

AAMDC Fall 2017 Submitted Resolutions

- 1) Call to Order
- 2) Acceptance of Order Paper
- 3) Resolution Session

- 1-17F Centralization of Industrial Properties Assessment** *(MD of Taber)*
- 2-17F Completion of Alberta's Land-use Framework Prior to Establishment of Conservation and Protected Areas for Species at Risk** *(County of Northern Lights)*
- 3-17F Municipal Action on Caribou Recovery Planning** *(County of Northern Lights)*
- 4-17F Water Act Approvals for Municipal Projects on Municipal Land** *(County of Stettler)*
- 5-17F Alberta Energy Regulator – Amendment to Transfer Approval Process** *(Camrose County)*
- 6-17F Financial Support from AAMDC for Appeal of Virginia Hills/Dolomite Decision** *(Northern Sunrise County)*
- 7-17F Uncollectible Requisitions** *(County of Paintearth)*
- 8-17F Provincial Communications Plan for Farm Workplace Legislation** *(Sturgeon County)*
- 9-17F AAMDC Refusal to Engage in Exploratory Discussion to Merge with AUMA** *(MD of Willow Creek)*
- 10-17F Provincial Industry-led Methane Flaring Strategy** *(MD of Greenview)*
- 11-17F Off-Highway Vehicle (OHV) Fees** *(Parkland County)*
- 12-17F Specialized Clinical Counselling and Therapy for Distressed Emergency First Responders** *(County of St. Paul)*
- 13-17F AAMDC Advisory Committee to Support the Alberta Gaming and Liquor Commission in Reviewing Charitable Gaming in Alberta** *(County of Barrhead)*
- 14-17F Cannabis Act** *(MD of Taber)*
- 15-17F Stopping the Implementation of Proposed Federal Tax Reforms** *(Brazeau County)*
- 16-17F Review of the Code of Practice for Asphalt Paving Plants** *(Mountain View County)*
- 17-17F Amendment to the Municipal Government Act to Allow the PACEAlberta Program** *(MD of Opportunity)*
- 18-17F Integrate Emergency Social Services into Emergency Management at Provincial Level** *(County of St. Paul)*
- 19-17F Builder Licensing Program Impacts** *(County of Paintearth)*
- 20-17F Chemical Control of Wireworms** *(Cardston County)*

- 4) Vote on Emergent Resolutions (if needed)
- 5) Closing of Resolution Session

Centralization of Industrial Properties Assessment

MD of Taber

*Simple Majority Required
Endorsed by District 1 (Foothills-Little Bow)*

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 transitional 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

*Simple Majority Required
Endorsed by District 4 (Northern)*

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

*Simple Majority Required
Endorsed by District 4 (Northern)*

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 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

*Simple Majority Required
Endorsed by District 2 (Central)*

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

*Three-fifths (3/5) Majority Required
Endorsed by District 5 (Edmonton East)*

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

*Simple Majority Required
Individual Resolution*

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

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.

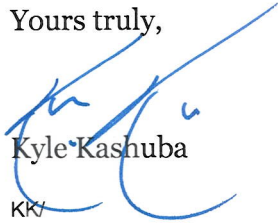
Justice Yamauchi's Order of June 20, 2017 was granted pursuant to the Court of Queen's Bench's jurisdiction to decide matters in bankruptcy proceedings under the *BIA*. Under section 31 of the Rules, any appeal to the Court of Appeal of Alberta must be made by filing a notice of appeal with the Court 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)



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

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.

