AGENDA
BIRCH HILLS COUNTY
SPECIAL COUNCIL MEETING
TO BE HELD IN THE
WANHAM BIRCH HILLS COUNTY OFFICE
July 30, 2020

9:00 a.m. **CALL THE MEETING TO ORDER**

1. ADOPTION OF THE AGENDA

2. NEW BUSINESS

a. RMA - Assessment Model Review Advocacy (Page 3)
b. Smoky River Road - Flood **(Page 57)**
c. COVID-19 Response Plan **(Page 59)**
d. PREDA – Upcoming meeting **(Page 65)**

NEXT REGULAR COUNCIL MEETING DATE – August 13, 2020

July 27, 2020

WRITTEN NOTICE OF A SPECIAL MEETING OF COUNCIL CALLED UNDER AUTHORITY OF SECTION 194 OF THE MUNICIPAL GOVERNMENT ACT

TO: Reeve Gerald Manzulenko
Deputy Reeve Carbone
Councillor Albert Poetker
Councillor Deanne Wendland
Councillor Paul Reum
Councillor Mel Duvall
Councillor Denise Joudrey

Reeve Manzulenko has requested that a special meeting of council be held at the Birch Hills County Administration Building on Thursday, July 30th, 2020 commencing at 9:00 a.m. for the purpose of discussing and acting upon the following item(s) of business:

1. Adoption of Agenda

2. New Business

    a. RMA - Assessment Model Review Advocacy
    b. Smoky River Road - Flood
    c. COVID-19 Response Plan
    d. PREDA - Upcoming meeting

Council is reminded that as per Section 194(5) of the Municipal Government Act, "No matter other than that stated in the notice calling the special council meeting may be transacted at the meeting unless the whole council is present at the meeting and the council agrees to deal with the matter in question."

Gerald Manzulenko
Reeve,
Birch Hills County

Request for Decision (RFD)

Meeting:	Special Council Meeting	**Reviewed/ Approved For Submission**	
Meeting Date:	July 30, 2020	**CAO:**	
Originated By:	CAO Bastow	**Manager:**	
Item Title:	RMA - Assessment Model Review	**Presenter:**	CAO Bastow

DESCRIPTION:

RMA has provided analysis highlighting the Government of Alberta's proposed assessment changes, as well as an outline of how the changes impact Birch Hills County.

BACKGROUND:

Over the past several months, RMA has participated in a Government of Alberta-led review of the assessment model for oil and gas properties such as wells and pipelines. In addition to RMA, the following organizations participated in the review:

- Alberta Urban Municipalities Association
- Canadian Association of Petroleum Producers
- Explorers and Producers Association of Canada
- Canadian Energy Pipeline Association
- Canadian Property Taxpayers Association

According to the Government of Alberta, the review was intended to "modernize" the assessment model for oil and gas properties to enhance industry competitiveness while ensuring municipal viability.

Unfortunately, no multi-year impact analysis has been shared for the scenarios. All data focuses only on the first year of implementation, though due to steeper depreciation curves and other changes, municipal impacts will become more severe as assets age. It is important to note that even municipalities that are minimally impacted in year one may face much more serious impacts in year five or ten.

DISCUSSION / BENEFITS / DISDVANTAGES:

RMA is strongly opposed to the recommended changes to the assessment model and their impacts on both municipal viability and industry competitiveness.

Although the Government of Alberta has not yet finalized changes, RMA is aware of four options currently being considered. Depending on the option selected, the changes will reduce the overall assessed value of oil and gas property in rural Alberta by between $8.9 billion and $26.7 billion and result in rural municipalities losing a combined total of between $108.7 million and $291.2 million in property tax revenue in the first year in which the changes are implemented.

The proposed changes could affect Birch hills County revenue by as much as 16% in 2021. Due to the limits of data provided, RMA is unable to project past the first year of implementation. Because of the significant changes to the depreciation curves under most of the models, there will be increased impacts in the future as assets age.

Consider:

- Municipalities rely on fair, objective and consistent property assessment system to adequately plan and budget.
- Municipalities have limited tools to generate revenue.
- When combined with increased policing costs, reduced grant funding, and COVID-19 related property tax deferrals, many rural municipalities will lack the ability to adapt to the revenue reductions that will be the result of the scenarios proposed by the Government of Alberta.

ATTACHMENT(S):

1) Birch Hills County – Impacts of Assessment Model Changes
2) Assessment Model Review Impacts Report – Birch Hills County
3) AMR Outcomes Summary
4) Assessment Model Position Statements
5) MLA Template
6) RMA Member Overview Slide show goes with webinar on July 24, 2020
7) Email with webinar link to the July 24, 2020

OPTIONS:

Council may choose to:

1. Direct Administration to participate in the RMA led response, sending requested correspondence to the Member of the Legislative Assembly (MLA). Additionally, request the Chief Administrative Officer (CAO) revisit 2020 operational budget and present immediate expense reduction options as part of the August 13, 2020 regularly scheduled Council Meeting.

2. Direct Administration to participate in the RMA led response, sending requested correspondence to the Member of the Legislative Assembly (MLA). Additionally, Direct Administration to monitor Assessment Model Review developments and provide Council with an updated situation report as part of the August 13, 2020 regularly scheduled Council Meeting.

3. Table decision on ongoing immediate expense reductions until 2021 budget deliberations are complete. Direct Administration to participate in the RMA led response, sending requested correspondence to the Member of the Legislative Assembly (MLA).

4. Direct Administration to participate in the RMA led response, sending requested correspondence to the Member of the Legislative Assembly (MLA).

RECOMMENDED ACTION:

1. Direct Administration to participate in the RMA led response, sending requested correspondence to the Member of the Legislative Assembly (MLA). Additionally, request the Chief Administrative Officer (CAO) revisit 2020 operational budget and present immediate expense reduction options at the next regularly scheduled Council Meeting scheduled for August 13, 2020.

RMA
RURAL MUNICIPALITIES of ALBERTA

July 13, 2020

Reeve Gerald Manzulenko
Birch Hills County

Via email to geraldm@birchhillscounty.com & shelleyb@birchhillscounty.com

Dear Reeve Manzulenko,

Re: Impacts of Assessment Model Changes in Birch Hills County

As you are aware, the Government of Alberta is currently considering changes to the assessment model for regulated properties such as oil and gas wells and pipelines. RMA was involved in the review that led to these changes, and vocally opposed the focus of the review and outcomes. According to the stakeholder engagement plan, the intent of the review was to "enhance industry competitiveness while concurrently ensuring the ongoing viability of municipalities." After engaging in the review and being apprised of the recommended changes currently being considered by provincial decision-makers, RMA is extremely concerned that the review outcomes will achieve neither of the above intents. RMA repeatedly voiced their opposition to the models proposed and to the use of the assessment model to enhance industry competitiveness, but this concern did not impact the final proposed changes to the model.

Although the Government of Alberta has not yet finalized changes, RMA is aware of four options currently being considered. Depending on the option selected, the changes will reduce the overall assessed value of oil and gas property in rural Alberta by between $8.9 billion and $26.7 billion and result in rural municipalities losing a combined total of between $108.7 million and $291.2 million in property tax revenue in the first year in which the changes are implemented.

The impacts of the changes vary widely in different regions of the province with some municipalities projected to lose as much as 49% of their current non-residential assessment value and 40% of their overall revenue in the first year of implementation under the most extreme scenario. For some municipalities, this loss in revenue may impact their ongoing viability. RMA expects impacts to worsen following the first year of implementation but was not provided access to the detailed assessment information necessary to conduct a multi-year impact assessment.

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In terms of industry competitiveness, the proposed changes will mean that as a whole, the oil and gas industry will save the same amount that municipalities will not be collecting in tax revenue. Presumably, this will enhance industry competitiveness by reducing operating costs. However, RMA's analysis of the data provided by the Government of Alberta indicates that the competitiveness benefits will disproportionately favor Alberta's largest oil and gas companies, while on average, Alberta's smallest

companies will see little impact, and some will see a significant increase in assessment. Additionally, the review has included no analysis or data on how reduced assessment will translate to increased competitiveness given other factors impacting the oil and gas industry, such as market access and low commodity prices. The changes will also hinder broader economic development efforts by simply shifting the property taxes from the oil and gas industry to other small businesses and residents.

While the specific changes to the assessment model are highly concerning, RMA is opposed to the overall concept of manipulating the assessment system to support industry competitiveness. **This approach includes no incentives or requirements that industry use property tax savings to invest in Alberta or create jobs.** As most of the savings will go to large companies with holdings around the world, it is likely that such savings will not be used in Alberta. While the change in the assessment model may make large oil and gas companies more profitable, **there has been absolutely no link established between the assessment model changes and making Alberta's oil and gas industry more competitive.**

Due to strict confidentiality requirements, RMA was not able to share updates of the review process with members as it was occurring. As the recommended changes currently under consideration by ministers and provincial decision-makers are now publicly available, RMA is requesting the assistance of members in informing government of the significant impacts these changes will have on rural municipalities.

Please find attached to this letter information highlighting the province-wide municipal and industry impacts of the proposed assessment changes, as well as an outline of how the changes impact your municipality. All figures are based on data provided by the Government of Alberta, either through the assessment model review or through general municipal reporting. The "municipal response options" are hypothetical scenarios based on public municipal financial information. If, after reviewing the assessment changes with your staff and council, you have additional information related to how the changes will impact your municipality, we strongly encourage you to share this with your MLA and with RMA. Also please note that the same information (about your municipality and others in the relevant riding) has been sent directly from RMA to the MLAs representing the riding (or ridings) in which your municipality is located.

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Please complete and submit to your local MLA the letter template provided by RMA. We encourage you to modify the language in the template to suit your local position and reflect the voices of your council. RMA would also encourage you to share your concerns with the changes with the Minister of Municipal Affairs and Premier.

The implementation of these changes has the potential to cause irreparable harm to many rural municipalities. Regardless of the extent to which your municipality is impacted by the changes, we urge you to use the attached information and other resources provided by RMA to advocate to your local MLA that the Government of Alberta not use the assessment system as an industry competitiveness tool, and not support industry on the backs of municipalities. This solution is unfair, ineffective, and unsustainable.

Please feel free to contact me by phone (403-507-3345) or email (akemmere@RMAlberta.com) to discuss this issue further.

Sincerely,

Al Kemmere, President

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RMA
RURAL MUNICIPALITIES of ALBERTA

Assessment Model Review
IMPACTS REPORT

BIRCH HILLS COUNTY

The Government of Alberta is proposing assessment model changes, which could affect your municipality's revenue.

TOTAL REVENUE MAY CHANGE BY AS MUCH AS

↓16%

For more context and scenarios, please review the back.

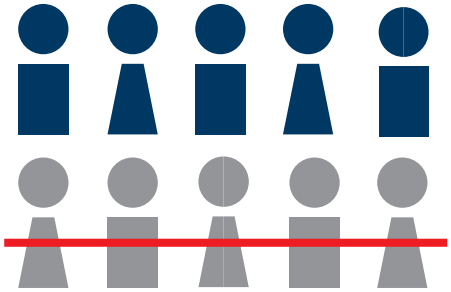
To compensate, you may need to adjust:

RESIDENTIAL MILL RATE BY AS MUCH AS

↑115.7%

OR

FULL-TIME STAFF BY AS MUCH AS 51.7%



For more context and scenarios, please review the back.

MUNICIPAL IMPACTS

Based on the assessment model review scenarios provided by the Government of Alberta and financial data from the MFIS database, RMA's models make the following municipal predictions. Due to the limits of data provided, we are unable to project past the first year of implementation. Because of the significant changes to the depreciation curves under most of the models, there will be increased impacts in the future as assets age.

SCENARIO TAX IMPACTS	SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
Total Assessment Base Loss	$-52,082,224 (-17%)	$-57,761,144 (-19%)	$-60,442,803 (-20%)	$-73,331,597 (-24%)
M&E Assessment Base Loss (%)	0%	0%	0%	0%
LP Assessment Base Loss (%)	-42%	-46%	-48%	-59%
M&E Tax $ Loss (2019 Mill Rate)	$0	$0	$0	$0
Linear Tax $ Loss (2019 Mill Rate)	$-970,651	$-1,076,489	$-1,126,466	$-1,366,674
Percent Loss of Total Revenue	-11%	-12%	-13%	-16%

MUNICIPAL RESPONSE OPTIONS

The response options below demonstrate how significant non-residential assessment and taxation is for rural municipalities. Even a modest reduction in oil and gas assessment may require municipalities to drastically increase tax rates or reduce expenses. In other words, changes to assessment have significant domino effects on rural municipalities. These illustrate hypothetical impacts that the changes may have on operations based on available data. These should not be seen as recommendations, as they are only provided for context.

