *Emergency Management Act*, Revised Statutes of Alberta 2000, Chapter E-6.8, Section 1(h); and

WHEREAS a Director of Emergency Management is appointed by the local authority to prepare and coordinate emergency plans, act as the director of emergency operations on behalf of the emergency management agency, and coordinate all emergency services and other resources used in an emergency [Section 11.2(2)], including emergency social services plans and resources; and

WHEREAS the provision of emergency social services, defined within the Provincial Emergency Social Services Framework as “the supports that meet the basic essential needs of individuals, households, and communities affected by emergencies”, is an integral part of any emergency response because it involves the care of the people affected and cannot be carved out and handled as separate from the overall response; and

WHEREAS emergency social services is housed in the Ministry of Community and Social Services, where the structure of support to local authorities that is currently available through the Alberta Emergency Management Agency is being recreated, duplicating efforts and creating confusion for local authorities in how best to communicate with the province on planning, training, and responding to emergencies in a holistic sense; and

WHEREAS the Alberta Emergency Response Plan defines the Provincial Operations Centre as the entity responsible for the coordination of provincial supports to the local authority during an emergency to ensure a common understanding and prioritization of all requests for assistance, as well as to provide a single coordination point for local authorities to access all provincial ministries; and

WHEREAS during the 2013 southern Alberta floods and the 2016 Regional Municipality of Wood Buffalo wildfire, the disconnection of emergency social services into a separate provincial ministry (in the case of the 2016 wildfire this was formalized into a separate coordination centre, known as the Provincial Emergency Social Services Emergency Coordination Centre) created communication challenges, confusion around roles and responsibilities, duplication of effort, and introduced a higher administrative burden on the local authority to provide daily updates to two separate provincial entities that were not effectively sharing information;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Alberta to consolidate emergency social services and emergency management into a single government ministry with a single emergency coordination centre to eliminate duplication and enhance coordination of provincial support to local authorities.

Member Background

Alberta has had several large-scale disasters in the past decade, which present and opportunity for learning and improvement. Through the Slave Lake wildfire, southern Alberta Floods, and the Wood Buffalo wildfire, one common recommendation is for better integration of emergency social services and emergency management. Many municipalities have adopted this approach and are incorporating emergency social services into municipal plans, training, exercises, and responses. Provincially, however, these two interconnected pieces are currently managed through two separate ministries, which has led to communication and coordination challenges.

The Incident Command System (ICS) is “a standardized on-site management system designed to enable effective, efficient incident management by integrating a combination of facilities, equipment, personnel, procedures, and communications operating within a common organizational structure” (*Alberta Emergency*

Plan, 2015, pg. 10). The Government of Alberta adopted the ICS and mandated that all provincial organizations and ministries shall use ICS as their incident management systems (*Alberta Emergency Plan*, 2015, pg. 10). One of the foundational principles of ICS is designed to address this inherent challenge of a multi-agency response. “Unity of command” means each individual has a single designated supervisor to avoid the challenges of having to prioritize directives and work assignments from multiple sources, which can have immediate and far-reaching consequences during the time-sensitive nature of an emergency.

The separation of emergency social service and emergency management into two different provincial ministries undermines this foundational principle by introducing a dual reporting structure and creating an unnatural division in what should be a coordinated response. Unlike other provincial ministries with clear jurisdictional authority over specific elements of a response (such as Environment, Forestry, or Health), the mandate for emergency social services at the local level falls under the Director of Emergency Management (*Emergency Management Act*, Revised Statutes of Alberta 2000, Section 11.2).

Emergency social services cannot be effectively separated from the response without a significant, detrimental impact on the people affected by the disaster. Creating this separation results in loss of coordination, communication breakdowns, and conflicting messages to evacuees who need certainty in order to make decisions about their homes and businesses. For example, during the High River flood in 2013, decisions were made about relocating evacuees from reception centres to transitional housing at the University of Calgary and University of Lethbridge in isolation, without coordination or support from the Emergency Operations Centre. This created significant confusion and fear among evacuees when buses showed up without notice to take them to their new lodgings.

