

Regular and Closed Meeting Agenda  
for Monday, August 8, 2022, at 5:30 p.m. to be held  
in the Council Chambers, in the Town Hall Complex,  
at 240 Main Street, Milk River, Alberta



1. Call to Order
2. Delegations 6:00 pm
3. Additions to the Agenda
4. Approval of Minutes
  - A) Minutes of the July 11, 2022, Regular Council Meeting
5. Business Arising from Minutes
6. Financial Report
  - A) Year to Date Operating Budget Report
7. Administration Reports
  - A) Public Works
  - B) Community Peace Officer
  - C) Chief Administrative Officer
8. Bylaws
9. Old Business
10. New Business
  - A) Correspondence
  - B) Municipal Office Designation
  - C) Kinsmen Splash Park Proposal
11. Councillors Reports
  - A) Authorities, Boards and Commission Minutes
12. Mayors Report
13. Closed Session
14. Adjournment

Request for Decision

## Approval of Minutes

August 8, 2022



### RECOMMENDATION

That the minutes for the July 11, 2022, regular council meeting be accepted as presented.

### LEGISLATIVE AUTHORITY

Municipal Government Act, Section 208(1)(a)  
Procedure Bylaw 952

### BACKGROUND

As per the MGA and the Town's Procedural Bylaw, minutes are to be recorded and given to council for adoption at a subsequent council meeting.

### RISKS/CONSEQUENCES

1. By not approving the previous meetings minutes, Council would then not approve the decisions they made, as recorded, and no motion would be actioned by administration.
2. The minutes of the Council meetings can be adopted as amended. Council would need to be specific in an amendment to the recording of the previous meetings minutes.

### FINANCIAL CONSIDERATIONS

None

### ATTACHMENTS

1. Prior to Adoption: July 11, 2022, regular council meeting minutes

## Prior to Adoption

Minutes of the Town of Milk River Regular and Closed Council meeting held on Monday, July 11, 2022, at 5:30 p.m. in the Council Chambers, in the Town Hall Complex, at 240 Main Street, Milk River, Alberta.

### Present - Elected Officials

Mayor Larry Liebelt, Councillor Anne Michaelis, Deputy Mayor Peggy Losey and Councillor Dave Degenstein

### Absent - Elected Officials

Councillor Shayne Johnson

### Present - Administration

Kelly Lloyd, Chief Administrative Officer

## 1. Call to Order

Mayor Liebelt called the meeting to order at 5:30 p.m.

## 2. Delegation: 6:00 p.m.

None.

## 3. Additions to the Agenda

New Business additions:

- 10E) Staff and Council Appreciation Day
- 10F) Regular Council Meeting Time

### A) Adoption of the Agenda

Moved by Deputy Mayor Losey, "that Council accept the agenda, as amended, for the regular council meeting on July 11, 2022."

Motion Carried 2022-07-01

## 4. Approval of Minutes

### A) Minutes of the May 9, 2022, Regular Council Meeting

Moved by Councillor Michaelis, "that Council accept the regular council meeting minutes from Monday, May 9, 2022, as presented."

Motion Carried 2022-07-02

### B) Minutes of the June 13, 2022, Regular Council Meeting

Moved by Councillor Degenstein, "that Council accept the regular council meeting minutes from Monday, June 13, 2022, as presented."

Motion Carried 2022-07-03

### C) Minutes of the June 17, 2022, Special Council Meeting

Moved by Deputy Mayor Losey, "that Council accept the special council meeting minutes from Friday, June 17, 2022, as presented."

Motion Carried 2022-07-04

## D) Business Arising from Minutes

None.

## **6. Financial Report**

Moved by Councillor Degenstein, "that the Financial Report for the period ending June 30, 2022, be accepted as information."

Motion Carried 2022-07-05

## **7. Administration Reports**

Questions regarding projects and activities in public works were asked of and answered by Mr. Sean Butler, Public Works Foreman.

Moved by Deputy Mayor Losey, "that the Administration Reports for the period ending June 30, 2022, be accepted as information."

Motion Carried 2022-07-06

## **8. Bylaws**

### **A) Animal Control Bylaw 1037-22**

Moved by Councillor Degenstein, "that the Animal Control Bylaw 1037-22 be given first reading."

Motion Carried 2022-07-07

Moved by Deputy Mayor Losey, "that the Animal Control Bylaw 1037-22 be given second reading."

Motion Carried 2022-07-08

Moved by Councillor Michaelis, "that the Animal Control Bylaw 1037-22 receive Unanimous Consent for presentation of third reading."

Motion Carried 2022-07-09

Moved by Councillor Degenstein, "that Animal Control Bylaw 1037-22 be given third and final reading."

Motion Carried 2022-07-10

### **B) Library Bylaw 1036-22**

Moved by Deputy Mayor Losey, "that the Library Bylaw 1036-22 be given first reading."

Motion Carried 2022-07-11

Moved by Councillor Michaelis, "that the Library Bylaw 1036-22 be given second reading."

Motion Carried 2022-07-12

Moved by Councillor Degenstein, "that the Library Bylaw 1036-22 receive Unanimous Consent for presentation of third reading."

Motion Carried 2022-07-13

Moved by Councillor Michaelis, "that the Library Bylaw 1036-22 be given third and final reading."

Motion Carried 2022-07-14

## **C) Old Business**

Glen Motz, MP for Medicine Hat-Cardston-Warner was in attendance to answer questions of Council members and update on gun control, passports and the RCMP/Provincial Police Force.



*Mayor Liebelt recessed the meeting at 7:23 p.m.*

*Mayor Liebelt reconvened the meeting at 7:31 p.m.*

#### **D) New Business**

**10A) Correspondence**

Village of Stirling Parade Invitation

Mayor Liebelt will represent the Town of Milk River.

Moved by Deputy Mayor Losey, "that a response be drafted to Shaun Turner, denoting consideration of the letter contents for the 2023 budget deliberations."

Motion Carried 2022-07-15

Moved by Councillor Degenstein, "that correspondence for the period ending July 11, 2022, be accepted as information."

Motion Carried 2022-07-16

**10B) Quad Council Meeting**

Moved by Councillor Michaelis, "that Council agrees to resume Quad Council meetings, to begin in early September 2022."

Motion Carried 2022-07-17

**10C) Operations/Project Update Schedule**

Moved by Deputy Mayor Losey, "that in addition to the monthly public works report provided during the monthly regular council meeting, Council directs administration to provide an Operations and Project update to Council every two weeks by email."

Motion Carried 2022-07-18

**10D) Road Closure**

Moved by Deputy Mayor Losey, "that Council accept the road closure for information and direct administration to research out the process and advise resident to submit an official letter of request."

Motion Carried 2022-07-19

**10E) Staff and Council Appreciation Day**

Moved by Deputy Mayor Losey, "that Council host a round of golf for staff and council, families included for a Friday afternoon, date to be determined."

Motion Carried 2022-07-20

**10F) Regular Council Meeting Time**

Councillor Degenstein asked members of Council for consideration of a change in the start time for regular council meetings.

Moved by Councillor Michaelis, "that Council accept the consideration of a change in the start time for regular council meetings as information."

Motion Carried 2022-07-21

#### **11. Councillors Reports**

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Councillor Degenstein attended a Ridge Country Housing bargaining team meeting.

Councillor Michaelis attended the Health Care Professional Attraction and Retention Committee meeting, the Municipal Library Board meeting and has finished webinar courses. Appointments for lab work now require an appointment, no walk ins. The clinic will be closed from July 28 to August 1.

Deputy Mayor Losey attended a Ridge Country Housing bargaining team meeting, the school schematics meeting and Ridge Country Housing board meeting.

Moved by Councillor Degenstein, "that the Councillors reports for the period ending July 11, 2022, be accepted as information."

Motion Carried 2022-07-22

## **12. Mayors Report**

Mayor Liebelt met with the Business Association regarding the Visitor Information Centre, Chief Mountain Whiteboard discussions, tours of the solid waste transfer stations, Joint Mayors and Reeves meeting, Municipal Leaders Caucus, and the Riverside Golf Society meeting.

Moved by Councillor Degenstein, "that Council accept the Mayors Report as information."

Motion Carried 2022-07-23

## **13. Closed Session**

None.

## **14. Adjournment**

Moved by Deputy Mayor Losey, "that the regular council meeting of July 11, 2022, adjourn at 8:47 p.m."

Motion Carried 2022-07-24

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Larry Liebelt  
Mayor

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Kelly Lloyd  
Chief Administrative Officer

These minutes were approved on the XXX day of XXXXX 2022.

Request for Decision

## Financial Report

August 8, 2022



### RECOMMENDATION

That the Financial Report for the period ending July 31, 2022, be accepted as information.

### LEGISLATIVE AUTHORITY

### BACKGROUND

Currently, monthly check listing, accounts payable and the monthly bank balances are presented to council.

### RISKS/CONSEQUENCES

1. Council may provide further direction on any item contained in the report. Council shall be specific in the direction it provides.

### FINANCIAL CONSIDERATIONS

None

### ATTACHMENTS

1. 2022 Year to Date Operating Budget



# TOWN OF MILK RIVER

## Operating Budget vs Actual to July 31/22

| General Ledger                        | Description                         | 2021 YTD Actual | 2022 YTD Budget | 2022 YTD Actual | 2022 YTD % Variance |
|---------------------------------------|-------------------------------------|-----------------|-----------------|-----------------|---------------------|
| <b>GENERAL REVENUE</b>                |                                     |                 |                 |                 |                     |
| 1-00-00-111-00                        | Property Taxes Levied               | -759,485.48     | -791,254.18     | -777,806.84     | 98.30               |
| 1-00-00-112-00                        | ASFP Residential Tax Levied         | -150,998.04     | -149,365.22     | -156,656.39     | 104.88              |
| 1-00-00-113-00                        | ASFP Non Residential Tax Levied     | -37,869.32      | -45,194.96      | -34,526.93      | 76.40               |
| 1-00-00-115-00                        | Homes For The Aged Tax Rate         | -23,741.71      | -21,201.44      | -20,995.02      | 99.03               |
| 1-00-00-510-00                        | Penalties and Costs Levied on Taxes | -17,591.63      | -10,000.00      | -4,525.85       | 45.26               |
| 1-00-00-540-00                        | Revenues From Franchises            | -164,100.46     | -164,000.00     | -122,856.07     | 74.91               |
| 1-00-00-550-00                        | Returns On Investments              | -19,179.71      | -20,000.00      | -14,331.04      | 71.66               |
| 1-00-00-741-00                        | Fines And Costs                     | -1,140.00       | 0.00            | 0.00            | 0.00                |
| * TOTAL GENERAL REVENUE               |                                     | (1,174,106.35)  | (1,201,015.80)  | (1,131,698.14)  | 94.23               |
| <b>GENERL ADMINISTRATIVE REV</b>      |                                     |                 |                 |                 |                     |
| 1-00-00-755-00                        | Grants - MSI Operating              | -58,715.00      | -58,715.00      | 0.00            | 0.00                |
| 1-12-00-410-00                        | Sales of Goods                      | -88.68          | 0.00            | 0.00            | 0.00                |
| 1-12-00-420-00                        | Sale of Services                    | -2,387.68       | 0.00            | -467.28         | 0.00                |
| 1-12-00-421-00                        | Certificates/Compliances            | -2,850.00       | 0.00            | -930.00         | 0.00                |
| 1-12-00-510-00                        | Tax Sale Costs Recovered            | -240.00         | -250.00         | -225.00         | 90.00               |
| 1-12-00-520-00                        | Business Licenses                   | -1,937.00       | -42,500.00      | -5,078.50       | 11.95               |
| 1-12-00-560-00                        | Rental Revenues                     | -47,086.96      | -40,000.00      | -18,036.26      | 45.09               |
| 1-12-00-590-00                        | Other Revenue From Own Sources      | -423.97         | 0.00            | -2,242.45       | 0.00                |
| * TOTAL GENERL ADMINISTRATIVE RE      |                                     | (113,729.29)    | (141,465.00)    | (26,979.49)     | 19.07               |
| <b>FIRE DEPT SERV REV</b>             |                                     |                 |                 |                 |                     |
| 1-23-01-420-00                        | Sale of Services                    | -13,165.00      | -7,500.00       | 0.00            | 0.00                |
| 1-23-01-850-00                        | Local Govt Conditional Grants       | -14,494.69      | -14,500.00      | -3,000.00       | 20.69               |
| * TOTAL FIRE DEPT SERV REV            |                                     | (27,659.69)     | (22,000.00)     | (3,000.00)      | 13.64               |
| <b>BY-LAW ENFORCEMENT AND OTHER R</b> |                                     |                 |                 |                 |                     |
| 1-26-00-520-00                        | Animal Licenses                     | -1,620.00       | -1,660.00       | -1,815.00       | 109.34              |
| 1-26-00-530-00                        | Fines                               | 0.00            | -1,500.00       | -980.00         | 65.33               |

|                          |            |            |            |       |
|--------------------------|------------|------------|------------|-------|
| * TOTAL BY-LAW AND OTHER | (1,620.00) | (3,160.00) | (2,795.00) | 88.45 |
|--------------------------|------------|------------|------------|-------|

## LEGISLATIVE REV

|                |                                |           |           |           |        |
|----------------|--------------------------------|-----------|-----------|-----------|--------|
| 1-11-00-590-00 | Other Revenue From Own Sources | 0.00      | -5,603.79 | -5,603.79 | 100.00 |
| 1-11-00-840-00 | Provincial Conditional Grants  | -2,000.00 | 0.00      | 0.00      | 0.00   |
| 1-11-00-850-00 | Local Gov't Conditional Grants | -2,000.00 | 0.00      | 0.00      | 0.00   |

|                         |            |            |            |        |
|-------------------------|------------|------------|------------|--------|
| * TOTAL LEGISLATIVE REV | (4,000.00) | (5,603.79) | (5,603.79) | 100.00 |
|-------------------------|------------|------------|------------|--------|

## COMMON SERV/EQUIP POOL REV

|                |                                |           |      |         |      |
|----------------|--------------------------------|-----------|------|---------|------|
| 1-31-00-590-00 | Other Revenue From Own Sources | -1,346.00 | 0.00 | -272.10 | 0.00 |
|----------------|--------------------------------|-----------|------|---------|------|

|                                  |            |      |          |      |
|----------------------------------|------------|------|----------|------|
| * TOTAL COMMON SERV/EQUIP POOL R | (1,346.00) | 0.00 | (272.10) | 0.00 |
|----------------------------------|------------|------|----------|------|

## ROADS, STREETS, WALKS, LIGHTS

|                |                                     |      |             |            |        |
|----------------|-------------------------------------|------|-------------|------------|--------|
| 1-32-00-100-00 | Road Operating Special Levy         | 0.00 | -24,750.00  | -24,650.00 | 99.60  |
| 1-32-00-590-00 | Other Revenue From Own Sources      | 0.00 | -18.00      | -18.00     | 100.00 |
| 1-32-00-920-00 | Drawn From Roads, Walks Op. Reserve | 0.00 | -177,635.00 | 0.00       | 0.00   |

|                            |      |              |             |       |
|----------------------------|------|--------------|-------------|-------|
| * TOTAL RD, ST, WK, LT REV | 0.00 | (202,403.00) | (24,668.00) | 12.19 |
|----------------------------|------|--------------|-------------|-------|

## AIRPORT REV

|                |                          |         |         |      |      |
|----------------|--------------------------|---------|---------|------|------|
| 1-33-00-560-00 | Rental Revenue - Airport | -465.00 | -465.00 | 0.00 | 0.00 |
|----------------|--------------------------|---------|---------|------|------|

|                     |          |          |      |      |
|---------------------|----------|----------|------|------|
| * TOTAL AIRPORT REV | (465.00) | (465.00) | 0.00 | 0.00 |
|---------------------|----------|----------|------|------|

## WATER SUP & DISTR REV

|                |                                |             |             |             |       |
|----------------|--------------------------------|-------------|-------------|-------------|-------|
| 1-41-00-420-00 | Sales of Water                 | -298,236.32 | -297,000.00 | -131,589.85 | 44.31 |
| 1-41-00-510-00 | Penalties                      | -1,618.30   | -1,800.00   | -1,097.94   | 61.00 |
| 1-41-00-590-00 | Other Revenue From Own Sources | -1,162.50   | -1,500.00   | -450.00     | 30.00 |
| 1-41-00-940-00 | Cont. From Capital Function    | 0.00        | -317,957.76 | 0.00        | 0.00  |
| 1-41-02-420-00 | Sales of Farm Water            | -12,422.44  | -7,500.00   | -6,921.06   | 92.28 |

|                               |              |              |              |       |
|-------------------------------|--------------|--------------|--------------|-------|
| * TOTAL WATER SUP & DISTR REV | (313,439.56) | (625,757.76) | (140,058.85) | 22.38 |
|-------------------------------|--------------|--------------|--------------|-------|

## SANITARY SEWAGE SERVICE REV

|                |                           |             |            |            |       |
|----------------|---------------------------|-------------|------------|------------|-------|
| 1-42-00-410-00 | Sales of Goods            | -10.00      | 0.00       | -20.00     | 0.00  |
| 1-42-00-420-00 | Sales of Sewage Services  | -102,445.74 | -90,000.00 | -47,580.13 | 52.87 |
| 1-42-00-421-00 | Sales of Services - Other | -1,338.02   | -500.00    | -280.28    | 56.06 |

|                    |              |             |             |       |
|--------------------|--------------|-------------|-------------|-------|
| * TOTAL SEWAGE REV | (103,793.76) | (90,500.00) | (47,880.41) | 52.91 |
|--------------------|--------------|-------------|-------------|-------|

## GARBAGE COLL. & RECYCLING REV

|                |                                |             |             |            |       |
|----------------|--------------------------------|-------------|-------------|------------|-------|
| 1-43-00-420-00 | Sales of Garbage Service       | -119,211.41 | -105,000.00 | -60,848.05 | 57.95 |
| 1-43-00-590-00 | OTHER REVENUE FROM OWN SOURCES | -95.00      | 0.00        | -95.00     | 0.00  |
| 1-43-01-590-00 | Recycling - Other              | -1,150.03   | -1,000.00   | -928.92    | 92.89 |

|                                 |              |              |             |       |
|---------------------------------|--------------|--------------|-------------|-------|
| * TOTAL GARBAGE / RECYCLING REV | (120,456.44) | (106,000.00) | (61,871.97) | 58.37 |
|---------------------------------|--------------|--------------|-------------|-------|

**TRANSFER STN REV**

|                |  |                    |                    |                    |               |
|----------------|--|--------------------|--------------------|--------------------|---------------|
| 1-43-00-550-00 | Return on Investments                  | -50.53             | -50.00             | -31.11             | 62.22         |
| 1-43-00-850-00 | Conditional Local Government Transfers | -11,925.00         | -12,000.00         | -12,115.80         | 100.97        |
| <b>*</b>       | <b>TOTAL TRANSFER STN REV</b>          | <b>(11,975.53)</b> | <b>(12,050.00)</b> | <b>(12,146.91)</b> | <b>100.80</b> |

**CEMETERY**

|                |                          |                   |                   |                   |              |
|----------------|--------------------------|-------------------|-------------------|-------------------|--------------|
| 1-56-00-420-00 | Cemetery Sale of Service | -5,200.00         | -2,500.00         | -1,900.00         | 76.00        |
| <b>*</b>       | <b>TOTAL CEMETERY</b>    | <b>(5,200.00)</b> | <b>(2,500.00)</b> | <b>(1,900.00)</b> | <b>76.00</b> |

**PLANNING & DEVELOPMENT**

|                |                                     |                   |                   |                 |              |
|----------------|-------------------------------------|-------------------|-------------------|-----------------|--------------|
| 1-61-00-520-00 | Development Permit Revenue          | -530.00           | -2,000.00         | -350.00         | 17.50        |
| 1-61-00-521-00 | Permit Revenue from Agencies        | -1,154.26         | -1,000.00         | -550.35         | 55.04        |
| <b>*</b>       | <b>TOTAL PLANNING &amp; DEVELOP</b> | <b>(1,684.26)</b> | <b>(3,000.00)</b> | <b>(900.35)</b> | <b>30.01</b> |

**SUBDIV, LAND & DEV REV**

|                |   |                    |                    |             |             |
|----------------|---|--------------------|--------------------|-------------|-------------|
| 1-66-00-410-00 | Sales of Land                           | -77,000.00         | -25,000.00         | 0.00        | 0.00        |
| <b>*</b>       | <b>TOTAL SUBDIV, LAND &amp; DEV REV</b> | <b>(77,000.00)</b> | <b>(25,000.00)</b> | <b>0.00</b> | <b>0.00</b> |

**REC - CAMPGROUND REV**

|                |                                   |                    |                    |                    |              |
|----------------|-----------------------------------|--------------------|--------------------|--------------------|--------------|
| 1-72-01-420-00 | Campground Sale of Services       | -16,828.37         | -18,000.00         | -12,421.87         | 69.01        |
| <b>*</b>       | <b>TOTAL REC - CAMPGROUND REV</b> | <b>(16,828.37)</b> | <b>(18,000.00)</b> | <b>(12,421.87)</b> | <b>69.01</b> |

**RECREATION - POOL REV**

|                |                                    |                    |                    |                   |              |
|----------------|------------------------------------|--------------------|--------------------|-------------------|--------------|
| 1-72-02-410-00 | Sale of Goods - Pool               | -20.00             | 0.00               | -5.70             | 0.00         |
| 1-72-02-420-00 | Sales of Services - Pool           | -5,100.49          | -5,500.00          | -4,226.67         | 76.85        |
| 1-72-02-560-00 | Pool Rentals                       | 0.00               | 0.00               | -142.86           | 0.00         |
| 1-72-02-590-00 | Other Revenue from Own Sources     | -42.00             | 0.00               | 0.00              | 0.00         |
| 1-72-02-850-00 | Local Gov't Conditional Grants     | -24,535.23         | -24,500.00         | 0.00              | 0.00         |
| <b>*</b>       | <b>TOTAL RECREATION - POOL REV</b> | <b>(29,697.72)</b> | <b>(30,000.00)</b> | <b>(4,375.23)</b> | <b>14.58</b> |

|           |                            |                       |                       |                       |              |
|-----------|----------------------------|-----------------------|-----------------------|-----------------------|--------------|
| <b>**</b> | <b>TOTAL OPERATING REV</b> | <b>(2,003,001.97)</b> | <b>(2,488,920.35)</b> | <b>(1,476,572.11)</b> | <b>59.33</b> |
|-----------|----------------------------|-----------------------|-----------------------|-----------------------|--------------|

**GENERAL EXPENDITURES**

|                |                                   |                   |                   |                   |              |
|----------------|-----------------------------------|-------------------|-------------------|-------------------|--------------|
| 2-00-00-741-00 | School Found. Program Requisition | 183,980.56        | 183,980.56        | 91,990.28         | 50.00        |
| 2-00-00-752-00 | Ridge Country Housing             | 23,804.26         | 21,201.44         | 21,201.44         | 100.00       |
| 2-00-00-990-00 | Discount on Taxes                 | 22,055.98         | 15,000.00         | 10,270.09         | 68.47        |
| <b>*</b>       | <b>TOTAL GEN EXPENSES</b>         | <b>229,840.80</b> | <b>220,182.00</b> | <b>123,461.81</b> | <b>56.07</b> |

**LEGISLATIVE EXP**

|                            |   |                  |                  |                  |              |
|----------------------------|---|------------------|------------------|------------------|--------------|
| 2-11-00-110-00             | Remuneration                            | 28,000.12        | 30,000.00        | 16,050.07        | 53.50        |
| 2-11-00-120-00             | Benefits                                | 457.80           | 600.00           | 0.00             | 0.00         |
| 2-11-00-210-00             | Contracted Services                     | 10,893.89        | 5,000.00         | 17,859.62        | 357.19       |
| 2-11-00-213-00             | Insurance                               | 397.00           | 397.00           | 397.00           | 100.00       |
| 2-11-00-215-00             | Training-Legislative                    | 0.00             | 15,000.00        | 350.00           | 2.33         |
| 2-11-00-510-00             | Legislative Supplies                    | 8,860.07         | 2,000.00         | 2,331.90         | 116.60       |
| 2-11-00-770-00             | Grants To Individuals and Organizations | 5,002.02         | 20,000.00        | 1,626.18         | 8.13         |
| 2-11-01-110-00             | Election - Honorarium                   | 2,135.00         | 0.00             | 0.00             | 0.00         |
| 2-11-01-212-00             | Election - Advertising                  | 1,400.00         | 0.00             | 0.00             | 0.00         |
| 2-11-01-510-00             | Election - Materials, Goods & Supplies  | 1,274.78         | 0.00             | 0.00             | 0.00         |
| * <b>TOTAL LEGISLATIVE</b> |   | <b>58,420.68</b> | <b>72,997.00</b> | <b>38,614.77</b> | <b>52.90</b> |

**GENERAL ADMINISTRATIVE**

|                                   |                                      |                   |                   |                   |              |
|-----------------------------------|--------------------------------------|-------------------|-------------------|-------------------|--------------|
| 2-12-00-810-00                    | Bank Charges/Short Term Interest     | 0.00              | 200.00            | 342.08            | 171.04       |
| 2-12-00-990-00                    | Other Trans. Discounts & Adjustments | 4,736.52          | 5,000.00          | 5,000.23          | 100.00       |
| 2-12-00-110-00                    | Salaries & Wages - Admin             | 140,693.89        | 143,000.00        | 83,652.94         | 58.50        |
| 2-12-00-120-00                    | Benefits                             | 27,846.02         | 28,000.00         | 20,233.06         | 72.26        |
| 2-12-00-210-00                    | Contracted Services                  | 133,120.53        | 90,000.00         | 59,729.85         | 66.37        |
| 2-12-00-211-00                    | Postage & Post. Machine Lease        | 7,005.84          | 7,000.00          | 5,388.22          | 76.97        |
| 2-12-00-212-00                    | Advertising                          | 1,772.81          | 750.00            | 358.19            | 47.76        |
| 2-12-00-213-00                    | Insurance                            | 19,471.61         | 20,193.00         | 20,193.00         | 100.00       |
| 2-12-00-214-00                    | Repairs & Maintenance                | 9,391.64          | 25,000.00         | 241.90            | 0.97         |
| 2-12-00-215-00                    | Training-Admin                       | 0.00              | 6,500.00          | 100.00            | 1.54         |
| 2-12-00-510-00                    | Materials, Goods and Supplies        | 12,739.97         | 10,000.00         | 1,837.04          | 18.37        |
| 2-12-00-511-00                    | Utilities                            | 20,332.20         | 20,691.30         | 12,313.81         | 59.51        |
| * <b>TOTAL GEN ADMINISTRATIVE</b> |                                      | <b>377,111.03</b> | <b>356,334.30</b> | <b>209,390.32</b> | <b>58.76</b> |

**FIRE DEPARTMENT SERVICES**

|                              |  |                  |                  |                  |              |
|------------------------------|--|------------------|------------------|------------------|--------------|
| 2-23-01-110-00               | Honourarium                              | 12,055.00        | 15,000.00        | 0.00             | 0.00         |
| 2-23-01-210-00               | Contracted Services                      | 7,371.04         | 7,500.00         | 3,586.18         | 47.82        |
| 2-23-01-213-00               | Insurance                                | 6,302.18         | 6,478.32         | 6,748.32         | 104.17       |
| 2-23-01-214-00               | Repairs & Maintenance                    | 4,817.47         | 9,000.00         | 2,813.00         | 31.26        |
| 2-23-01-215-00               | Fire Training                            | 240.00           | 1,000.00         | 0.00             | 0.00         |
| 2-23-01-510-00               | Materials, Goods & Supplies              | 5,830.71         | 10,000.00        | 3,507.64         | 35.08        |
| 2-23-01-511-00               | Utilities                                | 10,752.63        | 11,500.00        | 7,797.32         | 67.80        |
| 2-23-01-513-00               | Fuel - Town                              | 302.77           | 1,200.00         | 411.44           | 34.29        |
| 2-23-01-990-00               | Other Transactions/Discounts/Adjustments | 19.08            | 0.00             | 7.95             | 0.00         |
| 2-23-03-513-00               | Fuel - County                            | 854.69           | 1,200.00         | 767.42           | 63.95        |
| * <b>TOTAL FIRE SERVICES</b> |  | <b>48,545.57</b> | <b>62,878.32</b> | <b>25,639.27</b> | <b>40.78</b> |

**DISASTER SERVICES**

|                |                                       |        |          |      |      |
|----------------|---------------------------------------|--------|----------|------|------|
| 2-24-00-210-00 | Disaster Services Contracted Services | 500.00 | 2,000.00 | 0.00 | 0.00 |
|----------------|---------------------------------------|--------|----------|------|------|

|                           |        |          |      |      |
|---------------------------|--------|----------|------|------|
| * TOTAL DISASTER SERVICES | 500.00 | 2,000.00 | 0.00 | 0.00 |
|---------------------------|--------|----------|------|------|

BY-LAW ENFORCEMENT AND OTHER E

|                |                             |           |           |           |        |
|----------------|-----------------------------|-----------|-----------|-----------|--------|
| 2-26-00-210-00 | Contracted Services         | 31,794.03 | 32,000.00 | 24,781.25 | 77.44  |
| 2-26-00-215-00 | Provincial Policing         | 21,128.50 | 23,128.00 | 23,128.00 | 100.00 |
| 2-26-00-510-00 | Materials, Goods & Supplies | 339.73    | 500.00    | 371.97    | 74.39  |

|                    |           |           |           |       |
|--------------------|-----------|-----------|-----------|-------|
| * TOTAL BY-LAW EXP | 53,262.26 | 55,628.00 | 48,281.22 | 86.79 |
|--------------------|-----------|-----------|-----------|-------|

COMMON SERVICES/EQUIPMENT POOL

|                |                                      |           |           |           |        |
|----------------|--------------------------------------|-----------|-----------|-----------|--------|
| 2-31-00-110-00 | CSEP Salaries and Wages              | 24,197.50 | 30,000.00 | 15,230.64 | 50.77  |
| 2-31-00-120-00 | CSEP Benefits                        | 11,307.20 | 2,000.00  | 7,599.85  | 379.99 |
| 2-31-00-210-00 | CSEP Contracted Services             | 3,208.06  | 5,000.00  | 2,107.37  | 42.15  |
| 2-31-00-213-00 | CSEP Insurance                       | 6,615.28  | 0.00      | 5,953.95  | 0.00   |
| 2-31-00-214-00 | CSEP Repairs & Maintenance           | 18,410.23 | 10,000.00 | 7,412.07  | 74.12  |
| 2-31-00-215-00 | Training-CSEP                        | 0.00      | 1,000.00  | 0.00      | 0.00   |
| 2-31-00-510-00 | CSEP Materials, Goods, Supplies      | 12,807.77 | 12,000.00 | 10,010.34 | 83.42  |
| 2-31-00-511-00 | CSEP Utilities                       | 12,391.05 | 14,000.00 | 8,716.44  | 62.26  |
| 2-31-00-513-00 | CSEP Fuel                            | 22,582.20 | 25,000.00 | 21,006.97 | 84.03  |
| 2-31-00-990-00 | Other Trans. Discounts & Adjustments | 17.49     | 12,000.00 | 11.13     | 0.09   |

|                  |            |            |           |       |
|------------------|------------|------------|-----------|-------|
| * TOTAL CSEP EXP | 111,536.78 | 111,000.00 | 78,048.76 | 70.31 |
|------------------|------------|------------|-----------|-------|

RDS, STR, WLK, LTS EXP

|                |                               |           |           |           |        |
|----------------|-------------------------------|-----------|-----------|-----------|--------|
| 2-32-00-213-00 | Insurance                     | 706.46    | 660.27    | 660.27    | 100.00 |
| 2-32-00-214-00 | Repairs and Maintenance       | 96,215.52 | 85,000.00 | 12,057.91 | 14.19  |
| 2-32-00-510-00 | Materials, Goods and Supplies | 6,374.97  | 12,000.00 | 4,834.90  | 40.29  |
| 2-32-02-511-00 | Street Lights                 | 65,749.37 | 65,000.00 | 39,681.84 | 61.05  |
| 2-32-00-110-00 | Salaries and Wages            | 14,459.99 | 20,000.00 | 10,617.13 | 53.09  |
| 2-32-00-120-00 | Benefits                      | 2,111.04  | 1,500.00  | 2,095.01  | 139.67 |
| 2-32-00-210-00 | Contracted Services           | 48,013.82 | 50,000.00 | 21,330.48 | 42.66  |

|                                |            |            |           |       |
|--------------------------------|------------|------------|-----------|-------|
| * TOTAL RDS, STR, WLK, LTS EXP | 233,631.17 | 234,160.27 | 91,277.54 | 38.98 |
|--------------------------------|------------|------------|-----------|-------|

AIRPORT EXP

|                |                               |          |          |          |        |
|----------------|-------------------------------|----------|----------|----------|--------|
| 2-33-00-210-00 | Contracted Services           | 54.65    | 200.00   | 44.10    | 22.05  |
| 2-33-00-213-00 | Insurance                     | 2,916.05 | 3,051.84 | 3,051.84 | 100.00 |
| 2-33-00-214-00 | Repairs and Maintenance       | 8,452.00 | 5,000.00 | 0.00     | 0.00   |
| 2-33-00-510-00 | Materials, Goods and Supplies | 3,369.08 | 100.00   | 0.00     | 0.00   |
| 2-33-00-511-00 | Airport Utilities             | 1,280.79 | 1,500.00 | 907.43   | 60.50  |
| 2-33-00-513-00 | Fuel-Airport                  | 0.00     | 500.00   | 0.00     | 0.00   |

|                     |           |           |          |       |
|---------------------|-----------|-----------|----------|-------|
| * TOTAL AIRPORT EXP | 16,072.57 | 10,351.84 | 4,003.37 | 38.67 |
|---------------------|-----------|-----------|----------|-------|

WATER SUP & DISTR EXP

|                |                                  |           |           |           |       |
|----------------|----------------------------------|-----------|-----------|-----------|-------|
| 2-41-00-990-00 | Other Trans., Dis. & Adjustments | 3,492.25  | 3,500.00  | 3,251.00  | 92.89 |
| 2-41-01-110-00 | Water Treatment Salaries         | 52,733.63 | 30,000.00 | 26,700.71 | 89.00 |



|                |  |           |           |           |        |
|----------------|--|-----------|-----------|-----------|--------|
| 2-41-01-120-00 | Water Treatment Benefits                 | 8,960.12  | 2,000.00  | 5,863.38  | 293.17 |
| 2-41-01-210-00 | W.T. Contracted Services                 | 21,056.52 | 38,000.00 | 16,077.20 | 42.31  |
| 2-41-01-213-00 | Water Treatment Insurance                | 15,805.87 | 16,270.67 | 16,270.67 | 100.00 |
| 2-41-01-214-00 | W.T. Repairs and Maintenance             | 15,279.69 | 18,000.00 | 778.44    | 4.32   |
| 2-41-01-510-00 | W.T. Materials, Goods & Supplies         | 18,776.94 | 15,000.00 | 10,460.26 | 69.74  |
| 2-41-01-511-00 | Water Treatment Utilities                | 37,568.00 | 38,000.00 | 24,085.11 | 63.38  |
| 2-41-02-110-00 | P&P Salaries                             | 0.00      | 0.00      | 271.86    | 0.00   |
| 2-41-02-120-00 | P&P Benefits                             | 0.00      | 0.00      | 53.23     | 0.00   |
| 2-41-02-213-00 | P&P Insurance                            | 1,954.71  | 2,710.36  | 2,710.36  | 100.00 |
| 2-41-02-214-00 | P&P Repairs and Maintenance              | 187.74    | 50,000.00 | 24,481.92 | 48.96  |
| 2-41-02-510-00 | P&P Materials, Goods & Supplies          | 139.99    | 200.00    | 0.00      | 0.00   |
| 2-41-02-511-00 | P&P Utilities                            | 10,434.01 | 35,000.00 | 7,363.35  | 21.04  |
| 2-41-03-110-00 | Trans. Lines Salaries                    | 3,558.39  | 0.00      | 425.58    | 0.00   |
| 2-41-03-120-00 | Trans. Lines Benefits                    | 523.33    | 0.00      | 81.34     | 0.00   |
| 2-41-03-210-00 | Trans. Lines Contracted Services         | 3,512.31  | 5,000.00  | 2,975.06  | 59.50  |
| 2-41-03-213-00 | Trans. Lines - Insurance                 | 393.86    | 421.43    | 421.43    | 100.00 |
| 2-41-03-214-00 | Trans. Lines Repairs and Maintenance     | 17,215.01 | 20,000.00 | 304.16    | 1.52   |
| 2-41-03-510-00 | Trans. Lines Materials, Goods & Supplies | 19,552.01 | 20,000.00 | 5,668.12  | 28.34  |

|          |  |                   |                   |                   |              |
|----------|--|-------------------|-------------------|-------------------|--------------|
| <b>*</b> | <b>TOTAL WATER SUP &amp; DISTR EXP</b> | <b>231,144.38</b> | <b>294,102.46</b> | <b>148,243.18</b> | <b>50.41</b> |
|----------|--|-------------------|-------------------|-------------------|--------------|

## SANITARY SEWER EXP

|                |                                       |           |           |           |        |
|----------------|---------------------------------------|-----------|-----------|-----------|--------|
| 2-42-00-110-00 | Salaries and Wages                    | 9,203.85  | 27,500.00 | 6,768.25  | 24.61  |
| 2-42-00-120-00 | Benefits                              | 1,081.15  | 2,000.00  | 1,416.10  | 70.81  |
| 2-42-00-210-00 | Contracted Services                   | 2,966.46  | 10,500.00 | 7,130.74  | 67.91  |
| 2-42-00-213-00 | Insurance                             | 1,506.19  | 1,609.76  | 1,609.76  | 100.00 |
| 2-42-00-214-00 | Repairs and Maintenance               | 10,878.89 | 30,000.00 | 10,980.86 | 36.60  |
| 2-42-00-510-00 | Materials, Goods and Supplies         | 3,305.16  | 7,500.00  | 10,040.25 | 133.87 |
| 2-42-00-511-00 | Utilities                             | 6,467.23  | 7,500.00  | 5,896.90  | 78.63  |
| 2-42-00-990-00 | Other Trans., Discounts & Adjustments | 1,217.50  | 1,500.00  | 1,278.75  | 85.25  |

|          |                                 |                  |                  |                  |              |
|----------|---------------------------------|------------------|------------------|------------------|--------------|
| <b>*</b> | <b>TOTAL SANITARY SEWER EXP</b> | <b>36,626.43</b> | <b>88,109.76</b> | <b>45,121.61</b> | <b>51.21</b> |
|----------|---------------------------------|------------------|------------------|------------------|--------------|