POTENTIAL RURAL MUNICIPALITY RESPONSE IMPACTS	SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
Residential Mill Rate Increase	82.0%	91.1%	95.3%	115.7%
OR				
Non-Residential Mill Rate Increase (Excluding 5:1 limits)	37.9%	43.8%	46.8%	63.1%
Tax capacity shortfall due to 5:1 ratio (includes tax capacity loss still required to achieve 5:1)	$0	$0	$0	$0
OR				
Workforce cuts to cover losses (% of total FTE's)	36.7%	40.7%	42.6%	51.7%
FTE's at risk	8.08	8.96	9.38	11.38
OR				
Total Expense Reduction % (including capital infrastructure investment)	10.46%	11.60%	12.14%	14.73%
OR				
Time shortfall can be covered by Unallocated Reserves (Months)	67	61	58	48

RMA
RURAL MUNICIPALITIES *of* ALBERTA

Rural Municipalities of Alberta

Assessment Model Review – Outcomes Summary

Over the past several months, RMA has participated in a Government of Alberta-led review of the assessment model for oil and gas properties such as wells and pipelines. In addition to RMA, the following organizations participated in the review:

- Alberta Urban Municipalities Association
- Canadian Association of Petroleum Producers
- Explorers and Producers Association of Canada
- Canadian Energy Pipeline Association
- Canadian Property Taxpayers Association

According to the Government of Alberta, the review was intended to "modernize" the assessment model for oil and gas properties to enhance industry competitiveness while ensuring municipal viability.

Due to strict confidentiality requirements, RMA has been unable to provide members with an update on the review process. At this point, the Government of Alberta has finalized recommended changes to the model and have briefed relevant provincial ministers and decision-makers on the recommendations. RMA (and the other organizations involved in the review) now have an opportunity to advocate to those same ministers and decision-makers on the impacts of the recommended changes.

The review concluded with four scenarios to be presented to provincial decision-makers, each of which represents different changes to the assessment model and different impacts on municipalities and industry. All scenarios reduce overall assessment values of the property impacted by the review, with province-wide reductions ranging from 7% in scenario A to 20% in scenario D. However, the impacts of the changes vary among municipalities and companies. Some municipalities will lose significant assessment value, while others will see their assessment increase. Similarly, some companies will benefit greatly from each scenario in the form of reduced assessments, while others (mainly small companies) will see massive increases in assessment. This document shows the province-wide impacts of each scenario. RMA is not aware of whether the Government of Alberta favors a specific scenario. Industry representatives have vocally supported scenario D, which most drastically reduces assessment.

Unfortunately, no multi-year impact analysis has been shared for the scenarios. All data focuses only on the first year of implementation, though due to steeper depreciation curves and other changes, municipal impacts will become more severe as assets age. It is important to note that even municipalities that are minimally impacted in year one may face much more serious impacts in year five or ten.

As will be evident in this document and other information shared with members, RMA is strongly opposed to the recommended changes to the assessment model and their impacts on both municipal viability and industry competitiveness. The remainder of this document will summarize key points from various RMA input during the review process that demonstrates the impacts of the recommended changes on municipalities and industry and proposes alternative approaches to enhancing industry competitiveness that are more transparent, targeted and effective than the proposed assessment model changes. This information was provided to the Government of Alberta during the review process and has been submitted formally to the Minister of Municipal Affairs in advance of the internal provincial minister and decision-maker briefings.

Technical Summary of Proposed Changes

The Government of Alberta has based the review process around four scenarios for changes to various aspects of the assessment model, with each resulting in a different level of impact to municipalities and industry in the form of overall assessment reductions. The review process was focused primarily on discussing the impacts of the various scenarios rather than the technical details. However, the Government of Alberta revised the scenarios repeatedly throughout the review process based mainly on ongoing data, information and suggestions received from industry. Unfortunately, RMA was not provided this data or detailed information on why the scenarios were continually changed.

As RMA was not involved in the year-long technical reviews that preceded the current review, it is unknown the extent to which the changes in each scenario are informed by the work of the technical reviews. Specific technical questions about the rationale behind the changes in each scenario should be direct to Alberta Municipal Affairs.

The technical changes in each scenario are summarized below (based on summary information provided to RMA by the Government of Alberta):

Current

Wells

- Base costs - Follows CCRG
- Depreciation - A set factor of 0.67 (67% asset value applied)
- Additional Depreciation - Production
- Land Assessment - 1766 to 12,792
- Statutory Level or Adjustment Factor - None

Pipelines

- Base Costs - Follows CCRG
- Depreciation - A straight factor of 0.67 (67% asset value applied for all pipe types [less than 10 inches or greater than 10 inches])
- Multi line adjustment - Not applicable
- Additional Depreciation - Production
- Land Assessment - Not applicable
- Statutory Level or Adjustment Factor - Not applicable
- Age - Not applicable

Scenario A – 7% overall assessment decrease

Wells

- Base costs - All costs designated by the CCRG are removed, and stimulation costs are removed.

- Depreciation - Begins at 10% and ends at 90%, dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years.
- Additional Depreciation - None applied.
- Land Assessment - No changes to the current land assessment listed in the Minister's Guidelines.
- Statutory Level or Adjustment Factor - A factor of 0.65 is applied to deep horizontal wells.

Pipelines

- Base Costs - All costs designated by the CCRG are removed, and a straight cut is used for crossings.
- Depreciation - For all pipe types less than 10 inches, depreciation begins at 10% and ends at 90%, dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years. For all pipe types greater than 10 inches, depreciation begins at 10% and ends at 90%, dropping 3% per year until maximum depreciation (factor of 0.10) is reached in 26 years.
- Multi line adjustment - A factor of 0.80 is applied to all pipe greater than 10 inches.
- Additional Depreciation - 0.95 for CFB Suffield.
- Land Assessment - Not applicable.
- Statutory Level or Adjustment Factor - Not applied.
- Age - Updated to reflect new information.

Machinery and Equipment – Well Sites

- Base Costs - All costs designated by the CCRG are removed.
- Depreciation - Depreciation begins at 25% and ends at 90%, holding 25% for the first four years, and dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years.
- Additional Depreciation - Loss in value from site-specific causes.
- Land Assessment - Included in the well assessment.
- Statutory Level or Adjustment Factor - Legislated 77%.

Machinery and Equipment – Facilities

- No change from the current
- Statutory Level or Adjustment Factor - Legislated 77%.

Scenario B – 9% overall assessment decrease

Wells

- Base Costs - All costs designated by the CCRG are removed, and stimulation costs are removed.
- Depreciation - Begins at 25% and ends at 90%, holding at 25% for the first four years, and dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years.
- Additional Depreciation - None applied.
- Land Assessment - Maintain current land assessment listed in the Minister's Guidelines, except the land assessment is reduced to zero when maximum depreciation is achieved.
- Statutory Level or Adjustment Factor: - A factor of 0.65 is applied to deep horizontal wells. A factor of 0.80 is applied to SAGD wells.

Pipelines

- Base Costs - All costs designated by the CCRG are removed, and a straight cut is used for crossings.
- Depreciation - For all pipe types less than 10 inches, depreciation begins at 10% and ends at 90%, dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years. For all pipe greater than 10 inches, depreciation begins at 10% and ends at 90%, dropping 3% per year until maximum depreciation (factor of 0.10) is reached in 26 years.
- Multi line adjustment - A factor of 0.80 is applied to all pipe greater than 10 inches.
- Additional Depreciation - 0.95 for CFB Suffield.
- Land Assessment - Not applicable.
- Statutory Level or Adjustment Factor - Not applied.
- Age - Updated to reflect new information.

Machinery and Equipment – Well Sites

- As described in Scenario A.

Machinery and Equipment – Facilities

- No change from the current.

Scenario C – 14% overall assessment decrease

Wells

- Base Costs - All costs designated by the CCRG are removed, and stimulation costs are removed.
- Depreciation - Begins at 25% and ends at 90%, holding at 25% for the first 4 years, and dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years.
- Additional Depreciation - None applied.
- Land Assessment – Maintain current land assessment listed in the Minister's Guidelines, except the land assessment is reduced to zero when maximum depreciation is achieved.
- Statutory Level or Adjustment Factor - A factor of 0.65 is applied to SAGD wells.

Pipelines

- Base Costs - All costs designated by the CCRG are removed, and a straight cut is used for crossings.
- Depreciation - For all pipe sizes less than 10 inches, depreciation begins at 25% for the first four years and ends at 90%, dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years. For sizes greater than 10 inches, depreciation begins at 25% for the first four years and ends at 90%, dropping 3% per year until maximum depreciation (factor of 0.10) is reached in 26 years.
- Multi line adjustment - Factor of 0.80 is applied to all pipe greater than 10 inches.
- Additional Depreciation - 0.95 for CFB Suffield.
- Land Assessment - Not applicable.
- Statutory Level or Adjustment Factor - Not applied.
- Age - Updated to reflect new information.

Machinery and Equipment – Well Sites

- As described in Scenario A.

Machinery and Equipment – Facilities

- No change from the current.

Scenario D – 20% overall assessment decrease

Wells

- Base Costs - All costs designated by the CCRG are removed, and stimulation costs are removed.
- Depreciation - Begins at 25% and ends at 90%, and dropping 8% between year zero and year one, and by 4 % per year thereafter until maximum depreciation (factor of 0.10) is reached in 16 years.
- Additional Depreciation - 0.10 for zero production. Maximum depreciation is 0.10.
- Land Assessment - The land assessments are as follows:

Zone	Land Value – Single Pad	Land Value – Multi Pad
Central	3,838	512
NE	2,164	288
NW	1,589	212
SE	2,781	371
SW	2,424	323
Other	0	0

- Statutory Level or Adjustment Factor - SAGD receives a 0.65 factor

Pipelines

- Base Costs - All the costs designated by the CCRG are removed, and a straight cut is used for crossings.
- Depreciation - For all pipe sizes less than 10 inches, depreciation begins at 25 % for the first four years and ends at 90%, dropping 5% per year until maximum depreciation (factor of 0.10) is reached in 16 years. For sizes greater than 10 inches, depreciation begins at 25% for the first four years and ends at 90%, dropping 3% per year until maximum depreciation (factor of 0.10) is reached in 26 years.
- Multi line adjustment - A factor of 0.70 is applied to all pipe greater than 10 inches.
- Additional Depreciation - 0.95 for CFB Suffield.
- Land Assessment - Not applicable.
- Statutory Level or Adjustment Factor - Not applied.
- Age - Updated to reflect new information.

Machinery and Equipment – Well Sites

- As described in Scenario A.

Machinery and Equipment – Facilities

- No change from the current.

RMA's Response to Proposed Technical Changes

As noted, RMA was not involved or provided any information from the technical review processes that informed the development of the scenarios. Notably, every iteration of each scenario focused on increased tax relief to industry. Given the lack of available technical information, detailed data or methodology for the calculations used it is difficult to form an opinion on the scenarios outside of the reality that they will all negatively impact rural municipalities and will only become worse as assets continue to age. The proposed scenarios read as a wish list of industry and will cause significant harm to rural municipalities who have been strong partners to industry development for decades.

Further, these scenarios add even more tax policy items into the assessment model, which already includes many **existing** issues and challenges, including:

- Some of the excluded costs under the CCRG would not be excluded under the cost approach to value, and have been excluded under the CCRG to reflect historic negotiated decisions.
- The yearly setting of the assessment year modifier in Schedule B is not transparent and is not data driven based on changes to construction costs.
- The setting of the assessment year modifier is subject to ministerial discretion as impacted by the advocacy of industry groups.
- The age lives of machinery and equipment are set between 15 – 20 years at which time the equipment is fully depreciated; these artificially shortened age lives contrast with the actual life of a facility at 40 – 60 or more years.
- During the first five years equipment is assessed it receives an immediate 25% depreciation (the purpose of this tax policy was to provide an incentive to construct new machinery and equipment, however, there is no data to track whether this policy achieved this goal).
- The depreciation in Schedule C for machinery and equipment reaches a floor of 40% remaining; the purpose of this policy dating from the mid 1980s was to provide consistency and stability for municipalities.
- The statutory factor contained in the *Matters Relating to Assessment and Taxation Regulation*, further reducing the M&E assessment by a factor of 23%; the statutory factor represents a historical policy which should be reconsidered to see if it is still relevant.

As shown, many existing tax policies within the assessment model are still in existence despite their original intent (often investment incentive programs) having long since passed. This highlights the danger of the 'permanence' and lack of transparency of using the assessment model to engage in obvious tax policy initiatives, which is the primary intent of the current review.