Uncollectible Requisitions

County of Paintearth

*Simple Majority Required
Endorsed by District 2 (Central)*

WHEREAS the Government of Alberta annually establishes equalized assessment that the municipalities are requisitioned based on for Alberta School Foundation Fund (education property tax) on properties assessed within the municipalities; and

WHEREAS the Government of Alberta annually establishes equalized assessment that the municipalities are requisitioned based on for seniors housing foundations (seniors housing tax) on properties assessed within the municipalities; and

WHEREAS the assessor information that is used to calculate equalized assessment that the municipalities are legislated to use has a time lag that does not take into account changes in the current economic situation; and

WHEREAS the municipality is responsible for taxing for and collecting the requisitions on behalf of the requisitioning bodies and forward as requested; and

WHEREAS the municipality is only acting as an invoicing and collection agency for the Government of Alberta and other requisitioning bodies to collect these taxes on their behalf; and

WHEREAS some of these requisitions become in default due to current economic situations and are no longer collectible leaving the municipality to recover the amount owing through the seizure of assets; and

WHEREAS tax recovery through the seizure of land and assets is not always a healthy economic choice for the municipality or is not an option particularly in relation to linear property such as an oil leases on leased property;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) request that the Government of Alberta use current assessment data for determining requisitions to ensure that the taxes are distributed fairly over the current assessment base;

FURTHER BE IT RESOLVED that the AAMDC request that the Government of Alberta develop tools to reimburse uncollectable requisitions such as education property tax and seniors housing tax.

Member Background

Due to the current economic situation within the Province of Alberta many municipalities have been burdened by the growing amount of uncollectible taxes including education property taxes and seniors housing tax. As a collection agency for these requisitions we must pay them whether we are able to collect the funds or not. With education property tax and seniors housing taxes being calculated based on equalized assessment the current assessment base is also being burdened.

The County of Paintearth No. 18 has been challenged with the collection of significant municipal, education and seniors housing tax arrears from numerous oil and gas companies. During 2015 the County of Paintearth was forced to recognize bad debts of approximately \$601,000 of this included education property taxes of \$70,300 and seniors housing requisition of \$6,700. In the last few months we have been provided court documents from oil and gas companies stating that they are not obligated to pay tax arrears on the properties that they have acquired and that their license from the AER has been issued free and clear. In 2017 the County of Paintearth will be looking to write off over \$300,000 in municipal taxes, \$51,000 of education property taxes and \$10,000 in seniors housing taxes. With the current economic state and licenses being issued free and clear it is placing a larger tax burden on the remaining rate payers within our boundaries.

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.

Provincial Communications Plan for Farm Workplace Legislation

Sturgeon County

Simple Majority Required
Endorsed by District 3 (Pembina River)

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

*Simple Majority Required
Endorsed by District 1 (Foothills-Little Bow)*

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

*Simple Majority Required
Endorsed by District 4 (Northern)*

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.

Off-Highway Vehicle (OHV) Fees

Parkland County

*Three-Fifths (3/5) Majority Required
Endorsed by District 3 (Pembina River)*

WHEREAS the use of off-highway vehicles (OHVs) for recreational use on public and private lands pose complex management challenges; and

WHEREAS OHV use impacts the triple bottom line of social, economic and environmental outcomes; and

WHEREAS the Government of Alberta does not have effective legislation, programs or management strategies to address the issues arising from recreational OHV use;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties request that the Government of Alberta introduce an annual motorized off-highway vehicles (OHV) permitting process and fee structure with all revenues dedicated solely for the creation of OHV areas, maintenance of OHV areas, enforcement and educational programs; and

FURTHER BE IT RESOLVED that the Government of Alberta identify non-recreational OHV users that would be exempt from the licensing fee; and

FURTHER BE IT RESOLVED that the Government of Alberta amend current legislation to enable the consolidation of recreation management oversight and responsibility to a department and/or agency to better address OHV issues; and

FURTHER BE IT RESOLVED that the Government of Alberta develop and introduce enhanced liability protections into legislation that better safeguard the interest of the Crown and private land owners where OHV activities occur.

Member Background

With the number of OHVs increasing in Alberta, there is a corresponding increase in pressures and challenges associated with their use. As OHV ownership has increased, greater activity has been witnessed in areas where OHV use is permitted; there has not been a corresponding increase in infrastructure supporting or enabling OHV activity.