Each of the past three large-scale disasters in Alberta has resulted in the recommendation of closer integration of emergency social services into the overall response. In the *Lesser Slave Lake Regional Urban Interface Wildfire – Lessons Learned Final Report* (KPMG, 2012), one of the primary recommendations was to “fully implement the Incident Command System so that emergency response roles and mandates are firmly established within a single, clear chain of command”, especially regarding “Disaster Social Services, Consequence Management Officers, the NGO Council, First Nations, the Red Cross, and the Fire Commissioner” (pg. 165). This highlights the need for a fully-integrated response with a clear chain of command, making no distinction between traditional response resources (e.g. Fire Commissioner) and emergency social services (Disaster Social Services, the NGO Council, and the Red Cross).

The Review and Analysis of the Government of Alberta's Response to and Recovery from 2013 Floods (MNP, 2015) report stressed the urgent need for a provincial emergency social services framework that created a unified approach to delivering ESS services, acknowledging that “the lack of a unified approach to these elements is linked to the overarching ESS challenge at the provincial level” (pg. 43). The *May 2016 Wood Buffalo Wildfire Post-Incident Assessment Report* (KPMG, 2017) recommends the integration of provincial emergency social services into Provincial Operations Centre to streamline communication, coordination, and support to local authorities (pg. 96).

It is acknowledged that *The Review and Analysis of the Government of Alberta's Response to and Recovery from 2013 Floods* (MNP, 2015) explicitly suggests the Ministry of Human Services is best positioned to lead the ESS framework and program (pg. 84). Part of the justification for this rationale is that “social service expertise” resides in Human Services at the provincial level. However, in emergencies, the direct delivery of social services is done by the local authority, supported by non-governmental organizations and provincial ministries, and not the other way around. Likewise, recovery “is a local authority’s responsibility” (*May 2016 Wood Buffalo Wildfire Post-Incident Assessment Report*, KPMG, 2017, pg. 109), where provincial financial and programming support is needed for success, but must be community-led to be most effective. It is essential to prioritize the human impact of disasters and ensure this does not become lost in the overall response, but this issue can be better addressed through more integrated training for local authorities on their responsibilities under the *Emergency Management Act*, which includes emergency social services. Local authorities would be best served by a well-coordinated, integrated provincial approach to emergency management and emergency social services.

Alberta has seen several large-scale disasters in recent years that have highlighted the need for closer integration of emergency social services and emergency management. Where previous approaches to emergency social services may have worked in localized emergencies, it is clear the frequency and impact of large-scale disasters is increasing because of climate change. Municipalities in Alberta are working towards closer integration and coordination between emergency social services and emergency management under the authority of the Director of Emergency Management. This progressive approach

should be reflected at the provincial level to align training, planning, and responding to emergencies in a clear, unified manner.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Builder Licensing Program Impacts

County of Paintearth

Carried

Advocacy Target: Alberta Municipal Affairs, Alberta Labour

WHEREAS the Government of Alberta regulates the residential construction industry through the Alberta Safety Codes program, and the Alberta Building Code; and

WHEREAS the Government of Alberta further regulates the residential construction industry with the implementation of the *New Home Buyers Protection Act*; and

WHEREAS the Government of Alberta is furthering its attempt at constricting the ability of journeymen carpenters and residential home builders by the proposed implementation of the Builder Licensing Program; and

WHEREAS the municipalities of Alberta ensure conformity to all residential construction regulations by the diligent and competent enforcement and inspections of safety codes officers;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) request that the Government of Alberta delay the implementation of the Builder Licensing Program until such time it can reasonably demonstrate that the impacts of such a program will yield a positive impact on the residential construction industry and its participants;

FURTHER BE IT RESOLVED that the AAMDC request that the Government of Alberta recognize and resolve the negative impacts of the *New Home Buyers Protection Act* on rural Alberta tradesmen, municipalities, and home owners.