Despite the “unknowns” in the proposed scenarios and lack of detail in the review process, there are a number of observations RMA has made about the suitability of the proposed changes:

Major Concerns

- ***Base Costs Exclusions***

The rates in the *Minister’s Guidelines* should reflect the typical cost to construct, or in this case drill, the well. Construction costs include both labour and equipment. The only costs which can be excluded are those under the *Construction Cost Reporting Guide (CCRG).*

Absent any additional information from the technical reviews, it is impossible to evaluate specific changes to base costs in these scenarios. However, they appear to be a departure from the intended value of reflecting accurate costs of construction, appear to arbitrarily exclude costs, and are potentially an embedded tax policy for industry.

- ***Depreciation***

The scenarios include the introduction of depreciation of wells and pipelines, where the current assessment model uses a fixed rate of 0.67 (67%) asset value at all asset ages. The new scenarios add an age table for depreciation for pipelines and wells. The depreciation ranges from a high of 90% asset value or 75% asset value when new (depending on the scenario), to a floor of 10% asset value once fully depreciated. The asset life of depreciation is either 16 or 26 years depending the asset type and the scenario.

In the absence of technical review information, and based on conversations during the review process, it appears that this new depreciation approach is based on the economic profitability of the assets. This represents a marked departure from the current regulated valuation approach, which focuses on typical wear and tear (physical depreciation) and typical technological changes over time (functional depreciation) rather than market value.

These new scenarios are contrary to the principles underlying regulated assessment, and imports market value principles into the regulated assessment process. Depreciating wells and pipelines on the premise of profitability solely for the purpose of reducing assessment is one-sided, as the proposed scenarios do not include a mechanism to increase the assessment during healthy economic times.

- ***Land Assessment***

Scenarios B and C set the land component at zero to when a well has reached maximum depreciation. Scenario D introduces set land value rates based on the region and well characteristics, though the proposed values are well below the current land value ranges, which are already nominal and do not reflect market value.

Land typically does not depreciate and should reflect market values, so this can only be considered an additional tax policy to benefit industry.

- ***Other Adjustments, Statutory Factors and Depreciations***

The scenarios include a range of additional adjustments, statutory factors and depreciations. This includes a 0.75 factor for SAGD wells, a 0.70 factor for a multi-line adjustment, a 0.10 factor for zero production, among others. Again, without technical review information provided, it appears that these adjustments are actually very specific tax reduction policy initiatives to support particular asset types, that are being embedded into the assessment model. RMA is concerned that if the additional tax policy incentives are embedded in the assessment model then there will be no mechanism to know whether the policies have achieved their objectives and no mechanism to remove them after the objectives have been achieved. This phenomenon can be seen in the large amount of historical tax initiatives that are currently embedded in the assessment model. If history repeats itself, these adjustments (which are a clear response to current market factors) will remain in the assessment model for decades, with no ability to dial them back when market conditions correct.

Areas of Support

- ***Base Costs - Updating***

As noted above, the base cost rates should reflect the typical cost to construct, or in this case drill, a well. In this spirit, RMA supports the need to regularly review and update base costs to accurately reflect changes in construction costs, technological advances, and other necessary changes.

RMA would support a meaningful review process, undertaken by objective experts, and using detailed data. While RMA is hopeful this accurately describes the work conducted in the technical reviews, the work of the technical review has not been shared, so it is impossible to know what process was followed.

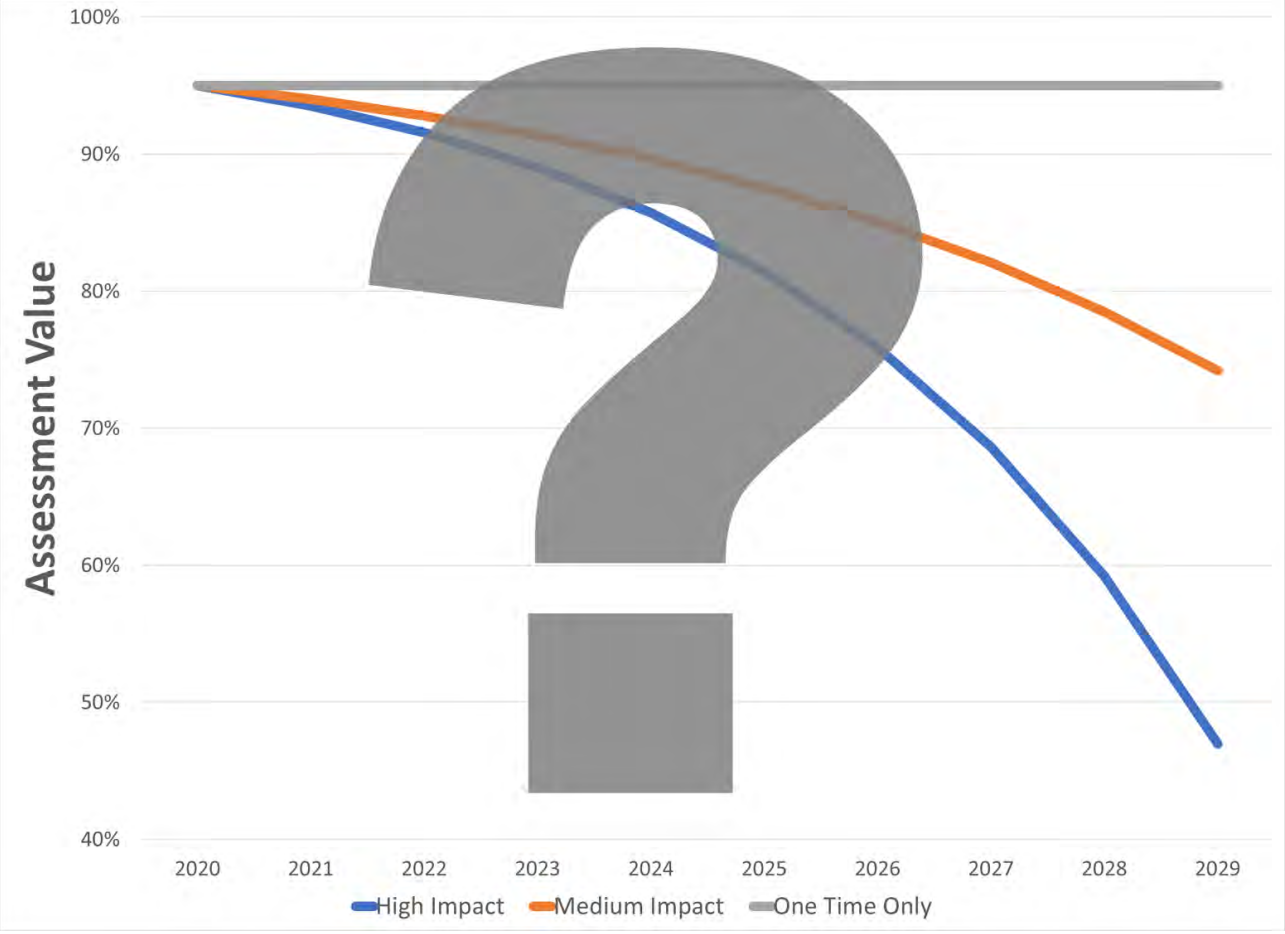
- ***Changes to the Assessment Year Modifier***

It appears that the review will include a move to an open, transparent, specified formula and data sources for the Schedule B Assessment Year Modifier being set out in the *Minister's Guidelines*. In the past, this modifier has not been transparent on how it was calculated. The inclusion of the formula, with reference to the public data sources, would increase transparency, predictability and consistency for all stakeholders.

Municipal Impacts of Proposed Changes

Each of the four scenarios proposed by the Government of Alberta would significantly reduce the overall rural municipal assessment base. This section will provide an overview of municipal fiscal impacts and potential municipal response mechanisms to the changes. It is important to note that the impacts of the scenarios vary significantly by region: a few municipalities actually benefit from the changes in some scenarios, while many lose huge amounts of assessment value and associated tax revenue. The analysis below shows average impacts as well as impact range to provide further support to the unpredictable and drastically different impacts that the changes produce across the province.

Due to limitations on the data provided during the review, RMA is only able to accurately model the impacts of the change in 2021. Due to changes to asset depreciation curves, it is likely that reductions will become more severe in each year beyond 2021. The lack of a long-term impact analysis is an extremely serious flaw of the review process. Due to the more aggressive depreciation curves inserted into all models, even municipalities who are relatively unaffected by the scenarios in 2021, will see the value of assessed value of existing property decrease much more rapidly than under the current model. Unfortunately, due to the lack of data provided during the review process, it is impossible to know how significant long-term impacts will be, as this is dependent on the age and type of each municipality's asset base.



What is known is that proceeding with such significant change with no knowledge of the long-term impacts it will have on the assessment base is highly concerning, which is why RMA has repeatedly called for a long-term impact analysis of the changes on both municipalities and industries prior to implementation.

It is important to continue to note that the data below is for 2021 only.

Overall municipal assessment base change ($) – RMA members

Scenario Tax Impacts	Scenario A	Scenario B	Scenario C	Scenario D
Average among all rural municipalities	-126,863,993	-174,416,214	-277,155,495	-$382,073,334
Least impacted municipality	+1,844,854,368	+1,510,074,086	+38,816,782	-5,088,160
Most impacted municipality	-1,059,619,509	-1,258,803,514	-1,495,636,950	-2,175,007,683

While average assessment base losses worsen somewhat consistently across the four scenarios, the actual individual municipal impacts of each scenario vary significantly. While many rural municipalities may be able to adapt to an assessment base loss between $100 - $400 million, for the several in each scenario that would face losses near or exceeding $1 billion in assessment, the consequences may be much more extreme.

While the dollar amount losses paint a concerning picture, an even more impactful way to consider the scenarios is by looking at the percentage of assessment lost.

Overall municipal assessment base change (%) – RMA members

Scenario Tax Impacts	Scenario A	Scenario B	Scenario C	Scenario D
Average among all rural municipalities	-14	-16	-19	-24
Least impacted municipality	+16	+13	+1	-1
Most impacted municipality	-52	-52	-53	-56

A major weakness of using the assessment model to support industry competitiveness is that its complexity results in widely different regional impacts of any changes. The scenarios proposed by the Government of Alberta are no different. The chart below looks at the percentage of municipalities that will experience assessment base losses in excess of 10% under each scenario, divided by RMA district.

Percentage of municipalities with assessment base loss above 10% - by RMA district

District	Scenario A	Scenario B	Scenario C	Scenario D
1- Foothills-Little Bow	92%	100%	100%	100%

District	Scenario A	Scenario B	Scenario C	Scenario D
2 – Central	62%	69%	85%	85%
3 – Pembina River	46%	54%	54%	77%
4 – Northern	53%	60%	73%	93%
5 – Edmonton East	77%	85%	85%	92%
Overall	62%	68%	80%	88%

While rural municipalities across the province are severely impacted by the proposed changes, large reductions in revenue are most widespread across all scenarios in RMA's district one, which consists of thirteen municipalities in the far south of the province. Many of these municipalities are already suffering from unpaid taxes on oil and gas properties. The disproportionate regional impacts, and lack of mitigation strategies on the part of the Government of Alberta demonstrate the inequities built into the review process and proposed changes.

The information above speaks to the severe and inequitable impacts that the proposed scenarios have on the assessment bases of rural municipalities. While this is important, to adequately understand the consequences of these reductions, it is important to consider how they will impact municipal revenues and service delivery. Because each municipality will be impacted to different extents and select different responses, the information below provides hypothetical "average" rural municipal responses based on the impacts of the various scenarios and publicly available municipal data.

Potential Response Options – Average Rural Municipality

	Scenario A	Scenario B	Scenario C	Scenario D
Residential mill rate increase	85.78%	106.63%	148.23%	199.43%
Or				
Non-residential mill rate increase (excluding 5:1 limits)	15.63%	19.33%	22.76%	31.89%
Tax capacity shortfall due to 5:1 ratio (includes tax capacity loss still required to achieve 5:1)	$4,806,050	$4,952,061	$5,093,415	$5,608,241
Or				
Workforce cuts to cover losses (% of total FTEs)	11.52%	14.82%	21.59%	28.82%
Total rural municipal FTEs at risk	957	1,231	1,793	2,394
Or				
Average total expense reduction % (including capital infrastructure investment)	9.28%	10.78%	12.82%	16.24%
Or				

	Scenario A	Scenario B	Scenario C	Scenario D
% of rural municipalities that could not cover shortfall for one year with unrestricted reserves	44.9%	40.6%	42.0%	50.7%
% of rural municipalities that could not cover shortfall for two years with unrestricted reserves	60.8%	57.9%	63.7%	73.9%

In reality, most municipalities will react to the loss in revenue through a combination of tax rate increases, service level reductions, and debt. However, the examples above show how significant the reductions in assessment will be for rural municipalities.