In Alberta, there is relatively little public funding available for recreation management programs and, in particular, those dealing specially with OHVs. Any available revenue sources are from general revenues and departmental budgets. As a result, the management and control of OHVs must compete for limited funds with other provincial priorities. In contrast, other jurisdictions have taken proactive measures to deal with OHV use and have established programs that create dedicated revenue streams for specific programs. These revenue sources include user fees and permits, regulatory charges such as vehicle registrations, operator licensing and fines. In the absence of a reliable, dedicated funding source, it will be difficult to address the issues surrounding OHV recreational use. A recreation management strategy is required to tackle environmental impacts, reduce user conflict and increase public safety while addressing liability issues.

The impacts of OHV use on lands throughout the province, particularly from an environmental perspective, have been receiving increased attention. From the adverse impact on fish habitat, disruption and displacement of wildlife breeding and nesting habitats to the impact on flora and the potential loss of a food source or wildlife, the need for a recreation management plan is crucial to balance the interests of OHV users, other recreational pursuits and the environment.

OHV use has also resulted in conflict between users and private land owners, most notably, agricultural producers. Illegal access to private agricultural lands has resulted in damage to fencing, escape of livestock, damage to crops and agricultural lands as well as vandalism of private property and equipment. These activities result in a direct financial loss to farmers and ranchers.

Currently in Alberta, the roles and responsibilities associated with recreation management are somewhat fragmented. The environment, parks, recreation, conservation, access to public lands, motor vehicles, roads, and liability for injuries related to recreational use of public land are often dealt with by different

department or agencies. This fragmentation contributes to ambiguous rules, a lack of developed recreational amenities and difficulty in mitigating the negative impacts of recreation activities. The existing legislation fails to provide clear direction or enabling authority. Consequently, many recreation management decisions such as OHV use require the involvement of ministers or Cabinet. Due to the politicization of OHV recreation management, both previous and current governments have failed to move forward on this matter.

Another crucial subject that needs to be addressed is liability. In Alberta, the legal protection from lawsuits arising from trail-related injuries has evolved and provides better protection than in the past. The provincial *Occupiers Liability Act* lessens the duty of care owed to recreational users in some situations, however, the legislation is complex and does not provide adequate assurance potentially affected parties. While it addresses and enables access to recreational opportunities, it fails to provide protection and the certainty that would advance actions or initiatives such as trail development or implementing user fees.

Inaction will further perpetuate the issues, challenges and conflicts surrounding OHV use as the province recognizes continued population growth and increased OHV activity.

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

*Simple Majority Required
Endorsed by District 5 (Edmonton East)*

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 volunteer 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

*Simple Majority Required
Endorsed by District 3 (Pembina River)*

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

*Simple Majority Required
Endorsed by District 1 (Foothills-Little Bow)*

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

*Simple Majority Required
Endorsed by District 3 (Pembina River)*

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.

Review of the Code of Practice for Asphalt Paving Plants

Mountain View County

*Three-fifths (3/5) Majority Required
Endorsed by District 2 (Central)*

WHEREAS Alberta Environment and Parks, through legislation, maintains control of all asphalt paving plants registrations; and

WHEREAS Alberta Environment and Parks, through legislation, maintains responsibility for inspection, compliance and enforcement of asphalt paving plants; and

WHEREAS the Alberta Government *Code of Practice for Asphalt Paving Plants* includes an obligation for asphalt paving plants to be equipped with pollution control technology that meets the requirement of the code; and

WHEREAS municipal districts and counties have the authority to regulate land use and development approvals under the *Municipal Government Act*, they cannot enforce compliance with the *Code of Practice for Asphalt Paving Plants* which is enforced through the *Environmental Protection and Enhancement Act*; and

WHEREAS the Government of Alberta introduced a Climate Leadership Plan in 2016 to reduce carbon emissions; and

WHEREAS asphalt plants that incorporate modern innovative technologies will reduce emissions to contribute to meet industry emission reduction targets referenced in the Discussion Document: Climate Leadership Plan;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties request that Alberta Environment and Parks review the *Code of Practice for Asphalt Paving Plants* to:

- 1. reduce environmental impacts by establishing higher standards for pollution control and reduction of emissions;**
- 2. require new technologies to be utilized as part of the Code of Practice operating requirements; and**
- 3. ensure that emission standards are monitored and measured so that minimum standards can be enforced.**

Member Background

A viable aggregate industry is a necessary component of a vibrant Alberta economy. As the need for aggregate resources increases throughout the province, municipalities are challenged to deal with offsite impacts resulting from asphalt paving plants within pit operations.