## GARBAGE COLL. & RECYCLING EXP

|                |                                    |           |           |           |        |
|----------------|------------------------------------|-----------|-----------|-----------|--------|
| 2-43-00-990-00 | Other Trans., Disc. & Adjustments  | 1,233.50  | 2,500.00  | 1,124.00  | 44.96  |
| 2-43-01-210-00 | Recycling Contracted Services      | 6,163.93  | 5,000.00  | 2,294.98  | 45.90  |
| 2-43-01-213-00 | Recycling Insurance                | 52.19     | 0.00      | 55.85     | 0.00   |
| 2-43-01-510-00 | Materials, Goods & Supplies        | 0.00      | 750.00    | 0.00      | 0.00   |
| 2-43-00-110-00 | Salaries and Wages                 | 34,488.38 | 36,000.00 | 19,186.90 | 53.30  |
| 2-43-00-120-00 | Benefits                           | 3,759.70  | 2,700.00  | 4,138.25  | 153.27 |
| 2-43-00-213-00 | Insurance                          | 0.00      | 0.00      | 641.44    | 0.00   |
| 2-43-00-214-00 | Garbage Repairs and Maintenance    | 4,348.22  | 5,000.00  | 2,179.55  | 43.59  |
| 2-43-00-510-00 | Garbage Materials, Goods, Supplies | 9,002.73  | 1,500.00  | 34.80     | 2.32   |
| 2-43-00-513-00 | Fuel                               | 8,855.73  | 10,000.00 | 6,152.96  | 61.53  |
| 2-43-00-765-00 | Con't To Own Mun. Agencies         | 26,864.60 | 27,500.00 | 25,991.53 | 94.51  |

|          |  |                  |                  |                  |              |
|----------|--|------------------|------------------|------------------|--------------|
| <b>*</b> | <b>TOTAL GARBAGE &amp; RECYCLING EXP</b> | <b>94,768.98</b> | <b>90,950.00</b> | <b>61,800.26</b> | <b>67.95</b> |
|----------|--|------------------|------------------|------------------|--------------|

**TRANSFER STATION EXP**

|                                     |   |                  |                  |                  |              |
|-------------------------------------|---|------------------|------------------|------------------|--------------|
| 2-43-00-111-00                      | Wages - Transfer Station                | 21,696.92        | 19,000.00        | 12,484.99        | 65.71        |
| 2-43-00-121-00                      | Transfer Station Benefits & W.C.B.      | 355.76           | 3,000.00         | 228.56           | 7.62         |
| 2-43-00-211-00                      | Transfer Stn. Supply / Service / Repair | 36.99            | 5,000.00         | 0.00             | 0.00         |
| 2-43-00-511-00                      | Transfer Station Cell Phone/Utilities   | 1,740.12         | 2,000.00         | 1,261.28         | 63.06        |
| * <b>TOTAL TRANSFER STATION EXP</b> |   | <b>23,829.79</b> | <b>29,000.00</b> | <b>13,974.83</b> | <b>48.19</b> |

**F.C.S.S.**

|                         |                                       |                 |                 |                 |               |
|-------------------------|---------------------------------------|-----------------|-----------------|-----------------|---------------|
| 2-51-00-770-00          | Grants To Individuals & Organizations | 6,293.47        | 6,484.00        | 6,483.68        | 100.00        |
| * <b>TOTAL F.C.S.S.</b> |                                       | <b>6,293.47</b> | <b>6,484.00</b> | <b>6,483.68</b> | <b>100.00</b> |

**CEMETERIES AND CREMATORIUMS**

|                           |                                       |                 |                 |                 |               |
|---------------------------|---------------------------------------|-----------------|-----------------|-----------------|---------------|
| 2-56-00-770-00            | Grants To Individuals & Organizations | 2,000.00        | 5,000.00        | 5,000.00        | 100.00        |
| * <b>TOTAL CEMETERIES</b> |                                       | <b>2,000.00</b> | <b>5,000.00</b> | <b>5,000.00</b> | <b>100.00</b> |

**MUNICIPAL PLANNING & ZONING EX**

|   |                     |                  |                  |                  |              |
|---|---------------------|------------------|------------------|------------------|--------------|
| 2-61-00-210-00                              | Contracted Services | 24,005.43        | 42,000.00        | 10,667.95        | 25.40        |
| * <b>TOTAL MUNICIPAL PLANNING &amp; ZON</b> |                     | <b>24,005.43</b> | <b>42,000.00</b> | <b>10,667.95</b> | <b>25.40</b> |

**ECON. DEV./COMM SERV EXP**

|   |                                       |                 |                 |                 |               |
|---|---------------------------------------|-----------------|-----------------|-----------------|---------------|
| 2-62-00-210-00                          | EDT - Contracted Services             | 0.00            | 1,000.00        | 912.50          | 91.25         |
| 2-62-00-510-00                          | EDT Materials, Goods and Supplies     | 25.97           | 1,000.00        | 2,365.70        | 236.57        |
| 2-62-00-765-00                          | EDT Con't To Own Mun. Agencies        | 900.12          | 0.00            | 824.00          | 0.00          |
| 2-62-00-770-00                          | Grants to Individuals & Organizations | 4,890.00        | 5,000.00        | 4,890.00        | 97.80         |
| * <b>TOTAL ECON. DEV./COMM SERV EXP</b> |                                       | <b>5,816.09</b> | <b>7,000.00</b> | <b>8,992.20</b> | <b>128.46</b> |

**SUBDIV, LAND & DEV EXP**

|   |                     |             |                   |                  |              |
|---|---------------------|-------------|-------------------|------------------|--------------|
| 2-66-00-210-00                            | Contracted Services | 0.00        | 100,000.00        | 25,430.40        | 25.43        |
| * <b>TOTAL SUBDIV, LAND &amp; DEV EXP</b> |                     | <b>0.00</b> | <b>100,000.00</b> | <b>25,430.40</b> | <b>25.43</b> |

**RECREATION - GENERAL**

|                              |                                       |                   |                   |                  |              |
|------------------------------|---------------------------------------|-------------------|-------------------|------------------|--------------|
| 2-72-00-110-00               | Gen. Rec. Salaries and Wages          | 90,828.40         | 50,000.00         | 44,617.61        | 89.24        |
| 2-72-00-120-00               | Gen. Rec. Benefits                    | 13,134.27         | 3,500.00          | 8,218.20         | 234.81       |
| 2-72-00-210-00               | Gen. Rec. Contracted Services         | 13,172.28         | 20,000.00         | 6,890.00         | 34.45        |
| 2-72-00-213-00               | Gen. Rec. Insurance                   | 4,805.35          | 0.00              | 5,135.90         | 0.00         |
| 2-72-00-214-00               | Gen. Rec. Repairs & Maintenance       | 5,364.98          | 7,000.00          | 1,061.58         | 15.17        |
| 2-72-00-215-00               | Training-Gen Rec                      | 0.00              | 1,500.00          | 0.00             | 0.00         |
| 2-72-00-510-00               | Gen. Rec. Materials, Goods & Supplies | 4,982.51          | 6,000.00          | 1,520.27         | 25.34        |
| 2-72-00-511-00               | Gen. Rec. Utilities                   | 26,733.43         | 28,000.00         | 19,163.64        | 68.44        |
| * <b>TOTAL REC - GENERAL</b> |                                       | <b>159,021.22</b> | <b>116,000.00</b> | <b>86,607.20</b> | <b>74.66</b> |

**RECREATION - CAMPGROUND**

|                                 |                                     |                  |                  |                  |               |
|---------------------------------|-------------------------------------|------------------|------------------|------------------|---------------|
| 2-72-01-210-00                  | Con. Services - Campground          | 620.00           | 1,500.00         | 588.75           | 39.25         |
| 2-72-01-213-00                  | Insurance - Campground              | 309.11           | 330.35           | 330.35           | 100.00        |
| 2-72-01-214-00                  | Repairs & Maintenance - Campground  | 155.99           | 8,000.00         | 7,202.05         | 90.03         |
| 2-72-01-510-00                  | Mat., Goods & Supplies - Campground | 5,577.30         | 2,500.00         | 1,832.47         | 73.30         |
| 2-72-01-511-00                  | Utilities - Campground              | 17,977.69        | 20,000.00        | 27,946.80        | 139.73        |
| * <b>TOTAL REC - CAMPGROUND</b> |                                     | <b>24,640.09</b> | <b>32,330.35</b> | <b>37,900.42</b> | <b>117.23</b> |

**RECREATION - POOL**

|                                  |                                    |                  |                  |                  |              |
|----------------------------------|------------------------------------|------------------|------------------|------------------|--------------|
| 2-72-02-110-00                   | Salaries and Wages - Pool          | 41,074.16        | 30,000.00        | 17,363.03        | 57.88        |
| 2-72-02-120-00                   | Benefits - Pool                    | 1,784.81         | 1,500.00         | 810.03           | 54.00        |
| 2-72-02-210-00                   | Contracted Services - Pool         | 10,985.43        | 5,000.00         | 1,169.05         | 23.38        |
| 2-72-02-212-00                   | Advertising - Pool                 | 0.00             | 100.00           | 0.00             | 0.00         |
| 2-72-02-213-00                   | Insurance - Pool                   | 1,847.86         | 1,974.84         | 1,974.84         | 100.00       |
| 2-72-02-214-00                   | Repairs & Maintenance - Pool       | 5,215.60         | 10,000.00        | 1,104.37         | 11.04        |
| 2-72-02-215-00                   | Training-Pool                      | 0.00             | 2,000.00         | 2,677.53         | 133.88       |
| 2-72-02-510-00                   | Materials, Goods & Supplies - Pool | 10,260.82        | 10,000.00        | 658.05           | 6.58         |
| 2-72-02-511-00                   | Utilities - Pool                   | 10,065.60        | 10,000.00        | 4,353.17         | 43.53        |
| * <b>TOTAL RECREATION - POOL</b> |                                    | <b>81,234.28</b> | <b>70,574.84</b> | <b>30,110.07</b> | <b>42.66</b> |

**REC - GOLF COURSE EXP**

|                                      |   |             |             |               |             |
|--------------------------------------|---|-------------|-------------|---------------|-------------|
| 2-72-03-510-00                       | Golf Course Materials, Goods & Supplies | 0.00        | 0.00        | 164.00        | 0.00        |
| * <b>TOTAL REC - GOLF COURSE EXP</b> |   | <b>0.00</b> | <b>0.00</b> | <b>164.00</b> | <b>0.00</b> |

**CULTURE & LIBRARY EXP**

|  |                            |                  |                  |                  |              |
|--|----------------------------|------------------|------------------|------------------|--------------|
| 2-74-00-765-00                           | Cont. To Own Mun. Agencies | 13,417.52        | 21,000.00        | 20,782.24        | 98.96        |
| * <b>TOTAL CULTURE &amp; LIBRARY EXP</b> |                            | <b>13,417.52</b> | <b>21,000.00</b> | <b>20,782.24</b> | <b>98.96</b> |

|                              |                     |                     |                     |              |
|------------------------------|---------------------|---------------------|---------------------|--------------|
| ** <b>TOTAL EXPENDITURES</b> | <b>1,831,718.54</b> | <b>2,028,083.14</b> | <b>1,119,995.10</b> | <b>55.22</b> |
|------------------------------|---------------------|---------------------|---------------------|--------------|

|                                       |                     |                     |                     |              |
|---------------------------------------|---------------------|---------------------|---------------------|--------------|
| ***P <b>TOTAL (SURPLUS) / DEFICIT</b> | <b>(171,283.43)</b> | <b>(460,837.21)</b> | <b>(356,577.01)</b> | <b>77.38</b> |
|---------------------------------------|---------------------|---------------------|---------------------|--------------|

Request for Decision

## Administration Reports

August 8, 2022



### RECOMMENDATION

That the Administration Reports for the period ending July 31, 2022, be accepted as information.

### LEGISLATIVE AUTHORITY

### BACKGROUND

On a monthly basis, administration provides Council with reports on the following: Public Works, Municipal Enforcement (Community Peace Officer), and the Chief Administrative Officer.

### RISK/CONSEQUENCES

1. Council may provide further direction on any item contained in the reports. Council shall be specific in the direction it provides.

### FINANCIAL CONSIDERATIONS

None

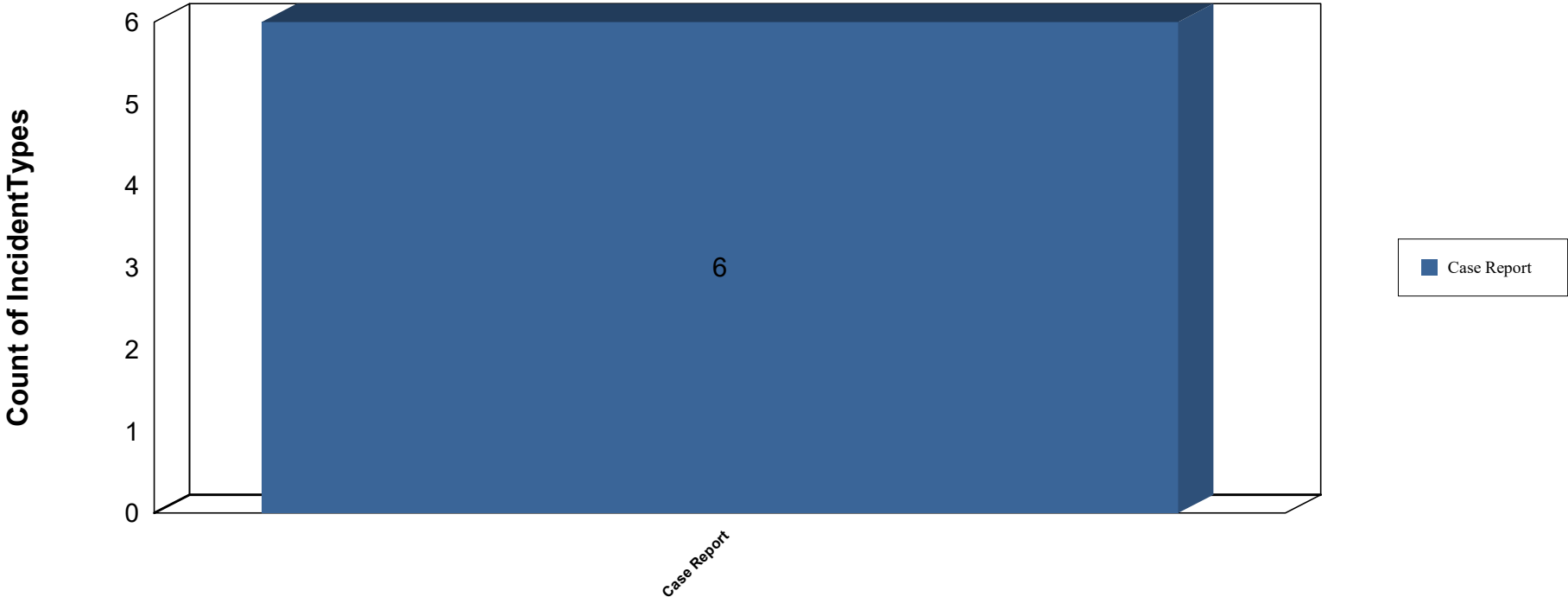
### ATTACHMENTS

1. Public Works Report
2. Community Peace Officer Report
3. Chief Administrative Officer Report

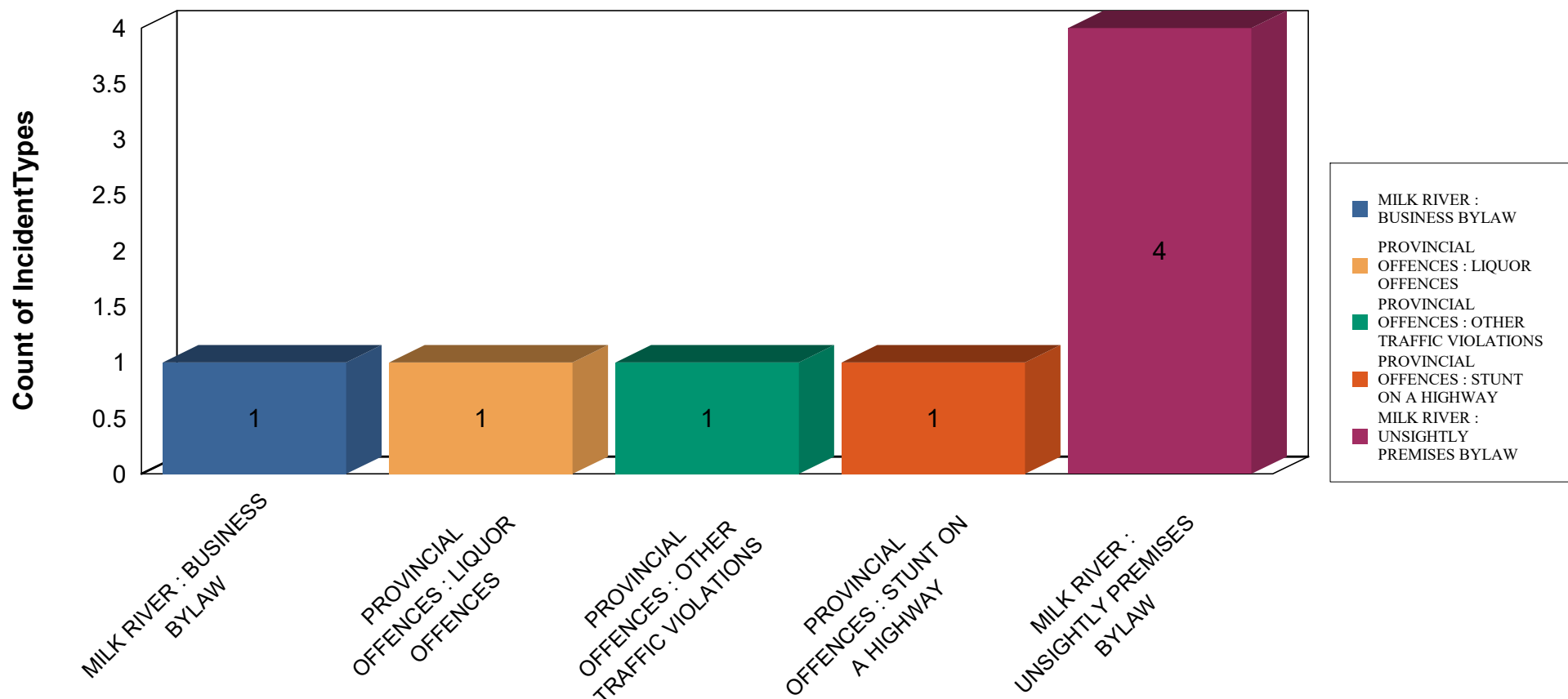
Municipal Enforcement

Statistics from: 7/1/2022 12:00:00AM to 7/31/2022 11:59:00PM

Count of Reports Completed



## Count of Incident Types



### MILK RIVER : BUSINESS BYLAW

| <u>Location</u>  | <u>Case Number</u> | <u>Incident Type</u>        | <u>Officer</u> | <u>Date</u>     |
|--|--------------------|-----------------------------|----------------|-----------------|
| Case Report<br>RIDGE REGIONAL PUBLIC SAFETY<br>SERVICES : MILK RIVER | RRPSS2022-0293     | MILK RIVER : BUSINESS BYLAW | TODD NELSON    | 2022/07/20 1200 |
| <u>Specific Location</u><br>TOWN OF MILK RIVER                       |                    |                             |                |                 |

Report Synopsis : BUSINESS NOT HAVING A BUSINESS LICENCE FOR THE TOWN OF MILK RIVER (THE TREE GUYS)

12.50% # of Reports: 1 Case Report MILK RIVER : BUSINESS BYLAW

## PROVINCIAL OFFENCES : LIQUOR OFFENCES

| <u>Location</u>                                       | <u>Case Number</u> | <u>Incident Type</u>                     | <u>Officer</u> | <u>Date</u>     |
|---|--------------------|--|----------------|-----------------|
| Case Report   |                    |  |                |                 |
| RIDGE REGIONAL PUBLIC SAFETY<br>SERVICES : MILK RIVER | RRPSS2022-0298     | PROVINCIAL OFFENCES : LIQUOR<br>OFFENCES | TODD NELSON    | 2022/07/13 1655 |
| <u>Specific Location</u>                              |                    |  |                |                 |
| 3RD STREET NE   |                    |  |                |                 |

Report Synopsis : Golf cart on the roadway with 2 passenger 1 sitting on the front dash of the cart and alcohol within reach of driver.

12.50% # of Reports: 1 Case Report PROVINCIAL OFFENCES : LIQUOR OFFENCES

## PROVINCIAL OFFENCES : OTHER TRAFFIC VIOLATIONS

| <u>Location</u>                                       | <u>Case Number</u> | <u>Incident Type</u>                              | <u>Officer</u> | <u>Date</u>     |
|---|--------------------|---|----------------|-----------------|
| Case Report   |                    |   |                |                 |
| RIDGE REGIONAL PUBLIC SAFETY<br>SERVICES : MILK RIVER | RRPSS2022-0298     | PROVINCIAL OFFENCES : OTHER TRAFFIC<br>VIOLATIONS | TODD NELSON    | 2022/07/13 1655 |
| <u>Specific Location</u>                              |                    |   |                |                 |
| 3RD STREET NE   |                    |   |                |                 |

Report Synopsis : Golf cart on the roadway with 2 passenger 1 sitting on the front dash of the cart and alcohol within reach of driver.

12.50% # of Reports: 1 Case Report PROVINCIAL OFFENCES : OTHER TRAFFIC VIOLATIONS

## PROVINCIAL OFFENCES : STUNT ON A HIGHWAY

| <u>Location</u>                                       | <u>Case Number</u> | <u>Incident Type</u>                        | <u>Officer</u> | <u>Date</u>     |
|---|--------------------|---|----------------|-----------------|
| Case Report   |                    |   |                |                 |
| RIDGE REGIONAL PUBLIC SAFETY<br>SERVICES : MILK RIVER | RRPSS2022-0298     | PROVINCIAL OFFENCES : STUNT ON A<br>HIGHWAY | TODD NELSON    | 2022/07/13 1655 |
| <u>Specific Location</u>                              |                    |   |                |                 |
| 3RD STREET NE   |                    |   |                |                 |

Report Synopsis : Golf cart on the roadway with 2 passenger 1 sitting on the front dash of the cart and alcohol within reach of driver.

12.50% # of Reports: 1 Case Report PROVINCIAL OFFENCES : STUNT ON A HIGHWAY

## MILK RIVER : UNSIGHTLY PREMISES BYLAW

| <u>Location</u> | <u>Case Number</u> | <u>Incident Type</u> | <u>Officer</u> | <u>Date</u> |
|-----------------|--------------------|----------------------|----------------|-------------|
|-----------------|--------------------|----------------------|----------------|-------------|

**Case Report**

RIDGE REGIONAL PUBLIC SAFETY  
SERVICES : MILK RIVER

RRPSS2022-0260

MILK RIVER : UNSIGHTLY PREMISES  
BYLAW

TODD NELSON

2022/07/07 0000

**Specific Location**

232 3 AVE

Report Synopsis : Habitual Unsightly Property with long grass and weeds (possible abandon home and property)

**Case Report**

RIDGE REGIONAL PUBLIC SAFETY  
SERVICES : MILK RIVER

RRPSS2022-0289

MILK RIVER : UNSIGHTLY PREMISES  
BYLAW

TODD NELSON

2022/07/16 1536

**Specific Location**

924 MAIN STREET

Report Synopsis : Complaint of an unsightly property (Foxtail weed).

**Case Report**

RIDGE REGIONAL PUBLIC SAFETY  
SERVICES : MILK RIVER

RRPSS2022-0306

MILK RIVER : UNSIGHTLY PREMISES  
BYLAW

MELANIE MAREK

2022/07/20 1200

**Specific Location**

201 2 ST NE

Report Synopsis : complaint of an unsightly premises

**Case Report**

RIDGE REGIONAL PUBLIC SAFETY  
SERVICES : MILK RIVER

RRPSS2022-0307

MILK RIVER : UNSIGHTLY PREMISES  
BYLAW

MELANIE MAREK

2022/07/21 1200

**Specific Location**

204 1 AVE NE

Report Synopsis : complaint of overgrown trees on the sidewalk

50.00% # of Reports: 4 **Case Report** MILK RIVER : UNSIGHTLY PREMISES BYLAW

**Grand Total: 100.00% Total # of Incident Types Reported: 8 Total # of Reports: 6**

**Grand Total: 100.00% Total # of Incident Types Reported: 8**



# Chief Administrative Officer Report

July 2022



## Administration

- Council meetings: 1 regular
- Council meeting minutes
- Council meeting highlights for newsletter
- Power+ sign up
- Interview with CBC - Power+
- UoC School of Public Policy - community engagement interview
- Renamed newsletter: Milk River Moments
- Municipal Accountability Program: round up of documents and meeting with Municipal Affairs
- Register Council to Alberta Municipalities Conference
- Bylaw revisions
- Staff meeting
- **Mayors' queries**
- Library bylaw
- Walk in visitors
- Phone calls
- Policy inventory
- Grant research and creation of inventory

## Public Works

- Attend weekly safety meetings
- WW annual report
- Construction meetings with MPE and Jenex - Main Street Water Main Replacement
- Look for historical 7<sup>th</sup> and 8<sup>th</sup> avenue subdivision
- PW coverage for Warner Cemetery
- Main Street and Highway 501 Road Closures
- Numerous Travis Permits

## Planning & Development

- Extension of Park Services for two years
- Primary - power on 8<sup>th</sup>
- Calls on real estate (general) queries on properties for sale
- EV chargers installed
- Development inquiries
- MPC meeting - July 15 and minutes
- Meeting with new Stakeholder Relations Manager for Fortis

## Community Development

- TAS Permit for parade
- Approval to use Bouncy House
- Talk to Horizon School Division
- 100<sup>th</sup> Birthday certificate and visit from Deputy Mayor

## Economic Development

- VIC letters

## Protective Services

- Finalize animal control bylaw
- Meet with Fire Chief: County of Warner Services Agreement Review
- Attend Fire Department meeting

Request for Decision

## Correspondence

August 8, 2022



### RECOMMENDATION

That correspondence for the period ending August 8, 2022, be accepted as information.

### LEGISLATIVE AUTHORITY

### BACKGROUND

Correspondence is a collection of general information received at the Town Office and is provided to Council as information.

### RISKS/CONSEQUENCES

1. Council may provide further direction on any item contained in correspondence. Council shall be specific in the direction it provides.
2. Council may direct Administration on any item contained in correspondence.

### FINANCIAL CONSIDERATIONS

None

### ATTACHMENTS

|   |   |
|---|---|
| Milk River Cemetery Company               | Ukrainian Independence Day                  |
| Milk River Irrigator Update               | Affordable Housing Needs Assessment         |
| Safety Codes Audit Report                 | Alberta Municipalities 2022 Resolution Book |
| RCMP Annual Performance Plan              |   |
| Municipal Affairs: Internship Program     |   |
| Fortis Alberta: Streetlight Decision      |   |
| Alberta Municipalities 2021 Annual Report |   |

**Milk River Cemetery Company**

RECEIVED

JUL 13 2022

**PO Box 251**

**Milk River, Alberta T0K 1M0**

July 11, 2022

Milk River Town Council  
Town of Milk River  
PO Box 270  
Milk River, AB T0K 1M0

Dear Council:

On behalf of the Milk River Cemetery Company, thank you for the \$3,000.00 we received to help offset water usage charges. Although the cost of watering is substantial, it enables us to make the final resting place of many of our former residents as attractive as possible. Your generous contribution towards this cause is greatly appreciated.

Sincerely,



Brian Lippa  
Secretary Treasurer

**From:** [Dorothy Lok](#)  
**To:** [Tim Romanow](#); [Carmen delaChevrotiere](#); [Andrew Wilson](#); [Stephen Mathyk](#); [Emily Traxel](#); [Jennifer Nitschelm](#); [Mitchell Seward](#)  
**Subject:** Milk River Irrigator Update - July 11, 2022  
**Date:** July 11, 2022 4:28:07 PM

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Dear Milk River Irrigator:

For your awareness, on July 11, 2022, Alberta Environment and Parks received an email stating that the accredited officers have reviewed the situation on the Milk River and advise the following:

“Our view is Alberta could irrigate to the end of the September with the LOI, as there is a 2000 cfs-day (3970 ac-ft) deficit on the St. Mary system. Our estimate to date for the year-end Milk deficit is likely to be in the 1300 cfs-day (2579 ac-ft) range or less.”

In other words, the deficit to Canada on the St. Mary River is more than enough to cover the irrigation use in Canada on the Milk River, even if there were no natural flows on the Milk River from now until the remainder of the season, and provided that the U.S. diversions to the Milk River continue.

***Dorothy Lok P. Eng.***

*Approvals Manager, Lethbridge*

**Alberta Environment & Parks**

Tel: (403) 382-4253 | Cell: (403) 308-7143

2nd Floor, Provincial Building | 200-5th Ave S. | Lethbridge, AB T1J 4L1

-  
-



Classification: Protected A



## Safety Codes Council

July 14, 2022

Kelly Lloyd  
CAO/ QMP Manager  
Town of Milk River  
BOX 270  
Milk River AB T0K 1M0

Dear Kelly Lloyd,

RE: Safety Codes Council Audit of the Building, Electrical, Plumbing, and Gas Disciplines for the Period of March 1, 2021 to February 28, 2022.

As you are aware, the Safety Codes Council (the "Council") conducted an audit of the Town of Milk River's permitting and inspection services in the building, electrical, plumbing, and gas disciplines from May 16, 2022 to May 20, 2022. The audit has been completed and filed with the Council. An executive summary of the audit, along with a copy of the report, is included for your reference and use.

We would appreciate receiving your comments and action plans to address the observations and recommendations included in the executive summary no later than Wednesday October 12, 2022.

On behalf of the Council, I thank the Town of Milk River and staff for their cooperation. Should you have any questions, please feel free to contact me.

Sincerely,

Cristian Nadeau  
Audit Manager

Direct: 780.392.1371  
Email: Cristian.Nadeau@safetycodes.ab.ca

Enclosures

cc: Peter Burrows, Acting Administrator of Accreditation, Safety Codes Council



## EXECUTIVE SUMMARY

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July 2022

*Town of Milk River (BEPG)*

The Safety Codes Council (the "Council"), in administering its responsibilities and duties under the *Safety Codes Act*, audits the provision of permitting and inspection services by accredited municipalities. Audits assess the administration and delivery of these services to ensure they are consistent with the terms and conditions of the municipality's Quality Management Plan, the *Safety Codes Act*, and *Act's* regulations.

The process is intended to assist accredited municipalities with meeting the requirements of their accreditation and enhancing or refining the services provided to Albertans. Overall, the audits help provide an objective and unbiased assessment of performance, effectiveness, and risk associated with the broader provincial safety codes system.

The Council audit process takes the following into consideration:

- overall quality management of accredited municipalities;
- administration of permitting and inspection services provided by accredited municipalities under their approved Quality Management Plan;
- certification and practices of safety codes officers and permit issuers;
- processes supporting the issuance of orders or variances and the delivery of other safety codes services; and
- administration of safety codes fees and levies.

This audit was conducted on May 16-20, 2022, focusing on the Town of Milk River's (the "Municipality") accreditation in the building, electrical, plumbing, and gas disciplines for the period of March 1, 2021 to February 28, 2022. The audit took the following into consideration:

- previous audit of the Municipality's building accreditation;
- open and closed safety codes permits available under this audit; and
- roles and responsibilities of those who provide services in these disciplines.

The auditor found some items requiring corrections which recommendations for implementation are included in this report.

Please note, recommendations of the auditor and/or Council's representative are to be implemented by the municipality as defined by the Quality Management Plan. Where recommendations are made, actions are required. Suggestions, however, provide guidance from the auditor to improve current processes, documents, etc.

Following is a summary of the observations from the audit:

## **1. PERFORMANCE**

The Municipality has a process in place to monitor the effectiveness and timeliness of safety codes services. As part of its monitoring program, the Municipality and their contracted agency are tracking a permits progress and generating reports on eSITE, and having regular meetings and/or discussions with the safety codes officers.

However, of the files reviewed, the auditor found one case where the permit has passed its listed expiry date and exceeded the terms of the permit without a documented extension.

*Recommendation: The Municipalities will ensure that, when a permit reaches the expiry date listed in the permit conditions, the permit holder applies for an extension. If the extension is approved, the new expiry date is to be documented. If the extension is not granted or applied for, the permit expiry process is to be commenced.*

## **2. INFORMATION COLLECTION**

Based on the permit applications and issued permits reviewed, the information requested or collected as part of the permitting process is not consistently captured or provided. There was one case where the applicant did not provide evidence that the proposed new manufactured home has the required CSA and AMA labels attached to the unit.

*Recommendation: The Municipality will ensure all required information is provided as per the Quality Management Plan and Permit Regulation.*

## **3. CONSTRUCTION DOCUMENT REVIEW**

This review was always completed within 15 days of permit issuance and complete documents found on file. The required construction documents were received prior to building permit issuance, however;

- there was one case in the building discipline where the required professional involvement A & B schedules were not received and maintained prior to issuing the permit and
- one open and closed permit where to date no record of the Engineer Letter of Compliance was provided.

*Recommendation: The Municipality will ensure that, when professional involvement is required, all required information for the work is collected and submitted to the safety code officer for review prior to permit issuance and prior to conducting the final inspection and closing the file.*

#### 4. SITE INSPECTIONS AND REPORTS

The auditors found the inspection process in the building, electrical, plumbing, and gas disciplines to be generally meeting the Quality Management Plan's requirements; however, there were

- cases where the required minimum number of inspections or the correct stage of inspection was not met;

*Recommendation: The Municipality will ensure that the required number and type of inspections are conducted as indicated in the Quality Management Plan. When the required number of inspections is not considered based on the scope of the project, the safety codes officer must document that reason(s) in the inspection report.*

The auditor concluded that the Town of Milk River, its staff, and contracted accredited agency are working towards providing sufficient services in meeting with the intent of the *Safety Codes Act* and the approved Quality Management Plan; however, some improvements are required to meet legislated requirements and the Municipality's terms of accreditation.

The Town of Milk River has indicated support from management and elected officials towards safety codes operations and its commitment to improvements. We thank the Town of Milk River for its commitment to safety and its involvement and support in conducting this audit. We look forward to working with you in the future.

#### SAFETY CODES COUNCIL



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Cristian Nadeau  
Audit Manager



Safety Codes Council  
Audit

# Town of Milk River

Respecting the administration of the *Safety Codes Act*  
under Accreditation Orders 653, 1386, 1384, and 1385  
for building, electrical, plumbing, and gas disciplines.

— AUDIT PERIOD: March 1, 2021 to February 28, 2022 —

Audit Date:

May 16 to 20, 2022

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# SAFETY CODES COUNCIL AUDIT

## Overview

### ORGANIZATION INFORMATION

The Town of Milk River (the “Municipality”) is a community of over 827 people, encompassing an area of 235.0 hectares, and are located 86 kilometres south of City of Lethbridge.

### AUDIT TEAM

Audit Lead: William Crozier

### AUDIT HISTORY

The previous audit of the Municipality's administration of the Safety Codes Act under its accreditation was conducted by the Safety Codes Council (the “Council”) in July 2017.

### FILE SELECTION PARAMETERS

The Council selected the following number of files for the period under audit:

| STATUS | FILE TYPE                | NUMBER OF FILES AVAILABLE | NUMBER OF FILES SELECTED |
|--------|--------------------------|---------------------------|--------------------------|
| Open   | Permits - Building       | 5                         | 3                        |
|        | Permits - Electrical     | 8                         | 2                        |
|        | Permits - Plumbing       | 0                         | 0                        |
|        | Permits - Gas            | 0                         | 0                        |
|        | Permits - Private Sewage | 0                         | 0                        |
|        | <i>TOTAL</i>             | 13                        | 5                        |
| Closed | Permits - Building       | 15                        | 4                        |
|        | Permits - Electrical     | 16                        | 4                        |
|        | Permits - Plumbing       | 4                         | 2                        |
|        | Permits - Gas            | 7                         | 4                        |
|        | Permits - Private Sewage | 0                         | 0                        |
|        | <i>TOTAL</i>             | 42                        | 14                       |

# Quality Management Plan Review

## SCHEDULE A – SCOPE AND ADMINISTRATION

### **A.1 SCOPE OF ACCREDITATION**

The Municipality has been accredited to administer the *Safety Codes Act* in the building, electrical, plumbing, and gas disciplines. The Municipality's service delivery matches the scope of accreditation as per the approved Quality Management Plan that was in place for the period being audited.

### **A.2 ADHERENCE TO THE QUALITY MANAGEMENT PLAN**

The Municipality demonstrated an understanding of its responsibilities for ensuring compliance with the Quality Management Plan as an accredited organization.

The Municipality has a five year signed contract with the accredited agency Park Enterprises Ltd. on file. The contract was effective on November 1, 2016 and has been extended to expire on July 31, 2022. The contract does include a transition clause. The contract does address the return of all municipal files upon its termination and the ownership of records related to the services provided under the *Safety Codes Act*.

The Municipality's Quality Management Plan Manager assisted with the audit. The auditors were assured the Municipality does maintain an atmosphere of safety codes officer objectivity, free of undue influence.

### **A.3 POLICY FOR PERSONNEL TRAINING**

The Municipality's representative provided assurance that all safety codes officers have attended the required seminars and renewed their certification as required. This was further confirmed through reviewing the Council's records.

### **A.4 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT**

The Municipality's representative is aware that all information collected under the *Safety Codes Act* is subject to the *Freedom of Information and Protection of Privacy Act*.

### **A.5 RECORDS RETENTION AND RETRIEVAL**

Through interviewing the Municipality's representative, the auditor determined that files are retained for a minimum period of three years as indicated in the Quality Management Plan, then archived to the property file.

The Municipality has a procedure in place to have completed files returned from the agency back to the Municipality on a monthly basis. The records retention and retrieval process employed by the Municipality meets the intent of the Quality Management Plan.

## **A.6 DECLARATION OF STATUS**

Based on the files reviewed, the auditor found no evidence of conflict of interest with the agency's safety codes officers in respect to the services provided under the Quality Management Plan, including being the owner, contractor or designer of projects where they also provided compliance monitoring.

## **A.7 ANNUAL INTERNAL REVIEW**

The Quality Management Plan requires accredited municipalities to conduct an annual internal review of their program and submit the findings to the Council.

The Municipality has conducted an internal review of its Quality Management Plan program and submitted the findings to the Council for the year 2021.

## **A.8 REVISIONS**

The Quality Management Plan was updated in 2018 with an effective date of September 10, 2018. No changes or updates have been submitted to the Administrator of Accreditation since.

## **A.9 REVISION CONTROL SYSTEM**

The Municipality does ensure that all staff, safety codes officers, permit issuers, contracted personnel and contracted accredited agencies performing duties under the Quality Management Plan have access to a copy of the plan. The Municipality does maintain a registry of those that have been provided with a copy of the Quality Management Plan and approved revisions.

## **SCHEDULE B – SERVICE DELIVERY STANDARDS**

### **B.1 SCOPE OF SERVICES**

The Municipality is aware of its responsibilities for providing compliance monitoring services under the *Safety Codes Act* and the Quality Management Plan.

### **B.2 PERFORMANCE**

The Municipality has a process in place to monitor the effectiveness and timeliness of safety codes services. As part of its monitoring program, the Municipality and their contracted agency are tracking a permits progress and generating reports on eSITE, and having regular meetings and/or discussions with the safety codes officers.