More importantly, it shows the likelihood that other commercial property owners and residents will "pay the price" in subsidizing a property tax break to the oil and gas industry in the form of increased non-residential and residential tax rates or reduced services. The assessment approach for other commercial and residential properties is not being reviewed to give property owners "a break" during these challenging economic times; this manipulation of the assessment model is only being offered to the oil and gas industry. All other properties will be assessed in the same manner, and either receive a lower level of service or pay higher taxes to subsidize the municipal revenue lost from the oil and gas industry. **In other words, the tax burden will simply be shifted away from the oil and gas industry and on to all other businesses and residents. Most municipalities will simply have no other choice.**

Industry Impacts of Proposed Changes

******Please note –*** *The Government of Alberta has indicated that the data used to determine tax impacts of each scenario on specific companies may not be fully accurate. As RMA must rely on the Government of Alberta to provide this level of detailed information, the conclusions below are reflective of the data provided during the review, and any inaccuracies are the result of the information provided.*

Both RMA and its members have a long history of supporting and collaborating with Alberta's oil and gas industry. The final section of the report will propose an array of options to support industry competitiveness that are both fairer and more effective than manipulating the assessment model. This section will focus on evaluating the Government of Alberta's claim that the assessment model review is intended to enhance industry competitiveness and consider the extent to which it meets this priority.

"Industry competitiveness" was never defined during the review process, and the industry stakeholder representatives involved in the review (Canadian Association of Petroleum Producers [CAPP], Canadian Energy Pipelines Association [CEPA] and the Explorers and Producers Association of Canada [EPAC]) provided no evidence as to how reduced property assessments would enhance competitiveness in comparison to other industry cost drivers. There was also no consideration or respect afforded by industry to the important role that municipal infrastructure and services play in supporting oil and gas industry competitiveness by providing safe and reliable access to natural resources.

In addition to a lack of evidence as to the link between assessment and competitiveness, the recommended scenarios result in shockingly different outcomes for different oil and gas companies. While the overall oil and gas industry would see assessment reductions under each model, those benefits are not distributed equitably.

RMA has divided the 750 oil and gas companies that own property impacted by the review into the following categories based on the overall value of their assessed assets:

- Tier 1 (assessed asset value over $500 million) – 27 companies
- Tier 2 (assessed asset value $100 million - $500 million) – 63 companies
- Tier 3 (assessed asset value $20 million - $100 million) – 98 companies
- Tier 4 (assessed asset value ($1 million - $20 million) – 227 companies
- Tier 5 (assessed asset value under $1 million) – 335 companies

The table below shows how companies of different sizes would be impacted by assessment scenario D, which is favored by industry.

Industry Assessment Impacts – by Company Size – Scenario D

	Percent of Total firms	Percent of Total Assessment Base	Average Savings	Percent of total savings	Percent of firms with tax increases
Tier 1	3.60	62.14	-$7,184,488	71.72	0
Tier 2	8.40	26.55	-$868,011	20.22	6
Tier 3	13.07	8.83	-$176,215	6.38	8
Tier 4	30.27	2.32	-$18,828	1.58	16
Tier 5	44.67	0.16	-$819	0.10	29

For comparison purposes, the impacts in the table below are for scenario B, which still has major revenue implications for municipalities but has been dismissed by industry as not meaningful in enhancing competitiveness.

Industry Assessment Impacts – by Company Size – Scenario B

	Percent of Total firms	Percent of Total Assessment Base	Average Savings	Percent of total savings	Percent of firms with tax increases
Tier 1	3.60	62.14	-$4,358,795	108.88	19
Tier 2	8.40	26.55	+$51,529	-3.00	46
Tier 3	13.07	8.83	+$49,230	-4.46	47
Tier 4	30.27	2.32	+$5,380	-1.13	40
Tier 5	44.67	0.16	+$928	-0.29	41

What is significant about both scenarios is the disproportionate benefit that the largest oil and gas companies in the province receive. In each scenario, Tier 1 is the only group of companies who receive benefits that exceed their share of the actual assessment base. In scenario D, which has the most extreme negative impacts on municipal viability, all tiers benefit, though the extent of benefits decrease as company size decreases. In scenario B, tiers 2-5, which comprise 723 of 750 companies impacted by the review, collectively face increased costs, while the 27 tier 1 companies receive huge assessment and tax relief. Additionally, in both scenarios, many of the smallest companies (tiers 4 and 5) would face assessment increases.

What does this mean? Industry is arguing that scenario D is the only option to truly enhance competitiveness, and that may be true given the options developed. Scenarios A, B and C would hurt municipalities and hurt most oil and gas companies, while scenario D would decimate municipalities and provide at least modest relief to all company tiers (though again, even under scenario D, 145 companies would face assessment increases). The only groups that win in every scenario are the

largest oil and gas companies operating in Alberta, many of which have holdings worldwide and would be under no obligation to reinvest savings in the province.

What this industry analysis shows is that the assessment model review is not meeting its mandate of enhancing competitiveness and supporting municipal viability. It is reducing assessments for the largest and most well-connected companies on the backs of small oil and gas producers and municipalities.

RMA supports an assessment model review, but this analysis proves that the current process is inequitable. A review should focus on updating data and methodology to maintain an objective assessment system, and industry competitiveness should be address using the alternatives on the following page.

Alternative Approaches to Enhancing Industry Competitiveness

Although not part of the review process, RMA conducted an analysis of alternative approaches to enhancing industry competitiveness and evaluated them based on the following five principles:

Equitable in Cost Sharing	Equitable in Benefits Sharing	Tangibility	Sustainability	Transparency
All activities enacted to support oil and gas competitiveness should be equitably born through a partnership between the Government of Alberta and Alberta municipalities and reflect the relative powers and financial tools available to each level of government to support industry.	All activities enacted to support oil and gas competitiveness should equitably benefit companies in the oil and gas sector and not be focused on large companies to the detriment of smaller entities.	Financial contributions to industry either through direct investment or tax reduction should be designed to elicit direct, observable action by industry in the form of capital investment or employment creation.	Solutions cannot be solely focused on short-term gains or impacts but should put in place mechanisms that consider the potential for times of greater prosperity. Sustainability to municipalities means that revenue over the taxable life of the asset justifies infrastructure investments to support industrial development.	The goals, contributions, benefits and mechanisms put in place to support industry must be reported in a manner that is understandable to provincial taxpayers and municipal ratepayers. Mechanisms have built-in means for regular review and potential revision to maintain equitability and fairness.

Based on these principles, RMA analyzed 13 options (including manipulation of the assessment model) to support industry competitiveness and assigned each a score out of five – a high score indicates a strong option based on RMA's principles. Options and scoring were as follows:

Policy Alternatives	Scoring Factors					
	Cost Sharing	Benefits Sharing	Tangibility	Sustainability	Transparency	Total Score
Tax and Royalty Forgiveness						
Assessment Manipulation (Current Review)	1	2	1	1	1	**1.2**
Municipal Tax Rebate Policy	1	3	1	2	3	**2.0**
Tax Rebate Policy on New Investment	3	3	4	2	3	**3.0**
Education Property Tax Requisition Adjustments	5	3	1	3	3	**3.0**
Oil & Gas Royalties Reduction	5	3	2	3	4	**3.2**
Additional Mill Rate Categories	3	4	1	3	3	**2.8**
Property Tax Incentives Expansion	2	2	4	1	4	**2.6**

Mill Rate Ratio Adjustment	2	3	1	2	3	**2.2**
Downtime and Production Tax Rebates	2	2	2	2	1	**1.8**
Income Tax Reduction / Tax Credits	5	4	5	3	4	**4.2**
Direct Incentives						
Environmental Remediation	5	2	4	4	3	**3.6**
Incentive Based Grants / Shared Investment	4	4	5	4	4	**4.2**
Direct Infrastructure Investment Program	5	3	4	4	4	**4.0**

What this analysis shows is that making changes to the assessment model to support industry competitiveness during a difficult economic time is a poor option by all measures, and there are many other approaches the province could take that would better support competitiveness. Changing the assessment model is inequitable, as it places the entire burden for industry savings onto municipalities. It is also inequitable in how the benefits are distributed, as the section above demonstrates that large companies receive significant assessment reductions, while assessment will increase for many small companies. The approach lacks tangibility in that there is no link between any cost savings provided to industry and capital investment or job creation in Alberta. The approach is also not sustainable as the aggressive depreciation curves proposed will have long-term impacts on municipalities that are even more serious than the immediate impacts summarized above. Finally, the approach is not transparent as any industry incentives are "baked" into the assessment model in a way that is not easily visible, and very difficult to change or remove when they are no longer required.

On the other hand, many alternatives in the table above score much higher in all principle categories. For example, incentive based grants/shared investments (in which government provides financial support based on a company meeting specific targets or committing to particular levels of investment) score highly in all categories, as it fairly shared the cost burden and benefits, provides a direct link between the incentive given and measurable actions taken on the part of the company, is sustainable in the sense that the incentive would not be provided if the company's action did not lead to a long-term benefit to the province, and is highly transparent as the incentive is only provided based on the company undertaking a specific action.

RMA's full submission to the Government of Alberta includes a complete analysis of all the options above. **What is important for members to consider is that the province's stated goal of using the assessment system for industry competitiveness fails in meeting every principle identified by RMA as characteristic of an effective industry competitiveness enhancement tool.** RMA can provide members with more detailed information on the tools and analysis upon request.

RMA RURAL MUNICIPALITIES of ALBERTA

POSITION STATEMENT

Assessment Model Review

Alberta's assessment model is intended to provide a means for all properties in the province to be assigned an objective annual value for the purposes of property taxation and to inform municipal grants and requisitions. While most properties are assessed based on their market values, designated industrial properties such as wells and pipelines are assessed based on several regulated factors linked to depreciation, size, materials, etc. By attempting to use the assessment system to enhance industry competitiveness, the 2020 review and subsequent changes to how these regulated properties are assessed has compromised the objectivity of the regulated assessment model, and will result in serious fiscal impacts to municipalities, while actually compromising the competitiveness of many small oil and gas companies.

What is RMA's position on the role of Alberta's assessment system?

- Alberta's assessment model is intended to provide an objective and data-driven method to valuing properties in the province.
- Any changes to the regulated assessment models should be based on new information, new methodology, and accurately assessing new technology and equipment.
- Alberta's assessment system should not be modified or amended to address short-term challenges of a specific industry or property type.
- Tax exemption policies should not be built into the assessment system. Such policies should be implemented in a transparent and targeted manner.

What are the risks and challenges associated with using the regulated assessment system to enhance industry competitiveness?

- The regulated assessment model is highly complex and not designed to be used to provide targeted support to specific industries or property types. As such, any attempts at targeted industry support through assessment manipulation will have unintended impacts on both property owners and municipalities.
- "Ability to pay" is not a factor in the assessment process for any regulated and non-regulated property in Alberta, and should not be built into the model for wells, pipelines, and other oil and gas equipment. This should be addressed through other provincial policy tools.

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- Manipulating the assessment system to support industry competitiveness will have a wide range of impacts on municipal assessment values, which affect municipal revenues, grant distribution, requisition calculations, and will have both local and regional impacts across Alberta.

- A reduction in assessment will force municipalities to make a range of revenue-generation and spending changes, including some combination of raising tax rates on residential and non-residential property classes, reducing service levels, revising or cancelling intermunicipal agreements, or potentially facing non-viability. The actual impacts of the proposed changes will vary widely by municipality.

- There is no mechanism to require the oil and gas industry re-invest any cost savings received through changes to the assessment model in Alberta in the form of job creation and/or capital investment.

What is RMA's position on the outcomes of the 2020 assessment model review for regulated oil and gas properties?

- The final scenarios recommended to provincial ministers based on the review process will have severe negative impacts on rural municipalities in the form of reduced assessment values and taxation revenues.

- The final scenarios recommended to provincial ministers based on the review process have not been adequately evaluated in relation to enhancing industry competitiveness and supporting municipal viability, which the Government of Alberta identified as the two review priorities.

- The final scenarios recommended to provincial ministers based on the review process will have widely different impacts on municipalities in different regions of the province. Municipalities that primarily host older oil and gas infrastructure will be much more negatively impacted than municipalities that host newer oil and gas infrastructure.

- The data used to develop the final scenarios recommended to provincial decision-makers is incomplete, as it is based on only one year of impacts. Due to the significant changes to depreciation curves used in each scenario, the multi-year impacts of the changes will be much more impactful and must be considered in a final decision on changes to the assessment model.

- The final scenarios recommended to provincial ministers based on the review process will have significantly different impacts on oil and gas companies of different sizes. The largest oil and gas companies operating in Alberta will benefit significantly, while the smallest oil and gas companies will, in many cases, face significantly higher assessments.

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POSITION STATEMENT

How will the outcomes of the 2020 assessment model review impact municipal sustainability?