Environmental impacts associated with asphalt paving plants are governed by Alberta Environment and Parks legislation through the *Code of Practice for Asphalt Paving Plants* (hereafter referred to as the Code). The Code became effective on September 30, 1996 and has not been updated since. There have been increased concerns with the air pollutants released from certain types of asphalt paving plants. The Code does contain an environmental log guide that shall be filled out each calendar year of an operation. However, the Code and the environmental log guide does not contain emission standards or provisions for the type of asphalt plants permitted that are directly linked with the environmental impacts a plant creates.

A review of the Code should increase industry standards to reduce particulate emissions released into the atmosphere and the requirement to use newer technologies and eliminate the use of wet scrubber plants. The Government of Alberta introduced The Climate Leadership Plan as a provincial strategy to reduce carbon emissions while diversifying the economy. A review of the Code will align with the provincial commitment to reduce environmental impacts, taking action on climate change and supporting sustainable communities within Alberta.

REFERENCES:

CODE OF PRACTICE FOR ASPHALT PAVING PLANTS

<http://www.qp.alberta.ca/documents/codes/ASPHALT.PDF>

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT (EPEA)

http://www.qp.alberta.ca/1266.cfm?page=E12.cfm&leg_type=Acts&isbncIn=9780779735495

GOVERNMENT OF ALBERTA – CLIMATE LEADERSHIP PLAN

<https://www.alberta.ca/climate-leadership-plan.aspx#toc-0>

A MUNICIPAL GUIDE TO SAND AND GRAVEL OPERATIONS IN ALBERTA (2007 AAMDC)

<http://www.aamdc.com/archive/aamdc-reports/public-reports/1221-2007-municipal-guide-to-sand-gravel-operations/file>

AAMDC Background

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

Amendment to the Municipal Government Act to Allow the PACE Alberta Program

MD of Opportunity

*Three-fifths (3/5) Majority Required
Endorsed by District 4 (Northern)*

WHEREAS Alberta has demonstrated leadership as identified in the Alberta Climate Leadership Plan which is intended to address climate change and reduce greenhouse gas emissions; and

WHEREAS the Alberta Climate Leadership Plan is expected to raise \$9.6 billion, all of which will be reinvested in the green economy and rebated to Albertans; and

WHEREAS Property Assessed Clean Energy (PACE) financing programs exist in the United States through which building owners and building developers can access 100% financing (for both hard and soft costs), which is repaid through their property tax bill and provides a public good by increasing the energy performance of their building(s), thereby decreasing their use of resources and reducing greenhouse gases (GHGs) generated by their buildings; and

WHEREAS PACE programs in the United States have created 42,200 jobs across 22 states since 2009; and

WHEREAS the groundwork for the PACE Alberta program has already begun; and

WHEREAS a change in provincial legislation would allow municipalities to participate in and/or develop PACE programs to enable citizens to access financing to increase energy efficiency and/or reduce resource use and GHG production on private property; and

WHEREAS municipalities in Canada are using alternative funding mechanisms to create opportunities for citizens to undertake energy retrofits; and

WHEREAS if all municipalities are granted authority for PACE programs, individual municipalities could either set up their own program or "opt-in" to a provincial PACE program operated by a third party organization which may significantly accelerate the economic stimulus and GHG reduction agenda; and

WHEREAS PACE programs can be financed in whole or in part by municipalities if enabled by provincial legislation through what is known as 'refundable debt;' and

WHEREAS many municipalities in Alberta have adopted sustainable community plans or strategies to address climate change impacts at the local level;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Alberta to amend the *Municipal Government Act* to allow municipalities to levy a special tax to fund environmental/energy efficiency/GHG reduction programs for property owners, or to add a stand alone provision that empowers municipalities to create and fund a PACE program;

FURTHER BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the Government of Alberta to amend the *Municipal Government Act* to remove the restrictions on municipal loans which restrict PACE financing programs from being offered by municipalities to their constituents.