However, of the files reviewed, the auditor found one case where the permit has passed its listed expiry date and exceeded the terms of the permit without a documented extension.

*Recommendation: The Municipalities will ensure that, when a permit reaches the expiry date listed in the permit conditions, the permit holder applies for an extension. If the extension is approved, the new expiry date is to be documented. If the extension is not granted or applied for, the permit expiry process is to be commenced.*

### **B.3 PERSONNEL**

The Municipality does maintain a registry of all contracted safety codes officers and permit issuers with their level(s) of certification and designation of powers. Based on the permits reviewed, the agency's safety codes officers are designated and certified to the correct level for the work completed.

### **B.4 QUALITY MANAGEMENT PLAN TRAINING**

The Municipality does train its involved staff in administering the Quality Management Plan and does maintain the contracted agency training records on file.

### **B.5 RECORDS**

The Municipality does maintain a file system for all records associated with permitting and inspection services and ensure that all files returned by the agency are complete. The Municipality uses eSITE to maintain records of permitting and inspection activities. The auditors confirmed that all permitting activities (issued/open/closed permits), occurred during the period under audit, were recorded completely.

### **B.6 COUNCIL LEVY**

The Municipality's Quality Management Plan states that the Municipality will collect the Council levy for each permit issued under the *Safety Codes Act*, and remit those levies to the Council.

The contracted agency currently collects and remits levies on behalf of the Municipality. The auditors confirmed through a review of Council records that the agency is remitting levies on a monthly basis.

### **B.7 ORDERS AND VARIANCES**

The Municipality has safety codes officers at the appropriate level through its contracted agency who may issue orders and variances in accordance with the *Safety Codes Act*.

The Municipality reported that no orders to comply or variances/alternative solutions were issued in the period under audit.

# Compliance Monitoring

## **GENERAL PERMITTING PROCESS REVIEW**

The Municipality, through the accredited agency have a program of permit issuance, plans examination (when applicable), site inspection, follow-up inspections or verification of compliance, and file closure. Certified and designated safety codes officers will provide compliance monitoring in accordance with the *Safety Codes Act*.

## **INFORMATION COLLECTION - PERMITS**

The Quality Management Plan requires that certain information be collected as part of the permitting process such as the applicant's, owner's, and contractor's contact information; description of the work to be undertaken; the permit issuer's name, signature, and designation number; and an advisory respecting the collection/use of this information and compliance with the *Freedom of Information and Protection of Privacy Act*.

Based on the permit applications and issued permits reviewed, the information requested or collected as part of the permitting process is not consistently captured or provided. There was one case where the applicant did not provide evidence that the proposed new manufactured home has the required CSA and AMA labels attached to the unit.

*Recommendation: The Municipality will ensure all required information is provided as per the Quality Management Plan and Permit Regulation.*

## **CONSTRUCTION DOCUMENT REVIEW**

A construction document review is required as per section 4.1 of the Quality Management Plan.

This review was always completed within 15 days of permit issuance and complete documents found on file. The required construction documents were received prior to building permit issuance, however;

- there was one case in the building discipline where the required professional involvement A & B schedules were not received and maintained prior to issuing the permit and
- one open and closed permit where to date no record of the Engineer Letter of Compliance was provided.

*Recommendation: The Municipality will ensure that, when professional involvement is required, all required information for the work is collected and submitted to the safety code officer for review prior to permit issuance and prior to conducting the final inspection and closing the file.*

## **PLANS REVIEW REPORT**

The auditor found the plans review report in the building discipline meets the Quality Management Plan's requirements.

## **SITE INSPECTIONS AND REPORTS**

Under its Quality Management Plan, the Municipality is required to carry out periodic inspections of construction activity regulated by the *Safety Codes Act*. These inspections are conducted by a safety codes officer who then submits a report of his/her observations to the owner or other appropriate party who can ensure deficiencies are corrected as needed.

These reports are required to contain information that clearly ties permit services to the property and parties responsible. These must also include observations and direction to achieving safety codes compliance.

The type of information required on inspection reports is identified in the Municipality's Quality Management Plan. Equally important to the inspection process is the follow-up to ensure that deficiencies or unsafe conditions have been addressed.

The auditor found the inspection process in the building, electrical, plumbing, and gas disciplines to be generally meeting the Quality Management Plan's requirements; however, there were cases where the required minimum number of inspections or the correct stage of inspection was not met.

*Recommendation: The Municipality will ensure that the required number and type of inspections are conducted as indicated in the Quality Management Plan. When the required number of inspections is not considered based on the scope of the project, the safety codes officer must document that reason(s) in the inspection report.*

## **VERIFICATION OF COMPLIANCE**

All required verifications of compliance were found on file. Based on the audit, the verification of compliance process meets the intent of the *Safety Codes Act* and Quality Management Plan.

## **NO-ENTRY POLICY**

The Municipality has a no-entry policy as required by the Quality Management Plan. No concerns were found.



## **PERMIT SERVICES REPORT**

The Permit Services Report is the last step in the permitting process that allows closure of the permit file. This document is issued to the owner by the municipality when all required inspections are completed to the satisfaction of the safety codes officer. The document provides the owner with the final accounting of the safety codes services provided, including any outstanding non-compliance issues that may remain.

The auditor found all Permit Services Reports were issued within 30 days of completing the compliance monitoring services. Based on the audit, the process meets the intent of the *Safety Codes Act* and Quality Management Plan.

## **FILES REVIEW**

### **1.0 Open Permits**

#### **1.1 BUILDING: Total number of files: 5 Number of files required for the audit: 3**

| PERMIT #        | OBSERVATIONS   |
|-----------------|--|
| 218PEL-20-B0010 | <b>Professional Involvement:</b> No record of the Engineer Letter of Compliance (slab-on-grade) and Fire Alarm System verification provided prior to conducting the final inspection and closing the file. |
| 218PEL-21-B0001 | <b>Professional Involvement:</b> No record of Schedules A-1, A-2, B-1 and B-2.   |
| 218PEL-21-B0008 | No Concerns  |

#### **1.2 ELECTRICAL: Total number of files: 8 Number of files required for the audit: 2**

| PERMIT #        | OBSERVATIONS  |
|-----------------|---|
| 218PEL-21-E0019 | <b>Permit Conditions:</b> The progress of the permit has exceeded the terms and conditions of the permit (Expiry Date) without monitoring documented and/or an extension requested and granted. |
| 218PEL-21-E0012 | No Concerns   |

### **2.0 Closed Permits**

#### **2.1 BUILDING: Total number of files: 15 Number of files required for the audit: 4**

| PERMIT #        | OBSERVATIONS  |
|-----------------|---|
| 218PEL-20-B0011 | <b>Permit Application:</b> The applicant did not provide evidence that the proposed new manufactured home has the CSA and AMA labels attached to the unit. (NBC-2019AE, Div. A-1.1.1.1.(2) Factory-Constructed Buildings. |
| 218PEL-21-B0006 | <b>Professional Involvement:</b> No record of the Engineer Letter of Compliance (engineered/enclosed deck) provided prior to conducting the final inspection and closing the file.  |
| 218PEL-21-B0010 | <b>Site Inspection:</b> Based on the project value, the required minimum number of site inspections has not been met (interim/progress inspection missing).   |
| 218PEL-21-B0003 | No Concerns   |

**2.2 ELECTRICAL: Total number of files: 16 Number of files required for the audit: 4**

| PERMIT #  | OBSERVATIONS  |
|---|---|
| 218PEL-21-E0004<br>218PEL-21-E0017<br>218PEL-21-E0021 | <b>Site Inspection:</b> Based on the project value, the required minimum number of site inspections has not been met (rough-in inspection missing). |
| 218PEL-21-E0005                                       | No Concerns   |

**2.3 PLUMBING: Total number of files: 4 Number of files required for the audit: 2**

| PERMIT #                           | OBSERVATIONS |
|------------------------------------|--------------|
| 218PEL-21-P0001<br>218PEL-21-P0002 | No Concerns  |

**2.4 GAS: Total number of files: 7 Number of files required for the audit: 4**

| PERMIT #  | OBSERVATIONS  |
|---|---|
| 218PEL-21-G0001                                       | <b>Site Inspection:</b> Based on the project value, the required minimum number of site inspections has not been met (rough-in inspection missing). |
| 218PEL-21-G0002<br>218PEL-21-G0003<br>218PEL-21-G0009 | No Concerns   |

## Restrictions and Limitations

This report was prepared for the Town of Milk River to assist in ensuring that the Municipality's permitting and inspection system is effective, responsible, and accountable to the people it serves. It is intended that this report not be used for any other purpose.

The audit was performed to examine the permitting process, administration, and service delivery standards on the selected samples and the Council levies based on the designed sampling approach. The results derived from the selected samples may not be representative of the entire data population. The audit provides a reasonable assurance that the Town of Milk River is effectively administering, and in compliance with its approved Quality Management Plan.

The Council reserves the right, and is under no obligation, to review and/or revise the contents of this report in light of information that may become available after the date of this report.

Yours truly,

### SAFETY CODES COUNCIL



---

Cristian Nadeau  
Audit Manager



---

William Crozier  
Audit Lead

**From:** [Brown, Mike](#)  
**To:** [Shawn Hathaway](#); [Kelly Lloyd](#); [Kim Owen](#); [Village of Coutts](#)  
**Subject:** Milk River RCMP Annual Performance Plan  
**Date:** July 4, 2022 11:59:25 AM  
**Attachments:** [Acknowledgement of Community Consultation.pdf](#)

---

Good Morning,

I have completed our Detachment Annual Performance plan after speaking with area elected officials and residents. I have attached the plan for your signature as a representative of an area our Detachment provides policing services. The document is filed at the Detachment for our records only.

The Detachment Plans consists of three initiatives for the area. The initiatives and measures are not limited to below.

- 1 – Police visibility – Increase visibility within the area schools, partner with the schools to conduct presentations/engagement, increase Detachment participation and visibility in Community events and host a community barbeque.
- 2 – Crime Prevention - Increase proactive school zone patrols, patrols of the area campgrounds and along the Canadian/US border as illegal activity has increased.
- 3 – Traffic – Safety and Enforcement – Increase visibility on the areas roads and highways. Increase the number of checkstops in the area as well as Traffic enforcement via violation tickets and warnings.

Please sign the portion that relates to your community beside your name, date and return to myself for filing.

If you have any questions or concerns please contact me.

Thanks and have a great day

Mike



Royal Canadian Mounted Police Gendarmerie royale du Canada

Annual Performance Plan

Plan annuel de rendement

Acknowledgement of Consultation

Attestation de la consultation

District / Detachment Information - Renseignements sur le district ou le détachement

Fiscal Year - Année financière 2022 - 2023

RCMP COST CENTRE STANDARD HIERARCHY

C

SOUTHERN ALBERTA DISTRICT

MILK RIVER

MILK RIVER PROVINCIAL

Milk River Det

Community Name(s) - Nom(s) de la(des) collectivité(s)

1. Milk River
2. Coutts
3. Warner
4. Warner County

This letter acknowledges that the stakeholders of the above-noted detachment / district / unit area or community(ies) and the RCMP have consulted and discussed our progress against last year's priority issues. Further it has been agreed that over the coming year we will collectively focus on the following priority issues.

La présente lettre atteste que les responsables de la région du détachement/district/service ou de la ou des collectivités susmentionnées et de la GRC se sont consultés et ont discuté des progrès accomplis par rapport aux enjeux prioritaires de l'année dernière. Il a aussi été convenu que les enjeux suivants constituent les enjeux prioritaires sur lesquels nous concentrerons conjointement nos efforts au cours de l'année à venir.

Community Priority Issue(s) - Enjeu(x) prioritaire(s) pour la collectivité

1. Police / Community Relations - Police Visibility
2. Police / Community Relations - Crime prevention
3. Traffic - Safety (motor vehicles, roads)

District / Detachment Commander - Chef de district / détachement

Michael Brown

District / Detachment Commander

Signature - Signature

Date

Community Representative - Représentant(e) de la collectivité

CAO Kelly Lloyd

Name - Nom

Signature - Signature

Date

CAO Lori Rolfe

Name - Nom

Signature - Signature

Date

CAO Shawn Hathaway

Name - Nom

Signature - Signature

Date



# Apply to Host a Municipal Intern

Be part of the 2023 Municipal Internship Program

## Build capacity

The Alberta Municipal Internship Program is Canada's largest and longest running program of its kind. The program supports the development of new professionals in municipal administration, finance and land-use planning in order to build capacity in Alberta municipalities.

Internships are 18-months in length and start in May of each year. Municipalities and planning service agencies approved to participate are provided a \$60,000 grant to help offset the costs associated with hosting an intern.

## Why host an intern?

Interns bring knowledge, skills, and enthusiasm that helps to build capacity and rejuvenate the municipal government sector in Alberta. They also bring:

- New ideas and perspectives for both the organization and community.
- Energy, eagerness, and initiative.
- Education and knowledge (intern candidates must have completed a diploma or degree within the past two years).
- Willingness to learn.
- Creativity and enthusiasm.
- Strong research skills.
- High computer literacy and knowledge of technology applications.
- Ambassadors about municipal government, in particular your municipality.

## Eligibility to host

Organizations applying to host an intern must:

- Meet the population eligibility requirement for the program stream of interest (Administrator stream: 700-75,000, Finance Officer stream: 2,500 to 125,000, and Land Use Planner stream: 5,000 to 125,000).
- Designate at least one senior-level municipal employee as the Intern Supervisor.
- Provide comprehensive experience in various areas of the municipality.
- Commit sufficient financial resources to supplement grant funding for hosting an intern.



## Program requirements

Host organizations designate a supervisor who acts as a coach and mentor for the intern, and is a liaison between the intern and other staff.

Supervisors will:

- Work with the ministry's program team to develop a host profile to describe and promote their municipality and the work the intern will complete during their internship.
- Implement the Internship Workplan so their intern gains meaningful experiential learning opportunities in governance, management, operations, and policy.
- Support their intern's professional development.
- Meet regularly with the intern (weekly or bi-weekly) to reflect on experiential learning and provide feedback.
- Attend Municipal Affairs check-ins and workshops (supervisor and intern).
- Complete program grant reporting.

## Apply today!

Applications accepted until October 3, 2022 through the Alberta Community Partnership Online (ACPO) Portal.

Find more at [www.alberta.ca/municipal-internship-program.aspx](http://www.alberta.ca/municipal-internship-program.aspx)

Need to chat? Call us at 780-427-2225 or email us at [municipal.internship@gov.ab.ca](mailto:municipal.internship@gov.ab.ca)

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Classification: Public



**Subject Line: Call for Applications - 2023 Municipal Internship Program Hosts**

Dear Chief Administrative Officer/Agency Director:

*The Municipal Internship Program is Canada's largest and longest running program of its kind. Host a recent post-secondary graduate in your organization and experience how an intern can contribute to the success of your municipality or planning agency by bringing new ideas and perspectives, fresh energy, and creative approaches to tackle challenges facing your community.*

To date, 350 interns and 100 Alberta municipalities have participated in the Municipal Internship Program. The program provides support to municipalities and planning service agencies to develop and train recent post-secondary graduates so they may pursue careers in municipal administration, finance, or land-use planning. Organizations from around the province with municipal offices of ten staff to those with hundreds of employees in urban and rural locations, and communities, have benefited from hosting an intern and have contributed to providing meaningful work experiences for intern participants, as well as build the capacity of Alberta's municipal sector.

**2023 host applications will be accepted until October 3, 2022.**

**Why Host an Intern?**

A municipal intern in your organization brings enthusiasm, excitement and energy. Candidates are recent post-secondary graduates who are interested in pursuing a career in municipal government. For municipalities and planning service agencies, this is a unique opportunity to help develop the future leaders in your organization and for Alberta's municipal sector. ***Learn more in the attached 2023 Program Details*** and visit the [Municipal Internship Program website](#).

**Information Session**

The Capacity Services team will be hosting a virtual information session on August 11, 2022 from 1:30 p.m. to 2:30 p.m. to provide interested municipalities and planning agencies with information about the program structure, grant application requirements, and other program details. To register to attend, please email [municipal.internship@gov.ab.ca](mailto:municipal.internship@gov.ab.ca).

**How to Apply**

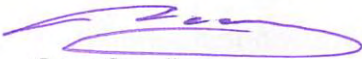
The Municipal Internship Program is part of the Alberta Community Partnership (ACP) program. Applications will be accepted through the [ACP online portal](#).

To ensure your application is considered for the 2023 program, please send your completed documentation no later than **October 3, 2022**.

If you have any questions about the Municipal Internship Program, please refer to the website, email us at [municipal.internship@gov.ab.ca](mailto:municipal.internship@gov.ab.ca), or contact the Capacity Services team toll-free by dialing 310-0000, then 780-427-2225.



Yours truly,



Gary Sandberg  
Assistant Deputy Minister  
Municipal Services Division  
Alberta Municipal Affairs

Attachment: 2023 Program Details

July 25, 2022

Town of Milk River  
PO Box 270  
Milk River, Alberta T0K 1M0

Attention: Kelly Lloyd, Chief Administrative Officer

Subject: **Electric Distribution System Franchise Agreement, between FortisAlberta Inc. and the Town of Milk River, Schedule "C" – Street Lighting**

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Schedule "C" of the franchise agreement between FortisAlberta and the Town of Milk River, sets out the service and operational standards for street lighting within the municipality. Pursuant to Section 1b of Schedule "C", FortisAlberta is required to replace, or repair failed streetlights within two weeks of being reported as set out below:

b) **Lights-out:** The Company will replace or repair a failed light identified in its patrol or reported by customers, within two (2) weeks. If the reported light is not replaced or repaired within two (2) weeks, the Company will provide a two (2) month credit to the Municipality based on the rate in the Distribution Tariff for the failed lights. Such two (2) month credit shall continue to apply for each subsequent two (2) week period during which the same failed light(s) have not been replaced. The Company agrees to use good faith commercially reasonable efforts to replace or repair:

i) failed street lights at critical locations; or

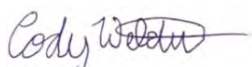
ii) failed street lighting circuits at any location, as the case may be, as soon as possible. The location of the critical street lights will be agreed to by both Parties.

On an annual basis, FortisAlberta reviews its performance in replacing or repairing failed streetlights. Based on our review of 2021, there were 2 street lights that were not repaired on a timely basis, resulting in a credit of \$97.01 being payable to the Town of Milk River. This amount will be issued via electronic fund transfer.

Operation managers have reviewed the root causes contributing to these performance shortfalls and have recommitted to meeting this metric in 2022. FortisAlberta values our partnership and providing power distribution services to your community and look forward to continuing to serve and build a strong working relationship with you.

If you have any questions regarding this credit, please feel free to contact me at your convenience.

Sincerely,



Cody Webster  
Stakeholder Relations Manager

July 25<sup>th</sup>, 2022

**RE: Alberta Utilities Commission (AUC or Commission) Decision 27067-D01-2022, Application Respecting the Refund of the FortisAlberta Streetlight Investment**

On July 11<sup>th</sup>, 2022, the AUC issued Decision 27067-D01-2022 regarding which party (either the municipality or the developer) should receive the FortisAlberta streetlight investment if the parties are unable to agree on where to direct the streetlight investment. The AUC has determined that the refund of the FortisAlberta streetlight investment is to be paid to the municipalities (or as directed by the municipalities), in those cases where the developer and municipality are currently in dispute.

The AUC has also directed FortisAlberta to revise its current process and relevant documents and to file a proposal to modify its Customer Terms and Conditions of Electric Distribution Service (T&Cs) so that the T&Cs clearly (i) set out the street light investment refund entitlement; (ii) set out the form of agreement required when the refund is to be assigned to a party other than the municipality; and (iii) revise the Underground Electrical Distribution System Services (UEDS) Agreement, the Quotation Letter and the Municipal Approval Form to ensure consistency with the revised T&Cs. In accordance with the Commission's directions, FortisAlberta will consult with parties regarding the proposed amendments to its T&Cs and will amend the language in the UEDS Agreement, the Quotation Letter, and the Municipal Approval Form, as necessary, to ensure these documents are consistent with the T&Cs. FortisAlberta will file a proposal to modify its T&Cs before October 1, 2022.

Until revised T&Cs are approved by the AUC, the Commission has directed that the streetlight investment refund in similarly impacted developments should continue to be paid to municipalities where the developer and municipality are in dispute.

FortisAlberta will proceed to issue the streetlight investment refund in accordance with the Commission's determinations in Decision 27067-D01-2022. Included with this letter is a copy of the decision for your review.

If you have any questions or concerns, please feel free to contact me or your Stakeholder Relations Manager at your convenience.

Sincerely,



Dave Hunka  
Manager, Municipalities

Enclosures *AUC Decision 27067-D01-2022*



FortisAlberta Inc.

Application Respecting the Refund of the Fortis Street Light  
Investment

July 11, 2022

**Alberta Utilities Commission**

Decision 27067-D01-2022

FortisAlberta Inc.

Application Respecting the Refund of the Fortis Street Light Investment

Proceeding 27067

July 11, 2022

Published by the:

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Eau Claire Tower  
1400, 600 Third Avenue S.W.  
Calgary, Alberta T2P 0G5

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Website: [www.auc.ab.ca](http://www.auc.ab.ca)

The Commission may, within 60 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

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## **1 Decision summary**

1. In this decision, the Alberta Utilities Commission determines that the refund of the FortisAlberta Inc. street light investment is to be paid to the municipalities (or as directed by the municipalities), in those cases where the developer and municipality are currently in dispute in the Fortis service territory, for the following reasons: (i) Fortis's Customer Terms and Conditions of Electric Distribution Service<sup>1</sup> (T&Cs) and the relevant documents identified in Section 3 are consistent in their contemplation of the municipalities as the more typical recipient of the street light investment refund; and (ii) continuing to direct the refund to municipalities at this time will likely minimize disruptions to the present business practice.

2. The Commission directs Fortis to revise its current process and relevant documents and to file a proposal to modify its T&Cs so that the T&Cs clearly (i) set out the street light investment refund entitlement; (ii) set out the form of agreement required when the refund is to be assigned to a party other than the municipality; and (iii) revise the Underground Electrical Distribution System Services (UEDS) Agreement, the Quotation Letter and the Municipal Approval Form to ensure consistency with the revised T&Cs.

## **2 Introduction and procedural background**

3. In new residential developments in Fortis's service area the developer is responsible for managing the design, construction and installation of electrical facilities within the boundaries of the subdivision and in accordance with Fortis standards. This includes the installation of street lights. Fortis invests in or refunds the costs of new street lights as per its Customer Contribution Schedules<sup>2</sup> referenced by its T&Cs, which are approved by the Commission.<sup>3</sup> The T&Cs state the investment amount/refund is either paid to the subdivision developer or to the applicable municipality, if so directed by an agreement between the developer and the municipality, on an annual basis for those street lights that are energized. The investment amount is included in Fortis's rate base and recovered over time through Commission-approved rates.

4. As part of the process to initiate the provision of electric service for new developments, Fortis requires residential developers to sign a UEDS Agreement<sup>4</sup> (the UEDS Agreement) and accept in writing the proposal as set out in the Quotation Letter<sup>5</sup> provided by Fortis describing,

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<sup>1</sup> Exhibit 27067-X0035, Appendix G - FortisAlberta Inc. Customer Terms and Conditions of Electric Distribution Service, effective January 1, 2022.

<sup>2</sup> Section 2.5 of the T&Cs.

<sup>3</sup> Decision 26817-D01-2021: FortisAlberta Inc., 2022 Annual Performance-Based Regulation Rate Adjustment, Proceeding 26817, December 15, 2021, Appendix 4 - 2022 Customer terms and conditions, effective January 1, 2022.

<sup>4</sup> Exhibit 27067-X0003, Appendix A - UEDS Agreement.

<sup>5</sup> Exhibit 27067-X0004, Appendix B - UEDS Quote Letter.

among other things, the customer contribution, of which a portion would be refundable. The UEDS Agreement references the T&Cs, and advises Fortis shall pay to the applicable municipal authority a portion of the investment amount for each street light fixture, unless otherwise directed by the municipality. Later on in the process, the municipality completes the Municipal Approval for Electric Facilities Installation form<sup>6</sup> (Municipal Approval Form), which requires the municipality to confirm to whom Fortis should direct the street light investment.

5. On December 17, 2021, Fortis filed an application with the Commission seeking the Commission's advice and direction on the issue of to whom the street light investment should be paid in the event of a dispute between a developer and a municipality regarding whether an agreement has been reached as to entitlement to the payment. The Commission had before it two related complaints from developers contesting the payment of the street light investment refund to municipalities.<sup>7</sup> On February 16, 2022, the Commission advised parties to the complaints that this proceeding would address the street light investment issue.<sup>8</sup>

6. Statements of intent to participate (SIPs) were received from the Building Industry and Land Development Association Alberta (BILD Alberta);<sup>9</sup> a group of developers referred to as the "Additional Developers";<sup>10</sup> the City of Airdrie; the City of St. Albert; the Rural Municipalities of Alberta; and the Alberta Municipalities. The Additional Developers and St. Albert did not file further submissions.

7. The process for this proceeding included Commission information requests (IRs) to, and responses from, Fortis, as well as written argument and reply argument. Airdrie and the Alberta Municipalities filed a joint argument and reply argument.

### **3 Discussion of issues and Commission findings**

8. The applicable sections of the T&Cs have been in effect since 2007.

9. Fortis submitted that since June 2021, it began receiving requests from developers for refund of street light investments where it was asserted that no agreement was reached between the developer and the municipality regarding the street light investment and as such, the T&Cs require the street light investment to be paid to the developers. In contrast, municipalities have directed Fortis to provide the street light investment to the municipality. As a result, Fortis sought guidance from the Commission concerning these disputes,<sup>11</sup> and has not issued any street light investment refunds for the contested developments since June 2021.<sup>12</sup>

10. Section 2.2 of the T&Cs state that "If there is any conflict between a provision in the Terms and Conditions, and a provision in a Commitment Agreement, Electric Service

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<sup>6</sup> Exhibit 27067-X0004, Appendix C.

<sup>7</sup> Proceeding 27147 and Proceeding 27155.

<sup>8</sup> Proceeding 27155, Exhibit 27155-X0008, paragraph 9.

<sup>9</sup> BILD Alberta represented Melcor Developments Ltd., Anthem United, and Qualico Communities, who had earlier filed a SIP, collectively as "The Developers."

<sup>10</sup> Madlee Developments Ltd. as owner of an interest in Willows West Limited Partnership, GDM Developments Ltd. and West Sylvan Investments Ltd. are collectively referred to as the "Additional Developers" in this proceeding.

<sup>11</sup> Exhibit 27067-X0002, application, paragraph 3.

<sup>12</sup> Exhibit 27067-X0002, application, paragraph 21.



Agreement, Interconnection Agreement, Retail Service Agreement, Underground Electrical Distribution System Services Agreement [UEDS Agreement] or any other existing or future agreement between FortisAlberta and a Responsible Party, the provision in the Terms and Conditions shall govern.” As noted below, the applicable sections of the T&Cs are somewhat ambiguous, giving rise to the disputes in the present proceeding.

11. In argument, the Commission requested parties to provide submissions on the provisions in the Fortis T&Cs that are applicable to street light investment and how the provisions in the T&Cs flow through to the UEDS Agreement, the Quotation Letter and the Municipal Approval Form. Templates of these documents formed part of Fortis’s application.<sup>13</sup>

12. The Commission reviewed the entire record in coming to this decision; lack of reference to a matter addressed in evidence or argument does not mean that it was not considered.

13. Sections 7.2.1 and 7.2.3 of the T&Cs are the relevant sections related to the street light investment and to whom the refund should be paid:

#### **7.2.1 Customer Distribution Contribution**

...

In a new residential subdivision, since some Points of Service may not be occupied and connected immediately, the Subdivision Developer is initially responsible for the full Customer Extension Costs and Customer Shared Costs for each Point of Service. The FortisAlberta Investment is paid to the Developer, or in the case of street lights, the Municipality, as each Point of Service is connected, as described in Section 7.2.3.

#### **7.2.3 Refunds of Customer Contributions**

...

(c) in a residential subdivision, where the developer initially paid the total cost of the Facilities within the subdivision, applicable refunds are reviewed annually and made in accordance with the amounts set out in Table 1 of the Customer Contributions Schedules, for each residence that is connected and taking service within 10 years following the date of payment, to the current developer (or in the case of street lights, to the Municipality if so directed by an agreement between the developer and the Municipality, provided also that such agreement is communicated to FortisAlberta prior to any payment by FortisAlberta), without interest.

14. Section 10.3 of the UEDS Agreement addresses the payment of the street light refund, stating that the payment is to be made to the municipal authority unless the municipal authority directs otherwise:

10.3 Where applicable, FortisAlberta shall, in accordance with the Terms and Conditions, during the Investment Payment Period, pay to the applicable municipal authority a portion of the Investment Amount for each streetlight fixture that is connected to and taking service from the Distribution System, unless the applicable municipal authority directs otherwise, in which case the streetlight portion of the Investment Amount shall be paid as directed by the applicable municipal authority.<sup>14</sup>

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<sup>13</sup> Exhibit 27067-X0003, Appendix A - UEDS Agreement; Exhibit 27067-X0004, Appendix B - UEDS Quote Letter; Exhibit 27067-X0005, Appendix C - Municipal Approval Form.

<sup>14</sup> Exhibit 27067-X0003, Appendix A - UEDS Agreement, PDF page 16.

15. Similarly, the Quotation Letter also states that the street light investment is to be paid as directed by the municipal authority:

... The residential lot investment will be paid to \_\_\_\_\_ for a period of 10 years from the date indicated in the UEDS Agreement, and reviewed annually to determine the number of lots that are connected and taking service. The streetlight investment will be payable as directed by the applicable municipal authority.<sup>15</sup>

16. Fortis's Municipal Approval Form is signed by the municipality and Section 4 of the form specifies whether the street light investment is to be directed to the municipality or to the developer. While the form is signed only by the municipality, Fortis believes that when it receives this form it is evidence that an agreement has been reached between the municipality and the developer. According to Fortis, the municipality and the developer consult in completing the form, and it is the developer or its consultant who then submits the form to Fortis.<sup>16</sup> Fortis noted that Melcor Developments Ltd. and La Vita Land Inc., two developers that are currently in dispute with municipalities, submitted Municipal Approval forms to Fortis confirming that the street light investment refund was to be provided to the municipality.<sup>17</sup>

17. Parties expressed different interpretations of the T&Cs. Fortis stated that its T&Cs provide developers and municipalities the flexibility to determine between themselves which party will be entitled to the street light investment refund.<sup>18</sup> The municipalities placed emphasis on Section 7.2.1 of the T&Cs, since it appears first. They submitted that Section 7.2.3(c) is only intended to provide additional details on how the Fortis investments are payable depending on the specific service they relate to.<sup>19</sup> Contrary to the municipalities, the developers placed more weight on Section 7.2.3(c). The developers submitted that at first instance the developer is entitled to the Fortis investment for new facilities, including street lights, and only where there is an agreement between the municipality and the developer could an exception be made to direct the street light refund to the municipality.<sup>20</sup>

### Commission findings

18. The Commission acknowledges Fortis's submission that the intention of its T&Cs is to distinguish the street light investment from other rate class investment payments, and to facilitate an election of the entitlement to the street light investment refund, subject to agreement between developer and municipality.<sup>21</sup> As discussed above, the T&Cs, the UEDS Agreement, the Quotation Letter and the Municipal Approval Form all contemplate the municipality as the more typical recipient of the street light investment refund. The Commission has also considered that with the street light investment refund being primarily directed to municipalities for nearly a decade, maintaining this pattern of practice at this time should minimize the disruptions to the established procedure.<sup>22</sup> Accordingly, the Commission will maintain the status quo in this

<sup>15</sup> Exhibit 27067-X0004, Appendix B - UEDS Quote Letter, PDF page 2.

<sup>16</sup> Exhibit 27067-X0042, Fortis argument, paragraph 10.

<sup>17</sup> Exhibit 27067-X0042, Fortis argument, paragraph 11.

<sup>18</sup> Exhibit 27067-X0042, Fortis argument, paragraph 8.

<sup>19</sup> Exhibit 27067-X0040, Airdrie and Alberta Municipalities argument, paragraphs 60-62.

<sup>20</sup> Exhibit 27067-X0041, BILD Alberta argument, paragraph 12.

<sup>21</sup> Exhibit 27067-X0042, Fortis argument, paragraph 2.

<sup>22</sup> Exhibit 27067-X0045, Fortis reply argument, paragraph 8.

instance and directs that the street light investment refund be paid to the municipalities where the developer and municipality are in dispute.

19. The Commission also finds that, given the T&Cs' failure to definitively address a party's entitlement to the street light investment refunds and the required documentation to record the entitlement, and until such time that revised T&Cs from Fortis addressing this ambiguity have been approved by the Commission, the street light investment refund in similarly impacted developments should continue to be paid to municipalities where the developer and municipality are in dispute.

20. With reference to Section 7.2.3 of the T&Cs, the Commission observes that neither the UEDS Agreement, the Quotation Letter approval nor the Municipal Approval Form provide an opportunity or signatory lines for the developer or the municipality to indicate that there is an agreement as to where Fortis is to pay the street light investment. The Commission is not persuaded that signing and submitting these forms under the present practice fully and formally communicates the existence of an agreement being reached between the developer and the municipality with respect to the payment of the street light investment.

21. In order to provide necessary clarification on this matter, the Commission directs Fortis to file a proposal to modify its T&Cs as soon as practicable but no later than October 1, 2022, either by way of a stand-alone application or by including these changes in some other proceeding dealing with Fortis's T&Cs. The proposed modifications must clarify entitlement to the street light investment refund, and provide clear direction on the form of agreement required for the street light investment refund to be paid to a party. The Commission expects that Fortis will consult with parties, and amend the language in the UEDS Agreement, the Quotation Letter and the Municipal Approval Form, as necessary, to ensure these documents are consistent with the T&Cs.

#### **4 Cost recovery for municipalities and developers**

22. Both the municipalities and the developers have sought recovery of their costs of participating in this proceeding.<sup>23</sup> The Commission reminds the parties that both the developers and the municipalities are ineligible to claim costs pursuant to Section 4 of Rule 022: *Rules on Costs in Utility Rate Proceedings*. Although the Commission does have broad discretion to make cost orders under Section 21 of the *Alberta Utilities Commission Act*, it is not persuaded to exercise such discretion in this proceeding. Accordingly, the parties are not entitled to cost recovery in this proceeding.

#### **5 Order**

23. It is hereby ordered that:

- (1) FortisAlberta Inc. shall pay any outstanding and future street light investment refunds to the applicable municipality in instances where the developer and

---

<sup>23</sup> Exhibit 27067-X0040, Airdrie and Alberta Municipalities argument, paragraph 74; Exhibit 27067-X0041, BILD Alberta argument, paragraph 53.

municipality are in dispute, until such time as its Customer Terms and Conditions of Electric Distribution Service are modified and approved by the Commission.

- (2) FortisAlberta Inc. shall file a proposal to modify its Customer Terms and Conditions of Electric Distribution Service as soon as practicable but no later than October 1, 2022, either by way of a stand-alone application or by including these changes in some other proceeding dealing with Fortis's T&Cs, to address the issue noted in this decision respecting the payment of the street light investment refund in new residential subdivisions.

Dated on July 11, 2022.

**Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Chair

*(original signed by)*

Matthew Oliver, CD  
Commission Member

*(original signed by)*

John McCarthy  
Acting Commission Member

**Appendix 1 – Proceeding participants**

|   |
|---|
| Name of organization (abbreviation)<br>Company name of counsel or representative                                    |
| FortisAlberta Inc. (Fortis)   |
| Building Industry and Land Development Association Alberta (BILD Alberta)<br>Reynolds, Mirth, Richards & Farmer LLP |
| City of Airdrie (Airdrie)<br>MLT Aikins LLP   |
| Rural Municipalities of Alberta   |
| City of St. Albert  |

|  |
|--|
| Alberta Utilities Commission   |
| Commission panel<br>C. Dahl Rees, Chair<br>M. Oliver, CD, Commission Member<br>J. McCarthy, Acting Commission Member |
| Commission staff<br>N. Sawkiw (Commission counsel)<br>A. Corsi   |

## Appendix 2 – Summary of Commission directions

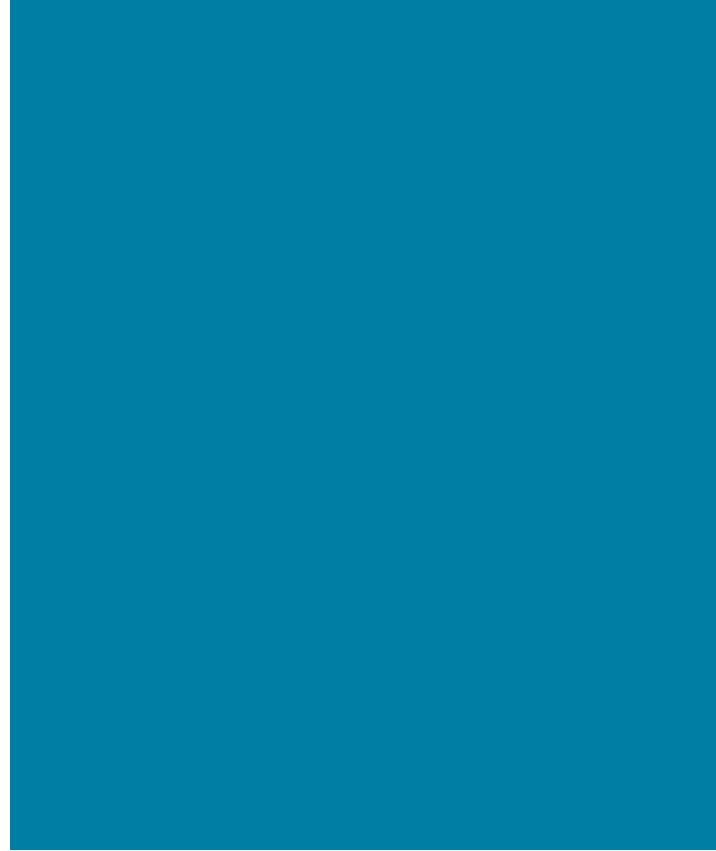
This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. The Commission directs Fortis to revise its current process and relevant documents and to file a proposal to modify its T&Cs so that the T&Cs clearly (i) set out the street light investment refund entitlement; (ii) set out the form of agreement required when the refund is to be assigned to a party other than the municipality; and (iii) revise the UEDS Agreement, the Quotation Letter and the Municipal Approval Form to ensure consistency with the revised T&Cs. .... paragraph 2
2. The Commission acknowledges Fortis’s submission that the intention of its T&Cs is to distinguish the street light investment from other rate class investment payments, and to facilitate an election of the entitlement to the street light investment refund, subject to agreement between developer and municipality. As discussed above, the T&Cs, the UEDS Agreement, the Quotation Letter and the Municipal Approval Form all contemplate the municipality as the more typical recipient of the street light investment refund. The Commission has also considered that with the street light investment refund being primarily directed to municipalities for nearly a decade, maintaining this pattern of practice at this time should minimize the disruptions to the established procedure . Accordingly, the Commission will maintain the status quo in this instance and directs that the street light investment refund be paid to the municipalities where the developer and municipality are in dispute..... paragraph 18
3. In order to provide necessary clarification on this matter, the Commission directs Fortis to file a proposal to modify its T&Cs as soon as practicable but no later than October 1, 2022, either by way of a stand-alone application or by including these changes in some other proceeding dealing with Fortis’s T&Cs. The proposed modifications must clarify entitlement to the street light investment refund, and provide clear direction on the form of agreement required for the street light investment refund to be paid to a party. The Commission expects that Fortis will consult with parties, and amend the language in the UEDS Agreement, the Quotation Letter and the Municipal Approval Form, as necessary, to ensure these documents are consistent with the T&Cs..... paragraph 21



# 2021 Annual Report







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# President's Message

We overcame considerable adversity and accomplished a lot together in 2021 – whether we were advocating on your behalf to the other orders of government on an extensive list of issues, or we were introducing the association's long-awaited new brand and updated website.