- Municipalities rely on fair, objective and consistent property assessment system to adequately plan and budget.

- Under the four scenarios proposed by the Government of Alberta, Alberta municipalities will lose between $109 million and $291 million in tax revenue in 2021, with likely increases each year as assessable property depreciates.

- Under the scenario favored by the oil and gas industry, the average rural municipality will lose over 12% of its revenues in 2021, and 10 municipalities will lose over 20% of their revenues.

- Municipalities have limited tools to generate revenue. Significantly reducing property assessments will force municipalities to increase non-residential and residential tax rates, reduce service levels, eliminate staff positions, and/or consider dissolution. A rural dissolution would have significant cost and service implications, as the average rural municipality manages 1955 kilometres of road over 120 bridges, most of which exist to provide industry access to natural resources and markets.

- Industry has formally requested that municipal tax rates be frozen for non-residential properties. This, along with the changes to the assessment model favored by industry, would require municipalities to raise their residential tax rate by an average of 199% to offset revenue losses.

- Including capital and infrastructure investment, the average municipality would be required to reduce expenses by over 16% to offset revenue losses in the oil and gas industry's preferred scenario.

- When combined with increased policing costs, reduced grant funding, and COVID-19-related property tax deferrals, many rural municipalities will lack the ability to adapt to the revenue reductions that will be the result of the scenarios proposed by the Government of Alberta.

How will the outcomes of the 2020 assessment model review impact oil and gas industry competitiveness?

- Throughout the review process, no data or information linking assessment reductions to competitiveness enhancements was provided by industry stakeholders or the Government of Alberta.

- Although the oil and gas industry as a whole will receive modest cost reductions through the reduction of

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property assessment, there is absolutely no requirement or incentive that will ensure any savings benefit Alberta in the form of increased industry investment and job creation.

- Based on the Government of Alberta's proposed scenarios, the largest oil and gas companies operating in the province will receive a disproportionate share of benefits from changes to the assessment model. Small and locally-owned companies will, on average, receive significantly less benefit, and in many cases will face significant assessment increases.

- Many of the companies that will benefit most from the assessment model review have holdings worldwide and are under no obligation to reinvest savings in Alberta.

- Under the proposed changes to the assessment model favored by industry, over one-third of all oil and gas companies would face assessment increases, while the largest oil and gas companies would receive benefits that greatly exceed their share of the assessment base.

What alternatives would better enhance oil and gas industry competitiveness while supporting municipal sustainability?

- There are a wide variety of tax and policy tools available to enhance oil and gas industry competitiveness.

- Any tool to enhance industry competitiveness should be evaluated on five principles:
    - Equitable in cost-sharing – are the costs of supporting industry shared equitably among different levels of government?
    - Equitable in benefits-sharing – are the benefits of an incentive or support distributed equitably within industry and do they reach the sub-sets of industry that need it the most?
    - Tangibility - Do the benefits of the tool lead to direct, observable action by industry that provides an overall provincial benefit (capital investment, job creation, etc.)?
    - Sustainability – Does the tool prioritize long-term growth and investment for industry and is it adjustable or cancellable if it is on longer needed?
    - Transparency – Is the tool understandable to taxpayers? Are the province-wide benefits easily observable? Does the tool have a built-in means for regular review and modification?

Contact

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July ?, 2020

Commented [WS1]: Transfer to your municipality's letterhead, font, etc.

MLA FIRST LAST
RIDING

Via email: EMAIL ADDRESS

Dear MLA ?,

Re: Impacts of Assessment Model Changes on MUNICIPALITY

MUNICIPALITY is extremely concerned with and opposed to the changes to the assessment model for regulated properties such as wells and pipelines that was announced recently. The changes are intended to enhance oil and gas industry competitiveness, but will have serious impacts on municipalities across Alberta. As your riding includes MUNICIPALITY, it is critical that you are aware of the impacts these changes will have on our ability to provide services and maintain infrastructure, as well as the burden such changes may place on other property owners in the municipality.

Based on the various potential changes presented by the province, MUNICIPALITY would be required to increase the residential tax rate by between xx% and yy%, the non-residential tax rate by between xx% and yy%, or reduce full-time employment by between xx% and yy%. Raising tax rates to off-set the impacts of the assessment model change will have the effect of simply transferring taxes from the oil and gas industry to other businesses and residents.

In reality, we may be forced to enact a combination of all three changes, as well as reduce service levels and intermunicipal collaboration agreements to remain viable. These changes will impact not only our municipality and the services we provide to residents and businesses, but the entire region. Please find attached to this letter a short summary of how the changes will impact MUNICIPALITY.

As MLA for RIDING, we rely on you to serve as a provincial government champion for our municipality, our municipal neighbours, and area residents and businesses. Right now, we badly need your support in urging your government colleagues (particularly the ministers of Municipal Affairs and Energy and the Associate Minister of Natural Gas and Electricity) to reconsider these changes and work with municipalities to better understand their impacts. MUNICIPALITY, and many others across Alberta, are proud supporters and partners of the oil and gas industry, and deserve to be part of the solution to industry competitiveness, rather than have be forced to absorb crippling changes to the assessment model.

We would be pleased to provide you with further information on this issue. We would also encourage you to contact the Rural Municipalities of Alberta for more information on the province-wide impacts of the changes.

Sincerely,

?, Mayor/Reeve
Municipality
cc: Al Kemmere, President, Rural Municipalities of Alberta

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ASSESSMENT MODEL REVIEW
MEMBER INFORMATION SESSION

July 22, 2020

Priority Topics for Discussion

- Review purpose and process
- Review outcomes
- RMA and member advocacy

Develop options for government that take into account current costs, economic circumstances, and industry practices with a view to enhancing industry competitiveness while concurrently ensuring the ongoing viability of municipalities.

- AMR terms of reference

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Municipal Participants

- RMA (4)
- AUMA

Industry Participants

- Canadian Assoc. of Petroleum Producers
- Explorers and Producers Assoc. of Canada
- Canadian Energy Pipeline Assoc.
- Canadian Property Taxpayers Assoc.

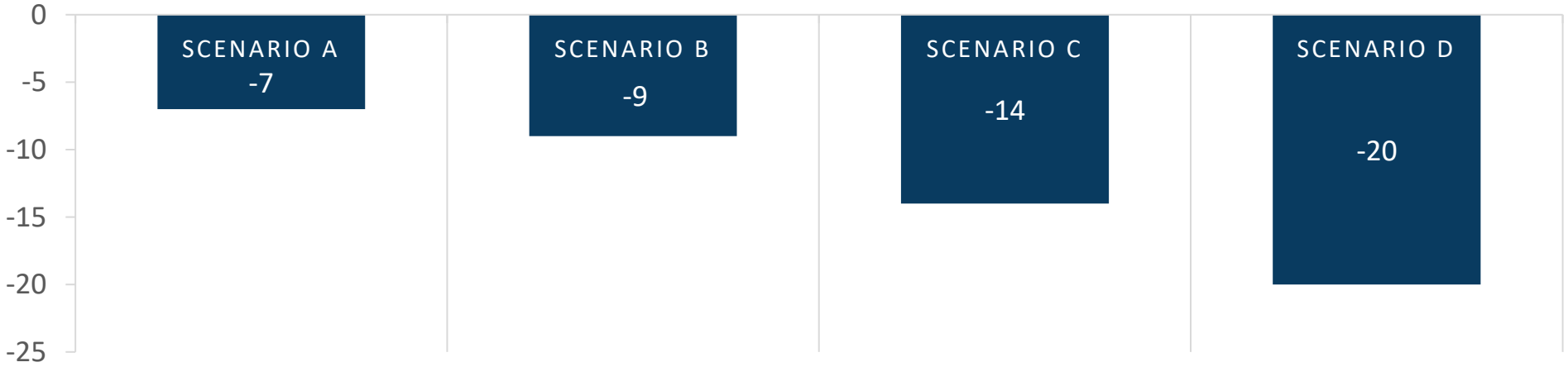
Government Ministries

- Municipal Affairs
- Energy

Review Scenarios

- Developed by province with information and data provided by industry
- Amended throughout process, steadily became more extreme in terms of overall assessment losses
- No explanation as to why technical changes were made that produced each scenario.
- Scenario D added mid-way through the process after being provided by industry.

Final Scenarios – Overall Assessment Impact (%)



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RMA Input

- January meeting – “State of Rural Municipalities” presentation
- March meeting – Initial municipal impacts PowerPoint and formal submission
- May meeting – Final municipal impacts and policy alternatives PowerPoint and formal submission

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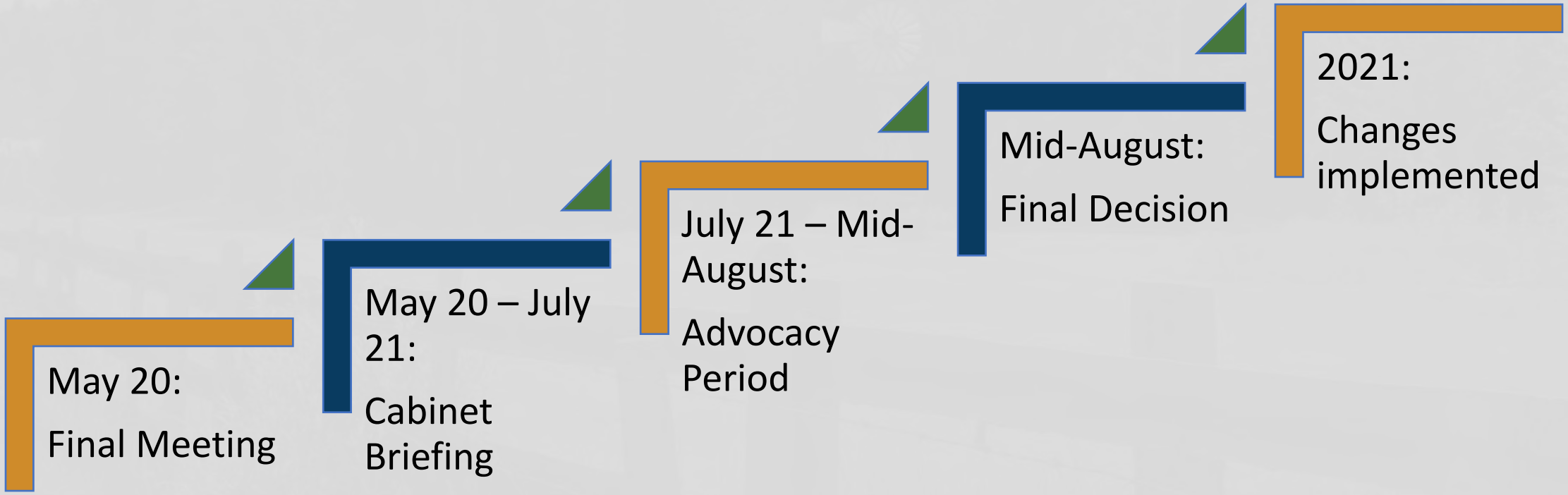
Post-Review Process



RMA's Recurring Arguments

- The assessment model is not the proper tool to support a struggling industry

- The assessment model cannot be changed to enhance industry competitiveness (lower property taxes) and support municipal viability

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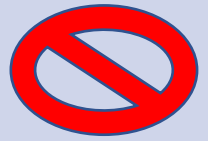
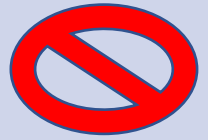
RMA and its members have a long history of supporting Alberta's oil and gas industry. Similarly, the oil and gas industry has contributed to the sustainability of Alberta's rural and small urban municipalities through job creation, property taxes, and contributions to community infrastructure and services. [RMA]understands the challenges that the oil and gas industry is facing, primarily due to large-scale changes in demand for oil and gas products as well as market access issues.