Member Background

Many residential carpenters and framers in rural Alberta have had their livelihoods affected by the implementation of the *New Home Buyer's Protection Act* (NHBPA) where they were unable to secure home warranty coverage due to the size of their operation, inability to post large and cumbersome bonds with insurers, and have removed themselves from residential building projects unless those were under owner-builder exemptions. Thus, making home building a more onerous and expensive process in rural Alberta. The implementation of the NHBPA was fraught with irregularities, problems with processing applications, and generally turned the program into a nightmare or bureaucratic red tape for new home owners.

The proposed builder licensing program – without due diligence and thorough review and neutrality of process – will undoubtedly shape up to the same extent and cause further damage to the small builders and carpentry operators. The extent that the program will evaluate builders' performances with a lack of qualitative or quantitative criteria shows the program is fraught with problems at the outset. Much more thorough review and oversight by those within the construction approving and permitting process would be a wise road to follow prior to implementing such a potentially disastrous program.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Support for Trans Mountain Expansion Project

Parkland County

Carried

Advocacy Target: Alberta Energy, Premier of Alberta, Natural Resources Canada, National Energy Board

WHEREAS energy and its related products are a significant part of Canada's annual exports which, along with metals and mineral products, represent the single largest positive annual contribution to Canada's balance of trade; and

WHEREAS the National Energy Board (NEB) determined the Trans Mountain Expansion Project (TMEP) is in the Canadian public interest; and

WHEREAS the Federal Governor in Council approved of the project application on November 29, 2016; and

WHEREAS the Conference Board of Canada conservatively estimates \$46.7 billion will find its way into government treasuries in the form of taxes and royalties from the TMEP during development and over the first 20 years of operations; and

WHEREAS economic benefits generated during construction and 20 years of operations from the TMEP include:

- \$68.3 billion in additional revenue to Alberta oil producers attributable to Trans Mountain as a result of higher netbacks, over the first 20 years of operations
- \$45 billion GDP effects for Alberta; and

WHEREAS in addition to benefits created by the TMEP, operations of the expanded Trans Mountain Pipeline will generate \$3.3 billion in taxes over 20 years, with Alberta receiving a \$567-million share; and

WHEREAS local and regional property tax payments are estimated to go up by a total of \$3.4 million per year, a 116 per cent increase along the Alberta section of the route; and

WHEREAS the process does not supercede the importance of the individual land rights;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) urge the Government of Alberta to continue to support the Trans Mountain Expansion Project so it can meet its commitments to delivering jobs and economic benefits and meeting its regulatory requirements during the construction and operation of the pipeline;

FURTHER BE IT RESOLVED that the AAMDC urge the Government of Canada to ensure that all regulatory processes that have been recommended for approval by the NEB and subsequently authorized by the Federal Governor in Council are permitted to proceed;

FURTHER BE IT RESOLVED that the AAMDC urge the Government of Canada to exercise ancillary powers in order to enact the comprehensive regulatory scheme for the Canadian public interest, including the right to timely permitting, thereby enabling the commencement of construction.

Member Background

In December 2013, Trans Mountain submitted an application to the National Energy Board (NEB) to expand its existing pipeline system, increasing daily capacity from 300,000 barrels up to 890,000 barrels. The \$6.8-billion Kinder Morgan expansion would triple the capacity of the existing 1,150 kilometre pipeline between Alberta and Burnaby, British Columbia.

Following a 29-month review, the NEB, on May 29, 2016, concluded that the TMEP is in the Canadian public interest and recommended that the Federal Governor in Council approve the expansion. The NEB attached 157 conditions which address issues such as public safety, economic benefits, local job creation, emergency preparedness and emergency response, Aboriginal interests, environmental protection and safety along both the pipeline right-of-way and the marine tanker transport route. The NEB's review was rigorous, involving a record 404 intervenors and more than 1,200 commenters.