In August, President Barry Morishita resigned from his position with our association to enter provincial politics. After several months of Angela Duncan's steady interim leadership, I was elected President and we welcomed three new board members in mid-November at Convention 2021.

Alberta Municipalities stood up for our members and spoke with a strong and united voice throughout 2021. We made it known to the federal government that municipalities could not afford the retroactive pay increase owed to RCMP members. We heard our members when they spoke out about the significant information gaps in the proposed provincial police service model which would replace the RCMP. And we clearly communicated our concerns to the provincial government. We were also vocal about the current emergency medical services system, underlining the fact it does not meet our member communities' needs.

We strenuously objected to the provincial government's continual downloading of services and expenses onto municipalities, and we worked tirelessly to get local governments the funding they need. And we continued our years-long effort to have the federal and provincial governments make investments to improve broadband access across Alberta.

After many years of research and hard work, we capped off a big year by introducing our new brand. Through extensive research, our members told us it was time to change our brand, our name, and our motto. Our members told us we needed to evolve alongside them and represent them in ways that reflected their identities and their aspirations.

Our association unveiled its new brand name, Alberta Municipalities, on November 17 at our in-person Convention and Trade Show. Most exciting for me is the new motto, Strength in Members. It says so much about how our members work together to achieve great things for our communities and the people who live in them. Because, when we work together and speak as one, we speak volumes.

And so, I look forward to working with you in 2022 and supporting your community-building efforts in the year ahead. Alberta Municipalities will continue to listen to you and advocate tirelessly on your behalf.

Alberta Municipalities ■ Strength in Members

**Cathy Heron**  
**President**

# CEO's Message

Throughout 2021, we did what our association does whenever it faces adversity – we continued to pull together, collaborate, lend support, and be there for one another. It was a perfect demonstration of our motto, Strength in Members. And we were clearly living it before we unveiled the new brand in late 2021.

Alberta Municipalities stands for you, our members. We heard you when you told us we needed to represent you as you see yourselves – as communities, first and foremost. We applied what you told us and developed a new brand based on the truth of who we are and who you want us to be. I am proud of the way everyone rallied to this historic initiative and succeeded despite the challenges of the times.

Once again, our advocacy team worked tirelessly to ensure the provincial and federal governments knew precisely where our members stood on a wide assortment of issues. We made your concerns and preferences well known to ministers, MLAs, and ministry staff.

Our products and services continued delivering excellent value in 2021. For example, our natural gas aggregation secured rates 20% below the future market forecasts for more than 75 members. We were also able to continue helping our members by reducing the insurance premiums we charge by \$3.5 million in the face of ongoing volatility and substantial premium increases.

The year culminated with the return to an in-person Convention and Trade Show in November. It was one of the highlights of 2021 for me. It resulted from months of meticulous planning and effort. The fact that more than 1,000 people took part in our signature event, and everything went off without a hitch, is testimony to our remarkable members and our dedicated and talented staff.

And I'm pleased to say that our members have become accustomed to seeing Alberta Municipalities ■ Strength in Members. We will continue to make our name known through the work we do, the positive impacts we have, and by showing that there is indeed strength in members.

We look forward to working closely with our members to continue building strong communities and a more prosperous Alberta.

**Dan Rude**  
Chief Executive Officer



# Our Board



**Back row:** Mayor Trina Jones - Town of Legal, Councillor Jocelyne Lanovaz - Village of Mannville, Councillor Jennifer Wyness - City of Calgary, Councillor Peter Demong - City of Calgary, Mayor Janet Jabush - Town of Mayerthorpe, Councillor Mike Pashak - Summer Village of Halfmoon Bay, Mayor Bruce McLeod - Village of Acme, Mayor Tyler Gandam - City of Wetaskiwin

**Front row:** Mayor Angela Duncan - Village of Alberta Beach, Mayor Cathy Heron - City of St. Albert, Councillor Dylan Bressey - City of Grande Prairie, Councillor Keren Tang - City of Edmonton, Mayor Tanya Thorn - Town of Okotoks, Councillor Andrew Knack - City of Edmonton

**Not pictured:** Mayor Peter Brown - City of Airdrie





## Vision

We are a change agent that enables municipalities to be a fully engaged order of government with the capacity to build thriving communities.



## Mission

We are the voice of Alberta's urban municipalities and we provide visionary leadership, solutions-based advocacy, and service excellence.



## Core Values

### Excellence

Provide municipal expertise through timely, consistent and accurate services, continuous improvement and innovation.

### Member Focus

Offer resources and solutions tailored to needs of our members.

### Accountability

Act with integrity and transparency.

### Collaboration

Establish networks and partnerships through which we engage and respond.

### Communication

Inform, educate and listen to members and other stakeholders.

# Our Brand

At our 2021 Convention, we had the pleasure of unveiling Alberta Municipalities as the brand name for the association representing Alberta's summer villages, villages, towns, cities, and specialized municipalities – where over 85% of Albertans live.

It had been close to 30 years since our association refreshed its brand and much has changed over that time. The brand was developed after extensive consultation and engagement with our members and stakeholders. We heard how our members felt it was time to evolve our brand to align with how they define themselves, to reflect their diversity and the power that comes from working together.

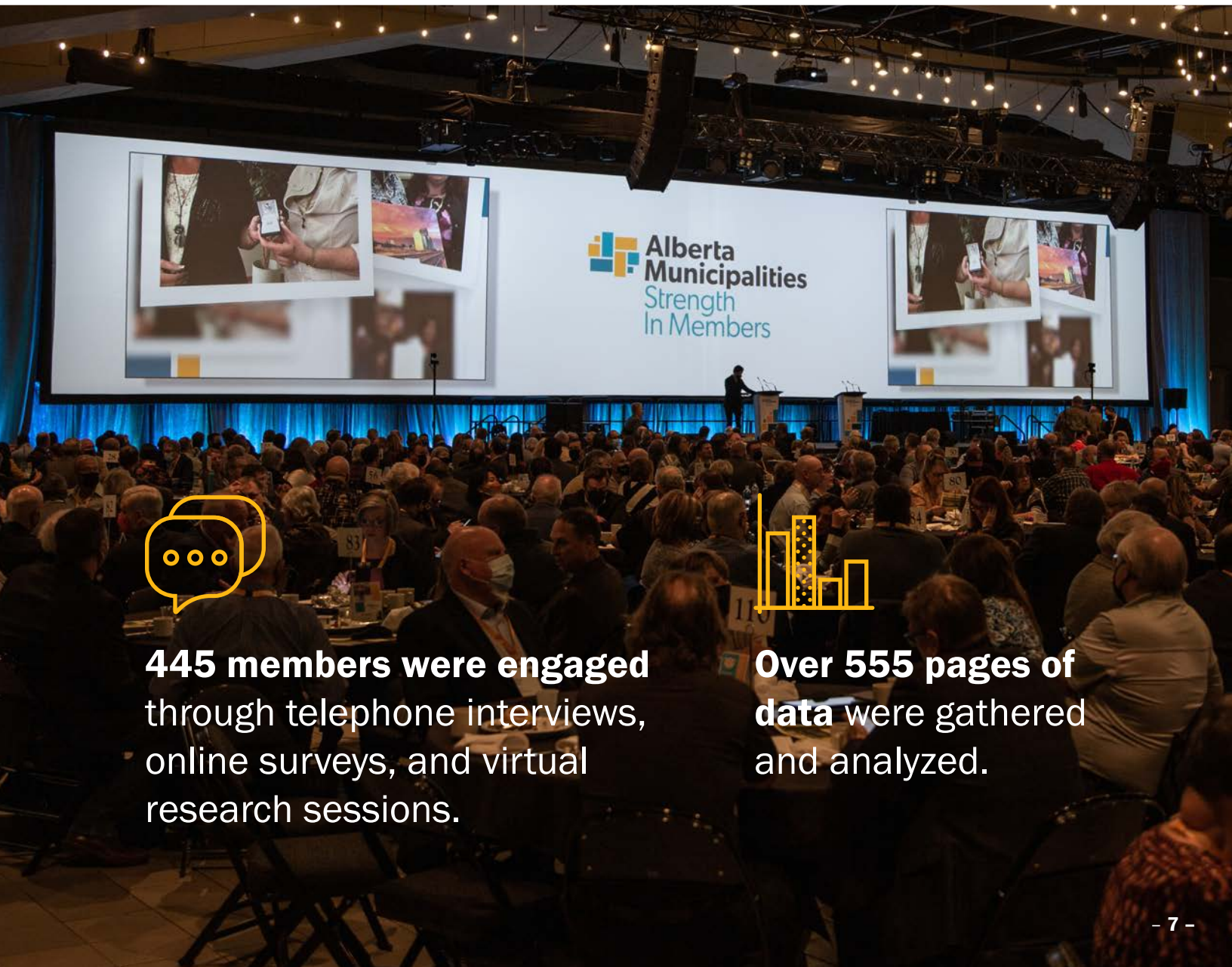
Our brand, [Alberta Municipalities](#), brings our organization's entities together under a single name. All our wholly owned subsidiaries, products, and services will be presented under the Alberta Municipalities brand.

Since the founding of our association in 1905, we have responded to the changes in our world. We have adapted and evolved. We are now better positioned to continue supporting our members as they strive to achieve the resiliency and momentum they need to build thriving communities.

When we speak as one, we speak volumes.  
**Alberta Municipalities • Strength in Members.**







**445 members were engaged** through telephone interviews, online surveys, and virtual research sessions.



**Over 555 pages of data** were gathered and analyzed.



# Member Engagement

In February 2021 we hosted our virtual President's Summit on Policing in conjunction with RMA, exploring what it would look like for Alberta to implement its own provincial police service. 649 virtual attendees registered to attend.

We had 472 municipal leaders join us for our virtual Spring Municipal Leaders' Caucus. Members had the opportunity to engage with Ministers and the Premier on top-of-mind challenges affecting municipalities. These included red tape reduction, COVID-19 recovery, and economic resiliency.

Our virtual Public Risk Conference was held over the first week of May, with a daily session focused on top-of-mind risk management and insurance-related topics. We saw our largest number of Public Risk Conference attendees ever at 220 virtual attendees.



## +200

member visits made  
across Alberta





We were thankful that we were able to safely hold our regional Summer Municipal Leaders' Caucuses in-person in July. We travelled across Alberta to Bow Island, High River, Sexsmith, Redwater and Wetaskiwin. And we hosted one virtual session for those who were unable to join us in-person. These events allowed us to gather feedback from our members on:

- how to build a culture of respect for municipal leaders, and
- what future funding programs for municipalities should look like.

Our staff here at Alberta Municipalities also love visiting directly with our members. Our business development team conducted over 200 visits this year, mostly virtual, to make sure we are providing services to meet the needs of your communities.



We were thrilled to be able to host our first in-person Convention & Trade Show since 2019, while also offering the event virtually.

**We had 1,080 in-person and 123 virtual attendees.**







# Advocacy Services

*2021 Highlights*

# Community Safety, Policing and Emergency Medical Services

## RCMP Retroactive Pay

In summer 2021, the federal government finalized a collective bargaining agreement with the RCMP union. This first-ever agreement, negotiated between the federal government and an RCMP union, came out of a 2015 Supreme Court decision that upheld the RCMP's right to collective bargaining.

The agreement includes five years of retroactive pay increases. Previously, there had been an estimated a rate of 2.5% growth on RCMP pay and pensions annually as a result of labour negotiations. However, the actual pay raises outlined in the tentative agreement range from 3.25% to 4% annually and are compounded on top of each other. This means that the salary for a First Class Constable increased by a total of 24% over the six-year agreement.

If the federal government chooses to pass the costs of retroactive pay increases along to its contract partners, this will result in substantial costs for governments that contract the RCMP. For the 47 Alberta municipalities with Municipal Police Service Agreements (MPSAs), this retroactive pay will result in a total cost of approximately \$60 million. An estimated \$80 million in back pay will be owed by the Government of Alberta under the Provincial Police Service Agreement.

Our position is that any retroactive pay increases that were negotiated by the federal government must be paid by the federal government. We have partnered with the Government of Alberta, the Federation of Canadian Municipalities, and other municipal associations and provincial governments across Canada to communicate our position to the federal government and are expecting a response in 2022.

## Independent Alberta Provincial Police Service

In June 2020, the province released the Fair Deal Panel's report, which included a recommendation to create an Alberta Provincial Police Service (APPS) to replace the RCMP. The province's response to the report indicated further analysis and work was required before recommendations could be implemented. In October 2020, the province awarded \$2.0 million to PricewaterhouseCoopers to conduct a transition study into the creation of an APPS.

We hosted the 2021 President's Summit on Policing in February 2021, which focused in part on the transition of establishing an APPS and included presentations from Justice and Solicitor General, the RCMP, and the National Police Federation. At the end of the session, attendees were surveyed about their thoughts on establishing an APPS. The survey results indicated a high level of support for retaining the RCMP as Alberta's provincial police service.

After deliberation, the Alberta Municipalities Board chose to hold off on announcing a policy position related to an APPS following the summit, primarily due to the lack of information about a potential APPS. We sent a formal request to the Minister of Justice and Solicitor General, asking that the PricewaterhouseCoopers transition study be made publicly available once it is complete.

The transition study was released in October 2021, but unfortunately, the study didn't answer the most pressing questions municipalities have about a provincial police service. We prepared a summary and analysis of the PwC study, along with some key questions and messages for member use. These materials were shared with members to help them prepare for provincial engagement on this topic in early 2022. The proposed APPS will continue to be a priority issue in 2022.



30%

There has been an unprecedented rise in calls for ambulance service.

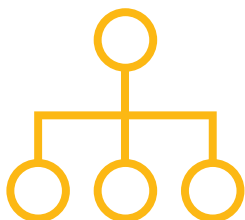
## Emergency Medical Services (EMS)

Early in 2021, emergency response for Lethbridge, Red Deer, Calgary, and the Regional Municipality of Wood Buffalo was consolidated into the provincial EMS dispatch system. The Mayors of these four municipalities were vocal about their disappointment with this decision and made several requests for the consolidations to be reconsidered by Alberta Health Services.

The past year also saw an unprecedented rise in calls for ambulance service (up 30%), in large part due to opioid use and the COVID-19 pandemic. Many of our members expressed concerns that ambulances designated to small towns are often held up at hospitals in major centres, resulting in longer emergency response times in their home communities. These factors resulted in further deterioration in ambulance response times, including rotating periods of no response around the province (sometimes referred to as "code reds" or "red alerts"). The union representing Alberta paramedics, the Health Sciences Association of Alberta, began issuing media releases in the fall of 2021 highlighting a shortage of available ambulances and the longer-than-usual response times.

As a result, our members passed two resolutions at the 2021 Convention that requested immediate action by the province to address the deterioration in ambulance service, as well as an independent third-party review of the entire Alberta Health Services emergency ambulance dispatch system. Alberta Municipalities and Rural Municipalities of Alberta (RMA) are collaborating on joint advocacy on the needed improvements to ambulance service delivery.

# Municipal Finance



## Local Government Fiscal Framework

Following direction from members at our Spring 2021 Municipal Leaders' Caucus, Alberta Municipalities reinforced our advocacy for changes to the Local Government Fiscal Framework before it starts in 2024. That advocacy focused on increasing the starting amount of funding and to remove the 50 per cent revenue limitation factor so that the funding will keep pace with inflation, growth, and community needs.

In May 2021, we announced the creation of a Municipal Financial Health Working Group to develop a framework to evaluate the financial health of municipalities and recommend a methodology for the allocation of the Local Government Fiscal Framework funding for non-charter municipalities. Its work has focused on how provincial infrastructure funding can be allocated in a more equitable manner to account for the true scope of infrastructure in each municipality and each municipality's fiscal capacity to fund infrastructure.



## Time Extension for the Municipal Stimulus Program

Following a member survey and advocacy to Alberta Municipal Affairs, Alberta Municipalities succeeded in getting the Government of Alberta to grant [time extensions to municipalities](#) that would not be able to meet the December 31, 2021 deadline to spend all Municipal Stimulus Program funding.



## Helping Members and Media Understand the Financial Impact of Provincial Decisions

**We remained diligent in keeping members and media informed on how provincial decisions are impacting municipal budgets. Examples include:**

- [Changes to the allocation formula](#) for the Municipal Sustainability Initiative (MSI) impact members in 2022 and 2023.
- Reduction of the Grants In Place of Taxes (GIPOT) funding by 50 per cent since 2019.
- Alberta's decision to freeze the deployment of photo radar (Automated Traffic Enforcement, or ATE), resulting in reduced traffic safety and reduced traffic enforcement revenue for municipalities.
- Partial downloading of the costs associated with police forensic lab work to municipalities.

**We actively worked to keep members informed:**

- We hosted a [webinar](#) and report on Alberta's 2021-22 budget.
- We participated in a long-form panel interview on the [Real Talk show discussing how municipal finances differ from other levels of government.](#)



# Municipal Governance



In 2021, we spent considerable time and effort championing democratic principles and values.





As part of the province's ongoing red tape reduction review of the Municipal Government Act, changes were proposed to Codes of Conduct for municipal elected officials, including removing the provision that they be required altogether. However, we were strong proponents of maintaining Codes of Conduct because they improve accountability and provide a positive opportunity for councils to determine how they can work together as a team. The Government of Alberta agreed to maintain Code of Conduct requirements and indicates they will engage municipalities in 2022 on how the framework for Codes of Conduct can be improved.

We also introduced the Local Democracy Pledge, a voluntary commitment that municipal candidates could make to voters to protect key democratic principles. The Pledge promoted fair and transparent municipal elections, free from undue partisan or financial influences. It also encouraged candidates to keep local elections local and behave respectfully to one another. Hundreds of candidates from across Alberta took the Pledge during last year's municipal election period.



## Extended Producer Responsibility *(EPR)*

**In 2021, we were pleased to see the provincial government move forward with an EPR framework in Alberta by passing Bill 83 to create the legislated foundation for EPR regulations.**

We also participated in two EPR engagement sessions organized by Alberta Environment and Parks (AEP). Our submission is publicly posted on the [Waste Management Hub on our website](#).

We expect a busy year informing and educating members in 2022, as AEP plans to introduce EPR regulations for packaging paper products, single-use plastics and hazardous and special products by mid 2022.

# Welcoming and Inclusive Communities

**The Welcoming and Inclusive Communities initiative is delivered with funding from the Government of Alberta to support municipal governments to implement policies and practices to overcome issues of racism and discrimination in Alberta's communities.**

We kicked off the year by hosting two webinars, which can be viewed on Alberta Municipalities' Vimeo channel:

- [How Municipal Governments Can Ban Conversion Therapy](#)
- [Creating a Municipal Business Case for Investing in Equity, Diversity, and Inclusion](#)

To help members better understand their role in reconciliation, in March 2021, we released [A Municipal Guide to the Truth and Reconciliation Commission's Calls to Action](#).

Alberta Municipalities was featured on the [Real Talk show](#) in July, discussing the importance of community inclusion.

In late summer and fall of 2021, Alberta Municipalities partnered with the Rural Municipalities of Alberta to host five virtual workshops on Canada's History and the Municipal Role in Reconciliation. These workshops helped educate municipal leaders about historical government actions towards Indigenous peoples and how that influences today's relationships between Indigenous and non-Indigenous peoples.







**In July, we launched the Community Readiness for Newcomer Integration project where seven member municipalities received funding for a newcomer settlement agency to audit each community's state of readiness to successfully welcome and support newcomers to integrate in their community.**

2021 marked the end of a 2+ year project where eight municipalities were funded to evaluate their inclusiveness using our Measuring Inclusion Tool and then implement related strategies. The Measuring Municipal Inclusion Grant was instrumental in shifting many participants to make ongoing commitments to regular training for council and staff on issues of systemic discrimination, bias, and cultural awareness in service delivery.

# Elected Officials Education Program

Following the 2021 municipal elections, the [Elected Officials Education Program](#) (EOEP) delivered *Munis 101: The Essentials of Municipal Government* in partnership with Municipal Affairs to help municipalities meet the *Municipal Government Act* requirement to offer orientation training to all elected officials within 90 days of them taking their oaths of office.

*Munis 101* delivery kicked off in September with a special virtual offering for Summer Villages, who hold their elections in the summer. Throughout November and December, a further seventeen sessions were held in-person throughout Alberta.



**Over 750**  
councillors and CAOs  
**participated.**

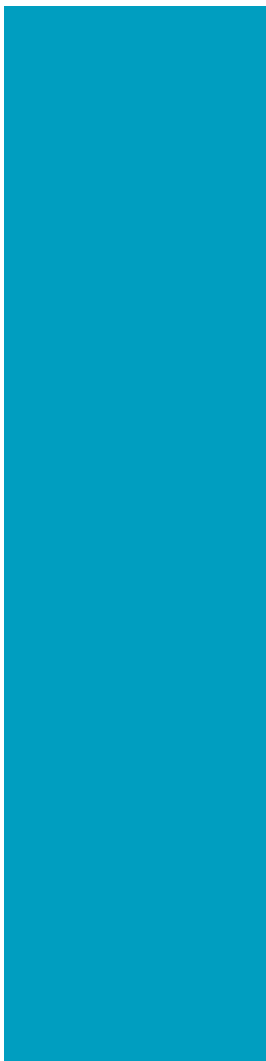




Feedback for *Munis 101* was overwhelmingly positive.

**93% of attendees** indicated they were **satisfied** or **very satisfied** with the course.

Many councillors also expressed enthusiasm about working towards their [Municipal Elected Leaders Certificate](#) granted in partnership with the University of Alberta's Augustana Extended Education to elected officials who participate in all seven EOEP courses.





# Products & Services







**30%**

of our advocacy efforts  
are funded by our  
products & services

## **We serve communities, not shareholders.**

**Our products & services make up a key component to the overall value we provide to our members. We provide competitively priced services with a personalized touch. We can do this because we are not focused on driving up profits for shareholders, we are focused on supporting our member communities.**

### **The modest profits we receive from our products & services are used to:**



Support advocacy efforts & events



Reduce costs to members



Invest back into the organization





# Cost Savings & Budget Certainty



## Insurance & Risk Services

We shielded our members from dramatic property and liability

**insurance premium increases** by offsetting premiums  
**by \$3.5 million.**



## Employee Benefits

We provided an average of just

**5% benefit rate increases** when other provider premiums rates skyrocketed.



## Energy

We secured electricity rates

**20% below market forecasts.**



## Retirement Services

Through diligent management and oversight of the various pension products and funds under administration, the contribution rate to our defined benefit plan remains the same as last year, and our defined contribution plan and RRSP and TSFA plans show strong investment returns for our plan members.

- We have over **2,000 municipal and not for profit employees and elected officials** who subscribe to our various retirement savings products, from supplemental registered pension plans to defined contribution plans and group RRSP/TSFA's.
- Assets under administration under our **retirement and savings plans are \$151M.**
- We held **10 education sessions** on various topics to educate members about pension and savings plans, retirement planning, investing and the CPP investment Board, **with 464 members attending** sessions online.

# Insurance & Risk Services:

## *Power of the pool*

Facing a market experiencing ongoing volatility and substantial premium increases, we were pleased to continue helping our members by rebating \$3.5 million to members through premium reductions. This meant our 2022 premiums once again maintained rates well below what other insurance providers were able to offer. We can do this because of your subscriber-owned insurance reciprocal.

The reciprocal is an insurance pool that acts as a shock absorber, smoothing the budgetary highs and lows and providing stability to all its subscribers. Subscribers are thought of as owners of the reciprocal, which is administered on your behalf by Alberta Municipalities. We are proud to be able to leverage the strength of the pool when it matters most to our members.

### Here's a look at how our team supported members:



**834**  
**members**  
participate in our  
insurance pool.



We administer  
**~6079~**  
**policies**  
for all participating  
members.



**We reinvested**  
**12.3M**  
back into communities  
through claims dollars.



Over the last two years  
we made almost  
**415**  
**loss control**  
recommendations.

# Energy:

## *Natural gas aggregation*

**Following the success of our 2020 electricity aggregation, our energy program team started work on a 2021 natural gas aggregation to secure favourable pricing on behalf of our members.**

This proven process ensured that our members benefited from our collective buying power and acquired the best price available for their energy needs. Our natural gas aggregation secured rates 20% below the future market forecasts for over 75 members.

In 2022, members will have an opportunity to procure electricity using a new, long-term approach, which we have branded as Power+, to garner even more significant savings for members.



In 2021 alone, our latest electricity aggregation secured rates below market forecasts, resulting in **cost savings of \$6.4 million for participating members.**

# Energy Management Services

Our Energy Management Services help our members reduce energy consumption, renew assets, and save money on operational costs. Whether a municipality or not-for-profit organization is interested in brightening up their community with energy efficient lighting, addressing concerns around aging equipment or have other specific energy needs in mind, our team takes a holistic approach and presents a customized solution to best serve the community.



*The Town of Gibbons implemented energy conservation measures at the Gibbons Arena, Gibbons Curling Rink, and Gibbons Cultural Centre. This included exterior lighting upgrades as shown above.*





## A recent success:

The Town of Gibbons recently completed lighting retrofits of fixtures and sensors at three of their facilities. The Town is looking forward to increased longevity and reliability of their infrastructure, and operational savings. Facilities personnel expect to experience additional benefits to maintain the new equipment and increased occupant comfort from better light quality.



*We're proud to have worked with Alberta Municipalities to complete our project to upgrade the lighting in the Gibbons Arena, Gibbons Curling Rink, and Gibbons Cultural Centre. We're always looking for ways to reduce our impact on the environment while remaining fiscally responsible to our residents and are satisfied to have completed a project which meets these objectives. It's a meaningful step forward for our town and we hope to make additional operational and equipment upgrades in the future."*

*- Mike Dubreuil  
Assistant CAO, Town of Gibbons*



**The anticipated  
savings**  
achieved is  
**\$31,000**  
per year, and a  
**reduction**  
of their annual  
utility spend  
**by 27%.**



# Employee Benefits:

*Evolving to meet your needs*

**We continue to enhance our Employee Benefits program to better serve our members. Our program has recently invested in an online administration system to improve the experience for Plan Administrators, and we continue to focus on bolstering mental health support.**



## Benefits online platform

We have partnered with an expert in employee benefits online administration, Effortless Admin, to provide members with a user-friendly and efficient experience. By using our member self-enrolment tools, plan administrators will reduce the need to print, distribute, and retain enrolment and beneficiary forms. Employee data and invoicing information is available in real time. Employees will continue to easily submit health, dental, and disability claims using the tools they're used to, without interruption.





## Mental health support

As demands on mental health continue to rise, we find ways to support municipal and not-for-profit employees.

- We offer an Employee and Family Assistance Program through LifeWorks that provides short-term goal-focused therapy. Under our program, there is no pre-determined number of sessions an employee can access, allowing employees to access the support they need to reach their goals.
- The Mental Health Navigator program through Teledoc, emphasizes early identification, timely access to the right mental health professionals, coordination of care, and virtual delivery of services to remove barriers to access. Participating members are able to find the appropriate treatment sooner, allowing them to navigate their mental health concerns and to return to work quicker.
- In 2021, season 2 of our popular webinar series, Maintaining Mental Fitness, consisted of 12 webinars. Each week, almost 1000 people registered for this free series.
- Our Employee Benefits program doubled the annual maximum for psychological services, raising the annual maximum for many plans from \$750 to \$1,500.
- Our [website](#) provides a summary of mental health resources available to employers and to employees.



# Clean Energy Improvement Program

**The Clean Energy Improvement Program website successfully launched on March 24, 2021.**

With the site launching, the Clean Energy Improvement Program began onboarding Qualified Contractors. In the fall of 2021, we held several information webinars that were attended by 240 contractors. By December, there were over 50 Qualified Contractors listed on the Contractor Directory.

The Clean Energy Improvement Program successfully launched in the Town of Rocky Mountain House on November 4. Promotion included radio advertisements and a live interview, social media posts and print advertisements. Within days of the program opening, it reached its initial pre-qualification application goal.

In 2022 several more residential programs will launch in the Town of Devon, City of Leduc, and City of Edmonton. The commercial program will launch in the City of Edmonton in spring 2022.



By the end of the year, the site had **over 7,600 unique users who visited over 28,000 times.**





# Municipal Climate Change Action Centre

In 2021 the Action Centre's programs helped 38 Alberta municipalities complete 107 new energy efficiency and solar projects that will avoid 86,855 tonnes of CO2e and save municipalities over \$37 million over 20 years. We also helped municipalities create over 150 jobs in 2021.

The Electric Vehicle Charging Program secured \$3.4 million in funding from the Government of Canada, with matching funds for the Government of Alberta. The commitment ensured the Action Centre could develop a program that will nearly double the number of charging stations throughout Alberta. The program is set to launch in January 2022.

In 2021, we introduced the Climate Adaptation Challenge which will help Sturgeon County and the City of St. Albert develop local climate adaptation plans based on local climate data, existing plans, and historical experience.



Over the last two years, the Action Centre **supported 28 municipalities** hire **Municipal Energy Managers** who are responsible for the development of energy management plans, better-performing buildings, and noticeable energy savings.



**In 2021, we recruited another 6 municipalities** for a total of **34 municipalities**.

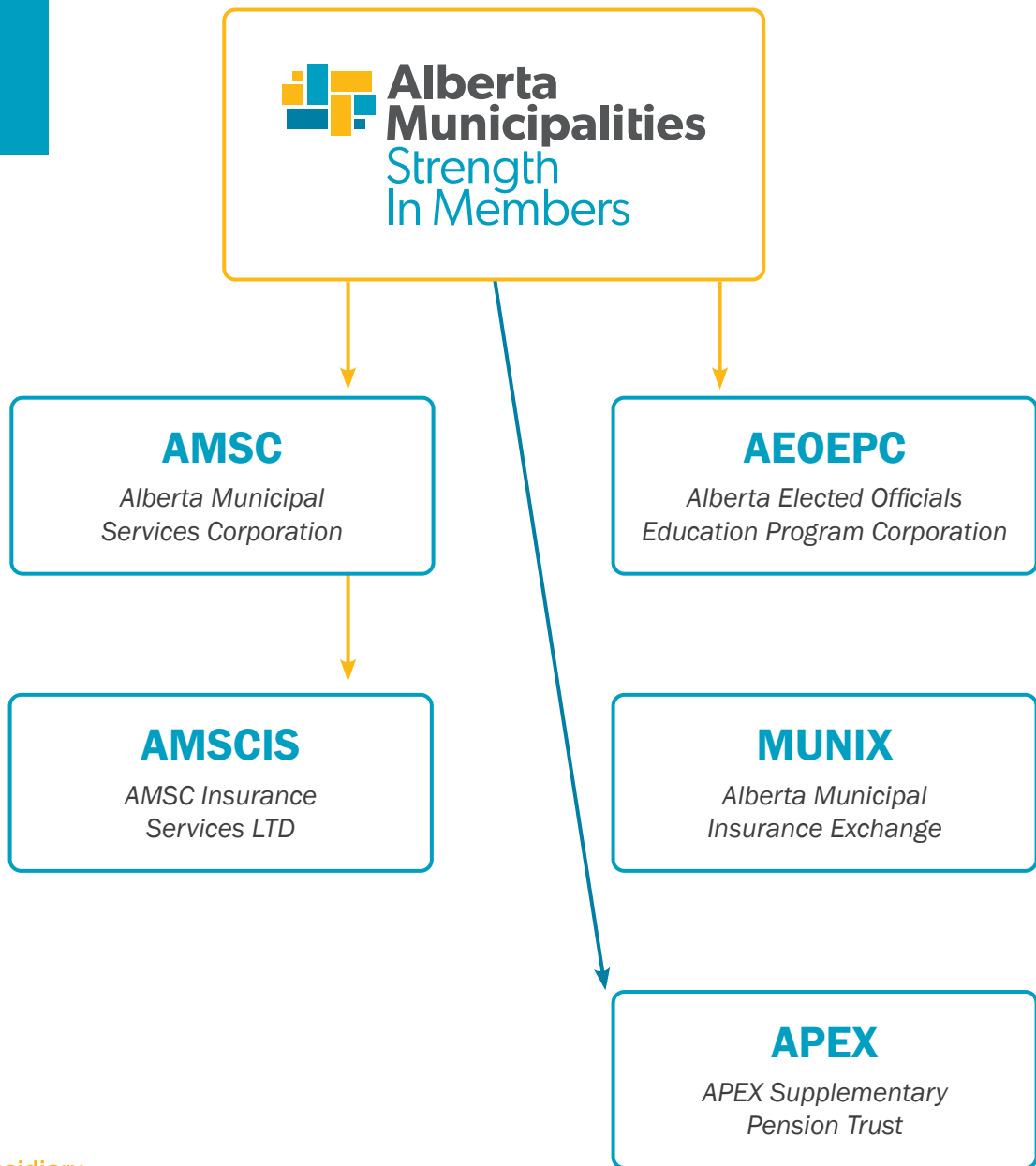






# **Our Boards & Committees**

# Corporate Organization Structure

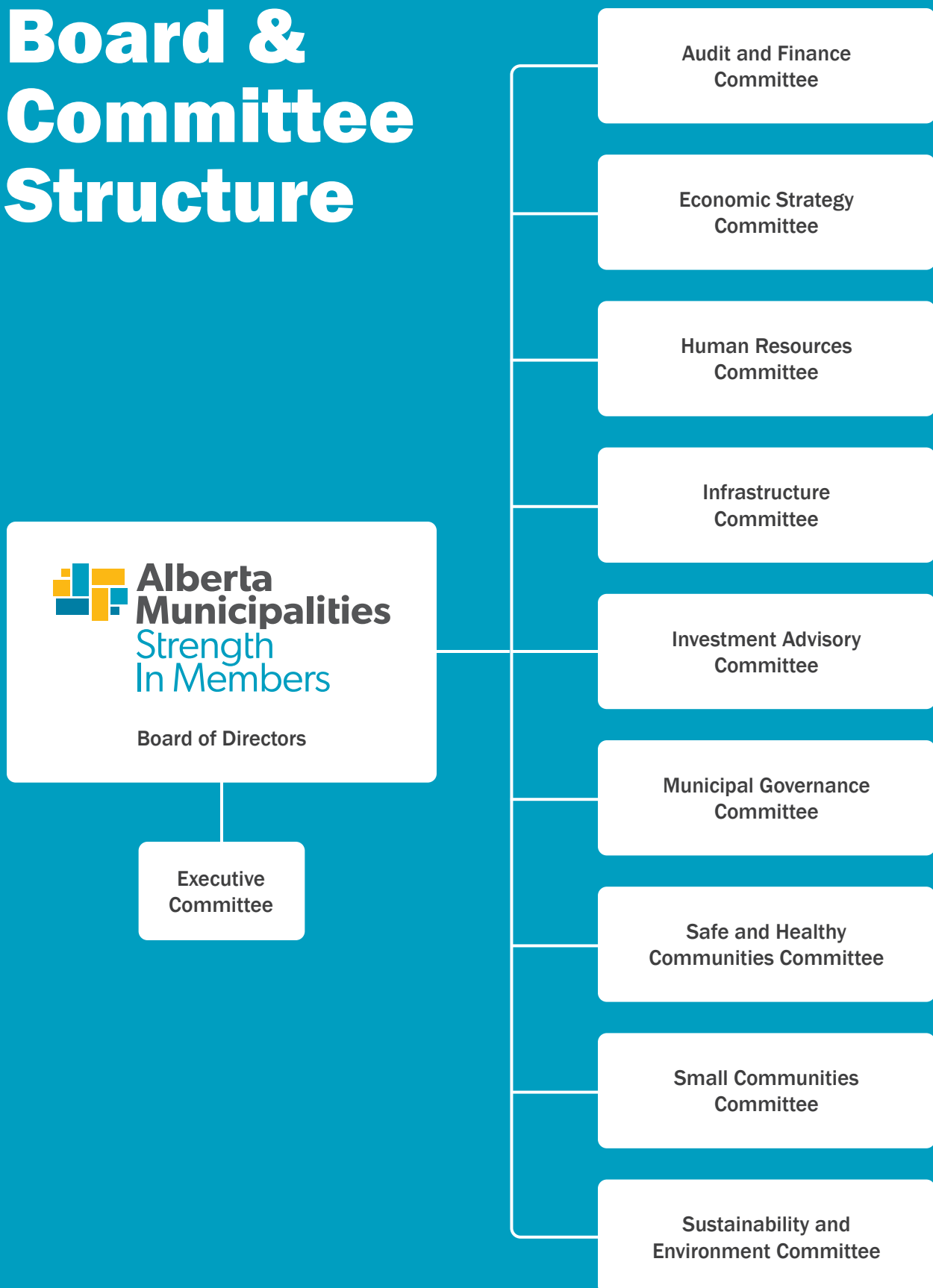


Index:

→ Subsidiary

→ Plan Sponsor

# Board & Committee Structure



# Commitment & Governance Meetings

The following summary provides the annual Board and Standing Committee meetings held per year, Director compensation and expenses reimbursement.

The remuneration of Directors reflects the nature of service, complexity of tasks and amount of time dedicated to service. Director expenses are paid in accordance with the Government of Alberta rates.

Each Director serves on one or more standing committees.

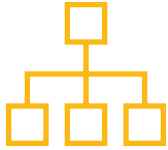
## Commitment

Attendance at Board and Standing Committee meetings is vital to the success of the Board and Standing Committees and its actions, and is one measure of the commitment and contribution of an individual Director. Directors are expected to attend Board and Standing Committee meetings in which they serve.