- RMA, March 6 Submission

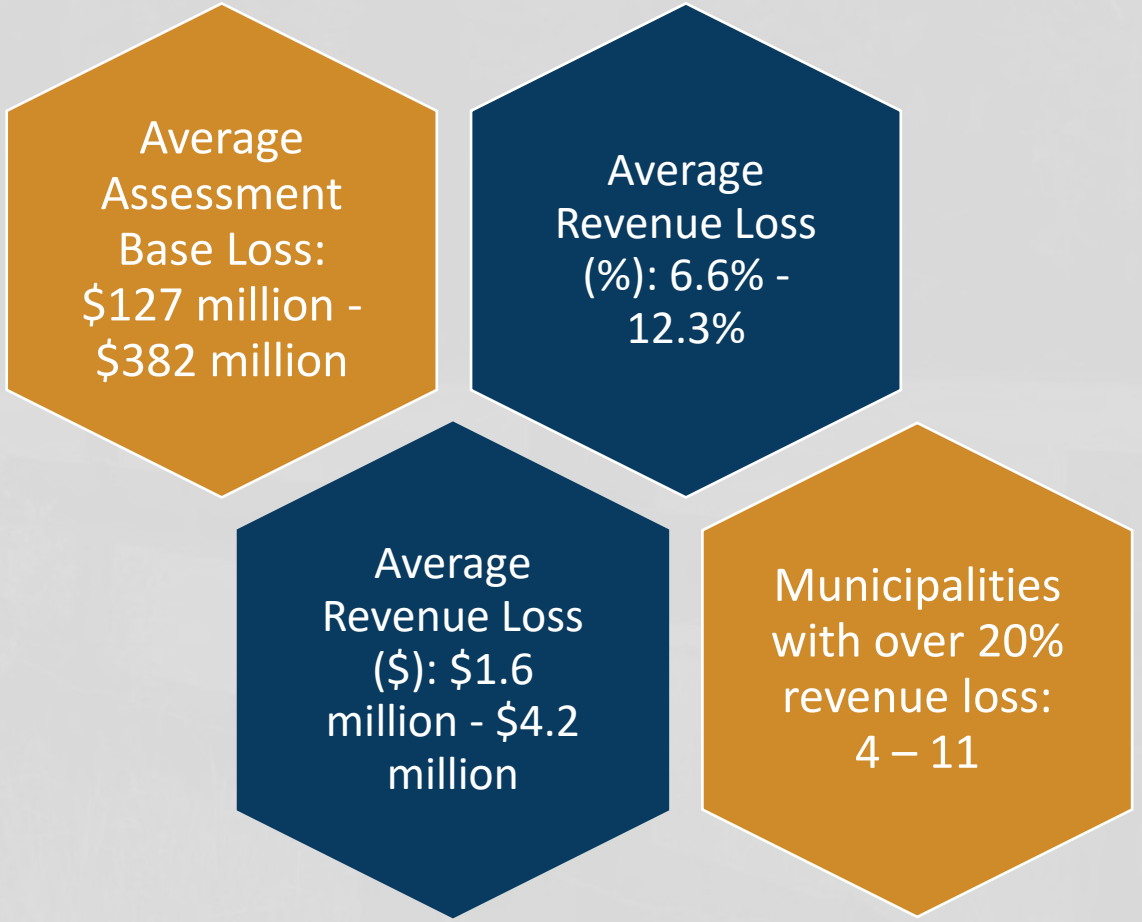
The Assessment Model – Industry Support Tool?

Equitable in cost-sharing – costs of incentive shared equitably among different levels of government	
Equitable in benefits-sharing – benefits of incentives should be distributed equitable across the industry	
Tangibility – incentive should produce direct, observable benefits to industry in Alberta (capital investment, job creation, etc.)	
Sustainability – must not be strictly focused on “short-term gains,” but be designed to be scalable for different economic circumstances	
Transparency – incentive must be easily understandable, reportable, etc.	

Changes to the assessment model will combine with ongoing challenges facing rural municipalities due to government actions (or inaction), including unpaid oil and gas property taxes, reductions in provincial grant funding, implementation of a new police costing model, **which will threaten the viability of some rural municipalities**.

- RMA, May 6 Submission

Average Municipal Impacts (Scenario A – Scenario D)

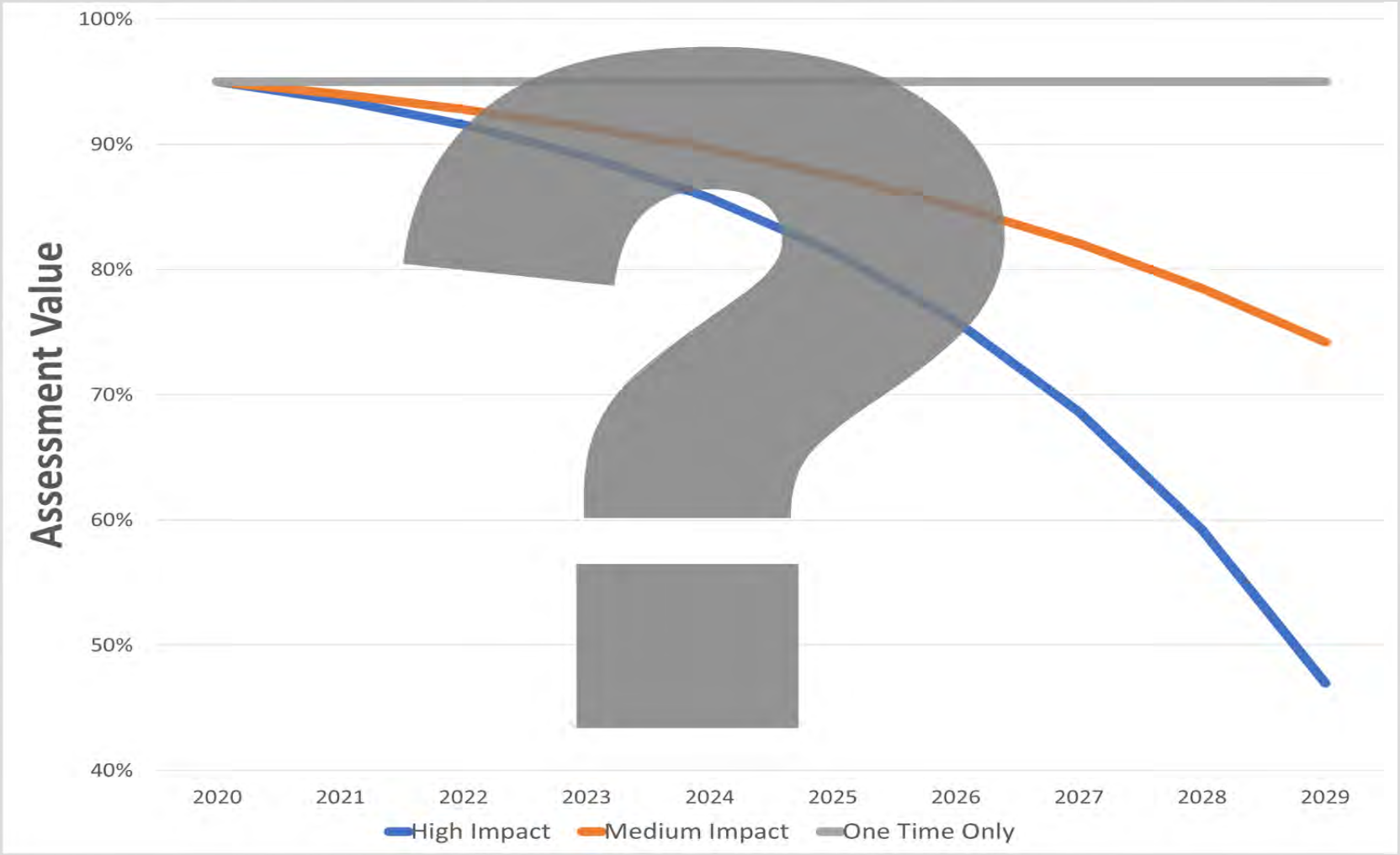


Next Level Municipal Impacts

- Raise tax rates (other property owners subsidize oil and gas tax break)
- Reduce service levels
- Reduce staffing levels
- Reduce intermunicipal collaboration
- Re-allocate restricted reserves
- Consider dissolution

RMA
RURAL MUNICIPALITIES of ALBERTA

Lack of Data: A Huge Challenge



Will this at least help industry?

- 750 companies own assets impacted by the review
- Divided into five tiers based on asset value:
  - Tier 1 (27 companies) - $500+ million
  - Tier 2 (63 companies) - $100 - $500 million)
  - Tier 3 (98 companies) - $20 - $100 million
  - Tier 4 (227 companies) - $1 - $20 million
  - Tier 5 (335 companies) – under $1 million

Who does it help?

	% of assessment base	% of savings (scenario A)	% with assessment increase (scenario A)	% of savings (scenario D)	% with assessment increase (scenario D)
Tier 1	62.14	139.78	22	71.72	0
Tier 2	26.55	-20.70	51	20.22	6
Tier 3	8.83	-13.97	55	6.38	8
Tier 4	2.32	-4.35	47	1.58	16
Tier 5	0.16	-0.75	48	0.10	29

Potential winners

- Largest oil and gas companies

Potential losers

- Rural municipalities
- Remaining 96% of oil and gas companies

Advocacy Roles

- RMA
  - Minister/Cabinet focus
  - Overall municipal impacts
- Members
  - MLA focus
  - Local/regional impacts

RMA
RURAL MUNICIPALITIES of ALBERTA

Local/regional impacts

- Revenue losses
- Tax rate increases
- Unfair burden on other taxpayers
- Reduced services
- Reduced staffing levels
- Reduced infrastructure investments
- Dissolution
- Reduced intermunicipal collaboration

- Province-wide
- Cumulative impacts
- Regional disparities
- Government-wide
- Assessment model: the wrong tool

Contact us:

akemmere@rmalberta.com

tasha@rmalberta.com

Shawna Schwerdt

From: Wyatt Skovron <wyatt@RMAlberta.com>
Sent: Tuesday, July 28, 2020 9:15 AM
To: Shawna Schwerdt
Cc: cao
Subject: RE: Birch Hills County - Assessment Model Review Advocacy Materials
Attachments: AMR Member Overview.pptx

Hi Shawna,

I've attached the PPT slides and a recording of the webinar can be found here:
https://us02web.zoom.us/rec/share/xskvEa7urThLfqPt-k_4daMKP6XIaaa8gCFI-qdbyUfZoGo-RLelkTUvs57N1RZp
Password: DU!Pr9nc.

As far as using materials publicly, you absolutely can, and we encourage you to do so to advocate on this issue locally. We've sent to all rural MLAs the summary document and impact report cards for municipalities in their riding, but this information will likely mean much more coming from their local municipal representatives.

Thanks

Wyatt Skovron
Senior Policy Advisor

From: Shawna Schwerdt
Sent: July 27, 2020 2:54 PM
To: Wyatt Skovron <wyatt@RMAlberta.com>
Cc: cao <cao@birchhillscounty.com>
Subject: RE: Birch Hills County - Assessment Model Review Advocacy Materials

Hello Wyatt,

I was wondering if we could get a copy of the Webinar that was on July 30, 2020?
Are the slideshows from the webinar available in PDF?

Also are we permitted to share information in this email, as well as what was on the webinar with Council/public?

If not please specify which attachments/information is confidential.

Thanks,

Shawna Schwerdt
Executive Assistant/Legislative Officer
Birch Hills County
4601–50th Street (Box 157)
Wanham, Alberta T0H 3P0
Ph: 780.694.3793
Fax: 780.694.3788
www.birchhillscounty.com

From: cao <cao@birchhillscounty.com>
Sent: Friday, July 24, 2020 8:30 AM
To: Shawna Schwerdt
Subject: FW: Birch Hills County - Assessment Model Review Advocacy Materials

To be included in special meeting agenda

From: Wyatt Skovron <wyatt@RMAlberta.com>
Date: July 23, 2020 at 12:00:14 PM MDT
To: Gerald Manzulenko , Shelley Braun
<>
Cc: Tom Burton <tburton@RMAlberta.com>
Subject: Birch Hills County - Assessment Model Review Advocacy Materials

Hello,

Please find attached the following materials developed by RMA to assist your municipality in advocating locally on the impacts of the changes that provincial decision-makers are considering to the assessment model for oil and gas properties:

- a formal letter outlining RMA's position on the review,
- an individual analysis of the impacts that the assessment changes will have on your municipality based on publicly available data,
- a letter template that we encourage all municipalities to complete and send to their local MLA(s),
- RMA positions statements specifically related to the assessment model review that can be used in your local engagement, and
- an outcomes summary report with specific details on the assessment model review process, and RMA's input.

We strongly encourage you to engage on this issue with local MLAs and other local business leaders and stakeholders who may be indirectly impacted by these changes. Please reach out to myself or an RMA board member with any questions on the review or advocacy process.

Thanks,

Wyatt Skovron
Senior Policy Advisor

Request for Decision (RFD)

Meeting:	Special Council Meeting	**Overviewed/ Approved For Submission**	
Meeting Date:	July 30, 2020	**CAO:**	
Originated By:	CAO Bastow	**Director:**	
Item Title:	Smoky River Flood - Infrastructure	**Presenter:**	CAO Bastow

DESCRIPTION:

Administration is seeking direction from Council regarding next steps to address infrastructure damage sustained during the July 2020 Smoky River Flood.

BACKGROUND:

- On July 3, 2020 Birch Hills County declared a State of Local Emergency and issued an Evacuation Order for the Hamlet of Watino and low-lying areas.
- On July 4, 2020 the State of Local Emergency and Evacuation Order were rescinded at 10:15 p.m. on July 4, 2020.
- The highwater event that occurred resulted in damage to a portion of the Smoky River Road.