On November 29, 2016, the Government of Canada accepted the NEB recommendation, noting that Canada needed to expand the markets for its oil products and saying that the TMEP “will make that possible.”

On January 11, 2017, the Province of British Columbia announced that the Project had received its environmental certificate from BC’s Environmental Assessment Office subject to 37 Conditions. The Province stated that TMEP met its *Requirements for British Columbia to Consider Support for Heavy Oil Pipelines*, known as B.C.’s Five Conditions.

The Trans Mountain pipeline infrastructure has national economic significance. As Canada’s primary energy transmission pipeline, the system is approximately 115,000 km in length, and the total pipeline network is approximately 840,000 km, including regional gathering, feeder and distribution lines. By comparison, there are 38,000 km of primary highway transportation linkages across the country.

In addition to the estimated \$46.7 billion of taxes and royalties the Federal and Provincial governments will recognize from the TMEP during development and over the first 20 years of operations, including \$19.4 billion recognized by Alberta, largely in the form of royalties from producers earning higher netbacks from selling their product into new markets, the project will create 441,000 person-years of employment in Alberta from project development and operations. This includes:

- 14,600 construction jobs
- 13,340 pipeline operations jobs
- 11,200 jobs generated by dividend payments from oil producers
- 400,600 jobs related to additional investment in oil and gas development as a result of higher netbacks to producers.
- Overall, the project generates more than 800,000 person-years of work for Canadians;

Including existing and increased payments, local governments in Alberta will collect \$124 million in taxes over 20 years from operations on an expanded Trans Mountain Pipeline.

Given the significant financial benefit of TMEP to all of Canada, it is incumbent upon the Government of Canada to exercise power to ensure the TMEP is completed, including issuance of all permits, similar to use of Canadian Aviation Regulation to issue permits for the Parkland Airport Development Corporation.

The Government of Canada, through various regulatory frameworks, has exercised its legislative and jurisdictional authority in the approval and oversight of projects deemed to be in the interest of Canada as a whole, including radio communications, inter-provincial railways, and airports and aerodromes.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Continued Provincial Funding Support for Agriculture Service Boards and Agricultural Societies

County of St. Paul

Carried

Advocacy Target: Alberta Treasury Board and Finance, Alberta Agriculture and Forestry

WHEREAS Alberta Treasury Board and Finance has been reviewing program funding including the funding provided to agricultural service boards and agricultural societies; and

WHEREAS there have been significant delays in the dispersing of agriculture service board and agriculture society funding, which has caused significant stress and anxiety to agricultural societies and municipalities across Alberta; and

WHEREAS agricultural societies and municipalities benefit from long-term, stable financial commitments from the Government of Alberta; and

WHEREAS agricultural societies provide significant economic benefits to their local communities and the Albertan economy; and

WHEREAS agricultural service board funding is used to address and mitigate challenges related to weeds, pests, invasive species, soil erosion, and other important environmental issues that risk jeopardizing farmers, producers, and the agricultural sector; and

WHEREAS agricultural societies and municipalities are limited in their ability to raise revenues; and

WHEREAS there has been no commitment to the continuation of the agriculture service boards and agricultural societies funding programs beyond 2017-2018; and

WHEREAS the agricultural service board and agricultural society funding is derived from the Alberta Lottery Fund;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties strongly encourage the continued financial support through the Alberta Lottery program or a similar program for agriculture service boards and agricultural societies beyond 2017-2018.

Member Background

Agricultural societies operate an abundance of arenas, curling rinks, golf courses, community halls, rodeo grounds, fairs, festivals, farmers' markets, and other vital community and recreational facilities. These facilities strengthen communities and enhance quality of life in immeasurable ways. Agricultural societies are recognized as community leaders that connect Albertans and the agricultural industry.