*Listed below are the number of meetings held in 2021.*

| Board   | NUMBER OF MEETINGS |
|---|--------------------|
| Alberta Municipalities (ABmunis)              | 12                 |
| Alberta Municipal Services Corporation (AMSC) | 7                  |
| AMSC Insurance Services LTD (AMSCIS)          | 7                  |
| Alberta Municipal Insurance Exchange (MUNIX)  | 7                  |
| APEX Supplementary Pension Trust (APEX)       | 4                  |

| Standing Committee                                      | NUMBER OF MEETINGS |
|---|--------------------|
| Alberta Municipalities - Executive                      | 11                 |
| Alberta Municipalities - Audit and Finance              | 5                  |
| Alberta Municipalities - Human Resources                | 3                  |
| Alberta Municipalities - Infrastructure                 | 4                  |
| Alberta Municipalities - Investment Advisory            | 5                  |
| Alberta Municipalities - Municipal Governance           | 4                  |
| Alberta Municipalities - Safe and Healthy Communities   | 4                  |
| Alberta Municipalities - Small Communities              | 4                  |
| Alberta Municipalities - Sustainability and Environment | 4                  |
| Alberta Municipalities - Economic Strategy              | 1                  |
| Alberta Municipal Services Corporation - Governance     | 3                  |



## The Role of the Board

The Alberta Municipalities Board is responsible for effectively governing the Association by carrying out the powers, duties, and functions expressly given to it under legislation and the Association's Bylaws and policies.

**Key Board member responsibilities include, but are not limited to, the following:**

- Attending and preparing for all Board meetings.
- Participating effectively on one or more Board committees.
- Developing and evaluating the specific advocacy programs and services of Alberta Municipalities.
- Monitoring and influencing government legislation, programs and policies which impact the membership.
- Apprising the membership of significant national and provincial trends and/or issues that affect local governments, and taking action to ensure their interests are known to decision makers.
- Communicating Alberta Municipalities policies and initiatives to elected municipal and other public officials.
- Encouraging their own council and regional groups to endorse important policy issues.
- Encouraging neighbouring municipalities to provide input and advice on Alberta Municipalities policies and initiatives.



## The Role of the President

The President provides overall leadership to enhance the effectiveness of the Board. They are responsible for ensuring the effective functioning of the Board in its role of governing the Association.

**Key responsibilities of the President include, but are not limited to, the following:**

- Guides the Board in the fulfillment of its mandate.
- Ensures the Board has a strategic focus and represents the best interests of the Association.
- Ensures that the Board plays a full and constructive part in the development and determination of the Association's strategies and policies.
- Ensures effective communication among the Board, and between the Board and the CEO, and serves as the contact point for Board members on all Board issues.
- Chairs Board and Executive Committee meetings, ensuring meetings are conducted in an efficient, effective, and focused manner.
- Encourages participation of all Board members, maintaining a cohesive group without losing diversity of opinion and objectivity.
- Acts as the official spokesperson for Alberta Municipalities.



# 2021/2022 Alberta Municipalities Board of Directors

## Term Length, Board & Committee Participation

| Member          | Position & Term:  | Additional Boards served on:  | Committees served on prior to AGM (11 months)  | Committees served on post AGM (1 month)                              |
|-----------------|---|---|--|--|
| Cathy Heron     | President<br><i>1 month (elected Nov 2021)</i><br>Director, Cities up to 500,000<br><i>11 months</i>  | N/A   | Municipal Governance – Chair<br>Human Resources<br>Executive<br>Economic Strategy – Vice-Chair | Human Resources<br>Executive   |
| Barry Morishita | President<br><i>8 months (served to Aug 2021)</i>   | AMSC<br><i>(served to Aug 2021)</i><br>MUNIX<br><i>(served to Aug 2021)</i><br>APEX<br><i>(served to Aug 2021)</i>  | Human Resources<br>Executive   | N/A  |
| Angela Duncan   | Vice-President and Director, Villages West<br><i>12 months</i><br>Interim President<br><i>4 months (appointed by the board from August to Annual General Meeting)</i> | AMSC<br>Alberta Police Interim Advisory Board   | Small Communities – Chair<br>Executive   | Small Communities – Chair<br>Executive                               |
| Andrew Knack    | Vice-President and Director, Cities over 500,000<br><i>12 months</i>  | N/A   | Infrastructure – Chair<br>Executive<br>Economic Strategy – Chair                               | Economic Strategy – Chair<br>Executive                               |
| Peter Demong    | Vice-President and Director, Cities over 500,000<br><i>12 months</i>  | AMSC<br><i>(served to Nov 2021)</i>   | Sustainability and Environment – Chair<br>Executive  | Sustainability and Environment – Chair<br>Executive                  |
| Tanya Thorn     | Vice-President and Director, Towns South<br><i>12 months</i>  | AMSC - Chair<br><i>(appointed Dec 2021)</i><br>MUNIX - Chair<br><i>(appointed Dec 2021)</i><br>APEX - Chair<br><i>(appointed Dec 2021)</i><br>Alberta Police Interim Advisory Board | Safe and Healthy Communities – Chair<br>Executive  | Municipal Governance – Chair<br>Executive                            |
| Tyler Gandam    | Vice-President and Director, Cities up to 500,000<br><i>12 months – Director</i><br><i>1 month – Vice-President (elected in Nov 2021)</i>                             | AMSC<br>MUNIX<br>Alberta Police Interim Advisory Board  | Safe and Healthy Communities – Vice-Chair  | Safe and Healthy Communities – Chair<br>Human Resources<br>Executive |

| Member           | Position & Term:  | Additional Boards served on:   | Committees served on prior to AGM (11 months)               | Committees served on post AGM (1 month)   |
|------------------|---|--|---|---|
| Bruce McLeod     | Director, Villages South<br><i>12 months</i>  | AMSC<br>MUNIX  | Investment Advisory – Chair<br>Small Communities            | Investment Advisory – Chair<br>Sustainability and Environment – Vice Chair                              |
| Dylan Bressey    | Director, Cities up to 500,000<br><i>1 month</i><br><i>(elected to Board Nov 2021)</i>  | N/A  | N/A   | Audit and Finance – Vice Chair<br>Investment Advisory – Vice-Chair<br>Municipal Governance – Vice-Chair |
| Janet Jabush     | Director, Towns West<br><i>12 months</i>  | N/A  | Sustainability and Environment<br>Municipal Governance      | Economic Strategy – Vice-Chair  |
| Jennifer Wyness  | Director, Cities over 500,000<br><i>1 month</i><br><i>(elected to Board Nov 2021)</i>   | N/A  | N/A   | Infrastructure – Vice-Chair   |
| Jocelyne Lanovaz | Director, Villages East<br><i>12 months</i>   | AMSC<br>MUNIX  | Audit and Finance – Chair<br>Small Communities – Vice-Chair | Audit and Finance – Chair<br>Small Communities – Vice-Chair   |
| Keren Tang       | Director, Cities over 500,000<br><i>1 month</i><br><i>(appointed to Board Nov 2021)</i> | N/A  | N/A   | Safe and Healthy Communities – Vice Chair   |
| Mike Pashak      | Director, Summer Villages<br><i>12 months</i>   | N/A  | Infrastructure – Vice-Chair                                 | Small Communities   |
| Mohinder Banga   | Director, Cities over 500,000<br><i>11 months (served to Nov 2021)</i>                  | N/A  | Audit and Finance – Vice Chair                              | N/A   |
| Peter Brown      | Director, Cities up to 500,000<br><i>12 months</i>                                      | AMSC<br><i>(appointed Dec 2021)</i>  | Municipal Governance – Vice Chair                           | Safe and Healthy Communities  |
| Trina Jones      | Director, Towns East<br><i>12 months</i>  | AMSC<br><i>(appointed Dec 2021)</i><br>MUNIX<br><i>(appointed Dec 2021)</i><br>Alberta Police Interim Advisory Board | Sustainability and Environment – Vice-Chair                 | Infrastructure – Chair  |
| Ward Sutherland  | Director, Cities over 500,000<br><i>11 months</i><br><i>(served to Nov 2021)</i>        | N/A  | Investment Advisory   | N/A   |

## Compensation & Expenses

| Member           | Position  | Term (months) | Number of Boards & Committees |
|------------------|---|---------------|-------------------------------|
| Cathy Heron      | President<br>Director, Cities over 500,000  | 1<br>11       | 5                             |
| Barry Morishita  | President   | 8             | 6                             |
| Angela Duncan    | Vice-President and Director, Villages West<br>Interim President                     | 12<br>4       | 5*                            |
| Andrew Knack     | Vice-President and Director, Cities over 500,000                                    | 12            | 4                             |
| Peter Demong     | Vice-President and Director, Cities over 500,000                                    | 12            | 4                             |
| Tanya Thorn      | Vice-President and Director, Towns South  | 12            | 8*                            |
| Tyler Gandam     | Director, Cities up to 500,000<br>Vice-President and Director, Cities up to 500,000 | 11<br>1       | 7*                            |
| Bruce McLeod     | Director, Villages South  | 12            | 6                             |
| Dylan Bressey    | Director, Cities up to 500,000  | 1             | 4                             |
| Janet Jabush     | Director, Towns West  | 12            | 4                             |
| Jennifer Wyness  | Director, Cities over 500,000   | 1             | 2                             |
| Jocelyne Lanovaz | Director, Villages East   | 12            | 5                             |
| Keren Tang       | Director, Cities over 500,000   | 1             | 2                             |
| Mike Pashak      | Director, Summer Villages   | 12            | 3                             |
| Mohinder Banga   | Director, Cities over 500,000   | 11            | 2                             |
| Peter Brown      | Director, Cities up to 500,000  | 12            | 4                             |
| Trina Jones      | Director, Towns East  | 12            | 6*                            |
| Ward Sutherland  | Director, Cities over 500,000   | 11            | 2                             |

Alberta Municipalities Standing Committees<sup>1</sup>

AMSC/AMSCIS Board & Standing Committees<sup>2</sup>

Meeting Expenses<sup>3</sup>

Board Recruitment Costs

Other Board Expenses<sup>5</sup>

Total Board and Committee expenses for Fiscal Year 2021

<sup>1</sup>Amounts pertain to individuals who sit on Standing Committees but are not Alberta Municipalities Board members.

<sup>2</sup>Amounts pertain to individuals who sit on AMSC/AMSCIS Board & Standing Committees but are not an Alberta Municipalities Board member.

<sup>3</sup>Meeting expenses include items such as catering costs and venue rentals.

<sup>4</sup>Amounts pertain to individuals who sit on external committees and are an Alberta Municipalities Board member.

\*Serves on the Alberta Solicitor General and Justice's, Interim Police Advisory Board.


| Honoraria <sup>4</sup> |         | Expenses <sup>4</sup> |        | Professional Development |        | Total |         |
|------------------------|---------|-----------------------|--------|--------------------------|--------|-------|---------|
| \$                     | 18,135  | \$                    | 2,693  | \$                       | 1,652  | \$    | 22,480  |
| \$                     | 47,762  | \$                    | 21,034 | \$                       | 4,355  | \$    | 73,151  |
| \$                     | 35,116  | \$                    | 5,774  | \$                       | 1,520  | \$    | 42,410  |
| \$                     | 12,968  | \$                    | 1,487  | \$                       | 957    | \$    | 15,412  |
| \$                     | 15,779  | \$                    | 4,606  | \$                       | 3,016  | \$    | 23,401  |
| \$                     | 28,564  | \$                    | 11,204 | \$                       | 4,773  | \$    | 44,541  |
| \$                     | 15,795  | \$                    | 2,360  | \$                       | 375    | \$    | 18,530  |
| \$                     | 16,329  | \$                    | 8,103  | \$                       | 30     | \$    | 24,462  |
| \$                     | 925     | \$                    | 764    | \$                       | -      | \$    | 1,689   |
| \$                     | 9,980   | \$                    | 2,512  | \$                       | -      | \$    | 12,492  |
| \$                     | 685     | \$                    | 419    | \$                       | -      | \$    | 1,104   |
| \$                     | 13,219  | \$                    | 2,948  | \$                       | 604    | \$    | 16,771  |
| \$                     | 565     | \$                    | 20     | \$                       | -      | \$    | 585     |
| \$                     | 7,270   | \$                    | 1,897  | \$                       | 275    | \$    | 9,442   |
| \$                     | 4,338   | \$                    | 192    | \$                       | -      | \$    | 4,530   |
| \$                     | 4,425   | \$                    | 545    | \$                       | -      | \$    | 4,970   |
| \$                     | 11,130  | \$                    | 1,915  | \$                       | 375    | \$    | 13,420  |
| \$                     | 3,165   | \$                    | 593    | \$                       | -      | \$    | 3,758   |
| \$                     | 246,150 | \$                    | 69,066 | \$                       | 17,932 | \$    | 333,148 |
| \$                     | 38,270  | \$                    | 17,622 | \$                       | -      | \$    | 55,892  |
| \$                     | 57,998  | \$                    | 7,083  | \$                       | -      | \$    | 65,036  |
|                        |         |                       |        |                          |        | \$    | 104,755 |
|                        |         |                       |        |                          |        | \$    | 5,834   |
|                        |         |                       |        |                          |        | \$    | 27,469  |
|                        |         |                       |        |                          |        | \$    | 592,134 |







# Financial Reports



Consolidated Financial Statements of

**ALBERTA URBAN MUNICIPALITIES ASSOCIATION**

Year ended December 31, 2021





KPMG LLP  
2200, 10175 – 101 Street  
Edmonton, AB T5J 0H3  
Telephone (780) 429-7300  
Fax (780) 429-7379  
www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Alberta Urban Municipalities Association

### ***Opinion***

We have audited the consolidated financial statements of Alberta Urban Municipalities Association (the "Association"), which comprise:

- The consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the consolidated financial position of the Association as at December 31, 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian general accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Edmonton, Canada

May 26, 2022

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION


Consolidated Statement of Financial Position  
As at December 31, 2021, with comparative information for 2020

|  | Notes | 2021           | 2020           |
|--|-------|----------------|----------------|
| <b>Assets</b>                                  |       |                |                |
| <b>Current assets:</b>                         |       |                |                |
| Cash   | 2     | \$ 49,913,697  | \$ 58,846,198  |
| Deposits with property manager                 |       | 305,711        | 285,411        |
| Investments                                    | 5     | 46,592,159     | 44,654,854     |
| Accounts receivable                            | 21    | 11,845,167     | 10,400,181     |
| Prepaid expenses and advances on grants        | 11    | 1,098,787      | 1,236,583      |
| Asset held for sale                            | 3     | —              | 2,126,718      |
|  |       | 109,755,521    | 117,549,945    |
| ASO funds held on deposit                      | 4     | 940,000        | 991,000        |
| Investment in and advances to AEOEPC           | 6     | 52,380         | 5,075          |
| Long-term receivables                          |       | 181,863        | 47,650         |
| Other assets                                   | 7     | 216,075        | 292,888        |
| Capital assets                                 | 8     | 14,966,155     | 14,483,781     |
|  |       | \$ 126,111,994 | \$ 133,370,339 |
| <b>Liabilities and net assets</b>              |       |                |                |
| <b>Current liabilities:</b>                    |       |                |                |
| Accounts payable and accrued liabilities       | 21    | \$ 13,687,535  | \$ 13,745,646  |
| Grants payable                                 | 11    | —              | 203,384        |
| ASO funds payable                              | 4     | 4,125,711      | 1,928,629      |
| Deferred revenue                               |       | 213,961        | 745,492        |
| Provision for claims incurred but not reported | 10    | 1,047,900      | 1,068,600      |
| Deferred contributions                         | 11    | 36,605,467     | 45,468,578     |
|  |       | 55,680,574     | 63,160,329     |
| Retirement plan obligation                     | 12    | 562,983        | 521,094        |
| <b>Net assets:</b>                             |       |                |                |
| Invested in capital assets                     | 13    | 14,966,155     | 14,483,781     |
| Internally restricted                          | 14    | 15,311,195     | 19,466,200     |
| Unrestricted                                   |       | 39,591,087     | 35,738,935     |
|  |       | 69,868,437     | 69,688,916     |
|  |       | \$ 126,111,994 | \$ 133,370,339 |

See accompanying notes to the consolidated financial statements.

On behalf of the Board of Directors:

 Director

 Director

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Consolidated Statement of Operations  
Year ended December 31, 2021, with comparative information for 2020

|  | Notes  | 2021              | 2020              |
|--|--------|-------------------|-------------------|
| <b>Revenues:</b>   |        |                   |                   |
| ASO benefit premiums   |        | \$ 32,613,766     | \$ 32,958,241     |
| Grants   | 11, 16 | 11,054,187        | 14,248,791        |
| Insurance agency commissions                                     | 15, 21 | 8,067,425         | 8,531,154         |
| Agency and administration fees                                   | 21     | 3,503,736         | 3,531,169         |
| Net investment income  | 20     | 2,534,418         | 2,319,481         |
| Energy retail fees   | 19     | 2,394,350         | 2,375,072         |
| Membership fees and services                                     |        | 1,922,405         | 1,989,304         |
| Rental properties  |        | 1,367,224         | 1,557,320         |
| Convention and workshops   |        | 1,193,794         | 242,954           |
| Gain on disposal of asset  |        | 949,003           | —                 |
| Energy management  |        | 636,971           | 206,197           |
| Retirement services revenue                                      | 17     | 317,286           | 285,569           |
| Grant administration recoveries                                  |        | 233,256           | 106,555           |
| Investment management fees                                       | 21     | 67,314            | 109,281           |
| Sustainability services  |        | 48,000            | 142,437           |
| Clean energy improvement program                                 |        | 31,864            | —                 |
| Purchasing program   |        | 31,020            | 31,295            |
| Managed technology services                                      |        | 11,514            | —                 |
|  |        | <b>66,977,533</b> | <b>68,634,820</b> |
| <b>Expenses:</b>   |        |                   |                   |
| ASO claim costs and claim administration expenses                | 4      | 35,902,471        | 34,485,563        |
| Grants   | 16     | 11,054,187        | 14,248,791        |
| Salaries and benefits  | 12     | 10,487,623        | 9,999,621         |
| Computer equipment and software licensing                        |        | 2,011,454         | 1,710,671         |
| Consultants  |        | 1,485,006         | 1,324,510         |
| Amortization of capital assets                                   | 13     | 1,297,705         | 1,377,297         |
| Convention and workshops   |        | 1,084,576         | 516,521           |
| Rental properties  |        | 964,988           | 1,076,437         |
| Office administration  |        | 723,324           | 813,089           |
| Board and committees   |        | 592,134           | 627,736           |
| Legal and accounting   |        | 296,897           | 377,176           |
| Broker fees  | 22     | 275,000           | 275,000           |
| Promotions and marketing   |        | 237,026           | 70,950            |
| Insurance  |        | 118,778           | 108,003           |
| Member services  |        | 94,263            | 62,121            |
| Travel   |        | 89,262            | 113,675           |
| Building valuations and risk management programs                 |        | 58,520            | 28,673            |
| MuniFunds portfolio management fees                              | 21     | 29,119            | 26,801            |
|  |        | <b>66,802,333</b> | <b>67,242,635</b> |
| Excess of revenues over expenses from operations                 |        | 175,200           | 1,392,185         |
| <b>Other:</b>  |        |                   |                   |
| Benefits deficit   | 18     | (42,984)          | (4,747,534)       |
| Share of excess (deficiency) of revenues over expenses of AEOEPC | 6      | 47,305            | (16,113)          |
| Excess (deficiency) of revenues over expenses                    |        | \$ 179,521        | \$ (3,371,462)    |

See accompanying notes to the consolidated financial statements.

## ALBERTA URBAN MUNICIPALITIES ASSOCIATION

### Consolidated Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

|                                      | Notes | Invested in<br>capital assets | Internally<br>restricted | Unrestricted  | Total net<br>assets |
|--------------------------------------|-------|-------------------------------|--------------------------|---------------|---------------------|
| Balance, January 1, 2020             |       | \$ 17,722,708                 | \$ 21,362,134            | \$ 33,975,536 | \$ 73,060,378       |
| Deficiency of revenues over expenses | 13    | (1,377,297)                   | —                        | (1,994,165)   | (3,371,462)         |
| Net change in invested in            |       |                               |                          |               |                     |
| capital assets                       | 13    | 265,088                       | —                        | (265,088)     | —                   |
| Asset held for sale                  |       | (2,126,718)                   |                          | 2,126,718     | —                   |
| Transfers                            | 14    |                               | (1,895,934)              | 1,895,934     | —                   |
| Balance, December 31, 2020           |       | \$ 14,483,781                 | \$ 19,466,200            | \$ 35,738,935 | \$ 69,688,916       |
| Deficiency of revenues over expenses | 13    | (1,297,705)                   | —                        | 1,477,226     | 179,521             |
| Net change in invested in            |       |                               |                          |               |                     |
| capital assets                       | 13    | 1,780,079                     | —                        | (1,780,079)   | —                   |
| Transfers                            | 14    | —                             | (4,155,005)              | 4,155,005     | —                   |
| Balance, December 31, 2021           |       | \$ 14,966,155                 | \$ 15,311,195            | \$ 39,591,087 | \$ 69,868,437       |

See accompanying notes to the consolidated financial statements.



# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Consolidated Statement of Cash Flows  
Year ended December 31, 2021, with comparative information for 2020

|   | Notes | 2021          | 2020           |
|---|-------|---------------|----------------|
| Cash provided by (used in):   |       |               |                |
| Operating activities:   |       |               |                |
| Excess (deficiency) of revenues over expenses                         |       | \$ 179,521    | \$ (3,371,462) |
| Adjustments for:  |       |               |                |
| Interest and dividend income  | 20    | (1,264,228)   | (1,438,988)    |
| Net unrealized gain on investments                                    | 20    | (1,098,628)   | (806,117)      |
| Net realized gain on sale of investments                              | 20    | (259,165)     | (163,486)      |
| Increase in long-term receivables                                     |       | (134,213)     | (47,650)       |
| Amortization of capital assets  |       | 1,297,705     | 1,377,297      |
| Gain on disposal of capital assets                                    |       | (949,003)     | —              |
| Amortization of other assets  | 7     | 68,746        | 87,705         |
| Change in step-up lease deferred rent                                 |       | 34,965        | (7,246)        |
| Share of (excess) deficiency of revenues over expenses of AEOEPC      | 6     | (47,305)      | 16,113         |
| Change in non-cash operating working capital:                         |       |               |                |
| Increase in deposits with property manager                            |       | (20,300)      | (43,488)       |
| (Increase) decrease in accounts receivable and other                  |       | (1,482,863)   | 2,133,846      |
| Decrease in prepaid expenses and advances on grants                   |       | 137,796       | 1,252,189      |
| Decrease (increase) in accounts payable and accrued liabilities       |       | (58,111)      | 404,135        |
| Decrease in grants payable  |       | (203,384)     | (1,116,479)    |
| Decrease (increase) in deferred revenue                               |       | (531,531)     | (241,674)      |
| (Decrease) increase in provision for claims incurred but not reported |       | (20,700)      | 1,300          |
| Decrease in deferred contributions                                    |       | (8,887,481)   | (9,072,890)    |
| Increase in retirement plan obligation                                |       | 41,889        | 22,172         |
| Interest received in cash, net  |       | 179,897       | 267,611        |
|   |       | (13,016,393)  | (10,747,112)   |
| Investing activities:   |       |               |                |
| Purchase of investments   |       | —             | (2,667,970)    |
| Proceeds from sale of investments                                     |       | 567,066       | 1,000,000      |
| Increase in ASO funds held on deposit                                 |       | 2,248,082     | 1,545,685      |
| Purchase of other assets  |       | (26,898)      | (2,931)        |
| Proceeds from disposal of capital assets                              |       | 3,075,721     | —              |
| Purchase of capital assets  |       | (1,780,079)   | (265,088)      |
|   |       | 4,083,892     | (390,304)      |
| Decrease in cash  |       | (8,932,501)   | (11,137,416)   |
| Cash, beginning of year   |       | 58,846,198    | 69,983,614     |
| Cash, end of year   |       | \$ 49,913,697 | \$ 58,846,198  |

See accompanying notes to the consolidated financial statements.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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These consolidated financial statements consist of the assets, liabilities, net assets and operations of Alberta Urban Municipalities Association ("AUMA"), its wholly owned subsidiary Alberta Municipal Services Corporation ("AMSC"), and AMSC Insurance Services Ltd. ("AMSCIS"), a wholly owned subsidiary of AMSC. Transactions between AUMA and its subsidiaries, which are related parties, have been eliminated on consolidation. AUMA also provides administration and agency services to Alberta Municipal Insurance Exchange ("MUNIX"), APEX Supplementary Pension Plan ("APEX"), and MuniFunds Investment Funds ("MuniFunds"), whose results are not included in these consolidated financial statements.

AUMA is a provincial organization that provides leadership in advocating local government interests to the provincial government and other organizations. AMSC and AMSCIS operate as business service delivery providers of shared corporate, networked products and services for municipalities and other local government entities. AMSC offers an energy retail program, an aggregated investment program, retirement services, and purchasing program services. AMSC also operates two commercial real estate properties. AMSCIS provides general insurance, employee group benefits and related coverage for the members of AUMA.

AUMA is a non-taxable association by virtue of section 149(1)(d.5) of the Income Tax Act.

## 1. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook ("Part III").

Significant accounting policies are as follows:

### (a) Cash:

AUMA considers deposits in the bank and deposits in the AMSC-administered High Interest Savings Account as cash.

### (b) Asset held for sale:

Tangible capital assets are classified by AUMA as an asset held for sale at the point in time when the asset is available for immediate sale. Management has committed to a plan to sell the asset and is actively locating a buyer for the asset, at a sales price that is reasonable in relation to the current fair value of the asset, and the sale is probable and expected to be complete within a one-year period.

Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated.

### (c) Deposits with property manager:

Deposits with property manager is cash held with a property management company for the purposes of managing the Alberta Municipal Place ("AMP") property.

### (d) Other assets:

Other assets include payments for tenant improvements, leasing commissions, as well as deferred costs associated with the "step-up" features of the lease agreements signed with tenants of the managed property.

The tenant improvements and leasing commissions are amortized using the straight-line method over the applicable non-cancelable lease term and are recorded at the lower of cost less accumulated amortization and net realizable value.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 1. Significant accounting policies (continued):

### (d) Other assets (continued):

The step-up leases stipulate that the rental rate will increase by predetermined amounts at various points in the future. Rental revenue is recognized on a straight-line basis over the lease term in accordance with Canadian generally accepted accounting principles for non-for-profit organizations in Part III; as such, a deferred rent asset equal to the difference between the actual rent received and the average rent over the lease term will build up in the first half of the lease term and then will be amortized into income over the latter part of the lease term, eventually being reduced to nil.

### (e) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

When a capital asset no longer contributes to AUMA's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are comprised of the following:

#### (i) Tangible assets:

Amortization is provided for using the straight-line method at the following annual rates:

| Asset                        | Rates    |
|------------------------------|----------|
| Buildings                    | 4%       |
| Furniture and fixtures       | 10 - 20% |
| Computer equipment           | 25%      |
| Alternative energy equipment | 20%      |
| Parking lot and landscape    | 7 - 10%  |

#### (ii) Intangible assets:

Intangible assets consist of acquired application software for the general insurance business line and for the energy retailing business line. Amortization is provided for using the straight-line method at 10 - 33%, depending on the useful life of the asset.

### (f) Revenue recognition:

AUMA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is assured.

AMSCIS operates a group benefits plan providing benefits coverage for extended health care and dental policies on an Administrative Services Only ("ASO") program basis. ASO benefit premiums are recognized as revenue over the term of the related policy period.

Insurance agency commissions are recognized as revenue over the term of the related policy period. Deferred revenue relates to premiums received in the current year for a policy period commencing on January 1 of the following year.

Agency and administration fees are recognized when services are performed.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (f) Revenue recognition (continued):

Energy retail fees are earned on an energy consumption basis based on rates included in the Energy Member Master Agreements and are recorded as the energy is delivered. The energy retail fees include an estimate of the value of electricity and natural gas consumed by customers billed subsequent to the reporting period.

Interest, dividends, net realized gains and losses on sale of investments and net unrealized gains and losses (less transaction costs) are included in net investment income and are recognized on an accrual basis when earned. Investment income earned from restricted contributions is recorded as an increase to deferred contributions as accrued, or as investment earnings, in accordance with the terms of the respective grant.

Membership fees are recognized at the beginning of each fiscal year when they are invoiced. Membership services are recognized when services are performed.

Rental revenue is recognized on a straight-line basis over the terms of the leases.

Convention and workshop revenues are recognized in conjunction with the occurrence of the event.

Retirement services, sustainability services, investment management fees and purchasing program services revenue are recognized when services are performed.

Grant administration recoveries are recognized as revenue when the services have been provided.

Benefits deficit is recorded in the year in which the amount is fixed or determinable and settlement of the amount is reasonably assured.

### (g) Investment in joint ventures:

AUMA uses the equity method as the basis of accounting for its investment in joint ventures. Under the equity method, AUMA records these investments initially at cost and the carrying values are adjusted thereafter to include the investor's pro rata share of post-acquisition excess of revenues over expenses of the investment. The adjustments are included in the determination of excess of revenues over expenses by the investor, and the investment accounts of the investor are also increased or decreased to reflect the investor's share of capital transactions and changes in accounting policies and corrections of errors relating to prior period financial statements applicable to post-acquisition periods. Distributions received or receivable from investees reduce the carrying values of the investments. Unrealized inter-entity gains or losses are eliminated.

### (h) Provision for claims incurred but not reported:

The group benefits "ASO" program provides extended health and dental coverage. The incurred but not reported ("IBNR") provision is comprised of ASO claims estimated to be incurred in the year but not filed or reported to the administrator by the statement of financial position date. Claims incurred in the year must be filed with the program administrator within 180 days of year end. As such, any given plan year IBNR liability, as recorded, has a limited extension life.

The establishment of the provision for unpaid claims is based on known information and the interpretation of future circumstances and events and is influenced by a variety of factors. These factors include AUMA's experience with historical claim submissions and payment trends, the deadline for claim submissions and an interpretation of past trends extending into the future. Other factors include the continually evolving health and dental industry environment, actuarial studies, the quality of data used for projection purposes, existing claim management practices, including claim handling and settlement practices.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (h) Provision for claims incurred but not reported (continued):

Consequently, the establishment of the provision for unpaid claims relies on the judgment and opinions of a number of individuals, on historical precedent and trends, and an expectation as to future developments. The process of determining the provision necessarily involves risks that the actual results could deviate, perhaps substantially, from the best estimates made.

The estimates are periodically reviewed by an actuary, and as adjustments to these liabilities become necessary, they are reflected in claim costs and claim administration expenses.

### (i) Employee future benefits:

AUMA provides pension benefits to its employees through the Local Authorities Pension Plan ("LAPP"), a provincial multi-employer defined benefit plan requiring both employer and employee contributions. Management employees also participate in the APEX Supplementary Pension Plan ("APEX"), which is a supplemental plan to LAPP, and a provincial multi-employer defined benefit plan established under the Alberta Employment Pension Plans Act requiring both employer and employee contributions. LAPP and APEX are accounted for as defined benefit plans.

AUMA has entered into a Master Investment Agent Service Agreement with an investment manager to facilitate the delivery of Investment Agent Services for Supplemental Employee Retirement Plans ("MuniSERP"). The plan provides enhanced retirement benefits covering executive employees who cannot, under the Income Tax Act pension limits, accrue a full 2.0% benefit rate on their earnings. The benefit is based on years of service, the employee's final average earnings and a 2.0% benefit rate offset by corresponding LAPP and APEX benefits. AUMA accrues its obligations under MuniSERP as the employees render the services necessary to earn the retirement benefits.

AUMA accounts for this employee retirement plan using the immediate recognition method. Under this approach, the accrued benefit obligation at the end of the year is determined based on the most recent actuarial valuation report. The measurement date of the accrued benefit obligation coincides with AUMA's fiscal year-end. The most recent actuarial valuation of the accrued benefit obligation was as of December 31, 2021, and the next valuation will be as of December 31, 2022. The obligation is unfunded.

At year-end AUMA recognizes, in the statement of financial position, the accrued benefit obligation. Payments made during the course of the year are a reduction to the actuarial obligation. Past service costs arising from plan amendments are immediately recognized into income at the date of the amendment.

### (j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any such financial instruments at fair value.

Transaction costs incurred including investment management fees on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (j) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, AUMA determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, and the amount that could be realized from selling the financial asset or the amount AUMA expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (k) Use of estimates:

The preparation of the financial statements in accordance with Part III requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include, the energy purchase accrual and the IBNR liability. Actual results could differ from those estimates.

A provision has been made for the estimated liability for all reported and outstanding claims plus an estimate for adverse development and for claims incurred to December 31, which have not yet been reported to AUMA. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The computation of these provisions takes into account the time value of money using discount rates based on projected investment income from the assets supporting these provisions.

## 2. Cash:

AUMA holds cash in trust for members who participate in a defined contribution pension plan. Cash is received from the participants and AUMA subsequently transfers this cash to the plan fund holder. The cash is held in a separate bank account that is designated as a trust account for the plan participants.

As at December 31, 2021, cash includes cash held in trust for participants of the defined contribution pension plan of \$114,560 (December 31, 2020 - \$156,672).

## 3. Asset held for sale:

During the year ended December 31, 2020, AUMA committed to sell its Saskatchewan Drive property located in Edmonton, Alberta for a total purchase price of \$3,160,000. The sale closed on March 31, 2021. Selling expenses of \$84,279 were recorded on the sale, leaving net proceeds of \$3,075,721.

## 4. ASO funds held on deposit and ASO claim costs and claim administration expenses:

AUMA assumes the underwriting risk with health care and dental policies under the ASO program, and engages a third party administrator to manage the claim activities.

ASO funds held on deposit, classified as non-current on the statement of financial position, is the minimum deposit required by the administrator. It is not AUMA's intent to access these funds within the next year.



# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 4. ASO funds held on deposit and ASO claim costs and claim administration expenses (continued):

ASO claim costs and claim administration expenses are compromised of the following:

|   | 2021          | 2020          |
|---|---------------|---------------|
| ASO claim costs                                   | \$ 34,386,259 | \$ 33,037,237 |
| ASO claim administration expenses                 | 1,516,212     | 1,448,326     |
| ASO claim costs and claim administration expenses | \$ 35,902,471 | \$ 34,485,563 |

ASO funds held on deposit by the claim administrator are interest bearing at the bank's 90 day treasury bill rate less 0.5% (2020 - 0.5%). Interest earned on ASO funds held on deposit is recorded as a reduction in ASO claim costs and claim administration expenses on the statement of operations.

ASO funds payable of \$4,125,711 (2020 - \$1,928,629) consist of health and dental claims costs owing.

## 5. Investments:

AUMA's investments are measured at fair value and are held in managed investment funds. The investment mix of these funds is as follows:

|                                   | 2021          | 2020          |
|-----------------------------------|---------------|---------------|
| Short-term bond and mortgage fund | \$ 27,722,523 | \$ 27,359,485 |
| Global equity fund                | 8,225,050     | 7,210,090     |
| Mortgage pension trust            | 5,126,087     | 5,041,632     |
| Canadian equity fund              | 5,100,289     | 4,085,191     |
| Money market fund                 | —             | 567,040       |
| Long-term bond fund               | 418,210       | 391,416       |
|                                   | \$ 46,592,159 | \$ 44,654,854 |

Investments include \$nil (December 31, 2020 - \$567,040) of the MuniFunds Money Market Fund ("MuniFunds"), which is an investment pool for which AMSC acts as trustee.

The MuniFunds were closed effective April 30, 2021 and all units were redeemed.

## 6. Investment in and advances to AEOEPC:

Alberta Elected Officials Education Program Corporation ("AEOEPC") is a joint venture by two equal shareholders, AUMA and Rural Municipalities of Alberta ("RMA"). AEOEPC provides a comprehensive program of study for elected municipal officials in the province of Alberta.

AEOEPC was incorporated under the Business Corporations Act of Alberta. It is a non-taxable operation by virtue of section 149(1)(d.6) of the Income Tax Act.

Investment and advances to AEOEPC is made up of the following items:

|  | 2021      | 2020     |
|--|-----------|----------|
| Share capital                                | \$ 5      | \$ 5     |
| Accumulated excess of revenues over expenses | 52,375    | 5,070    |
|  | \$ 52,380 | \$ 5,075 |

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 6. Investment in and advances to AEOEPC (continued):

During the year ended December 31, 2021, AEOEPC recorded excess of revenues over expenses of \$94,609 (2020 - \$(32,226)) of which \$47,305 (2020 - \$(16,113)) has been reported as a share of revenues over expenses of AEOEPC by AUMA. The financial statements of AEOEPC are available upon request and the accounting policies of AEOEPC conform with those of AUMA.

Financial summaries of AEOEPC as at December 31 and for the years then ended are as follows:

|   | 2021       | 2020        |
|---|------------|-------------|
| Financial position:                           |            |             |
| Total assets                                  | \$ 219,704 | \$ 16,742   |
| Total liabilities                             | 114,945    | 6,592       |
| Total net assets                              | 104,759    | 10,150      |
|   | \$ 219,704 | \$ 16,742   |
| Results of operations:                        |            |             |
| Total revenues                                | 414,390    | 79,294      |
| Total expenses                                | 319,781    | 111,520     |
| Excess (deficiency) of revenues over expenses | \$ 94,609  | \$ (32,226) |
| Cash flows:                                   |            |             |
| Cash from ( used) in operating activities     | \$ 41,301  | \$ (17,405) |
| Increase (decrease) in cash                   | \$ 41,301  | \$ (17,405) |

## 7. Other assets:

As manager of the AMP property, AUMA entered into lease agreements with tenants of this property. These agreements required AUMA to fund tenant improvements and to pay leasing commissions to the leasing agents involved in arranging the agreements. In addition, there is deferred rent associated with the "step-up" features of the lease agreements signed with tenants.

|                             | Cost         | Accumulated amortization | 2021 Net book value | 2020 Net book value |
|-----------------------------|--------------|--------------------------|---------------------|---------------------|
| Tenant improvements         | \$ 959,185   | \$ 937,554               | \$ 21,631           | \$ 59,758           |
| Leasing commissions         | 445,965      | 386,527                  | 59,438              | 63,159              |
| Step-up lease deferred rent | 135,006      | —                        | 135,006             | 169,971             |
|                             | \$ 1,540,156 | \$ 1,324,081             | \$ 216,075          | \$ 292,888          |

For the year ended December 31, 2021, amortization of \$68,746 (2020 - \$87,705) related to tenant improvements and leasing commissions was included in rental properties expense.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 8. Capital assets:

|                              | Cost          | Accumulated<br>amortization | 2021<br>Net book value | 2020<br>Net book value |
|------------------------------|---------------|-----------------------------|------------------------|------------------------|
| Land                         | \$ 2,585,000  | \$ —                        | \$ 2,585,000           | \$ 2,585,000           |
| Buildings                    | 19,802,482    | 9,912,239                   | 9,890,243              | 10,682,343             |
| Furniture and fixtures       | 3,639,426     | 3,389,740                   | 249,686                | 321,221                |
| Computer equipment           | 1,704,488     | 1,427,507                   | 276,981                | 210,984                |
| Computer software            | 5,246,392     | 3,531,439                   | 1,714,953              | 389,553                |
| Alternative energy equipment | 460,912       | 460,912                     | —                      | —                      |
| Parking lot and landscaping  | 680,730       | 431,438                     | 249,292                | 294,680                |
|                              | \$ 34,119,430 | \$ 19,153,275               | \$ 14,966,155          | \$ 14,483,781          |

## 9. Line and letters of credit:

AUMA has an operating line of credit of \$3,000,000 which is due on demand, bears interest at the lender's prime rate and is secured by a general security agreement covering all assets of AUMA and assignment of rents and insurance. The line of credit was not utilized during the years ended December 31, 2021 and 2020.