ATTACHMENT:

Map

OPTIONS:

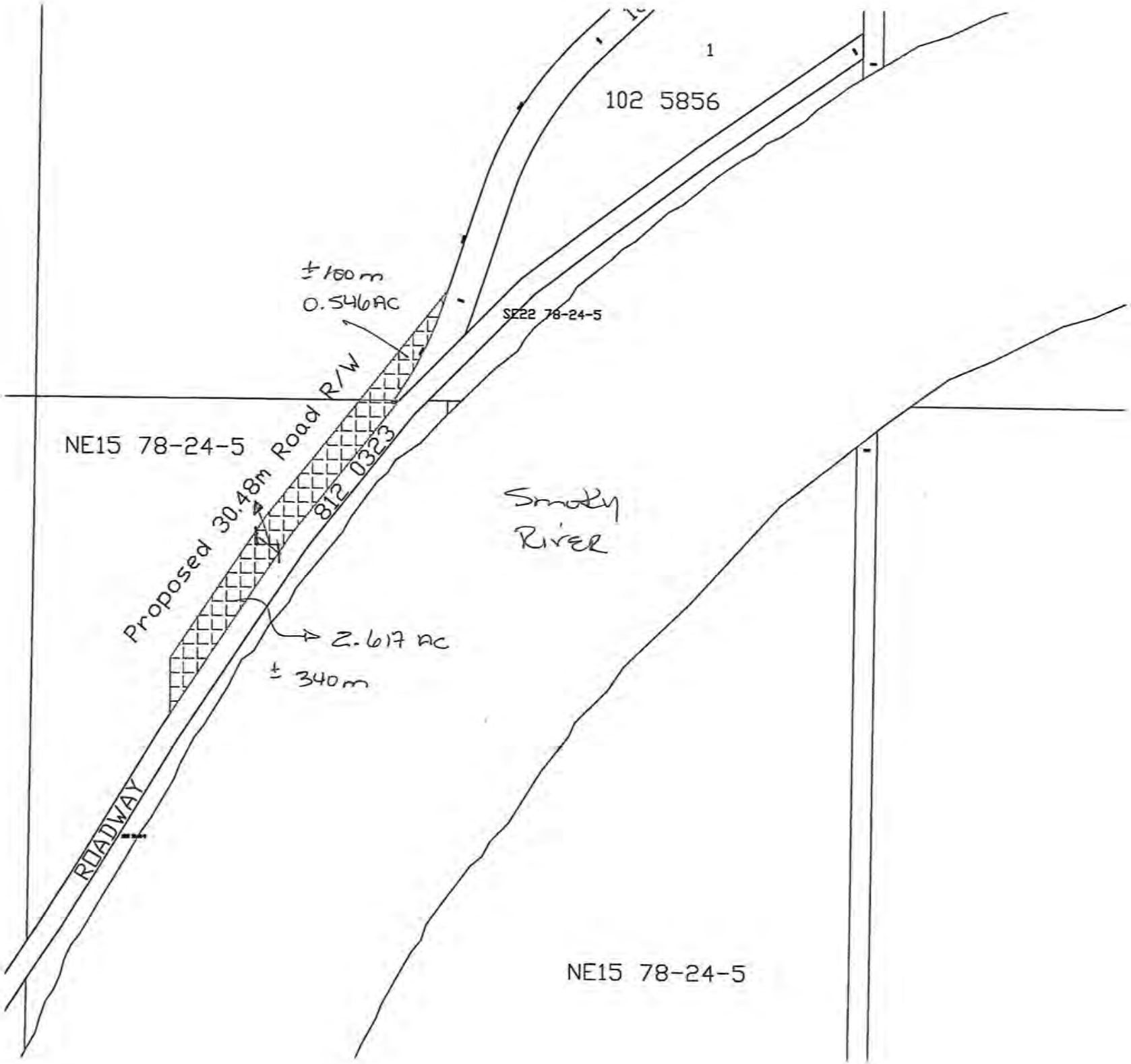
1. Council approve a budget of up to $115,000.00 to replace the portion of the Smoky River Road that was damaged during the July 2020 flood. The budget includes costs related to land surveying, legal, land acquisition, materials and contract services.

2. Direct Administration to revisit Smoky River Road replacement plan and provide alternative options as part of the August 13, 2020 regularly scheduled Council meeting.

3. Table decision on Smoky River Road replacement until eligibility for Disaster Recovery Programs is confirmed. Additionally, instruct Administration to monitor developments and provide Council with an updated situation report as part of the August 13, 2020 regularly scheduled Council meeting.

RECOMMENDED ACTION:

Council approve a budget of $115,000.00 to replace the portion of the Smoky River Road that was damaged during the July 2020 flood. The budget includes costs related to land surveying, legal, land acquisition, materials and contract services.


102 5856
±100m
0.546AC
SE22 78-24-5
R/W
Road
812 0323
NE15 78-24-5
Proposed 30.48m
Smoky
River
2.617 AC
±340m
ROADWAY
NE15 78-24-5

Request for Decision (RFD)

Meeting:	Special Council Meeting	**Reviewed/ Approved For Submission**
Meeting Date:	July 30, 2020	**CAO:**
Originated By:	Shawna Schwerdt L.O./E.A.	**Manager:**
Item Title:	COVID-19 Response Plan	**Presenter:** CAO Bastow

DESCRIPTION:
Administration is seeking direction from Council regarding COVID-19 business continuity.

BACKGROUND:
The spread of COVID-19 and related risks are a priority. Recently, the County has seen the first instances of confirmed COVID-19 cases. The numbers of cases in the province is currently on the rise and there is likelihood that another outbreak of cases will occur this fall/winter.

DISCUSSION / BENEFITS / DISADVANTAGES:
Should COVID-19 numbers rise in the County, the county will need to address the possibility of staffing disruptions. To help the County prepare for and manage a potential COVID-19 outbreak Administration has developed a COVID-19 Response Plan (see attached). Currently the BHC administration is in phase 4.

OPTIONS:

Council may choose to:

1. Direct Administration to proceed with setup of remote access virtual server on existing hardware at a cost of $_____;

2. Direct Administration to proceed with setup of remote directly into PC at Birch Hills County office $_____;

3. Direct Administration to monitor COVID-19 developments and provide Council with an updated situation report as part of the August 13, 2020 regularly scheduled Council Meeting.

4. Table decision on COVID-19 Response Plan until 2021 budget deliberations.

ATTACHMENT:

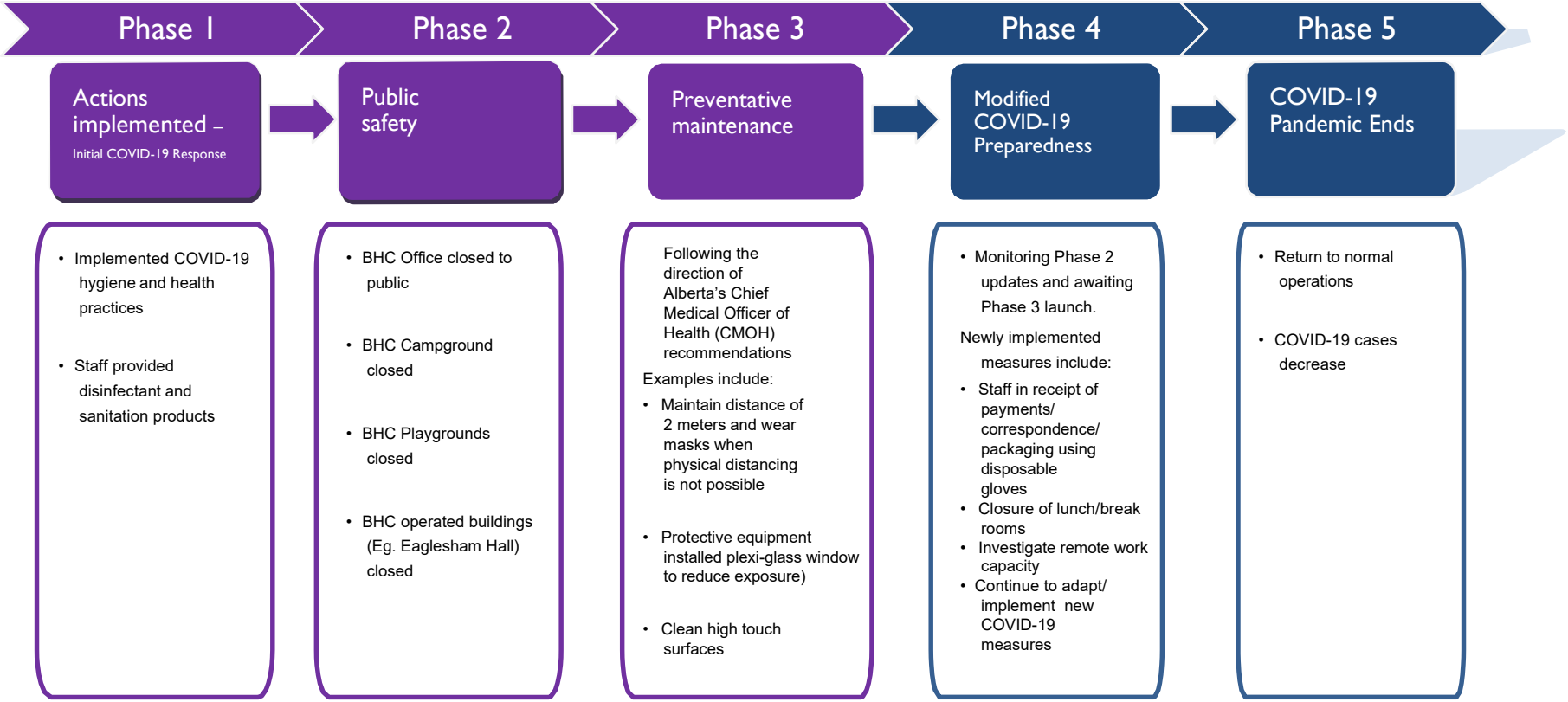
- BHC COVID-19 Response Plan
- Hi-Tech service upgrade

RECOMMENDED ACTION:

It is Administration's recommendation that Council direct Administration to proceed with Hi-Tech's setup of remote access virtual server on existing hardware at a cost of $_____;

COVID-19
RESPONSE PLAN

Response Preparedness



Considerations for Phase 3 and 4

phase 3

- Restrict non-essential travel
- Minimize congregations in group spaces (lunch/break room closed etc.)
- Disinfecting and sanitation services available in all facilities
- Communicating updates to team members and contractors
- Identify emergency response team, and escalation protocols for evaluating threat levels and enacting steps in the next phases

phase 4

- Mandatory quarantine for team members showing signs of illness
- Prepare action plans for cross training
- Identify technology needs (ex. access to virtual server) and prepare remote accessibility.
- Follow the direction of Alberta's Chief Medical Officer of Health (CMOH), Provincial/Federal order

Shawna Schwerdt

From: Jamie Szakacs <jamies@hitechgp.com>
Sent: Tuesday, July 28, 2020 6:07 PM
To: cao; Shawna Schwerdt
Cc: ITSolutions
Subject: Service Upgrade

Importance: High

Hi Rick and Shawna,

Thanks again for taking the time to talk with us today.

As per our most recent conversation here are the two different options that would act as a Service Upgrade to offer remote access for approximately 12 employees:

1. **Service Upgrade - Remote directly into PC at office**
   Configure security on firewall to allow remote connection for each individual user
   Setup remote access on office PC to allow for connection
   Setup remote access shortcut on remote PC to be able to connect to PC at office
   Setup DUO 2 Factor Security Authentication (6 digit code, in addition to user password for added remote access security)
   Note #1: this requires that PCs at office are left powered on at all times and are not in use by another user when remotely accessing them. Recommend desktop UPS for each machine to ensure they stay running even after a potential power "blip".

   Estimate 1h per user @ $143/h X 12 = $1716
   $10/month per user for DUO 2 Factor Security Authentication X 12 = $120/month
   Optional UPS per Desktop = $159 per PC

2. **Service Upgrade - Setup Remote Access Virtual Server (on existing hardware)**
   Purchase of 8 x 2-Core Windows Server 2019 Licenses – Based on Government discount pricing
   Includes additional Server-Based Ram modules – to accommodate extra VM and up to 12 users for remote access
   One trip to Birch Hills county to install additional ram – may need to take down server after-hours in order to not disrupt normal business hours?
   Configure Windows Server 2019 on virtual machine
   Purchase of 12 x Terminal Server Client Access Licenses for remote users - Based on Government discount pricing
   Configure user accounts required for remote access
   Install any applications that may be required to access remotely
   Setup remote access shortcuts for all users
   Setup DUO 2 Factor Security Authentication (6 digit code, in addition to user password for added remote access security)
   Note #1: in this scenario user will remote into a server rather than direct to a PC in which case if a user has a laptop for daily use within the office they can take that home and remote into the server rather than needing to have a PC at the office to access.
   Note #2: Your current server has only 195GB of usable Hard drive space. There is a chance that you may require an extra hard drive. The drives in this server are Serial Attached SCSI drives.