According to a 2012 Report entitled *Community Benefits, Economic Stimulation, and Sustainability* prepared by Manecon Business Strategies Inc., Alberta agricultural societies use about 65,000 volunteers who contribute approximately 640,000 hours of labour. Valued at \$20 per hour, that amounts to approximately \$12.8 million. The study also showed that society events generate approximately \$583 million annually in event-related spending. This data indicates that agricultural societies generate an incredible return on investment given the Government of Alberta's initial \$8.67 million investment.

Agriculture Service Boards (ASBs) serve an important role in supporting weed control, soil and water conservation, and pest management across rural Alberta. ASBs also advocate for local agriculture communities and sustainable practices that support the economic success of Alberta's agriculture industry. Since 2013, approximately \$11.6 million has been provided to ASBs on an annual basis.

While it was announced in late September that agricultural societies would be receiving their funding for the 2017-2018 fiscal year, as of early November some agricultural societies have still not received their funding. Typically, this funding is released in late spring, early summer.

Likewise, many ASBs have not yet received their annual funding. Unlike agricultural societies, there has been no information provided by the Government of Alberta as to the status of ASB funding for the current fiscal year.

AAMDC Background

The AAMDC has no active resolutions directly related to this issue.

Effective Representation for Rural Albertans in Alberta's Legislative Assembly

AAMDC Executive Resolution

Carried

Advocacy Target: Alberta Justice and Solicitor General, Members of Alberta's Legislative Assembly

WHEREAS the Alberta Electoral Boundary Commission (AEBC) submitted their final report for review and adoption by the Alberta Legislature on October 19, 2017, which recommends consolidating electoral boundaries in rural areas of the province that will result in three fewer seats in rural Alberta; and

WHEREAS Alberta's population has increased by 14.8% (or 553,500 people) since the last electoral boundary review in 2010. Based on the latest average constituency size of 46,803, this is the equivalent to 11.8 new constituencies; and

WHEREAS the AEBC has been tasked with reviewing Alberta's electoral boundaries in accordance with legal precedent and specifically, Supreme Court of Canada's case Reference re Prov. Electoral Boundaries (Sask.), [1991] 2 SCR 158 which states, "purpose of the right to vote enshrined in s. 3 of the Charter is not equality of voting power per se, but the right to 'effective representation' "; and

WHEREAS effective representation is impacted by many factors, including the relative weight of individual votes, the geographic characteristics of the constituency, the accessibility of the elected official to the electorate, the diversity of "communities" within the constituency, and others; and

WHEREAS the future sustainability of rural Alberta is contingent on the ability of rural residents to be effectively represented in Alberta's legislative assembly; and

WHEREAS the consolidation of seats in already geographically large rural constituencies will further compromise the effective representation for rural Albertans within the impacted constituencies, as well as weaken the overall rural perspective within the Alberta Legislature; and

WHEREAS the Board of Directors of the Alberta Association of Municipal Districts and Counties has concluded that the right to "effective representation" has not been satisfied by the final recommendations of the Alberta Electoral Boundary Commission;

THEREFORE, BE IT RESOLVED that the Government of Alberta amend section 13 of the *Electoral Boundaries Commission Act* to establish up to three new electoral divisions to accommodate the need for effective representation of Alberta's growing urban population, while not sacrificing current rural representation; and

FURTHER BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) urge the Government of Alberta to prioritize effective representation for rural Alberta by not approving a reduction in the number of constituencies in rural Alberta; and

FURTHER BE IT RESOLVED that the AAMDC request the Government of Alberta to not implement the Alberta Electoral Boundary Commission's final recommendations until the following principles are prioritized:

- **That geographic size limitations, local variations in population density, and accessibility of MLAs be prioritized as a determining factor in developing electoral boundaries; and**
- **Constituencies structure should be maintained to combine urban and rural areas to include a balance of urban and rural populations to reflect the urban-rural connectedness and dependency that exists on the ground for Alberta's regions; and**
- **To the extent possible, no ridings fracture rural municipalities into multiple constituencies.**

Member Background

The Alberta Electoral Boundary Commission (AEBC) has released its final report on proposed changes to Alberta's provincial electoral boundaries. The report was submitted to the Speaker of the Legislative Assembly where it will be introduced for a motion to be accepted and debated, and will likely result in

changes to the Electoral Boundaries Commission Act. Though the final report has been released, the findings are not final until Electoral Boundaries Commission Act the has been amended.