In 2014, AUMA secured a line of credit in the amount of \$4,000,000. There is no minimum retained balance required, interest is at the lender's prime rate, and the facility revolves in increments of \$10,000. The line of credit was not utilized during the years ended December 31, 2021 and 2020.

In 2010, AUMA was granted status as an accredited energy retailer in the province of Alberta. AUMA has issued \$100,000 in letters of credit which are payable on demand should AUMA default on its energy retailer requirements.

## 10. Provision for claims incurred but not reported:

The IBNR provision has been calculated and verified using a runoff method of claims tracking, to derive a factor of 3.25% (2020 - 3.50%) for extended health and 2.00% (2020 - 2.00%) for dental claims paid in the 12 month period prior to the IBNR calculation date of December 31, 2021. To this, a margin of 9.85% (2020 - 9.85%) was added. The margin consists of 5.0% (2020 - 5.0%) for adverse deviation and 4.85% (2020 - 4.85%) for adjudication costs. The actuarial methodology has not changed from prior year.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 11. Deferred contributions:

Deferred contributions represent unspent resources that are externally restricted for special projects.

Changes in deferred contribution balances are as follows:

| December 31, 2021   | Balance,<br>beginning of<br>year | Add: Net<br>contributions | Less: Revenue<br>recognized in<br>the year | Balance, end<br>of year |
|---|----------------------------------|---------------------------|--|-------------------------|
| Asset Management  | \$ 597,692                       | \$ 12,185                 | \$ 449                                     | \$ 609,428              |
| Municipal Change Management                                 | 140,146                          | 12,183                    | 122,080                                    | 30,249                  |
| Welcoming and Inclusive Communities<br>Action Partnership   | 301,704                          | 1,195                     | 108,315                                    | 194,584                 |
| Climate Adaptation  | 4,513,966                        | 33,217                    | 119,421                                    | 4,427,762               |
| Community Energy Efficiency and<br>Renewable Energy Project | 39,646,903                       | 272,824                   | 9,750,792                                  | 30,168,935              |
| Municipal Asset Management Program                          | —                                | 200,526                   | 200,526                                    | —                       |
| Clean Energy Improvement Program                            | 268,167                          | 1,658,946                 | 752,604                                    | 1,174,509               |
|   | 45,468,578                       | 2,191,076                 | 11,054,187                                 | 36,605,467              |

| December 31, 2020  | Balance,<br>beginning of<br>year | Add: Net<br>contributions | Less: Revenue<br>recognized in<br>the year | Amounts<br>transferred<br>to grants<br>payable | Balance, end<br>of year |
|--|----------------------------------|---------------------------|--|--|-------------------------|
| Asset Management   | \$ 584,588                       | \$ 13,512                 | \$ 408                                     | \$ —   | \$ 597,692              |
| Municipal Change Management                                  | 132,267                          | 13,512                    | 5,633                                      | —  | 140,146                 |
| Climate Change 2   | —                                | 630                       | —  | (630)  | —                       |
| Welcoming and Inclusive<br>Communities Action<br>Partnership | 542,990                          | 4,316                     | 245,602                                    | —  | 301,704                 |
| Climate Adaptation   | —                                | 4,524,355                 | 10,389                                     | —  | 4,513,966               |
| Community Energy Efficiency and<br>Renewable Energy Project  | 53,254,598                       | 165,887                   | 13,773,582                                 | —  | 39,646,903              |
| Municipal Asset Management<br>Program                        | —                                | 58,302                    | 58,302                                     | —  | —                       |
| Clean Energy Improvement<br>Program                          | —                                | 423,042                   | 154,875                                    | —  | 268,167                 |
|  | 54,514,443                       | 5,203,556                 | 14,248,791                                 | (630)  | 45,468,578              |

Grants that have expired with unused monies are re-classified to grants payable. At December 31, 2021, grants payable are \$nil (December 31, 2020 - \$203,384) related to restricted government grants that have expired.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 12. Pension and retirement plans:

During the year ended December 31, 2021, AUMA made employer contributions to two pension plans, totaling \$1,036,973 (2020 - \$945,260), as follows:

- (a) As per LAPP's annual report for the year ended December 31, 2020, LAPP reported net assets of \$53.6 billion (December 31, 2019 - \$50.5 billion) and disclosed an actuarial surplus of \$4.9 billion (December 31, 2019 - \$7.9 billion). The employer contribution rates for LAPP are 9.39% (2020 - 9.39%) on earnings up to the yearly maximum pensionable earnings ("YMPE"). LAPP rates for earnings above the YMPE up to the salary cap are 13.84% (2020 - 13.84%). There is no future accrued liability obligation in reference to LAPP. Total contributions by AUMA to LAPP in 2021 were \$877,143 (2020 - \$801,167) and are included in salaries and benefits expense. Total contributions by the employees of AUMA to LAPP in 2021 were \$808,557 (2020 - \$739,369).

- (b) Contributions are made to APEX by the employees 2.61% (2020 - 2.61%) and by AUMA 3.85% (2020 - 3.85%) of pensionable earnings up to \$162,278 (2020 - \$154,611).

Total current service contributions by AUMA to APEX were \$159,830 (2020 - \$144,093) and are included in salaries and benefits expense. Total contributions by employees were \$108,352 (2020 - \$97,685).

The actuarial liability of AUMA's MuniSERP retirement plan as described in note 1 (i) is as follows:

|                            | 2021       | 2020       |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 521,094 | \$ 498,922 |
| Paid out                   | —          | —          |
| Current service cost       | 41,889     | 22,172     |
| Balance, end of year       | \$ 562,983 | \$ 521,094 |

The significant actuarial assumptions used in measuring AUMA's accrued benefit obligations are as follows:

|                               | 2021  | 2020  |
|-------------------------------|-------|-------|
| Discount rate                 | 4.20% | 4.45% |
| Rate of compensation increase | 2.75% | 2.75% |

## 13. Invested in capital assets:

Change in invested in capital assets is calculated as follows:

|   | 2021           | 2020           |
|---|----------------|----------------|
| Excess of revenues over expenses:           |                |                |
| Amortization of capital assets              | \$ (1,297,705) | \$ (1,377,297) |
|   | \$ (1,297,705) | \$ (1,377,297) |
| Net change in investment in capital assets: |                |                |
| Purchase of capital assets                  | \$ 1,780,079   | \$ 265,088     |
| Disposal of capital assets                  | —              | (2,126,718)    |
|   | \$ 1,780,079   | \$ (1,861,630) |

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 14. Internally restricted net assets:

During the year ended December 31, 2018, the Board of Directors created a formalized net asset policy. The purpose of the net asset policy is to build reserves to ensure the sustainability of AUMA's operations. These amounts are not available for other purposes without approval of the Board of Directors. The balance and nature of these reserves are as follows:

|                      | 2021                 | 2020                 |
|----------------------|----------------------|----------------------|
| Benefit surplus fund | \$ 11,271,299        | \$ 15,439,570        |
| Sustainability       | 2,078,896            | 2,004,874            |
| Program development  | 1,000,000            | 1,000,000            |
| Capital              | 851,894              | 756,610              |
| Convention           | 109,106              | 265,146              |
|                      | <u>\$ 15,311,195</u> | <u>\$ 19,466,200</u> |

The amount restricted for the benefit surplus fund is maintained to stabilize rate charges to participants and support benefit programs.

The amount restricted for sustainability is to fund unanticipated or emerging advocacy related expenditures.

The amount restricted for program development is to fund the development of programs in the future.

The amount restricted for capital is to fund unexpected capital expenditures.

The amount restricted for convention is to fund unexpected deficits arising from the convention and trade show.

During the year ended December 31, 2021, the Board of Directors authorized the transfer of \$4,155,005 from internally restricted net assets to unrestricted net assets (2020 - \$1,895,934).

## 15. Insurance agency commissions:

AUMA operates a group benefit plan providing insurance coverage for extended health care, disability and life policies. AUMA also operates an insurance plan providing insurance for liability, property, aviation and automobile policies. AUMA engages third party administrators to manage claim activity.

Commissions represent the net of insurance premiums billed less amounts due to insurance underwriters and are as follows:

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| Gross benefit and insurance premiums              | \$ 88,145,579       | \$ 85,730,472       |
| Less underwriter premiums and administrator costs | 80,078,154          | 77,199,318          |
|   | <u>\$ 8,067,425</u> | <u>\$ 8,531,154</u> |



# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 16. Grants:

Grants include expenditures on the following items:

|                              | 2021          | 2020          |
|------------------------------|---------------|---------------|
| Program development          | \$ 9,222,162  | \$ 13,332,207 |
| Salaries and benefits        | 1,112,661     | 681,575       |
| Office administration        | 233,474       | 111,147       |
| Consultants                  | 364,395       | 55,865        |
| Communication and promotions | 115,708       | 66,373        |
| Travel                       | 5,787         | 1,624         |
|                              | \$ 11,054,187 | \$ 14,248,791 |

## 17. MuniSERP administration fee:

AUMA received a flat service fee of \$38,510 (2020 - \$41,760) for coordinating actuarial services and holding investments as an agent on behalf of program subscribers. The MuniSERP administration fee is recorded in retirement services revenue. At December 31, 2021, AUMA holds \$7,418,330 (December 31, 2020 - \$7,358,559) on behalf of program subscribers.

## 18. Benefits deficit:

AUMA partners with a third party provider, as the insurer of its group benefits program, related to the coverage of group life and disability insurance. The insurer's role is to underwrite and adjudicate these coverages, with AUMA acting in the client service role. The benefits are underwritten on a refund accounting basis, meaning that after the insurer has funded its necessary reserves, the remaining surplus is available for refund to AUMA, or if in deficit AUMA must remit the amount to the third party provider. During the year ended December 31, 2021, the deficit totaled \$42,984 (2020 - \$4,747,534).

## 19. Energy retail fees:

AUMA operates an energy retail program providing electricity and natural gas. AUMA engages a third party administrator to manage the distribution of the commodities and customer billing activity. Transactions under this program during the year were as follows:

|                      | 2021          | 2020          |
|----------------------|---------------|---------------|
| Energy sales         | \$ 87,169,231 | \$ 90,423,637 |
| Energy cost of sales | 84,774,881    | 88,048,565    |
|                      | \$ 2,394,350  | \$ 2,375,072  |

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 20. Net investment income:

Net investment income is comprised of:

|  | 2021         | 2020         |
|--|--------------|--------------|
| Interest and dividend income               | 1,264,228    | 1,438,988    |
| Net unrealized gain on sale of investments | 1,098,628    | 806,117      |
| Net realized gain on investments           | 259,165      | 163,486      |
| Investment fees                            | (87,603)     | (89,110)     |
|  | \$ 2,534,418 | \$ 2,319,481 |

## 21. Related party transactions:

MUNIX is a self-insurance exchange for members of AUMA. MUNIX was formed under the Reciprocal Insurance Exchange Agreement for Municipalities in the province of Alberta, dated January 1, 2002, by various municipalities subscribing to the agreement. AUMA administers MUNIX and therefore is a related party.

APEX was established on January 1, 2003 to enhance and supplement LAPP for eligible staff of participating municipalities in Alberta. It is a voluntary, contributory, defined benefit pension plan. AUMA is the sponsor of APEX and appoints members of the APEX Board of Governors. AUMA administers APEX and therefore is a related party.

AUMA had a trustee relationship involving an investment pool, MuniFunds. MuniFunds was an entity under common control and therefore is a related party. AUMA earned management fees from MuniFunds and incurred portfolio management expenses related to investment fund management fees, custodian fees, record keeping fees and valuation fees. MuniFunds was terminated effective September 9, 2021.

The following balances with the related parties are outstanding as at December 31:

|  | 2021       | 2020      |
|--|------------|-----------|
| MUNIX                                    |            |           |
| Accounts payable and accrued liabilities | \$ 109,909 | \$ 72,733 |
| APEX                                     |            |           |
| Accounts payable and accrued liabilities | 7,249      | 61,862    |
| MuniFunds                                |            |           |
| (Accounts receivable)                    | —          | (240)     |
| AEOEPC                                   |            |           |
| Accounts payable and accrued liabilities | 49,985     | —         |

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

## 21. Related party transactions (continued):

The following transactions with the related parties occurred during the year ended December 31:

|   | 2021         | 2020         |
|---|--------------|--------------|
| MUNIX   |              |              |
| Agency and administration fees                    | \$ 2,750,736 | \$ 2,900,342 |
| Insurance agency commissions                      | 665,645      | 250,845      |
| APEX  |              |              |
| Agency and administration fees                    | 753,000      | 630,827      |
| MuniFunds   |              |              |
| Investment management fees                        | 654          | 2,697        |
| Portfolio management fees                         | 29,119       | 26,801       |
| AEOEPC  |              |              |
| Registrar services fee                            | 58,301       | 45,080       |
| Contributed management and administration support | 25,421       | 30,063       |

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 22. Commitments:

AUMA has an agreement for property management services with a third party for the AMP property. The agreement requires payments of the greater of 4% of the gross receipts from the AMP property or \$4,000 per month. The agreement continues from year to year unless either party delivers 60 days notice.

AUMA has an agreement with a third party to maintain and operate an energy retailing system that commenced January 1, 2019 and expires on December 31, 2023. The agreement will average \$50,000 per month, with a minimum monthly fee as follows:

| Year | Minimum monthly fee |
|------|---------------------|
| 2022 | 25,000              |
| 2023 | 25,000              |

AUMA has entered into a licensing agreement for a group benefits plan administration software application, expiring December 31, 2023. During 2021, AMSCIS gave notice of intent to terminate the contract effective June 15, 2022. As per the terms of the licensing agreement, AMSCIS has incurred an early termination penalty of \$187,500. This penalty fee has been included in systems and equipment maintenance expense for the year ended December 31, 2021.

AUMA has entered into an agreement for consulting services relating to its group benefits plan. This agreement has no expiry term, and the maximum annual commitment is \$200,000.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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## 22. Commitments (continued):

AUMA has entered into an agreement for insurance brokerage services for its general insurance program. The agreement expires on June 30, 2022 and the maximum annual commitment is \$300,000.

AUMA has entered into a Financial Letter of Agreement with a group benefits plan administrator whereby, in the event of termination of the group benefits plan, AMSCIS is required to pay an amount equal to the accumulated plan deficit at the time of termination, up to 25% of the annualized premium. The agreement continues from year to year unless either party delivers the prescribed notice to terminate.

## 23. Financial risks and concentration of credit risk:

### (a) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

AUMA is exposed to currency risk as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, AUMA procures information technology support services in U.S. dollars and holds global investments including holdings denominated in U.S. dollars. AUMA does not currently enter into forward contracts to mitigate this risk.

There has been no change to currency risk from the prior year.

### (b) Liquidity risk:

Liquidity risk is the risk that AUMA cannot meet its obligations as they become due. AUMA manages its liquidity risk by monitoring its operating requirements, and by preparing and monitoring budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to liquidity risk from the prior year.

### (c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. AUMA is exposed to credit risk with respect to cash on deposit, deposits with property manager, ASO funds held on deposits, investments and accounts receivable.

AUMA's accounts receivable consist primarily of amounts due from various provincial municipalities who are members of AUMA, and billed and unbilled energy retail fees from municipalities participating in the energy retail program. AUMA assesses accounts receivable on a continuous basis, and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Cash, deposits with property manager, and ASO funds on deposit are maintained with federally regulated financial institutions.

# ALBERTA URBAN MUNICIPALITIES ASSOCIATION

Notes to the Consolidated Financial Statements  
Year ended December 31, 2021

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## **23. Financial risks and concentration of credit risk (continued):**

### **(c) Credit risk (continued):**

Investments include domestic and foreign debt and equity based pooled funds, which are widely held and diversified. Fair value is based on the underlying securities held by the funds which are of commercial and government grade bonds, debentures, mortgage funds and shares of publicly traded companies whose shares are traded on domestic and global exchanges. Changes in the credit quality of bond issuers can result in a change in fair value.

There has been no change to credit risk from the prior year.

### **(d) Interest rate risk:**

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest sensitive financial instruments such as the bond and mortgage fund.

There has been no change to interest rate risk from the prior year.

### **(e) Market rate risk:**

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of the assets held and the value of liabilities.

Investments in equity, bonds, and mortgage pooled funds are subject to fair value fluctuation of underlying securities held by the funds traded on domestic and global exchanges. Changes in the foreign exchange rates and market prices can result in a change in fair value.

There has been no change to market risk from the prior year.

## **24. Comparative figures:**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.



Financial Statements of

## **ALBERTA MUNICIPAL INSURANCE EXCHANGE**

Year ended December 31, 2021





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## INDEPENDENT AUDITORS' REPORT

To the Subscribers of Alberta Municipal Insurance Exchange and the Alberta Superintendent of Insurance

### ***Opinion***

We have audited the financial statements of Alberta Municipal Insurance Exchange (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive (loss)/Income for the year then ended
- the statement of changes in subscribers' surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian general accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A stylized, handwritten-style signature of 'KPMG LLP' in black ink, with a long horizontal line extending from the end of the signature.

Chartered Professional Accountants

Edmonton, Canada

February 23, 2022

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

## Statement of Financial Position


As at December 31, 2021, with comparative information for 2020

|   | Notes    | 2021                 | 2020                 |
|---|----------|----------------------|----------------------|
| <b>Assets</b>                               |          |                      |                      |
| Cash  |          | \$ 881,953           | \$ 3,321,162         |
| Investments                                 | 5, 7, 10 | 63,097,998           | 62,562,936           |
| Accounts receivable                         | 7, 9     | 561,726              | 458,872              |
| Prepaid expenses                            |          | 109,737              | 123,614              |
|   |          | <u>\$ 64,651,414</u> | <u>\$ 66,466,584</u> |
| <b>Liabilities and subscribers' surplus</b> |          |                      |                      |
| <b>Liabilities:</b>                         |          |                      |                      |
| Claims liabilities                          | 6, 7     | \$ 28,276,810        | \$ 28,885,625        |
| Reinsurance payable                         | 6, 8     | 64,242               | 43,344               |
| Premium tax payable                         | 7        | 518,373              | 552,088              |
| Accounts payable and accrued liabilities    | 7, 9     | 183,286              | 74,699               |
|   |          | <u>29,042,711</u>    | <u>29,555,756</u>    |
| <b>Subscribers' surplus</b>                 |          | <u>35,608,703</u>    | <u>36,910,828</u>    |
|   |          | <u>\$ 64,651,414</u> | <u>\$ 66,466,584</u> |

See accompanying notes to the financial statements.

On behalf of the Advisory Board:

 Director

 Director

## ALBERTA MUNICIPAL INSURANCE EXCHANGE

### Statement of Comprehensive (Loss) Income

Year ended December 31, 2021, with comparative information for 2020

|                                       | Notes | 2021           | 2020          |
|---------------------------------------|-------|----------------|---------------|
| Premiums earned                       | 7     | \$ 12,959,321  | \$ 13,802,193 |
| Less: Premiums ceded to reinsurers    | 7, 8  | (923,640)      | (769,696)     |
|                                       |       | 12,035,681     | 13,032,497    |
| Claims and claims adjustment expenses | 6     | 11,695,267     | 8,982,932     |
| Ceded claims and unreported losses    | 6, 8  | 20,898         | (3,500)       |
|                                       |       | 11,716,165     | 8,979,432     |
| Premium taxes                         |       | 518,373        | 552,087       |
|                                       |       | 12,234,538     | 9,531,519     |
|                                       |       | (198,857)      | 3,500,978     |
| Expenses:                             |       |                |               |
| Agency and administration fees        | 9     | 2,787,660      | 2,934,576     |
| System support                        |       | 280,842        | 279,271       |
| Consulting fees                       |       | 163,812        | 91,882        |
| Property valuation fees               |       | 117,040        | 57,345        |
| Professional fees                     |       | 87,260         | 99,983        |
| Administration                        |       | 48,256         | 77,116        |
| Insurance                             |       | 48,099         | 40,483        |
| Promotions and marketing              |       | 20,777         | 9,017         |
| Travel                                |       | 395            | 3,899         |
|                                       |       | 3,554,141      | 3,593,572     |
| Loss before the undernoted            |       | (3,752,998)    | (92,594)      |
| Net investment income                 | 5, 10 | 2,450,873      | 3,213,526     |
| Comprehensive (loss) income           |       | \$ (1,302,125) | \$ 3,120,932  |

See accompanying notes to the financial statements.

## ALBERTA MUNICIPAL INSURANCE EXCHANGE

### Statement of Changes in Subscribers' Surplus

Year ended December 31, 2021, with comparative information for 2020

|                         |    | Subscribers'<br>surplus |
|-------------------------|----|-------------------------|
| As at January 1, 2020   | \$ | 33,789,896              |
| Comprehensive income    |    | 3,120,932               |
| As at December 31, 2020 |    | 36,910,828              |
| Comprehensive (loss)    |    | (1,302,125)             |
| As at December 31, 2021 | \$ | 35,608,703              |

See accompanying notes to financial statements.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

|   | Notes | 2021          | 2020          |
|---|-------|---------------|---------------|
| Cash provided by (used in):                                     |       |               |               |
| Operating activities:   |       |               |               |
| Comprehensive income  |       | \$(1,302,125) | \$ 3,120,932  |
| Adjustments for:  |       |               |               |
| Net realized gain on sale of investments                        | 5     | (1,930,406)   | (1,194,440)   |
| Net unrealized loss (gain) on investments                       | 5     | 1,163,571     | (915,325)     |
| Interest and dividend income                                    | 5     | (1,815,266)   | (1,230,321)   |
| Change in non-cash balances related to operations:              |       |               |               |
| Increase in accounts receivable                                 |       | (102,854)     | (64,313)      |
| Decrease (increase) in prepaid expenses                         |       | 13,877        | (111,048)     |
| (Decrease) increase in claims liabilities                       | 6     | (608,815)     | 1,551,347     |
| (Decrease) in premium tax payable                               |       | (33,715)      | (8,645)       |
| Increase (decrease) in accounts payable and accrued liabilities |       | 108,587       | (259,246)     |
| Increase (decrease) in reinsurance payable                      |       | 20,898        | (3,500)       |
| Interest and dividends received in cash                         |       | 1,812,928     | 1,259,685     |
|   |       | (2,673,320)   | 2,145,126     |
| Investing activities:   |       |               |               |
| Purchase of investments   |       | (119,609,818) | (147,005,819) |
| Proceeds from sale of investments                               |       | 119,843,929   | 143,037,322   |
|   |       | 234,111       | (3,968,497)   |
| Decrease in cash  |       | (2,439,209)   | (1,823,371)   |
| Cash, beginning of year   |       | 3,321,162     | 5,144,533     |
| Cash, end of year   |       | \$ 881,953    | \$ 3,321,162  |

See accompanying notes to the financial statements.



# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 1. Reporting entity:

Alberta Municipal Insurance Exchange (the "Exchange") was formed on January 1, 2002 under the Reciprocal Insurance Exchange Agreement for Municipalities in the province of Alberta and the Insurance Act (the "Act"). Its registered office is located at 300-8616 51 Avenue Edmonton, Alberta, Canada T6E 6E6.

The Exchange commenced operations on January 1, 2002 and has 719 (2020 - 744) subscribers. Subscriptions to the Exchange are renewed annually on a rollover basis. The next date for renewal of policies is January 1, 2022.

The Act permits a group of subscribers to exchange reciprocal contracts or inter-insurance with each other through a principal attorney. The principal attorney is authorized by the subscribers under a power of attorney, to sign reciprocal contracts on their behalf and to act on the subscribers' behalf in respect of any matter specified in the power of attorney related to those contracts.

The Exchange is established for the purpose of permitting the subscribers to exchange a reciprocal contract or inter-insurance as provided for in the Act. The subscribers to the Exchange are various Alberta Urban Municipalities Association ("AUMA") members subscribing to the Reciprocal Insurance Exchange Agreement for Municipalities in the province of Alberta dated January 1, 2002.

The affairs of the Exchange are governed by an advisory board established in accordance with the power of attorney.

The majority of the advisory board members are directors of AUMA whose municipalities are subscribers of the Exchange. AMSC Insurance Services Ltd. ("AMSCIS"), a wholly owned subsidiary of AUMA, acts as an agent of the Exchange.

## 2. Basis of presentation:

### (a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the requirements for filing with the Superintendent of Insurance for the Province of Alberta.

The financial statements were authorized for issue by the advisory board on February 24, 2022.

### (b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value.

### (c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Exchange's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar, unless otherwise indicated.

### (d) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 2. Basis of presentation (continued):

- (d) Use of estimates and judgments (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Refer to note 3(a)(iii) for a description of the significant judgments and estimates made by the Exchange.

## 3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

- (a) Insurance contracts:

- (i) Premiums earned:

Premiums are recognized over the term of the related policy period. The Exchange's policy year ends on December 31st.

- (ii) Claims and claims adjustment expenses:

Claims and claims adjustment expenses consist of claims paid to policyholders, changes in the valuation of the liabilities arising on policyholder contracts and external claims handling expenses, net of salvage and subrogation recoveries.

- (iii) Claims liabilities:

A provision has been made for the estimated liability for all reported and outstanding claims using a case-basis evaluation plus an amount for adverse development and for claims incurred to December 31, which have not yet been reported to the Exchange ("incurred but not reported claims" or "IBNR"). The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. A provision has also been made for internal claim adjustment expenses ("ILAE") related to the estimated ultimate expected costs of investigating, resolving and processing these claims. The computation of these provisions takes into account the time value of money using discount rates based on projected investment income from the assets supporting these provisions.

Since the provision is based on estimates of future trends in claim severity and other factors which could vary as the claims are settled, the ultimate liability may be more or less than the estimated amounts. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the unpaid claims amounts and related adjustment expenses are adequate. The estimates are periodically reviewed by an actuary and, as adjustments to these liabilities become necessary, they are reflected in current operations.

- (iv) Contract classification:

All contracts issued by the Exchange meet the definition of an insurance contract and are accounted for in accordance with IFRS 4 - Insurance Contracts ("IFRS 4"). Insurance contracts are those contracts where the Exchange has accepted significant insurance risk. A contract is considered to have significant insurance risk if, and only if, an insured event could cause an insurer to make significant additional payments in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Insurance contracts issued by the Exchange are subject to the loss limits as described in note 7 under Insurance Risk.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 3. Significant accounting policies (continued):

### (a) Insurance contracts (continued):

#### (iv) Contract classification (continued):

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period, unless all rights and obligations are extinguished or expire.

#### (v) Liability adequacy test:

At the end of each reporting period, a liability adequacy test ("premium deficiency") is performed to ensure the adequacy of the contract liabilities, net of related deferred acquisition cost ("DAC") assets. In performing this test, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any premium deficiency is immediately charged to comprehensive income initially by writing off DAC assets and by subsequently establishing a provision for losses arising from the liability adequacy test. No such deficiency has been determined to exist as at December 31, 2021. The Exchange does not incur significant costs that would be considered DAC assets.

#### (vi) Reinsurance contracts:

The Exchange reinsures its contracts on an excess of loss basis. Reinsurance arrangements do not relieve the Exchange of its obligation to policyholders. Contracts entered into by the Exchange with reinsurers under which the Exchange is compensated for losses on one or more contracts issued by the Exchange and that meet the classification requirements for insurance contracts are classified as due from reinsurance.

The benefits to which the Exchange is entitled under its reinsurance contracts held are recognized as ceded claims and unreported losses. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The Exchange assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Exchange reduces the carrying amount of the reinsurance assets to its recoverable amount and recognizes that impairment loss in the statement of comprehensive income. The Exchange fosters the objective evidence that a reinsurance asset is impaired using the same process adopted from non-financial assets. The impairment loss is calculated following the same method used for these assets.

The Exchange reflects reinsurance balances on the statement of financial position on a gross basis to indicate the extent of credit risk related to reinsurance and its obligations to subscribers and on a gross basis in the statement of comprehensive income to indicate the results of its retention of premiums written.

Expected reinsurance recoveries on unpaid claims are recognized as assets at the same time and using principles consistent with the Exchange's method for establishing the related liability.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 3. Significant accounting policies (continued):

### (b) Financial instruments:

#### (i) Non-derivative financial assets:

The Exchange recognizes financial assets on the trade date, at which the Exchange becomes a party to the contractual provisions on the financial asset contract.

The Exchange derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Exchange neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Exchange recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Exchange retains substantially all the risks and rewards of ownership of a transferred financial asset, the Exchange continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Exchange has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Exchange has classified financial assets as either fair value through profit or loss ("FVTPL") or loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### *Financial assets at FVTPL:*

A financial asset is classified as FVTPL if it has been acquired principally for the purpose of selling in the near future or is designated as such upon initial recognition. Financial assets are designated as FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, and the financial asset forms part of a portfolio of financial assets which is managed and its performance is evaluated on a fair value basis, in accordance with the Exchange's documented risk management or investment strategy, and information about the portfolio is provided internally on that basis.

The Exchange's investments are classified as FVTPL. Investments include debt and equity securities and treasury bills.

Investments at FVTPL are recorded at fair value with realized gains and losses on sale and changes in the fair value recorded in net investment income. Transaction costs, as well as custodian and investment manager fees related to FVTPL financial assets are recognized in income as incurred, as part of general investment expenses.

#### *Loans and receivables:*

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are designated as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables are comprised of accounts receivable.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 3. Significant accounting policies (continued):

### (b) Financial instruments (continued):

#### (i) Non-derivative financial assets (continued):

##### *Cash:*

Cash is comprised of cash on hand and cash managed within the investment portfolio.

##### *Interest income:*

Interest income is accrued using the effective interest rate method, which uses the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### (ii) Non-derivative financial liabilities:

All financial liabilities are recognized initially on the date that the Exchange becomes a party to the contractual provisions of the instrument.

The Exchange derecognizes a financial liability when its contractual obligations are discharged, canceled or expire.

The Exchange classifies all non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value along with any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

Non-derivative financial liabilities are comprised of accounts payable and accrued liabilities.

#### (iii) Fair value of financial instruments:

The fair value of non-derivative financial assets and liabilities, with standard terms and conditions and traded on active liquid markets, are determined by reference to quoted market prices.

The fair value of other non-derivative financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

### (c) Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

For certain categories of financial assets, such as accounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and the loss is recognized in comprehensive income.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 3. Significant accounting policies (continued):

(c) Impairment of financial assets (continued):

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost that would have been recognized had the initial impairment loss not been recognized.

(d) Income taxes:

No provision for income taxes has been made in these financial statements as the Exchange is not subject to such income taxes.

(e) Future changes in accounting policies:

(i) *IFRS 17 Insurance Contracts ("IFRS 17"):*

In May 2017, the International Accounting Standards Board ("IASB") issued IFRS 17, a comprehensive standard that establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The standard introduces consistent accounting for all insurance contracts.

The measurement approach under IFRS 17 is based on (a) a current, unbiased probability-weighted estimate of future cash flows expected to arise as the insurer fulfills the contract; (b) the effect of the time value of money; (c) a risk adjustment that measures the effects of uncertainty about the amount and timing of future cash flows; and (d) a contractual service margin which represents the unearned profit in a contract and that is recognized as the insurer fulfills its performance obligations under the contract. Estimates are required to be re-measured each reporting period.

Certain types of contracts, typically short-duration contracts, will be permitted to use a simplified measurement approach. Additionally, for contracts in which the cash flows are linked to underlying terms, the liability value will reflect that linkage. There will also be a new financial statement presentation for insurance contracts and additional disclosure requirements.

IFRS 17 is effective for annual periods beginning on or after January 1, 2023. IFRS 17 will replace IFRS 4. The Exchange intends to adopt IFRS 17 for the annual period beginning on January 1, 2023. The financial and disclosure impact of adopting IFRS 17 is still being assessed by the Exchange.

(ii) *IFRS 9 Financial Instruments ("IFRS 9"):*

IFRS 9 is generally effective for annual periods beginning on or after January 1, 2018. In September 2016, the IASB issued amendments to IFRS 4, which provides optional relief to eligible insurers in respect of IFRS 9. The options permit (a) entities whose predominant activity is issuing insurance contracts within the scope of IFRS 17 a temporary exemption to defer the implementation of IFRS 9, or alternatively (b) give entities issuing insurance contracts the option to remove from comprehensive income the incremental volatility caused by changes in the measurement of specified financial assets upon application of IFRS 9. Entities that apply either of the options will be required to adopt IFRS 9 on January 1, 2023, which aligns with the effective date of IFRS 17.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 3. Significant accounting policies (continued):

(e) Future changes in accounting policies (continued):

(ii) *IFRS 9 Financial Instruments ("IFRS 9") (continued):*

The Exchange evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions and concluded that all of the liabilities were predominately connected with insurance. 98% of the Exchange's liabilities at December 31, 2015 are liabilities that arise from contracts within the scope of IFRS 17 and 2% of the Exchange's liabilities at December 31, 2015 are liabilities that arise because the Exchange issues insurance contracts and fulfills obligations arising from insurance contracts. Additionally, the Exchange has not previously applied any version of IFRS 9. Therefore, the Exchange is an eligible insurer that qualifies for optional relief from the application of IFRS 9.

As at January 1, 2018, the Exchange has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. The Exchange will continue to apply International Accounting Standard 39 Financial Instruments: Recognition and measurement until January 1, 2023.

Although the Exchange is still in the process of assessing the potential impact of IFRS 9, it does not expect this standard will have a significant impact on its results of operations or financial position as the Exchange's business model is to manage investments based on their performance measured at fair value as opposed to realizing principal and interest payments.

## 4. Role of the actuary and auditors:

The actuary is appointed by the advisory board of the Exchange and is responsible for ensuring that the assumptions and methods for the valuation of the policy liabilities are in accordance with accepted actuarial practice, applicable legislation and associated regulations and directives. The actuary is required to provide an opinion on the appropriateness of the policy liabilities at the statement of financial position date to meet all policyholder obligations of the Exchange. The work to form that opinion includes an assessment of the sufficiency and reliability of policy data and an analysis of the ability of the assets to support the policy liabilities. In carrying out this assessment, the actuary makes use of the work of the external auditor with respect to tests of the data used in the valuation. The actuary's report outlines the scope of their work and opinion. The actuary is also required each year to analyze the financial condition of the Exchange and prepare a report for the advisory board.

The external auditors have been appointed by the advisory board of the Exchange pursuant to the Act to conduct an independent and objective audit of the financial statements of the Exchange in accordance with Canadian generally accepted auditing standards and to report thereon to the subscribers. In carrying out their audit, the auditors also make use of the work of the actuary and their report on the Exchange's policy liabilities. The auditors' report outlines the scope of their audit and their opinion.



# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 5. Investments:

The fair values of investments classified as FVTPL are summarized as follows:

|                          | 2021          | % of total<br>fair value | 2020          | % of total<br>fair value |
|--------------------------|---------------|--------------------------|---------------|--------------------------|
| Treasury bills           | \$ 7,389,493  | 11.7%                    | \$ 10,823,207 | 17.3 %                   |
| Debt securities          |               |                          |               |                          |
| Federal                  | 11,867,046    | 18.8%                    | 9,090,371     | 14.5 %                   |
| Provincial               | 6,071,946     | 9.6%                     | 7,075,955     | 11.3 %                   |
| Municipal                | —             | —%                       | —             | 0.0 %                    |
| Corporate and other debt | 25,853,368    | 41.0%                    | 23,699,412    | 37.9 %                   |
| Equity securities        | 11,916,145    | 18.9%                    | 11,873,991    | 19.0 %                   |
| Total Investments        | \$ 63,097,998 | 100.0%                   | \$ 62,562,936 | 100.0 %                  |

Treasury bills are managed as a component of the Exchange's investment portfolio.

The average net annual rate of return, based on the fair value of the Exchange's investment portfolio for the year ended December 31, 2021 is 3.90% (2020 - 5.40%).

### Fair value hierarchy

The Exchange has segregated all financial assets that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. The table below analyzes financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

|                          | Level 1       | Level 2       | Level 3 | 2021 Total    |
|--------------------------|---------------|---------------|---------|---------------|
| Treasury bills           | \$ 7,389,493  | \$ —          | \$ —    | \$ 7,389,493  |
| Debt securities          |               |               |         |               |
| Federal                  | —             | 11,867,047    | —       | 11,867,047    |
| Provincial               | —             | 6,071,946     | —       | 6,071,946     |
| Municipal                | —             | —             | —       | —             |
| Corporate and other debt | —             | 25,853,368    | —       | 25,853,368    |
| Equity securities        | 11,916,144    | —             | —       | 11,916,144    |
|                          | \$ 19,305,637 | \$ 43,792,361 | \$ —    | \$ 63,097,998 |

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 5. Investments (continued):

*Fair value hierarchy (continued):*

|                          | Level 1       | Level 2       | Level 3 | 2020 Total    |
|--------------------------|---------------|---------------|---------|---------------|
| Treasury bills           | \$ 10,823,207 | \$ —          | \$ —    | \$ 10,823,207 |
| Debt securities          |               |               |         |               |
| Federal                  | —             | 9,090,371     | —       | 9,090,371     |
| Provincial               | —             | 7,075,955     | —       | 7,075,955     |
| Municipal                | —             | —             | —       | —             |
| Corporate and other debt | —             | 23,699,412    | —       | 23,699,412    |
| Equity securities        | 11,873,991    | —             | —       | 11,873,991    |
|                          | \$ 22,697,198 | \$ 39,865,738 | \$ —    | \$ 62,562,936 |

There were no transfers of assets between levels in the current or prior year.