Member Background

The MD of Opportunity No. 17 has been investigating different ways to aid and encourage residents to install alternative energy systems. Solar energy is a renewable resource available to the general public, unfortunately the purchase and installation of solar panels is still quite expensive. Alberta's Climate Leadership Plan, through the carbon levy, provides a financial incentive for families, businesses, and communities to lower their emissions. Even though the Government of Alberta has a few grants available for people to upgrade their homes, the home/business owner would still need to front a large portion of the costs.

With a PACE program, the cost of purchasing and installing the solar panels would be borne by the building owner. A PACE program will also permit building owners to upgrade the energy and GHG

performance of their buildings, thus further creating municipal value and jobs. The PACE financing is then added as a tax lien on the property, and the homeowner pays it back via a line on their tax bill. This lien stays with the property, so if the landowner sells their property, the responsibility of paying back the financing falls to the new landowner. The source of the funds used by the PACE program can come from private capital, public capital or both.

While the municipality does have to collect the taxes to give to the PACE administrator, they are able to collect a fee for their own administrative costs. The PACE program has a mandate to hire local contractors and construction workers. This will bring new skills to the communities throughout Alberta and will diversify our economy. The PACE program also can ensure that all landowners are able to afford solar panels and building upgrades by structuring the terms such that the PACE financing repayments come to less than their annual energy bills savings. Further positive returns on investment for the municipality are as follows:

- If municipal funds are used for the PACE financing, they are not included in the municipal debt because it is 100% secured and recoverable and does not have an impact on the municipal debt ceiling
- It improves the value of properties
- It promotes economic and industry diversification
- It improves property appraisal which positively changes property values
- It is an investment which has an unquestionably positive return on investment for the municipality
- It is tax neutral, it creates no additional cost to the taxpayer.

By examining the efficacy of American PACE programs, the successful programs have minimal legislative constraints which permits implementation and delivery to be adapted as circumstances evolve. It has also shown that successful PACE programs are financed by either or both private and public capital.

The groundwork for the PACE Alberta program has already begun. PACE Alberta has started researching the best practices for a PACE program, educating Municipalities on the benefit of a PACE program, and looking for Canadian investors. However, program cannot be implemented until amendments to the *Municipal Government Act* (MGA) have been made.

The Environmental Law Centre (Alberta) has put together several potential amendments to the MGA which would allow for a PACE program to be implemented. There are three sets of amendments that would need to be made; they are as follows:

Amendment 1

Option 1: amending Part 10, Division 7 MGA to allow local improvement taxes to be levied for "environmental/energy efficiency/GHG programs or other public good programs as determined by Ministerial regulation.", and by amending ss. 395 and 397 to remove the requirement to identify the area of the municipality that will benefit from the local improvement.

Option 2: amending s. 382 MGA to allow special taxes for "environmental/energy efficiency/GHG programs or other public good programs as determined by Ministerial regulation." and by amending s. 384 to remove the requirement that a special tax bylaw describe the area of the municipality that will benefit from the service or purpose of the tax and in which the special tax will be imposed.

Option 3: amending the MGA by adding a stand-alone PACE provision which would address the issues preventing PACE financing to be registered as a tax lien on the recipient's property

Amendment 2:

Option 1: amending s. 264 so that a municipal loan can be made to an individual property owner or PACE administrator to support PACE programs.

Option 2: addressing this barrier through program design to avoid the municipality providing loans altogether.

Amendment 3:

Option 1: amending s. 268 of the MGA to indicate that a loan under s. 264 for the purposes of supporting a PACE program is deemed to form no part of the municipality's debt for the purposes of calculating the municipal debt limit.

Option 2: amending the Debt Limit Regulations to indicate that loans for the purposes of supporting a PACE program are deemed to form no part of the municipality's debt for the purposes of calculating the municipal debt limit.