Note #3: If you were to proceed with Option # 2 and install a Terminal Server, Microsoft's rules state that any remote user that opens any Office document (such as Word, Excel, etc) while on the remote session, requires a Microsoft Open License for Office or the appropriate O365 version.

Note #4: If more than 12 users are needed, please see below for upgrade costs

Estimate $6,649 for Server ram, Windows Server, Terminal Server and estimated labor
$10/month per user for DUO 2 Factor Security Authentication X 12 = $120/month
Note #2: Estimate for this Server-Based Drive would be $790 including configuration
Note #3: Estimate for MS Office Open License – Government Based Discount pricing = $455 / user.
Note #4: For additional users, we would need extra labor and an extra Terminal Server Client access license, which would cost $308. This would not include the MS Office Open License (if required) and no additional Server ram would be needed until 20 users was reached.

In regards to our chat, there are some factors that need to be taken into consideration prior to implementing the Service upgrade listed above as #2. These include the following:

- The number of users working concurrently on the server remotely
- The applications that each user will be using while remote
- The Internet speed at both the office and just as importantly, at the remote or Home location for each user
- The current speed and age of the existing server – currently there are only 2 available threads on the processor, which may really slow things down for power users when working remotely.

There is another question regarding if this Service upgrade would be required to be in place long term? There is a chance that this could be only required short-term.

Based on that, I believe the best course of action would be to perform a proper test. My idea would be to proceed initially with Option # 1 for 1 – 3 users. This will only involve minimal costs of approximately one hour of labor and $10/month for the 2 Factor security Authentication. This would allow your users to test how things will work from a variety of locations and have some using a variety level of applications. If things go well, it can be implemented for others. However, if this becomes the new norm and more people will be required to work remotely, my recommendation would be to incorporate the 2nd Option in a new upgrade that would include new server hardware and software sometime within the next 12 months as the current hardware is due for a refresh.

If you have any questions or need me to make any adjustments, please call me direct on my cell at 780-831-8737.

Thanks so much for your time, talk to you soon!

Jamie

Jamie Szakacs
IT Solutions Team Leader

Hi-Tech Business Systems Ltd.

P: (780)-538-4128 | **F:** (780)-539-1622 | **Toll Free:**1-800-491-4434
Grande Prairie - Peace River - High Prairie - High Level - Slave Lake - Dawson Creek - Fort St. John- Calgary

2019 Employee Recommended Workplace

Request for Decision (RFD)

Meeting:	Special Council Meeting	**Overviewed/ Approved For Submission**	
Meeting Date:	July 30, 2020	**CAO:**	
Originated By:	CAO Bastow	**Director:**	
Item Title:	PREDA Membership Fees	**Presenter:**	CAO Bastow

DESCRIPTION:
Administration is seeking direction from Council regarding Peace Region Economic Development Alliance (PREDA) proposed resolution to increase PREDA Municipal membership fees from 0.50 per capita to 0.75 per capita.

BACKGROUND:
In March 2020, PREDA received verbal notice that the annual grant provided by the Government of Alberta would be reduced. This represents a decrease of $50,000 in PREDA's operational budget (Approximately $145,000 annually).

As part of the June 19th, 2020 Annual General Meeting, PREDA's Administration requested annual membership fees be adjusted to compensate for the decrease in provincial funding. PREDA members are being asked to review the requested increase and fill in an online survey. Responses will be presented at the September 18th, 2020 organizational meeting

DISCUSSION / BENEFITS / DISADVANTAGES:

1. Municipalities requested to review the resolution and indicate if they agree or disagree with the motion.

2. If approved, Birch Hills County annual membership fee would go from $776.50 to $1164.75

3. PREDA has not increased membership fees since 2000.

ATTACHMENT:
1) PREDA Resolution 1 2020 AGM
2) PREDA Survey

OPTIONS:

1. Postpone decision on ongoing PREDA membership until 2021 budget deliberations are complete. Request Administration to follow up with PREDA staff indicating ongoing membership will be subject to 2021 budget deliberations.

2. Council approve the requested membership fee increase, require the PREDA survey to be completed accepting the increase and request Administration follow up with PREDA staff affirming 2021 membership.

3. Council reject the requested membership fee increase, require the PREDA survey to be completed rejecting the increase and request Administration follow up with PREDA staff indicating 2021 membership will be subject to 2021 budget deliberations.

RECOMMENDED ACTION:

It is Administration's recommendation Council determine the appropriate action to take.

2020 Annual General Meeting

Date: June 19, 2020

Resolution 1

PREDA Municipal Membership Fee at .75 Per Capita

Resolution 1: PREDA municipal membership will be based upon .75 per capita; effective April 1st, 2021.

Background: In March 2020, PREDA received verbal notice it will lose 50% of its Government of Alberta – Department of Economic Development operational grant; reflecting a decrease of $50,000 in PREDA's operational budget (~145,000 annually). PREDA has not increased its membership fees since its original membership fees which were set twenty years ago in 2000.

Rational: Value of PREDA Membership

1) PREDA organizes four quarterly membership meetings a year that are research and regional focused. Research, speakers, venues, catering, and coordination time for these membership meetings are incurred under PREDA's operational budget in partnership with host members. Baseline local data is frequently the outcome these meetings that is accessible to all members through the PREDA website. This information can be utilized by PREDA members to build Economic Development Strategies, Business Feasibility Cases, Investor Profile Sheets, and data for Marketing and Advocacy. Examples of data collected and made available through PREDA are: Vacancy Rates, Traffic Counts, Community Health Profiles, Seniors Housing, Population Profiles, and Commodity Production.

2) PREDA provides in-camera economic development discussion sessions at no charge to our municipal members. Since beginning to offer this service in 2014, PREDA has hosted 26 of these in-camera sessions. The costs of travel, PREDA staff time, and summary briefings, is incurred under PREDA's operational budget.

3) PREDA maintains a membership in AUMA and RMA. PREDA's Executive Director attends all annual conventions; actively coordinating municipal meetings with GOA Ministers during these conventions; meeting in-camera with PREDA municipal members during these conventions; and actively promoting the PREDA region to GOA and industry representatives during these conventions. The costs of attending these conventions is incurred under PREDA's operational budget.

4) PREDA maintains an active membership in the Economic Developers of Alberta (EDA); the Economic Developers Association of Canada (EDAC); and the REDA Provincial mangers team of the Government of Alberta. Through a combination of strategy meetings, trade booth sharing, sponsoring promotional materials, and/or advertorials the costs of maintaining these professional networks is incurred within PREDA's operational budget.

5) PREDA offers numerous municipal leader networking and contact opportunities to non-municipal members. Costs of hosting opportunities are incurred by PREDA and the host municipality.

Resolution 1

PREDA Municipal Membership Fee at .75 Per Capita

4) Impacted by Resolution 1: Current PREDA municipal members impacted by the Resolution are listed below:

PREDA Membership Fees

Resolution 1		CURRENT	Proposed
Municipal Membership	**Population**	**0.50**	**0.75**
Big Lakes County	4,103	**2,051.50**	3,077.25
Birch Hills County	1,553	**776.50**	1,164.75
Clear Hills County	3,023	**1,511.50**	2,267.25
County of Grande Prairie	22,303	**11,151.50**	16,727.25
County of Northern Lights #22	3,656	**1,828.00**	2,742.00
MD of Fairview #136	1,604	**802.00**	1,203.00
MD of Greenview #16	5,583	**2,791.50**	4,187.25
MD of Peace #135	1,747	**873.50**	1,310.25
MD of Smoky River #130	2,023	**1,011.50**	1,517.25
MD of Spirit River #133	700	**350.00**	525.00
Northern Sunrise County	1,891	**945.50**	1,418.25
Saddle Hills County	2,225	**1,112.50**	1,668.75
Town of Fairview	2,998	**1,499.00**	2,248.50
Town of Falher	1,047	**523.50**	785.25
Town of Fox CReek	1,971	**985.50**	1,478.25
Town of Grimshaw	2,718	**1,359.00**	2,038.50
Town of Manning	1,183	**591.50**	887.25
Town of Mclennan	791	**350.50**	593.25
Town of Peace River	6,842	**3,421.00**	5,131.50
Town of Sexsmith	2,620	**1,310.00**	1,965.00
Town of Spirit River	995	**497.50**	746.25
Town of Valleyview	1,863	**931.50**	1,397.25
Village of Berwyn	538	**269.00**	403.50
Village of Hythe	827	**413.50**	620.25
Village of Nampa	364	**182.00**	273.00
Village of Rycroft	612	**306.00**	459.00
Member Municipalities		**37,845.00**	**56,835.00**

5) Impact on PREDA :

Maximum Positive Impact: If all municipal members above pay the increased PREDA membership fee PREDA will add $18,990.00 to its operational budget; effective April 1st, 2021.

Maximum Negative Impact: If all municipal members listed above discontinue their membership in PREDA effective April 1st, 2021; PREDA will lose $37,845.00 from its operational budget; effective 2021.

Submitted for Resolution By: PREDA 2019-2020 Board of Directors

Elaine Garrow – MD of Spirit River #33	Elaine Manzer – Town of Peace River	Daryl Beeston – County of Grande Praire #1
Brianne Nettelfield – Village of Berwyn	Deanne Wendland – Birch Hills County	Carolyn Kolebaba – Northern Sunrise County

Shawna Schwerdt

From: cao
Sent: Tuesday, July 28, 2020 2:59 PM
To: Shawna Schwerdt
Subject: FW: PREDA Resolution to Increase Municipal Membership Fees - FEEDBACK REQUESTED
Attachments: PREDA Resolution1 2020 AGM - Membership Fees.pdf

Importance: High

From: Deanne Wendland
Sent: Friday, July 17, 2020 4:31 PM
To: cao <cao@birchhillscounty.com>
Subject: Fw: PREDA Resolution to Increase Municipal Membership Fees - FEEDBACK REQUESTED
Importance: High

Hi Rick,

I'm not sure if you received a copy of this email. I thought I should bring it to your attention as we have no council meeting before July 31. I will forward you another email regarding a PREDA Board meeting scheduled for July 31.

Thank you

Deanne Wendland

From:
Sent: Friday, July 17, 2020 2:00 PM
To:
Subject: FW: PREDA Resolution to Increase Municipal Membership Fees - FEEDBACK REQUESTED

From:
Sent: July 16, 2020 5:04 PM
To:
Subject: FW: PREDA Resolution to Increase Municipal Membership Fees - FEEDBACK REQUESTED
Importance: High

From:
Sent: July 16, 2020 4:52 PM
To: 'admin@peacecountrycanada.com' <
Subject: PREDA Resolution to Increase Municipal Membership Fees - FEEDBACK REQUESTED
Importance: High

Good day PREDA Member – CAO;

Attached is a Resolution to increase PREDA Municipal membership fees from .50 per capita to .75 per capita. This resolution was reviewed at the PREDA Annual General Meeting on June 19, 2020.

As per the membership request from the AGM, PREDA Municipal members were to bring the resolution to their Councils / CAO for feedback and decision.

Could you please bring this request to your Council and then complete the outcome "LINK BELOW" to submit the decision of your Council.

https://www.research.net/r/PREDA_Resolution_1

The overall outcome of the Resolution to increase PREDA Municipal membership fees to .75 per capita will be presented to the membership at our next meeting on September 18th (to be hosted by the MD of Spirit River).

If you have any questions please do not hesitate to contact me,

Much appreciated,
Mary Joan (Joni)

Mary Joan Aylward – Research and Operations
Peace Region Economic Development Alliance

PREDA
PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

10128 95th Avenue
Grande Prairie, Alberta T8V 0L4
Request a Video Meeting

PREDA
PEACE REGION ECONOMIC DEVELOPMENT ALLIANCE

PREDA 2020 Annual General Meeting - Resolution 1

Resolutions

In March 2020, PREDA received verbal notice it will lose 50% of its Government of Alberta - Department of Economic Development operational grant; reflecting a decrease of $50,000 in PREDA's operational budget (-145,000 annually). PREDA has not increased its membership fees since its original membership fees which were set twenty years ago in 2000.

OK

1. Preda Member - Please Select

2. On Behalf of Selected PREDA Member
Your Name

3. Resolution 1: PREDA municipal membership will be based upon .75 per capita; effective April 1st 2021.
Agree
Disagree
Comments:

DONE

0 of 3 answered