Net investment income is comprised of the following:

|   | 2021         | 2020         |
|---|--------------|--------------|
| Interest and dividend income              | \$ 1,815,266 | \$ 1,230,321 |
| Net realized gain on sale of investments  | 1,930,406    | 1,194,440    |
| Net unrealized (loss)/gain on investments | (1,163,571)  | 915,325      |
| Investment fees                           | (131,228)    | (126,560)    |
|   | \$ 2,450,873 | \$ 3,213,526 |

## 6. Claims liabilities and reinsurance assets:

The gross claims liabilities, reinsurance recoverable estimates and the discount rate are as follows:

| As at December 31, 2021                   | Undiscounted  | Discounted    | Discount rate |
|---|---------------|---------------|---------------|
| Gross claims liabilities                  | \$ 27,676,000 | \$ 28,276,810 | 1.39%         |
| Reinsurance payable                       | 64,242        | 64,242        | 0.00%         |
|   | \$ 27,740,242 | \$ 28,341,052 |               |
| As at December 31, 2020                   | Undiscounted  | Discounted    | Discount rate |
| Gross claims liabilities                  | \$ 27,873,000 | \$ 28,885,625 | 0.67%         |
| Ceded unpaid claims and unreported losses | 42,000        | 43,344        | 0.15%         |
|   | \$ 27,915,000 | \$ 28,928,969 |               |

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 6. Claims liabilities and reinsurance assets (continued):

Unpaid claims and claims liabilities consist of the following amounts:

| As at December 31, 2021 | Gross         | Ceded     | Net           |
|-------------------------|---------------|-----------|---------------|
| Unpaid claims           | \$ 14,019,810 | \$ 64,242 | \$ 14,084,052 |
| IBNR provision          | 10,368,000    | —         | 10,368,000    |
| ILAE reserve            | 3,889,000     | —         | 3,889,000     |
|                         | \$ 28,276,810 | \$ 64,242 | \$ 28,341,052 |

| As at December 31, 2020 | Gross         | Ceded     | Net           |
|-------------------------|---------------|-----------|---------------|
| Unpaid claims           | \$ 14,258,625 | \$ 42,344 | \$ 14,300,969 |
| IBNR provision          | 10,586,000    | 1,000     | 10,587,000    |
| ILAE reserve            | 4,041,000     | —         | 4,041,000     |
|                         | \$ 28,885,625 | \$ 43,344 | \$ 28,928,969 |

Activity in claims liabilities during the year is summarized as follows:

| For the year ended December 31, 2021  | Gross         | Ceded     | Net           |
|---|---------------|-----------|---------------|
| Claims liabilities, beginning of year   | \$ 28,885,625 | \$ 43,344 | \$ 28,928,969 |
| (Decrease) in provisions for prior year claims and changes in actuarial assumptions | (232,382)     | 20,898    | (211,484)     |
| Provision for losses on current year claims   | 12,079,649    | —         | 12,079,649    |
| Increase in ILAE reserve  | (152,000)     | —         | (152,000)     |
|   | 11,695,267    | 20,898    | 11,716,165    |
| Incurring losses and expenses   |               |           |               |
| Paid on claims occurring in prior years   | (8,596,382)   | —         | (8,596,382)   |
| Paid on current year claims   | (3,707,700)   | —         | (3,707,700)   |
|   | (12,304,082)  | —         | (12,304,082)  |
| Claims liabilities, end of year   | \$ 28,276,810 | \$ 64,242 | \$ 28,341,052 |

| For the year ended December 31, 2020  | Gross         | Ceded     | Net           |
|---|---------------|-----------|---------------|
| Claims liabilities, beginning of year   | \$ 27,334,278 | \$ 46,844 | \$ 27,381,122 |
| (Decrease) in provisions for prior year claims and changes in actuarial assumptions | (1,787,653)   | (3,500)   | (1,791,153)   |
| Provision for losses on current year claims   | 10,491,585    | —         | 10,491,585    |
| Decrease in ILAE reserve  | 279,000       | —         | 279,000       |
|   | 8,982,932     | (3,500)   | 8,979,432     |
| Incurring losses and expenses   |               |           |               |
| Paid on claims occurring in prior years   | (5,240,928)   | —         | (5,240,928)   |
| Paid on current year claims   | (2,190,657)   | —         | (2,190,657)   |
|   | (7,431,585)   | —         | (7,431,585)   |
| Claims liabilities, end of year   | \$ 28,885,625 | \$ 43,344 | \$ 28,928,969 |

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 6. Claims liabilities and reinsurance assets (continued):

As at December 31, reinsurance payable is summarized as follows:

|                         | 2021        | 2020        |
|-------------------------|-------------|-------------|
| Reinsurance payable     | \$ (64,242) | \$ (42,344) |
| Ceded unreported losses | —           | (1,000)     |
|                         | \$ (64,242) | \$ (43,344) |

The establishment of the provision for claims liabilities is based on known facts and interpretation of circumstances and is therefore a complex and dynamic process influenced by a large variety of factors. These factors include the Exchange's experience with similar cases and historical trends involving claim payment patterns, loss payments, pending levels of unpaid claims, claims severity and claim frequency patterns.

Other factors include the continually evolving and changing regulatory and legal environment, actuarial studies, professional experience and expertise of the Exchange's consultants retained to handle individual claims, the quality of the data used for projection purposes, existing claims management practices including claims handling and settlement practices, the effect of inflationary trends on future claims settlement costs, court decisions, economic conditions and public attitudes. In addition, time can be a critical part of the provision determination, since the longer the span between the incidence of a loss and the payment or settlement of the claims, the more variable the ultimate settlement amount can be.

Consequently, the process for establishing the provision for claims liabilities relies on the judgment and opinions of a number of individuals, historical precedent and trends, prevailing legal, economic, social and regulatory trends and expectations as to future developments. This process also necessarily involves the risk that the actual results will deviate, perhaps substantially, from the best estimates made. These provisions are monitored and recalculated annually. All such deviations will cause corresponding changes in amounts receivable from subscribers and in related balances.

The net provision for claims liabilities consists of the case reserves on known claims, the IBNR provision, adjustment expenses including an amount for ILAE and a factor for deviations in the estimated results. The net provision for claims is discounted using rates based on the projected investment income from the assets supporting the provisions and reflecting the estimated timing of payments and recoveries. The discount rate used in the valuation was 1.39% (2020 - 0.67%).

The Exchange strives to establish adequate claims liabilities at the original valuation date. However, as time passes, the ultimate cost of claims becomes more certain. As determined by the appointed actuary, during the year ended December 31, 2021, the Exchange experienced favorable claims development of \$nil (2020 - \$2,739,000) as stated on an aggregate undiscounted basis.

## 7. Financial risk management:

The primary goals of the Exchange's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Exchange's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Exchange's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties. The Exchange's exposure to potential loss from financial instruments is primarily due to insurance risk along with market, credit, liquidity and capital management risks.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 7. Financial risk management (continued):

### *Insurance risk:*

The Exchange accepts insurance risk through its insurance contracts where it assumes the risk of loss from organizations that are directly subject to the underlying loss. The Exchange is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

Insurance risk is the risk arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. Insurance risk is comprised of underwriting and pricing risk, reserving risk, catastrophic loss risk, reinsurance risk and concentration risk.

### Underwriting and pricing risk:

Underwriting risk is the risk that the total cost of claims and other expenses will exceed premiums received and can arise from numerous factors such as inappropriate underwriting and inadequate pricing (pricing risk).

Pricing risk arises when actual claims experience differs from the assumptions included in pricing calculations. Historically, the underwriting results of the property and casualty industry have fluctuated significantly due to the cyclical nature of the insurance market. The market cycle is affected by the frequency and severity of losses, levels of capacity and demand, general economic conditions and price competition. The Exchange focuses on prudent rate setting that considers the requirements for claim aggregates, planned expenses, funding objectives, investment returns, and the current funding status of the Exchange. The pricing process is designed to ensure an appropriate return on capital while also providing long-term rate stability. These factors are set in conjunction with the actuary, and are reviewed and adjusted periodically to ensure they reflect the current environment.

There has been no change to underwriting and pricing risk from the prior year.

### Reserving risk:

Reserving risk arises due to the length of time between the occurrence of a loss, the reporting of the loss to the insurer and ultimate resolution of the claim. Claim provisions are expectations of the ultimate cost of resolution and administration of claims based on an assessment of facts and circumstances then known, a review of historical settlement patterns, estimates of trends in claims severity and frequency, legal theories of liability and other factors.

Variables in the reserve estimation process can be affected by receipt of additional claim information and other internal and external factors, such as changes in claims handling procedures, economic inflation, legal and judicial trends, legislative changes and changes in severity or frequency of claims relative to historical trends. Due to the amount of time between the occurrence of a loss, the actual reporting of the loss and the ultimate payment, provisions may ultimately develop differently from the actuarial assumptions made when initially estimating the provision for claims. The Exchange's provision for claims is reviewed separately by, and must be acceptable to a third party claims adjuster, an internal claims manager, and the independent appointed actuary.

There has been no change to reserving risk from the prior year.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 7. Financial risk management (continued):

*Insurance risk (continued):*

### Catastrophic loss risk:

Catastrophic loss risk is the exposure to losses resulting from multiple claims arising out of a single catastrophic event. Property and casualty insurance companies experience large losses arising from man-made or natural catastrophes that can result in significant underwriting losses. Catastrophes can cause losses in a variety of property and casualty lines and may have continuing effects which could delay or hamper efforts to timely and accurately assess the full extent of the damage they cause. The incidence and severity of catastrophes are inherently unpredictable.

The Exchange's catastrophic loss risk is limited to the annual aggregate for each coverage type; any losses over and above these amounts are borne by excess insurers, contracted by AMSCIS.

The loss limits by coverage type are as follows:

#### Liability insurance

The limit of liability for liability insurance is a maximum amount on any one loss of \$5,000,000 (2020 - \$5,000,000) in the event of a liability claim and a maximum policy year amount of \$5,000,000 (2020 - \$5,000,000) in the event of a series of claims. The Exchange does not purchase reinsurance for liability claims.

#### Property insurance

The limit of liability for property insurance is a maximum amount on any one loss of \$3,000,000 (2020 - \$3,000,000) in the event of a property claim and a maximum policy year amount of \$9,000,000 (2020 - \$7,000,000) in the event of a series of claims. In addition, the Exchange purchases reinsurance which increases the maximum policy year amount by an additional \$3,000,000 to a total of \$12,000,000 (2020 - \$5,000,000 and a total of \$12,000,000) in the event of a series of claims, but does not increase the maximum amount on any one loss. Of this reinsured amount, the Exchange cedes 77% (2020 - 77%) to third party reinsurers.

#### Auto Physical Damage insurance

The limit of liability for auto physical damage insurance is a maximum amount on any one loss of \$250,000 (2020 - \$250,000) in the event of a vehicle claim and a maximum policy year amount of \$1,250,000 (2020 - \$1,250,000) in the event of a series of claims. The Exchange does not purchase reinsurance for auto physical damage claims.

There has been no change to catastrophic loss risk from the prior year.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

*Insurance risk (continued):*

### Reinsurance risk:

The Exchange relies on reinsurance to manage the underwriting risk, however, reinsurance does not release the Exchange from its primary commitments to its policyholders. The Exchange has adopted a reinsurance risk management policy that is intended to manage its exposure to operational, legal, credit and liquidity risk. The Exchange is exposed to the credit risk associated with the amounts ceded to reinsurers. The Exchange assesses the financial soundness of the reinsurers before signing any reinsurance treaties and monitors their situation on a regular basis. In addition, the Exchange has minimum credit rating requirements for its reinsurers. Reinsurance coverage risk also exists because reinsurance terms, conditions and/or pricing may change on renewal. The Exchange reviews reinsurance requirements and seeks quotations on a regular basis to ensure that the best price possible is obtained. The Exchange works with well established reinsurers that have expertise in their field as well as an understanding of the business. Exposure risk is managed through the reinsurance risk management policy that limits the amount of capital which can be reinsured. Operational and liquidity risk is managed with continual program review and adherence to reinsurance agreements.

There has been no change to reinsurance risk from the prior year.

### Concentration risk:

The Exchange is exposed to concentration of insurance risk through the geographical proximity and comparable operations of its subscribers, primarily municipalities in the province of Alberta. The concentration of subscribers by geographic area and business operations exposes the Exchange to political, economic, regulatory, and environmental challenges affecting their businesses. The Exchange's exposure to concentration of insurance risk is mitigated by a portfolio across three business lines (liability, property and auto physical damage). The Exchange also has exposure to catastrophic losses, which as described above is limited to the annual aggregate for each coverage type. The concentration by coverage type at the end of the year is broadly consistent with the prior year.

The table below provides a breakdown of net premiums by coverage type:

|                    | Base                | Reinsurance         | Total Gross<br>Premiums | Less: Ceded<br>to<br>Reinsurers | 2021 Net<br>Premiums | 2020 Net<br>Premiums |
|--------------------|---------------------|---------------------|-------------------------|---------------------------------|----------------------|----------------------|
| Liability          | \$ 6,295,875        | \$ —                | \$ 6,295,875            | \$ —                            | \$ 6,295,875         | \$ 6,022,303         |
| Property           | 4,233,530           | 1,248,000           | 5,481,530               | 923,640                         | 4,557,890            | 5,813,287            |
| Physical<br>Damage | 1,181,916           | —                   | 1,181,916               | —                               | 1,181,916            | 1,196,907            |
|                    | <b>\$11,711,321</b> | <b>\$ 1,248,000</b> | <b>\$12,959,321</b>     | <b>\$ 923,640</b>               | <b>\$12,035,681</b>  | <b>\$13,032,497</b>  |

There has been no changes to concentration risk from the prior year.

### Due from reinsurers:

Credit exposure related to the Exchange's due from reinsurers balances exists at December 31, 2021 to the extent that any reinsurer may not be able or willing to reimburse the Exchange under the terms of the relevant reinsurance arrangements. The Exchange has policies which limit its exposure to individual reinsurers and a regular review process to assess the creditworthiness of reinsurers with whom it transacts business.



# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

*Insurance risk (continued):*

Due from reinsurers (continued):

The Exchange makes specific provisions against balances due from reinsurers considered to be in financial difficulty or with whom the Exchange is in dispute. The Exchange has mitigated the risk by including a non-dispute clause within its reinsurance contracts and monitors its reinsurers for credit risk.

Assumptions and sensitivities:

The risks associated with insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Exchange uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios.

The Exchange considers that the liability for insurance claims recognized in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

For the year ended December 31, 2021, changes in actuarial assumptions have had no material effect on the claims liabilities from the prior year end.

Some results of sensitivity testing by claim year are set out below, showing the impact of a change in assumptions on total comprehensive income and subscribers' surplus. For each sensitivity analysis, the impact of a change in a single factor is shown, with other assumptions unchanged.

|  | Effect on total comprehensive income/ subscribers' surplus |          |              |          |
|--|--|----------|--------------|----------|
|  | 2021   | % change | 2020         | % change |
| 5% increase in loss ratios   | \$ (544,426)   | 41.8 %   | \$ (335,085) | (10.7)%  |
| 5% decrease in loss ratios   | 603,982  | (46.4)%  | 524,579      | 16.8 %   |
| 10% increase in expenses   | (355,414)  | 27.3 %   | (359,357)    | (11.5)%  |
| 10% decrease in expenses   | 355,414  | (27.3)%  | 359,357      | 11.5 %   |
| 0.5% increase in discount rate used in actuarial calculation of claims liabilities | 346,000  | (26.6)%  | 355,000      | 11.4 %   |
| 0.5% decrease in discount rate used in actuarial calculation of claims liabilities | (363,000)  | 27.9 %   | (225,000)    | (7.2)%   |

The Exchange's method for sensitivity testing has not changed from the prior year.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

*Insurance risk (continued):*

### Claims development tables

The following tables show the development of claims over a period of time. The top half of the table shows how the estimates of total claims for each accident year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position.

The gross estimates of the claims liability ultimates (in \$000s) are as follows:

|  | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021    | Total      |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|------------|
| Estimate of ultimates:                       |          |          |          |          |          |          |          |          |          |         |            |
| End of accident year                         | \$10,828 | \$11,750 | \$11,750 | \$15,430 | \$12,205 | \$ 8,896 | \$ 8,739 | \$12,395 | \$10,492 | 12,080  | \$ 114,565 |
| One year later                               | (314)    | —        | (1,096)  | 479      | (625)    | (1,775)  | (2,167)  | (2,314)  | (376)    | —       | (8,188)    |
| Two years later                              | (52)     | —        | 87       | (1,003)  | (1,642)  | 826      | 361      | (401)    | —        | —       | (1,824)    |
| Three years later                            | (443)    | (446)    | 444      | (588)    | (145)    | (410)    | (175)    | —        | —        | —       | (1,763)    |
| Four years later                             | (416)    | 6        | (238)    | 303      | 131      | 515      | —        | —        | —        | —       | 301        |
| Five years later                             | (238)    | (377)    | (338)    | 238      | (466)    | —        | —        | —        | —        | —       | (1,181)    |
| Six years later                              | (586)    | 124      | (265)    | (125)    | —        | —        | —        | —        | —        | —       | (852)      |
| Seven years later                            | (93)     | (143)    | 597      | —        | —        | —        | —        | —        | —        | —       | 361        |
| Eight years later                            | (94)     | 34       | —        | —        | —        | —        | —        | —        | —        | —       | (60)       |
| Nine years later                             | 1        | —        | —        | —        | —        | —        | —        | —        | —        | —       | 1          |
| Current estimate of ultimate claims          | 8,593    | 10,948   | 10,941   | 14,734   | 9,458    | 8,052    | 6,758    | 9,680    | 10,116   | 12,080  | 101,360    |
| Cumulative payments                          | (8,436)  | (10,278) | (9,440)  | (13,881) | (8,601)  | (6,303)  | (4,679)  | (7,681)  | (5,548)  | (3,708) | (78,555)   |
|  | 157      | 670      | 1,501    | 853      | 857      | 1,749    | 2,079    | 1,999    | 4,568    | 8,372   | 22,805     |
| Provision for prior years (2002 to 2011)     |          |          |          |          |          |          |          |          |          |         | 1,583      |
| ILAE reserve                                 |          |          |          |          |          |          |          |          |          |         | 3,889      |
| Liability in statement of financial position |          |          |          |          |          |          |          |          |          |         | \$ 28,277  |

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

*Insurance risk (continued):*

Claims development tables (continued):

The net estimates of the claims liability ultimates (in \$000s) are as follows:

|  | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021    | Total      |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|------------|
| Estimate of ultimates:                   |          |          |          |          |          |          |          |          |          |         |            |
| End of accident year                     | \$10,828 | \$11,750 | \$11,750 | \$15,430 | \$12,205 | \$ 8,896 | \$ 8,739 | \$12,395 | \$10,492 | 12,080  | \$ 114,565 |
| Reinsurance payable                      | —        | —        | —        | 64       | —        | —        | —        | —        | (376)    | —       | (312)      |
| One year later                           | (314)    | —        | (1,096)  | 479      | (625)    | (1,775)  | (2,167)  | (2,314)  | —        | —       | (7,812)    |
| Two years later                          | (52)     | —        | 87       | (1,003)  | (1,642)  | 826      | 361      | (401)    | —        | —       | (1,824)    |
| Three years later                        | (443)    | (446)    | 444      | (588)    | (145)    | (410)    | (175)    | —        | —        | —       | (1,763)    |
| Four years later                         | (416)    | 6        | (238)    | 303      | 131      | 515      | —        | —        | —        | —       | 301        |
| Five years later                         | (238)    | (377)    | (338)    | 238      | (466)    | —        | —        | —        | —        | —       | (1,181)    |
| Six years later                          | (586)    | 124      | (265)    | (125)    | —        | —        | —        | —        | —        | —       | (852)      |
| Seven years later                        | (93)     | (143)    | 597      | —        | —        | —        | —        | —        | —        | —       | 361        |
| Eight years later                        | (94)     | 34       | —        | —        | —        | —        | —        | —        | —        | —       | (60)       |
| Nine years later                         | 1        | —        | —        | —        | —        | —        | —        | —        | —        | —       | 1          |
| Current estimate of ultimate claims      | 8,593    | 10,948   | 10,941   | 14,798   | 9,458    | 8,052    | 6,758    | 9,680    | 10,116   | 12,080  | 101,424    |
| Cumulative payments                      | (8,436)  | (10,278) | (9,440)  | (13,881) | (8,601)  | (6,303)  | (4,679)  | (7,681)  | (5,548)  | (3,708) | (78,555)   |
|  | 157      | 670      | 1,501    | 917      | 857      | 1,749    | 2,079    | 1,999    | 4,568    | 8,372   | 22,869     |
| Provision for prior years (2002 to 2011) |          |          |          |          |          |          |          |          |          |         | 1,583      |
| ILAE reserve                             |          |          |          |          |          |          |          |          |          |         | 3,889      |
| Liability net of ceded claim recoveries  |          |          |          |          |          |          |          |          |          |         | \$ 28,341  |

*Market risk:*

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of the assets held and the value of liabilities.

The Exchange has established policies and procedures in order to manage market risk.

Interest rate risk management:

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fluctuations in interest rates have a direct impact on the market valuation of the Exchange's fixed income securities portfolio and liability values. Historical data and current information is used to profile the ultimate claim settlement patterns by class of insurance, which is then used in a broad sense to develop an investment policy and strategy. Generally the investment income will move with interest rates over the long-term. Short-term interest rate fluctuations will generally create unrealized gains or losses. Generally, the Exchange's investment income will be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature, or are sold and the proceeds are reinvested at lower rates, and will likely result in unrealized gains in the value of fixed income securities the Exchange continues to hold, as well as realized gains to the extent the relevant securities are sold. During periods of rising interest rates, the market value of the Exchange's existing fixed income securities will generally decrease and unrealized gains on fixed income securities will likely be reduced or result in unrealized losses.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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## 7. Financial risk management (continued):

*Market risk (continued):*

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the theoretical exposure to interest rates at the statement of financial position date.

As at December 31, 2021, management estimates that an immediate hypothetical 100 basis point, or 1%, parallel increase in interest rates would decrease the market value of the fixed income investments (excluding cash) by \$1,036,520 (December 31, 2020 - \$1,037,860), representing 2.03% (2020 - 2.05%) of the \$51,181,852 (December 31, 2020 - \$50,688,945) fair value fixed income investments portfolio. Conversely, a 100 basis point decrease in interest rates would increase the market value of the fixed income investments by the same amount. If it was necessary to complete an unexpected immediate liquidation of assets to meet policy obligations, interest rate fluctuations could result in realized gains or losses greater than the change in reserve values.

Computations of the prospective effects of hypothetical interest rate changes are based on numerous assumptions, including the maintenance of the existing level and composition of fixed income investment assets at the indicated date, and are not indicative of future results. The analysis in this section is based on the following assumptions: 1) the investments in the Exchange's portfolio are not impaired; 2) interest rates and equity prices move independently; 3) shifts in the yield curve are parallel; and, 4) credit and liquidity risks have not been considered.

The Exchange's method for assessing sensitivity to interest rate fluctuations has not changed significantly from the prior year.

Equity price management:

The Exchange is exposed to equity price risk, which arises from equity securities held within pooled funds. The equity securities are listed on either the S&P/TSX Composite Index or the MSCI World Net Index. Fluctuations in these indices have a direct impact on the market valuation of the Exchange's equity securities. The Exchange monitors the proportion of equity securities in its investment portfolio and is advised by external investment managers to ensure that the investment portfolio remains stable.

Equity price sensitivity analysis:

As at December 31, 2021, management estimates that an immediate hypothetical 200 basis point, or 2%, parallel increase in the S&P/TSX Composite Index and the MSCI World Net Index would increase the market value of the equity investments by \$203,060 (December 31, 2020 - \$202,416).

Currency risk and other price risk management:

The Exchange has no significant concentration of currency risk or other price risk.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

### Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The key areas of exposure to credit risk for the Exchange are in relation to its investment portfolio, its reinsurance program, and to a lesser extent amounts due from policyholders.

The Exchange's risk management strategy is to invest primarily in debt instruments of high credit quality issuers and to limit the amount of credit exposure with respect to any one issuer. The Exchange attempts to limit credit exposure by imposing portfolio limits on individual corporate issuers as well as limits based on credit quality.

The following table shows aggregated credit risk exposure for assets with external credit ratings.

| As at<br>December 31, 2021  | AAA           | AA            | A             | BBB          | R-1H         | Carrying<br>amount |
|-----------------------------|---------------|---------------|---------------|--------------|--------------|--------------------|
| Treasury bills              | \$ —          | \$ —          | \$ —          | \$ —         | \$ 7,389,492 | \$ 7,389,492       |
| Debt securities             |               |               |               |              |              |                    |
| Federal                     | 11,867,046    | —             | —             | —            | —            | 11,867,046         |
| Provincial                  | —             | 5,894,139     | 177,807       | —            | —            | 6,071,946          |
| Municipal                   | —             | —             | —             | —            | —            | —                  |
| Corporate and other<br>debt | 504,681       | 9,795,216     | 10,371,172    | 5,182,299    | —            | 25,853,368         |
|                             | \$ 12,371,727 | \$ 15,689,355 | \$ 10,548,979 | \$ 5,182,299 | \$ 7,389,492 | \$ 51,181,852      |

| As at<br>December 31, 2020  | AAA          | AA            | A             | BBB          | R-1H          | Carrying<br>amount |
|-----------------------------|--------------|---------------|---------------|--------------|---------------|--------------------|
| Treasury bills              | \$ —         | \$ —          | \$ —          | \$ —         | \$ 10,823,207 | \$ 10,823,207      |
| Debt securities             |              |               |               |              |               |                    |
| Federal                     | 9,090,371    | —             | —             | —            | —             | 9,090,371          |
| Provincial                  | —            | 6,713,441     | 362,514       | —            | —             | 7,075,955          |
| Municipal                   | —            | —             | —             | —            | —             | —                  |
| Corporate and other<br>debt | 244,939      | 5,803,448     | 10,262,757    | 7,388,268    | —             | 23,699,412         |
|                             | \$ 9,335,310 | \$ 12,516,889 | \$ 10,625,271 | \$ 7,388,268 | \$ 10,823,207 | \$ 50,688,945      |

As at December 31, 2021 and 2020, the carrying values of investments as well as accounts receivable are neither past due nor impaired.

### Liquidity risk management:

Liquidity is the risk that the Exchange cannot meet its obligations as they become due. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities of the Exchange. The liquidity requirements of the Exchange's business are met primarily by cash generated from operations, asset maturities and income and other returns received on investments. Cash provided from these sources is used for claim payments and operating expenses. To meet these cash requirements, the Exchange has policies to limit and monitor its exposure to individual issuers. The Exchange also holds a portion of invested assets in liquid marketable investments. All current investment holdings of the Exchange are immediately redeemable.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

*Liquidity risk management (continued):*

At December 31, 2021, the Exchange has \$8,271,446 (December 31, 2020 - \$14,144,369) of cash and cash equivalents which includes \$7,389,493 (December 31, 2020 - \$10,823,207) of short-term investments. The cash equivalents are included in investments as they are managed as a component of the Exchange's investment portfolio, and consist of treasury bills with an original maturity date of one year or less.

The following table (in \$000s) shows details of the expected maturity profile of the Exchange's obligations with respect to its financial liabilities and estimated cash flows of recognized claims liabilities. The table includes both interest and principal cash flows.

| As at December 31, 2021                      | Within 1<br>year | 2 to 5<br>years | 6 to 10<br>years | Over 10<br>years | Total     |
|--|------------------|-----------------|------------------|------------------|-----------|
| Claims liabilities                           | \$ 11,218        | \$ 12,348       | \$ 4,358         | \$ 353           | \$ 28,277 |
| Premium taxes payable                        | 518              | —               | —                | —                | 518       |
| Accounts payables and<br>accrued liabilities | 183              | —               | —                | —                | 183       |
|  | \$ 11,919        | \$ 12,348       | \$ 4,358         | \$ 353           | \$ 28,978 |

| As at December 31, 2020                     | Within 1<br>year | 2 to 5<br>years | 6 to 10<br>years | Over 10<br>years | Total     |
|---|------------------|-----------------|------------------|------------------|-----------|
| Claims liabilities                          | \$ 12,211        | \$ 11,950       | \$ 4,371         | \$ 354           | \$ 28,886 |
| Premium taxes payable                       | 552              | —               | —                | —                | 552       |
| Accounts payable and accrued<br>liabilities | 75               | —               | —                | —                | 75        |
|   | \$ 12,838        | \$ 11,950       | \$ 4,371         | \$ 354           | \$ 29,513 |

The following table (in 000s) details the Exchange's expected maturity for its assets. The tables below have been drawn up based on the contractual maturities of the assets including interest that will be earned on those assets except where the Exchange anticipates that the cash flow will occur in a different period.

| As at December 31, 2021 | Within 1<br>year | 2 to 5<br>years | 6 to 10<br>years | Over 10<br>years | Total     |
|-------------------------|------------------|-----------------|------------------|------------------|-----------|
| Accounts receivable     | \$ 562           | \$ —            | \$ —             | \$ —             | \$ 562    |
| Treasury bills          | 7,389            | —               | —                | —                | 7,389     |
| Debt securities         | 3,469            | 34,361          | 2,964            | 2,998            | 43,792    |
| Equity securities       | 11,916           | —               | —                | —                | 11,916    |
|                         | \$ 23,336        | \$ 34,361       | \$ 2,964         | \$ 2,998         | \$ 63,659 |

| As at December 31, 2020 | Within 1<br>year | 2 to 5<br>years | 6 to 10<br>years | Over 10<br>years | Total     |
|-------------------------|------------------|-----------------|------------------|------------------|-----------|
| Accounts receivable     | \$ 459           | \$ —            | \$ —             | \$ —             | \$ 459    |
| Treasury bills          | 10,823           | —               | —                | —                | 10,823    |
| Debt securities         | 4,461            | 30,481          | 4,924            | —                | 39,866    |
| Equity securities       | 11,874           | —               | —                | —                | 11,874    |
|                         | \$ 27,617        | \$ 30,481       | \$ 4,924         | \$ —             | \$ 63,022 |

The Exchange expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 7. Financial risk management (continued):

### *Capital risk management:*

The Exchange's objectives when managing capital consist of maintaining sufficient capital to support claims liabilities and ensure the confidence of policyholders, support competitive pricing strategies and meet regulatory capital requirements. The Exchange is subject to the regulatory capital requirements defined by the Alberta Superintendent of Insurance and the Alberta Insurance Act. The Exchange has developed a capital strategy and monitors its capital management status. The Alberta Superintendent of Insurance has established a Minimum Capital Test guideline ("MCT"), which sets out 100% as the minimum and 210% as the supervisory target for the Exchange. The Exchange's internal target ratio which was approved by the Board of Directors was 240% for 2021. As at December 31, 2021, the Exchange's MCT ratio was 465%. % (December 31, 2020 483%). As at December 31, 2021, the Exchange was in compliance with the Alberta Superintendent of Insurance regulations.

Capital is defined as subscribers' surplus. Subscribers' surplus represents contributions made by subscribers and the excess of revenues over expenses, and may be used to cover potential future catastrophic claims, reduce future premiums, or be paid out to subscribers.

The Exchange is regulated by the Alberta Superintendent of Insurance and the Alberta Insurance Act. Accordingly, in addition to subscribers' surplus, the Exchange is required by the Alberta Superintendent of Insurance to maintain an excess of cash and securities over the Reserve and Guarantee Fund.

The Reserve and Guarantee Fund has three components: a reserve fund which consists of 50% of premiums collected in the current fiscal year; a guarantee fund which consists of the Exchange's total liabilities; and a \$50,000 statutory margin. If the Exchange experiences a shortfall of cash and securities over the Reserve and Guarantee Fund, the Alberta Superintendent of Insurance requires the Exchange to produce a plan to eliminate the shortfall. As at December 31, 2021, the Exchange has an excess of cash and securities over the Reserve and Guarantee Fund of \$28,869,000 (December 31, 2020 - \$29,762,000).

## 8. Reinsurance:

During the year ended December 31, 2021, the Exchange ceded coverage on an "excess-of-loss" basis to registered reinsurers for premiums of \$923,640 (2020 - \$769,696) and as identified in Note 6, claims and claims expenses included in the statement of comprehensive income were increased by \$20,898 (2020 - decreased by \$3,500). Such reinsurance arrangements limit the Exchange's liability in the event of large losses. Notwithstanding the reinsurance arrangements, the Exchange maintains the primary liability to the subscribers.

Reinsurance payable is comprised of the following:

|                              | 2021        | 2020        |
|------------------------------|-------------|-------------|
| Reinsurance payable (note 6) | \$ (64,242) | \$ (43,344) |



# ALBERTA MUNICIPAL INSURANCE EXCHANGE

Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

## 9. Related party transactions:

The affairs of the Exchange are governed by the Advisory Board. The majority of the board members are also directors of AUMA, and all the subscribers to the Exchange are also members of AUMA. As such, all of the entities that operate under the auspices of AUMA are considered related parties to the Exchange. This includes AMSCIS, who acts as agent for the Exchange, and Alberta Municipal Services Corporation ("AMSC"), also a wholly owned subsidiary of AUMA, who is the trustee for MuniFunds and administrator of a high interest savings account in which the Exchange invests.

The Exchange does not employ any individuals directly. Agency and administrative services are provided to the Exchange by AUMA, for which fees are charged; \$2,012,254 (2020 - \$2,215,664) relate to the salaries and benefits of employees.

The following balances with the related parties are outstanding as at December 31:

|                               | 2021      | 2020      |
|-------------------------------|-----------|-----------|
| AUMA                          |           |           |
| Accounts receivable           | \$ 31,563 | \$ 74,187 |
| AMSCIS                        |           |           |
| Accounts payable (receivable) | 37,667    | (1,454)   |

The following transactions with the related parties occurred during the year ended December 31:

|                 | 2021         | 2020         |
|-----------------|--------------|--------------|
| AUMA            |              |              |
| Management fees | \$ 2,787,660 | \$ 2,934,576 |

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 10. Non-current assets and liabilities:

The following table (in \$000s) presents assets and liabilities the Exchange expects to recover or settle after more than twelve months as at December 31, 2021 and 2020:

|                               | 2021      | 2020      |
|-------------------------------|-----------|-----------|
| Assets:                       |           |           |
| Investments                   | \$ 40,323 | \$ 35,405 |
| Total non-current assets      | 40,323    | 35,405    |
| Liabilities:                  |           |           |
| Claims liabilities            | 17,059    | 16,675    |
| Total non-current liabilities | 17,059    | 16,675    |
| Net non-current assets        | \$ 23,264 | \$ 18,730 |



Financial Statements of

## **APEX SUPPLEMENTARY PENSION PLAN**

Year ended December 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Governance Boards of APEX Supplementary Pension Plan and Alberta Urban Municipalities Association

### *Opinion*

We have audited the financial statements of APEX Supplementary Pension Plan (the “Entity”), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in pension obligations for the year then ended
- the statement of changes in accumulated deficit for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its changes in net assets available for benefits, its changes in accrued pension liability and its changes in accumulated deficiency for the year then ended in accordance with Canadian accounting standards for pension plans.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian general accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

A handwritten signature in black ink, consisting of a horizontal line with a small upward curve at the right end.

Chartered Professional Accountants

Edmonton, Canada

May 26, 2022

## APEX SUPPLEMENTARY PENSION PLAN

Statement of Financial Position

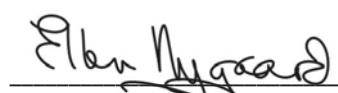
As at December 31, 2021, with comparative information for 2020

|  | Notes | 2021          | 2020           |
|--|-------|---------------|----------------|
| <b>Assets</b>                            |       |               |                |
| Cash                                     |       | \$ 693,779    | \$ 724,116     |
| Prepaid expenses                         |       | 1,565         | —              |
| Accounts receivable                      | 9     | 14,963        | 75,920         |
| Contributions receivable                 |       |               |                |
| Employer                                 |       | 458,250       | 377,079        |
| Employee                                 |       | 310,658       | 284,520        |
| Investments                              | 4     | 90,259,983    | 81,541,918     |
| Total assets                             |       | \$ 91,739,198 | \$ 83,003,553  |
| <b>Liabilities</b>                       |       |               |                |
| Accounts payable and accrued liabilities | 9     | \$ 118,423    | \$ 217,482     |
| Net assets available for benefits        |       | 91,620,775    | 82,786,071     |
| Pension obligations                      | 5     | 89,556,840    | 85,410,185     |
| Accumulated surplus (deficit)            |       | 2,063,935     | \$ (2,624,114) |

See accompanying notes to the financial statements.

On behalf of the Trustees:

 Trustee

 Trustee

## APEX SUPPLEMENTARY PENSION PLAN

Statement of Changes in Net Assets Available for Benefits  
Year ended December 31, 2021, with comparative information for 2020

|  | Notes | 2021          | 2020          |
|--|-------|---------------|---------------|
| Increase in net assets:                              |       |               |               |
| Employer contributions:                              |       |               |               |
| Current service                                      | 9     | \$ 5,367,382  | \$ 5,210,228  |
| Past service   |       | 1,130,863     | 1,097,752     |
| Employee contributions:                              |       |               |               |
| Current service                                      | 9     | 4,376,414     | 4,276,319     |
| Investment Income, net                               | 6     | 5,981,076     | 3,569,347     |
| Change in fair value                                 |       |               |               |
| net realized gains                                   | 6     | 740,928       | —             |
| change in net unrealized gains                       | 6     | —             | 2,346,754     |
|  |       | 17,596,663    | 16,500,400    |
| Decrease in net assets:                              |       |               |               |
| Benefit payments and transfers                       | 7     | 7,346,199     | 7,289,443     |
| Change in fair value                                 |       |               |               |
| net realized losses                                  | 6     | —             | 1,424,636     |
| change in net unrealized losses                      | 6     | 47,139        | —             |
| Administrative expenses                              | 8     | 1,368,621     | 1,283,490     |
|  |       | 8,761,959     | 9,997,569     |
| Increase in net assets available for benefits        |       | 8,834,704     | 6,502,831     |
| Net assets available for benefits, beginning of year |       | 82,786,071    | 76,283,240    |
| Net assets available for benefits, end of year       |       | \$ 91,620,775 | \$ 82,786,071 |

See accompanying notes to the financial statements.



## APEX SUPPLEMENTARY PENSION PLAN

### Statement of Changes in Pension Obligations

Year ended December 31, 2021, with comparative information for 2020

|  | Notes | 2021          | 2020          |
|--|-------|---------------|---------------|
| Pension obligations, beginning of year     |       | \$ 85,410,185 | \$ 76,888,313 |
| Interest accrued on pension benefits       |       | 5,413,205     | 5,076,346     |
| Benefits earned                            |       | 8,482,993     | 7,977,937     |
| (Gains) loss due to changes in assumptions | 5     | (2,403,344)   | 2,757,032     |
| Benefit payments and transfers             | 7     | (7,346,199)   | (7,289,443)   |
| Pension obligations, end of year           |       | \$ 89,556,840 | \$ 85,410,185 |

See accompanying notes to the financial statements.

## APEX SUPPLEMENTARY PENSION PLAN

Statement of Changes in Accumulated Deficit

Year ended December 31, 2021, with comparative information for 2020

|   | 2021           | 2020           |
|---|----------------|----------------|
| Accumulated deficit, beginning of year        | \$ (2,624,114) | \$ (605,073)   |
| Increase in net assets available for benefits | 8,834,704      | 6,502,831      |
| Net increase in pension obligations           | (4,146,655)    | (8,521,872)    |
| Accumulated surplus (deficit), end of year    | \$ 2,063,935   | \$ (2,624,114) |

*See accompanying notes to the financial statements.*

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 1. Description of the Plan:

The APEX Supplementary Pension Plan ("the Plan") was established on January 1, 2003 to enhance and supplement the Local Authorities Pension Plan ("LAPP") for eligible staff of participating municipalities in Alberta. A complete description of the Plan can be found in the Plan documents.

The Plan is a voluntary, contributory, defined benefit pension plan.

The Plan is a registered plan under the Income Tax Act (Canada) ("ITA") and the Employment Pension Plans of Alberta Act ("the Act").

Pursuant to Section 3(1) of the Act, the Plan is considered to be a public pension plan, and, as a result, the employers are exempt from making solvency deficiency payments.

The key features of the Plan are a full 2% benefit accrual rate on all pensionable earnings that correspond to the participating member's best five years' consecutive earnings and a normal form pension that pays two-thirds to the surviving pension partner on the participating member's death. In the absence of a pension partner, pension benefits payable during the first ten years of retirement shall be paid to the participating member's beneficiary in the event of death of the participating member during that period.