The PACEAlberta program has already received support from Red Deer, Edmonton, Brazeau County, Drayton Valley and Devon. The provincial government is currently working on a city charter for Edmonton and Calgary where they are looking at allowing these two cities the chance to deliver a PACE program to their residents and business owners. This shows that the province is open to the idea of an Alberta PACE program. While the concept of piloting a PACE program for only the Charter cities has merit, permitting any municipality to participate in a PACE program, will significantly accelerate the economic job stimulus and GHG reduction agendas for all municipalities and the entire Province.

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

*Simple Majority Required
Endorsed by District 5 (Edmonton East)*

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 inter-connected 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

*Simple Majority Required
Endorsed by District 2 (Central)*

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.

Chemical Control of Wireworms

Cardston County

Simple Majority Required
Endorsed by District 1 (Foothills-Little Bow)

WHEREAS the immitigable destruction of crops by wireworms in southern Alberta has increasingly become an unmanageable issue; and

WHEREAS the Government of Canada ended the use of Lindane as a pesticide in December of 2004; and

WHEREAS there currently does not exist an effective chemical application to mitigate the crop damage induced by wireworms;

THEREFORE, BE IT RESOLVED that the previously registered pesticide known as Lindane be again allowed for controlled treatment by certified seed cleaning plants regarding seed which they have actually cleaned for specified cereal grains and which may only be planted for the restricted use of livestock feed, with sufficient oversight and accountability of the grower to prevent any crops produced from such Lindane treated seed to be directly consumed by humans or to be sown year after year on the same field.

Member Background

What are wireworms?:

Wireworms, the larvae of click beetles (Family Elateridae), are destructive insect pests that feed primarily on cereal crops, but have also been known to also feed on potatoes, canola, carrots, sugar beets and corn.

Four to eleven generations of wireworm can be found in a field, but the number of years a population can survive will often vary with the quality and availability of food. Wireworms in all growth stages are likely to infest a field in long-term grass or pasture, and populations in the soil can be more than three million per hectare.

The larval stage of wireworms can live four to eleven years in the soil and are notably resistant to adverse conditions, although most live three to five years. These overwintering larvae are called "resident larvae."

While there are approximately thirty different species of wireworms in Canada, the *Hypnoides* and *Selatosomus* species are the most prevalent in Alberta on non-irrigated land, while the *Limonius* species are most prevalent on irrigated land.

How do wireworms affect crops?:

Wireworm larvae are attracted to the carbon dioxide released by germinating seeds. The resident larvae move up in the soil profile and feed on germinating seeds or young seedlings. One larva can easily consume two or more seeds. Damaged plants soon wilt and die, resulting in thin stands.

Wireworms are most destructive in early spring, when they are located near the soil surface. During summer months, larvae move deeper into the soil where it is cool and moist. Wireworms do not ingest solid plant material, but chew tissues, then regurgitate fluids containing enzymes and then imbibe the juices and plant products made soluble by the enzymes.

Generally speaking, damage is higher in silty, medium textured, well-drained soils and in soils cultivated for a period of at least twelve years.

In some areas, wireworms have destroyed more than 50% of the plant population, and further leaving the soil vulnerable to wind, water erosion and weeds.

Present Situation:

Currently, the most concerning issue regarding the damage caused by wireworms is the simple fact that there are currently no available chemical applications to control wireworms. While treatments exist that effectively slow the metabolic activity of wireworms, a treatment that kills the insects does not exist.

In 2004, Vitavax-Dual, a treatment that contained the insecticide Lindane, was removed from the market. Vitavax-Dual was a very effective treatment for the purpose of controlling wireworms, killing 60-85% of feeding wireworms.

The present situation sees producers losing tens of thousands of dollars in yield due to the destructive effects of wireworms. The ability for producers to employ Lindane in their fight against wireworms is absolutely essential. Without an effective treatment option for wireworms, producers are currently being forced into a predicament that gravely compromises their livelihoods.

Sources:

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AAMDC Background

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