The recommendations are of concern as they include a reduction of three rural constituencies in order to add three urban ridings in Calgary and Edmonton, they add an urban-only constituency where none existed before outside of Calgary & Edmonton, they increased the size of many of the already very large rural constituencies and they divided some rural municipalities into multiple constituencies where they were not divided before. The AEBC did recognize that rural Alberta's population is growing but indicated that the population of Alberta's urban areas are growing at a faster rate and therefore, due to the AEBC's inability to recommend adding constituencies, justified redistribution of seats.

The AAMDC's input to the AEBC included a recommendation to not make geographically large constituencies larger and maintain constituency structure that combine both urban and rural areas to include a balance of urban and rural populations. The AAMDC recommended use of urban-rural blended constituencies so more MLAs have both rural and urban responsibilities and understood the rural-urban dependency and interconnectedness so important to their communities & regions. In their final report, however, the AEBC indicated that blended constituencies were avoided when possible so as not to combine "disparate communities of interest" under the jurisdiction of one MLA. This justified their final recommendation of an urban-only constituency where none existed before in the Grande Prairie region. The AAMDC feels this view of urban-rural blended constituencies demonstrates a lack of understanding of how Alberta's regions work and only amplifies urban versus rural rhetoric that is harmful to urban/rural relations.

Another AAMDC recommendation to the AEBC focused on avoiding the division of rural municipalities into multiple electoral divisions when possible. The AAMDC understands that by their nature, rural municipalities cover expansive areas and in many cases perfectly aligning rural municipal boundaries with electoral boundaries is impossible. The AEBC's final report indicates that no city or town (urban municipality) in the province was divided among two electoral divisions unless the city's size required it. However, the report acknowledges that splitting rural municipalities was a more common practice, although the committee "attempted to minimize the circumstances in which a county or school division contains parts or all of more than one constituency." This said, there are rural municipalities now recommended to be in four constituencies where they current exist in one or two.

The AAMDC Board is disappointed that the AEBC did not accept key recommendations put forward by the AAMDC, municipalities, and other rural constituency advocates during the consultation phase. The AAMDC Board is concerned that this dilution of rural representation will ultimately lead to weakened rural communities and a loss of the rural voice in Alberta's democratic institutions.

It is important to note, however, that the AEBC did not have the jurisdiction to consider expanding the number of constituencies, as the Electoral Boundaries Commission Act requires the number of constituencies to be 87. Some aspects of the Act were amended in 2016, prior to the review process, but the Government of Alberta chose not to allow for an increase in constituencies.

Given that Alberta's population has increased by 14.8% since the last electoral boundary review in 2010, an increase of 553,500 people or the equivalent of almost 12 constituencies based on the latest average constituency size, increasing the number of ridings by up to 3 is a viable option to mitigate a loss of rural representation and overly large geographic constituencies while acknowledging that most of the population increase has occurred in urban areas. The AAMDC's submission to the AEBC did not address this option as it was out of scope for the review, but the Government of Alberta itself still can amend the Electoral Boundaries Commission Act to enable the creation of additional constituencies. Increasing the number of constituencies from 87 to 90, for example, would allow for the creation of the additional urban seats proposed in the AEBC report, while no longer requiring consolidation of the rural constituencies. A 3.5% increase in constituencies (87 to 90) is still well below the increase 14.8% increase in population since the last review.