The Plan is for contributory service on and following January 1, 2003. The Plan contributions are cost shared by both the employer and employee and are based on pensionable earnings up to \$162,278 (2020 - \$154,611) based on the current Canada Revenue Agency maximum annual pension accrual of \$3,246 (2020 - \$3,092).

### 2. Basis of preparation:

#### (a) Basis of presentation:

These financial statements, prepared on the going concern basis in accordance with Canadian accounting standards for pension plans of the CPA Canada Handbook, present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Plan sponsor, Alberta Urban Municipalities Association ("AUMA") and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan. They do not purport to indicate whether the assets of the Plan together with investment earnings thereon, plus future contributions, will be sufficient to finance all benefits to be provided under the Plan.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, the Plan has a choice to comply on a consistent basis with either International Financial Reporting Standards in Part I of the CPA Canada Handbook, or Canadian accounting standards for private enterprises ("ASPE") in Part II of the CPA Canada Handbook, to the extent that those standards do not conflict with the requirements under Section 4600. The Plan has chosen to comply on a consistent basis with ASPE in Part II of the CPA Canada Handbook.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 2. Basis of presentation (continued):

#### (b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, which are recorded at fair value through the statement of changes in net assets available for benefits.

#### (c) Functional presentation and currency:

These financial statements are presented in Canadian dollars, which is the Plan's functional currency.

#### (d) Use of estimates and judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of financial position and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

While best estimates have been used in the valuation of the Plan's pension obligations, management considers that it is possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amounts.

Differences between actual results and expectations in the Plan's pension obligations are disclosed as changes in assumptions and net experience gains or losses in the statement of changes in pension obligations in the year when actual results are known.

### 3. Significant accounting policies:

#### (a) Cash:

Cash is comprised of cash on hand.

#### (b) Foreign currency:

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Canadian dollars at the exchange rate at that date.

#### (c) Investment transactions, income recognition and transaction costs:

##### (i) Investment transactions:

Investment transactions are accounted for on a trade date basis.

##### (ii) Income recognition:

Investment income is recorded on an accrual basis and includes interest income and pooled investment income.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 3. Significant accounting policies (continued):

#### (c) Investment transactions, income recognition and transaction costs (continued):

##### (ii) Income recognition (continued):

###### *Interest:*

Interest income is recognized in the statement of changes in net assets available for benefits when earned.

###### *Pooled investment income:*

Income earned within the pooled investment funds is comprised of interest, dividends, realized and unrealized gains and losses from Canadian and foreign sources and is recognized in the statement of changes in net assets available for benefits when earned.

##### (iii) Transaction costs:

Brokers' commissions and other transaction costs are recognized in the statement of changes in net assets available for benefits when incurred.

#### (d) Financial assets and financial liabilities:

##### (i) Financial assets:

The Plan recognizes financial assets on the trade date, at which the Plan becomes a party to the contractual provisions on the financial asset contract.

The Plan derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets available for benefits as investment income or loss.

##### (ii) Financial liabilities:

All financial liabilities are recognized initially on the date that the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, canceled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Plan has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities are comprised of accounts payable and accrued liabilities. Such financial liabilities are recognized initially at fair value along with any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

#### (e) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 3. Significant accounting policies (continued):

#### (e) Financial assets and financial liabilities (continued):

In determining fair value, the Plan follows the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook as required by Section 4600. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in the statement of changes in net assets available for benefits on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value are recognized in the statement of changes in net assets available for benefits in net unrealized gains (losses) within net investment income (loss).

Fair values of the pooled fund investments are determined at the unit values supplied by the pooled fund administrator, which represent the fund's proportionate share of underlying net assets at fair values determined using closing market prices.

#### (f) Income taxes:

The Plan is a registered pension plan as defined by the ITA and, accordingly, is not subject to income taxes.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

### 4. Investments:

The following table summarizes investments as at December 31:

|                                   | 2021                 | 2020                 |
|-----------------------------------|----------------------|----------------------|
| Long-term bond fund               | \$ 23,120,526        | \$ 20,489,376        |
| Global equity low volatility fund | 17,481,784           | 15,449,294           |
| Global equity fund                | 16,703,479           | 15,476,180           |
| Diversified growth fund           | 8,898,732            | 8,149,777            |
| Emerging markets equity fund      | 7,925,928            | 7,324,034            |
| Real estate property fund         | 7,636,307            | 6,924,798            |
| Global equity small cap           | 7,213,720            | 6,507,683            |
| Real estate fund                  | 1,279,507            | 1,220,776            |
|                                   | <b>\$ 90,259,983</b> | <b>\$ 81,541,918</b> |

Investments consist of pooled funds that are managed by third parties and administered by Sun Life Company. The fund name, manager and summary of each of the funds' investment objectives and composition is as follows:

#### Long-term bond fund (TDAM Canadian Long Bond Index Segregated Fund)

Manager - TD Asset Management Inc.

The fund's investment objective is to provide performance similar to the performance of the FTSE Canada Long Bond Index. The fund intends to achieve its objective by investing primarily in Canadian issued bonds and debentures that are selected and weighted mathematically to approximate the overall risk and return characteristics of the FTSE Canada Long Bond Index. A large portion of the fund is invested in government and corporate bonds of maturity of more than ten years. Investments have a minimum "A" credit rating and are liquid allowing restructuring as expectations and relative values change.

#### Global equity low volatility fund (TDAM Low Volatility Global Equity Segregated Fund)

Manager - TD Asset Management Inc.

The performance objective of the fund is to provide a better risk-adjusted return than the MSCI World ex-Canada Total Return Index. The fund invests primarily in securities which are included in the index, subject to investment restrictions of the fund. The portfolio is broadly diversified and invests in a large number of securities but is not expected to include all securities in the index. In order to meet the fund's objectives, the asset mix is built with significantly different characteristics. As a result, the tracking error relative to the index is expected to be relatively high even though the standard deviation of return is expected to be materially less than that of the index. The asset allocation of the underlying fund consists of approximately 45% of U.S. equities and 55% of international equities.



## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 4. Investments (continued):

#### Global equity fund (T. Rowe Price Global Growth Equity Segregated Fund)

Manager - T. Rowe Price.

The fund's investment objective is to provide a long-term growth of portfolio with a value bias that invests primarily in common equities of large-cap companies located throughout the world. The fund conforms to a long-term investment horizon. The fund's investment in a single security is limited to 10% of the fund's total value. The asset mix of the underlying fund consists of approximately 56% of North American equities and 44% of international equities.

#### Global equity fund (Mawer Global Equity Segregated Fund)

Manager - Mawer Investment Management Ltd.

The fund's investment objective is to provide a well diversified portfolio with a value bias that invests primarily in equities of companies located in developed markets around the world. The fund conforms to a long-term investment horizon. The asset mix of the underlying fund consists of approximately 55% of North American equities, 43% of international equities and 2% of cash and cash equivalents.

#### Diversified growth fund (Schroder Diversified Growth Segregated Fund)

Manager - Schroder Investment Management North America Inc.

The Schroder Diversified Growth Fund (Canada) provides long-term capital appreciation through a flexible asset allocation approach to produce a diversified portfolio, with an emphasis on reducing downside risk and earning above the risk free rate. The objective is to generate long-term real returns comparable to equities but with a lower volatility than equities alone. The fund combines asset classes with different strategies and styles to achieve strong diversification. This includes various traditional and non-traditional assets. The fund's portfolio is actively managed throughout each economic cycle to balance opportunity and risk. The asset mix of the fund consists of approximately 28% of fixed income instruments, 50% of international and U.S. equities, 19% of other investments such as derivatives and futures contracts and 3% of cash and cash equivalents.

#### Emerging markets equity fund (Sun Life Schroder Emerging Markets Equity Segregated Fund)

Manager - SLGI Asset Management Inc.

The fund's investment objective is to provide capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets. With a balanced approach to investing in emerging markets, the fund's manager uses a mix of top-down analysis and bottom-up stock selection, looking to derive 50% of the added value from country allocation and 50% from stock selection. The core investment process does not target any particular style bias and aims to outperform in most market environments.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 4. Investments (continued):

#### Real estate property fund (BentallGreenOak Prime Canadian Property Segregated Fund)

Manager - BGO Capital (Canada) Inc.

The fund's investment objective is to provide a stable income return with an emphasis on capital preservation and long-term growth that meets or exceeds the Consumer Price Index. The fund invests in a diversified portfolio of properties that are primarily income-producing; office, industrial, retail distribution and warehouse and multi-family residential properties with strong underlying cash flows located in major Canadian markets. Minimum investment threshold for a single real estate property is \$5 million. The fund's investment in a single real estate property is limited to 10% of the fund's total value. Cash and short term investments are normally less than 10% of the market value of the total portfolio.

#### Global equity small cap (Invesco Global Small Cap Equity Segregated Fund)

Manager - Invesco Ltd.

The fund seeks to achieve capital growth over the long term by investing primarily in small capitalization companies anywhere in the world. Asset allocation strategy is based on a medium to long-term economic and bottom-up investment approach to security selection in each region. The focus is on small capitalization companies with high or improving returns at an attractive valuation in both developed and emerging markets. The fund targets to invest at least 80% of its non-cash assets in small capitalization companies. The geographical allocation of the fund consists of approximately 45% of North American equities, 54% of international equities and 1% cash and cash equivalents.

#### Real estate fund (BentallGreenOak Canadian Real Estate Plus Segregated Fund)

Manager - BGO Capital (Canada) Inc.

The fund's investment objective is to provide strong stable income returns, combined with value appreciation potential through investments in a diversified mix of office, industrial, retail, multi-family residential, land and other income producing properties located in Canada. The fund's investment strategy is to invest up to 80% of its assets (targeted minimum 70%) in the Bentall Kennedy Prime Canadian Property Pool Limited Partnership. In addition, the fund invests 20% - 30% of its assets in cash and/or publicly-traded Canadian real estate investment trusts (REITs), through the use of (an) exchange traded fund(s). This ensures greater liquidity available for investors.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

### 5. Pension obligations:

An actuarial valuation of the Plan was carried out as at December 31, 2018 by the Plan's actuarial consultants, Aon Hewitt, and was extrapolated to December 31, 2021. The pension obligations were determined using the projected accrued benefit cost method prorated on service.

The assumptions used in the extrapolation were developed as the best estimate of expected future market conditions and other future events. After consultation with the Plan's actuary, the Board of Governors adopted this best estimate.

The major assumptions used in the extrapolation are as follows:

|  | 2021 extrapolation applied to 2018 valuation data   | 2020 extrapolation applied to 2018 valuation data   |
|--|---|---|
| Investment return (discount rate)*                           | 5.5%  | 6.0%  |
| Asset real rate of return*                                   | 3.5%  | 4.0%  |
| Inflation  | 2.0%  | 2.0%  |
| Interest credited on employee contributions                  | 2.50%   | 2.50%   |
| Salary increases   | 2.75% plus age based merit and promotion scale  | 2.75% plus age based merit and promotion scale  |
| Indexing of annual pensions                                  | 60% of inflation  | 60% of inflation  |
| Increase in the year's maximum pensionable earnings ("YMPE") | 2.75%   | 2.75%   |
| Mortality  | 90% of CPM2014 Public with generational improvements using scale MI-2017 (sex-distinct rates)   | 90% of CPM2014 Public with generational improvements using scale MI-2017 (sex-distinct rates)   |
| Deferred pension take-up                                     | 10% for ages <55<br>40% for ages 55+  | 10% for ages <55<br>40% for ages 55+  |
| Settlement assumptions for commuted value transfers*         | 2.3% per year for 10 years thereafter 3.4% per year discount CPM2014 Combined with generational improvement using scale CPMB2D2014 (sex-distinct rates) | 1.4% per year for 10 years thereafter 2.9% per year discount CPM2014 Combined with generational improvement using scale CPMB2D2014 (sex-distinct rates) |
| Pension partner at retirement                                | 80.0%   | 80.0%   |
| Retirement   | Age and service-based scale   | Age and service-based scale   |
| Termination of employment                                    | Age and gender-based scale  | Age and gender-based scale  |
| ITA maximum pension:   |   |   |
| 2018   | 2,944   |   |
| 2019   | 3,026   |   |
| 2020   | 3,092   |   |
| 2021   | 3,246   |   |
| 2022   | 3,420   |   |
| Subsequent years   | 1/9 the money purchase  |   |

\*Changes in assumptions for the year ended December 31, 2021 from the year ended December 31, 2020.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

### 5. Pension obligations (continued):

The investment return is net of all investment and administrative expenses.

The next actuarial valuation will be completed for December 31, 2021 valuation data and will be available for 2022 fiscal reporting.

The changes in actuarial assumptions for the years ended December 31 resulted in the following gains (losses) to the pension obligations:

|   | 2021         | 2020           |
|---|--------------|----------------|
| Inflation rate                                    | \$ —         | \$ 376,745     |
| Discount rate for commuted value ('CV") transfers | 5,455,497    | (1,304,345)    |
| Discount rate                                     | (3,052,153)  | (1,829,432)    |
|   | \$ 2,403,344 | \$ (2,757,032) |

The Plan's future experience will inevitably differ, perhaps significantly, from these assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and may materially affect the financial position of the Plan. The following sensitivity analysis demonstrates the effects of changes in assumptions on the pension obligations.

|                                     | Current actuarial assumptions      | Pension obligations as at December 31, 2021 | Adjusted actuarial assumptions     | Pension obligations as at December 31, 2021 | Percentage change |
|-------------------------------------|------------------------------------|---|------------------------------------|---|-------------------|
| Investment return                   | Discount: 5.5%; CV: 2.3%/10/3.4%   | \$ 89,556,840                               | Discount: 5.0%; CV: 1.8%/10/2.9%   | \$ 98,761,384                               | 10.28 %           |
|                                     |                                    |   | Discount: 6.0%; CV: 2.8%/10/3.9%   | 81,783,000                                  | (8.68)%           |
| Salary increases                    | 2.75%                              | 89,556,840                                  | 2.25%                              | 89,100,998                                  | (0.51)%           |
|                                     |                                    |   | 3.25%                              | 90,057,971                                  | 0.56 %            |
| Inflation rate                      | Pension: 2.0%; CV: 1.5%/10/2.1%    | 89,556,840                                  | Pension: 1.5%; CV: 1.0%/10/1.6%    | 85,917,543                                  | (4.06)%           |
|                                     |                                    |   | Pension: 2.5%; CV: 2.0%/10/2.6%    | 93,497,291                                  | 4.40 %            |
| Increase in YMPE and ITA limit rate | 2.75%                              | 89,556,840                                  | 2.25%                              | 85,018,861                                  | (5.07)%           |
|                                     |                                    |   | 3.25%                              | 93,831,873                                  | 4.77 %            |
| Proportion for pension take-up      | 10% for ages <55, 40% for ages 55+ | 89,556,840                                  | 0% for ages <55, 30% for ages 55+  | 92,127,089                                  | 2.87 %            |
|                                     |                                    |   | 20% for ages <55, 50% for ages 55+ | 86,986,589                                  | (2.87)%           |

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

6. Investment income and change in fair value:

Investment income and change in fair value is comprised of the following:

| 2021                                |                |              |                |                      |
|-------------------------------------|----------------|--------------|----------------|----------------------|
|                                     | Realized       | Unrealized   | Servicing Fees | Interest & Dividends |
| Global equity low volatility fund   | 66,877         | 979,056      | (7,437)        | 1,577,123            |
| Global equity fund                  | 323,941        | 1,204,358    | (8,297)        | 1,009,493            |
| Global equity small cap             | 161,457        | (158,449)    | (4,005)        | 938,251              |
| Diversified growth fund             | 115,088        | 174,272      | (3,838)        | 586,580              |
| Real estate property fund           | —              | 501,565      | —              | 209,943              |
| Real estate fund                    | 33,427         | 75,728       | (562)          | 61,276               |
| Emerging markets equity fund        | 132,551        | (1,047,119)  | (3,326)        | 544,400              |
| Long-term bond fund                 | (92,413)       | (1,776,550)  | (6,813)        | 1,081,064            |
| Other                               | —              | —            | —              | —                    |
|                                     | \$ 740,928     | \$ (47,139)  | \$ (34,278)    | \$ 6,008,130         |
| 2020                                |                |              |                |                      |
|                                     | Realized       | Unrealized   | Servicing Fees | Interest & Dividends |
| Long-term bond fund                 | 115,755        | 751,489      | (6,590)        | 1,260,543            |
| Emerging markets equity fund        | 7,819          | 1,175,377    | (2,662)        | 111,555              |
| Global equity small cap             | (32,059)       | 873,306      | (3,050)        | 334,437              |
| Diversified growth fund             | 780            | 492,246      | (3,554)        | 250,151              |
| Canadian equity fund                | 53,701         | (92,263)     | (1,332)        | 353,802              |
| Real estate fund                    | (2,832)        | (33,601)     | (265)          | 32,093               |
| Real estate property fund           | —              | (180,067)    | —              | 155,966              |
| Canadian equity low volatility fund | (29,746)       | (130,325)    | (1,407)        | 123,470              |
| Global equity fund                  | (1,490,443)    | 684,209      | (4,954)        | 671,567              |
| Global equity low volatility fund   | (47,611)       | (1,193,617)  | (4,651)        | 297,196              |
| Other                               | —              | —            | —              | —                    |
|                                     | \$ (1,424,636) | \$ 2,346,754 | \$ (28,465)    | \$ 3,590,780         |

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

### 7. Benefit payments and transfers:

|                                 | 2021                | 2020                |
|---------------------------------|---------------------|---------------------|
| Termination benefit payments    | \$ 6,680,278        | \$ 6,570,958        |
| Retirement benefit payments     | 643,775             | 542,174             |
| Death benefit payments          | 15,921              | 170,936             |
| Transfer to other pension funds | 6,225               | 5,375               |
|                                 | <u>\$ 7,346,199</u> | <u>\$ 7,289,443</u> |

### 8. Administrative expenses:

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| Agency and administration fees (note 9) | \$ 759,550          | \$ 635,195          |
| Investment management fees              | 341,068             | 268,439             |
| Consulting                              | 112,094             | 253,987             |
| Actuary fees                            | 79,384              | 60,138              |
| Board of Governors                      | 22,304              | 14,511              |
| Audit fees                              | 22,227              | 17,982              |
| Insurance                               | 19,800              | 18,000              |
| Pension administration fees             | 6,756               | 8,173               |
| Pension filing fees                     | 3,169               | 3,595               |
| Office administration                   | 1,394               | 2,133               |
| Legal expenses                          | 875                 | 1,337               |
|   | <u>\$ 1,368,621</u> | <u>\$ 1,283,490</u> |

### 9. Related party transactions:

The Plan's Board of Governors consists of five members, who are appointed by the Board of Directors of AUMA.

Alberta Municipal Services Corporation ("AMSC") is under common management with APEX and is therefore a related party.

The following balances with the related parties are outstanding as at December 31:

|  | 2021     | 2020      |
|--|----------|-----------|
| AUMA                                     |          |           |
| Accounts receivable                      | \$ 7,249 | \$ 69,088 |
| AMSC                                     |          |           |
| Accounts payable and accrued liabilities | —        | 7,226     |

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

### 9. Related party transactions (continued):

The following transactions with the related parties occurred during the year ended December 31:

|                                | 2021       | 2020       |
|--------------------------------|------------|------------|
| AUMA                           |            |            |
| Agency and administration fees | \$ 759,550 | \$ 635,195 |
| Current service contribution:  |            |            |
| Employer                       | 159,830    | 144,093    |
| Employee                       | 108,352    | 97,685     |
|                                | \$ 268,182 | \$ 241,778 |

### 10. Capital risk management:

The main objective of the Plan is to provide Plan members with supplemental retirement benefits. To achieve this objective and meet the pension obligations of the Plan, it must sustain a certain level of net assets available for benefits.

The Plan seeks to fulfill its pension obligations by adhering to a funding policy which guides the actions of the Board of Governors based on the Plan's funding level. To ensure that the assets of the Plan are prudently invested, the Board of Governors also endeavours to economically design an investment structure whereby its assets are allocated to optimize the risk/reward relationship of the excess return over going concern liabilities. This investment structure is reflected in the Plan's Statement of Investment Policy and Goals (the "SIP&G") which is reviewed annually by the Plan's Trustees. As at December 31, 2021 and 2020, the Plan is in compliance with its SIP&G.

The Plan is required to file audited financial statements with the Government of Alberta, Ministry of Finance within 180 days after the Plan year end.

### 11. Financial instruments:

#### (a) Fair value:

The fair values of investments are determined as described in note 3(e). The fair values of other financial assets and liabilities, such as cash, accounts receivable, contributions receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these financial instruments.

Fair value measurements recognized in the statement of net assets available for benefits are categorized into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Investments are classified within Level 2 of the fair value hierarchy. There were no transfers of assets between levels in the current or prior year.



## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 11. Financial instruments (continued):

#### (a) Associated risks:

##### (i) Market risk:

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of the assets held and the value of liabilities. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of changes in net assets available for benefits, all changes in market conditions will directly affect the change in net assets available for benefits. Market risk is managed through construction of a diversified portfolio of instruments traded on various markets and across various industries.

The Plan's investments in equity funds are sensitive to market fluctuations. A \$1 change in the unit price of the equity funds would change the fair value by \$3,284,734 (December 31, 2020 - \$3,347,323).

##### (ii) Liquidity risk:

Liquidity risk is the risk that the Plan cannot meet its obligations as they become due. The Plan maintains a SIP&G, which contains asset mix guidelines which help to ensure the Plan is able to liquidate investments to meet its pension benefit or other obligations. The investments are held in pooled funds and the underlying debt and equity instruments are in liquid securities traded in public markets. Although market events could lead to some investments becoming illiquid and affecting the unit values of the funds, the diversity of the Plan's portfolios should ensure that liquidity is available for benefit payments. The Plan also maintains cash for liquidity purposes and to pay accounts payable and accrued liabilities.

There has been no change to liquidity risk from the prior year.

##### (iii) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The underlying equity investments of the various equity funds are exchange traded, which reduces credit risk as counterparties are backed by an exchange clearing house. The underlying fixed income investments of the Plan's long-term bond fund are primarily Canadian-issued instruments and are diversified among government 73% (2020 - 73%) and corporate 27% (2020 - 27%). The underlying properties of the Plan's real estate fund are diversified by location and tenant-type; as well, investment in a single property is limited to 10% of overall holdings. In order to minimize the exposure to credit risk, a comprehensive investment strategy has been developed and described in SIP&G. There were no significant concentrations of credit risk in the portfolios in either 2021 or 2020.

The maximum credit risk exposure as at December 31, 2021 is \$783,871 (December 31, 2020 - \$737,519) and is comprised of contributions receivable and accounts receivable.

There has been no change to credit risk from the prior year.

## APEX SUPPLEMENTARY PENSION PLAN

Notes to the Financial Statements  
Year ended December 31, 2021

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### 11. Financial instruments (continued):

#### (b) Associated risks (continued):

##### (iii) Interest rate risk:

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. To properly manage the Plan's interest rate risk, appropriate guidelines on duration for the long-term bond fund are set and monitored. The Plan's investment in the long-term bond fund is sensitive to interest rate movements. An immediate hypothetical 100 basis point or 1% increase in interest rates, with all other variables held constant, would impact fixed income investments by an estimated loss of \$3,791,766 (2020 - \$3,360,258).



## Contact us

300, 8616 51 Avenue  
Edmonton, AB T6E 6E6

780.433.4431 | 310.MUNI

**[abmunis.ca](http://abmunis.ca)**

**From:** [Trudi Sutherland](#)  
**To:** [Kelly Lloyd](#)  
**Subject:** FW: Ukrainian Independence Day 2022 (Aug 24) & Alberta Ukrainian Canadian Heritage Day 2022 (Sept 7)  
**Date:** August 3, 2022 1:14:24 PM  
**Attachments:** [Ukrainian Independence & Heritage Municipality Memo Aug 2022 \(2\).docx](#)

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Trudi Sutherland  
Administrative Assistant  
Ph.(403)-647-3773  
Fx.(403)-647-3772  
[www.main@millriver.ca](mailto:www.main@millriver.ca)



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**From:** Provincial Coordinator <[ab.coordinator@uccab.ca](mailto:ab.coordinator@uccab.ca)>  
**Sent:** Wednesday, August 03, 2022 11:28 AM  
**To:** undisclosed-recipients:  
**Subject:** RE: Ukrainian Independence Day 2022 (Aug 24) & Alberta Ukrainian Canadian Heritage Day 2022 (Sept 7)

Dear Mayors, Reeves, & Councillors of Alberta :

On behalf of the Ukrainian Canadian Congress - Alberta Provincial Council, please see the Memorandum attached for the commemoration of Ukrainian Independence Day 2022 (August 24) & Alberta Ukrainian Canadian Heritage Day 2022 (September 7).

--

***Oksana Vasurchak***  
***Provincial Coordinator Administrator***

**Ukrainian Canadian Congress Alberta Provincial Council**

#AlbertaStandswithUkraine  
Unit 8, 8103 127 Ave  
Edmonton, AB T5C 1R9  
T. (780) 414-1624  
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UKRAINIAN CANADIAN CONGRESS  
ALBERTA PROVINCIAL COUNCIL

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КОНГРЕС УКРАЇНЦІВ КАНАДИ  
ПРОВІНЦІЙНА РАДА АЛЬБЕРТИ

Date: August 2, 2022

To: Alberta Municipalities

From: Orysia Boychuk, President, Ukrainian Canadian Congress – Alberta Provincial Council

RE: Ukrainian Independence Day 2022 (August 24) & Alberta Ukrainian Canadian Heritage Day 2022 (September 7)

Ukraine's 31st Independence Day is approaching on August 24th, 2022, as well as Ukrainian Heritage Day on September 7, 2022. We would like to thank all the municipalities in Alberta that have acknowledged these important dates by lifting a Ukrainian flag or displaying a banner. This year more than ever it is important to acknowledge these dates and display Alberta's solidarity with Ukraine, those who have newly arrived fleeing the war and the diaspora that has worked tirelessly to assist the Ukrainian Nationals. The war was caused by Russian military aggression and has accounted for many lost lives, damaged infrastructure and displaced Ukrainians.

The Ukrainian Canadian Congress – Alberta Provincial Council (UCC-APC) is inviting all municipalities to raise the Ukrainian Flag, display a banner, or light up significant structures with blue and yellow colors on these 2 important dates. We appreciate all the support so many communities have provided to assist Ukrainians in their home country and on arrival to Alberta.

UCC-APC also encourages short ceremonies where possible and including all ethnic and refugee groups as appropriate. We would also appreciate receiving any photos or short notes about these events. UCC-APC will proudly display these photos on our social media pages and share with our national organization the Ukrainian Canadian Congress to showcase Alberta's commitment to this important cause and that we remain the cradle of Ukrainian settlement in Canada.

Orysia Boychuk, President

UCC-APC

**From:** [Alison Reid](#) on behalf of [David E Williams](#)  
**Subject:** Affordable Housing Needs Assessment  
**Date:** July 11, 2022 3:53:37 PM  
**Attachments:** [Letter from Honourable J Pon.pdf](#)  
[Attachment 1 - Needs Assessment Guide.pdf](#)

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Good Afternoon. Please see the attached letter from the Honourable Josephine Pon, Minister of Seniors and Housing, regarding Alberta Seniors and Housing's development of a standardized approach to assessing affordable housing needs in Alberta. Also attached to assist you in completing a needs assessment for your community is the Affordable Housing Needs Assessment Guide and template. As noted in Minister Pon's letter, a secure website will be available later this summer, through which municipalities will be able to submit their completed assessments.

If you have any questions about the needs assessment, please e-mail [SH.HousingNeedsAssessment@gov.ab.ca](mailto:SH.HousingNeedsAssessment@gov.ab.ca).

Thank you,

**David Williams**

Assistant Deputy Minister, Housing Division  
Alberta Seniors and Housing  
Government of Alberta

[david.e.williams@gov.ab.ca](mailto:david.e.williams@gov.ab.ca)



Classification: Protected A



ALBERTA  
SENIORS AND HOUSING

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*Office of the Minister  
MLA, Calgary-Beddington*

AR53031

July 11, 2022

Good afternoon,

Municipalities are key partners in our efforts to provide more affordable housing to those who need it. In November 2021, I released *Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing*. It maps out the thoughtful changes needed to provide safe, stable, affordable housing for 25,000 more households to serve a total of 82,000.

Alberta's government is committed to working with municipalities and housing providers to determine how best to support local affordable housing needs. With input from municipalities, housing providers and nonprofits, my ministry has developed a standardized approach to needs assessments for affordable housing.

We will use the needs assessments to help target funding to address the unique local needs of a community. I encourage all municipalities to use the housing needs assessment to support long-term community planning, coordination and decision making on new projects. Collaboration between municipalities, local housing management bodies, housing operators, nonprofit organizations and other housing operators is encouraged in order to complete the assessment. Local needs assessments will require endorsement from the municipality (or group of municipalities) prior to submission.

Municipalities will be able to access, complete and submit the needs assessment template through a secure web portal, which will be available by the end of summer 2022. The template will be populated with the most current data available for your municipality from Statistics Canada.

.../2



To assist you in preparing to complete a needs assessment for your community, attached is the Affordable Housing Needs Assessment Guide and Template. If you have any questions about the needs assessment, please send an email to [SH.HousingNeedsAssessment@gov.ab.ca](mailto:SH.HousingNeedsAssessment@gov.ab.ca).

Together, we can provide more affordable housing for Albertans in need.

Sincerely,

A handwritten signature in black ink, appearing to read 'Josephine Pon', with a large, stylized 'P' at the end.

Josephine Pon  
Minister of Seniors and Housing

Attachment

cc: Honourable Ric McIver  
Minister of Municipal Affairs



# **Affordable housing needs assessment guidebook**

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# Affordable Housing Needs Assessment

## Overview

### Affordable Housing Needs Assessment

The Ministry of Seniors and Housing is providing a standardized affordable housing needs assessment template to better understand local affordable housing needs, support community planning and inform Government of Alberta decision-making. This responds to Action 3.1 and Action 3.2 of [\*Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing\*](#).

Alberta's government is committed to working with municipalities and housing providers to determine how best to support local affordable housing needs. With input from municipalities, housing management bodies and nonprofit housing providers, Seniors and Housing has developed a standardized approach to needs assessments for affordable housing. Municipalities are asked to lead the completion of the needs assessment in collaboration with housing management bodies, local housing operators, non-profit organizations and any other housing operators to inform the local affordable housing need.

These affordable housing needs assessments will help identify municipal/regional housing needs and support the allocation of provincial funds. Municipalities are encouraged to use the tool to better understand the needs of priority populations in their community as well as to support long-term community planning, coordination and decision making on new projects. Engagement with community members and stakeholders is a very important part of identifying housing needs and is recommended to ensure a holistic view of housing needs is obtained.

### Needs Assessment Tool

The Affordable Housing Needs Assessment tool is intended to identify affordable housing needs within the community. Municipalities will lead the assessment, and work in collaboration with housing management bodies, local housing operators, non-profit organizations and any other housing operators to complete the template. Municipalities can complete the needs assessment individually or partner together with other municipalities as a region. When partnering as a region, it is recommended the assessments take into account community hubs and traffic patterns to identify where residents travel outside their immediate community to access amenities.

When accessing the online template, the province will pre-populate population and economic data, as available from Statistics Canada, Canada Mortgage and Housing Corporation and Treasury Board and Finance in the template. Municipalities have flexibility within the template to include additional relevant data to inform local housing need and priority populations. Municipalities that have recently conducted their own housing needs assessment can choose to upload the results of their assessment and specify their top priority housing options for their community. However, the province is still encouraging municipalities to use the provincial Affordable Housing Needs Assessment template to support a standardized approach in evaluating housing need across the province.

The completed affordable housing needs assessment must be approved by Chief Administrative Officer or Municipal General Manager prior to submission to the province.

Information provided within the completed affordable housing needs assessment may be shared publically. It may also be used in general calls for proposals for new Non-Market Affordable Housing units.

### **Purpose of this Guide**

This guide has been developed to assist and provide guidance in the compilation of the data elements and completion of the housing needs assessment template. The guide also provides definitions, and explanations on the data elements, as well as links to data sources.

## Definitions

| TERM  | DEFINITION  |
|---|---|
| <b>Accessible Housing</b>   | Refers to the manner in which housing is designed, constructed or modified (such as through repair/renovation/renewal or modification of a home), to enable independent living for persons with diverse abilities. Accessibility is achieved through design, but also by adding features that make a home more accessible, such as modified cabinetry, furniture, space, shelves and cupboards, or electronic devices that improve the overall ability to function in a home.   |
| <b>Adequacy (Housing)</b>   | Housing adequacy refers to the physical condition of the dwelling, where housing is considered inadequate if major repairs or modernization improvements are required.  |
| <b>Affordability</b>  | The household has the financial ability or means to effectively enter or access the housing market, without spending more than 30 per cent of its before tax (gross) household income on shelter costs.   |
| <b>Affordable Housing under Agreement with GoA</b>                | A housing unit with rents set at a minimum of 10 per cent below market rates, as defined in the Operating Agreements.   |
| <b>Collaboration</b>  | Two or more people/organizations working together toward shared goals.  |
| <b>Community Housing (also refer to as Rent Geared to Income)</b> | Government supported subsidized rental housing administered by housing management bodies for families, seniors and individuals with low income who cannot afford other housing options in the community, due to circumstance. A tenant's rent, which includes heat, water, electricity, and sewer expenses, is based on 30 per cent of the household's total annual income. Regulated under the <i>Alberta Housing Act</i> .  |
| <b>Core Housing Need</b>  | A household is considered in "Core Housing Need" if its housing does not meet one or more of the adequacy, suitability or affordability standards, and it would have to spend 30 percent or more of its before tax income to access acceptable local housing. Acceptable housing is adequate in condition, suitable in size, and affordable. Adequate housing does not require any major repairs, according to residents. Suitable housing has enough bedrooms for the size (number of people) and makeup (gender, single/couple, etc.) of the needs of the households, according to National Occupancy Standard (NOS) requirements. Affordable housing costs 30 per cent or less of before tax (gross) household income. |
| <b>Extreme Core Housing Need</b>                                  | Has the same meaning as core housing need, except that the household has shelter costs for housing that are 50 per cent or more of total before-tax income.   |
| <b>Hidden Homelessness</b>  | A term that describes those who are live temporarily with others but without guarantee of continued residency or immediate prospects for accessing permanent housing.   |
| <b>Homelessness</b>   | A term that describes those who are sleeping in a place not meant for human habitation (e.g., living on the streets) and/or in an emergency homeless shelter.   |

|                                      |   |
|--------------------------------------|---|
| <b>Household</b>                     | A social unit composed of those living together in the same dwelling.   |
| <b>Mixed-Income Housing</b>          | Any type of housing development (rent or owned) that includes residents with a range of income levels, including low, moderate and/or higher incomes.   |
| <b>Mixed Tenure Housing</b>          | Generally refers to a development with a variety of cost and tenure (rent or own) options. For example, developments which include social and affordable housing alongside housing offered at full market price.  |
| <b>Mixed-Use Development</b>         | The development of land or a building with two or more different uses, such as residential, office and retail. Mixed-use can occur across units in a building, or spread out across units in a project or portfolio with multiple buildings.  |
| <b>Near Market Housing</b>           | Market housing rented at below average market rates, often referred to as low-end market housing.   |
| <b>New Construction</b>              | “New” means construction of a residential building starting with a vacant property. The new category also includes purchase of existing non-affordable/market buildings and improving them with major improvements to meet mandatory eligibility requirements.  |
| <b>Non-Market Affordable Housing</b> | Non-market housing is housing rented at lower than market price due to investment by third party entities (e.g., a level of government, private business, or non-profit organization).  |
| <b>Rent Supplement</b>               | Help make rental accommodations more affordable by subsidizing rent. Rent supplement can be provided publicly by a level of government or privately through a non-profit organization.  |
| <b>Seniors Housing (Other)</b>       | Other rooms/units designated for seniors that are not covered under Seniors’ Lodge or Seniors’ Self-Contained.  |
| <b>Seniors Lodge</b>                 | Supportive living units designated for senior households in a communal setting with meals, housekeeping, and recreational activities. Regulated under the <i>Alberta Housing Act</i> .  |
| <b>Seniors Self-Contained</b>        | Seniors apartments with rent subsidized at 30 per cent of household income. Regulated under the <i>Alberta Housing Act</i> .  |
| <b>Shadow Populations</b>            | Populations not reflected in official population counts, such as those that declare their residence elsewhere (e.g., transient/seasonal workforce), or homeless individuals.  |
| <b>Shelter Cost</b>                  | Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, rent and costs of electricity, heat, water and other municipal services. |
| <b>Social Housing</b>                | Regulated housing under the <i>Alberta Housing Act</i> wherein rents are set at 30 per cent of a household’s income. Utilities (including heat, water and sewer expenses) are included; electricity, phone, television and any additional services (i.e. parking) are not included.   |



|                                     |   |
|-------------------------------------|---|
| <b>Specialized Housing</b>          | Specialized Housing provides accommodation to targeted populations, including housing for Indigenous peoples, people with disabilities, people experiencing chronic homelessness, and people fleeing family violence.   |
| <b>Suitability (Housing)</b>        | Housing suitability refers to how appropriate the size of the dwelling is for the household who resides in it (i.e., number of bedrooms). Suitable housing has enough bedrooms for the size (number of people) and makeup (gender, single/couple, etc.) of the needs of the households, according to National Occupancy Standard (NOS) requirements   |
| <b>Wrap-Around Supports</b>         | Wrap-around supports are additional services that contribute to the sustainability of housing arrangements by assisting tenants to remain stable. These supports may include mental health or addiction counselling, access to on-site healthcare, employment services, meal plans, access to furniture banks and other services beyond simple shelter.   |
| <b>Permanent Supportive Housing</b> | Housing accommodations for residents of all ages that are dependent on community based services. Residents may include those experiencing homelessness, persons with disabilities, addictions and/or mental health issues, and others in vulnerable situations. The Permanent Supportive Housing accommodation type includes a wide range of on-site social supports that are designed to build independent living and connect people with community based health care, treatment and employment services.'   |
| <b>Priority Populations</b>         | <p>Priority populations identified under the Stronger Foundations strategy are low-to moderate-income:</p> <ul style="list-style-type: none"> <li>• Indigenous peoples</li> <li>• People with disabilities</li> <li>• Women and children fleeing violence</li> <li>• People at risk of homelessness or transitioning out of homelessness supports</li> <li>• People at risk of health and safety in current accommodation</li> <li>• Seniors</li> <li>• People dealing with mental health and addiction</li> <li>• Youth exiting government care</li> <li>• Veterans</li> <li>• Recent immigrants and refugees</li> <li>• Racialized groups</li> <li>• LBGTQ2S+ people</li> </ul> <p>These target populations align with groups of people identified as those in greatest need in the Government of Canada's National Housing Strategy.</p> |
| <b>Waitlist</b>                     | List of households who applied and are eligible for housing accommodation and are waiting for a unit to become available. The list is typically maintained by housing management bodies and non-profit housing providers  |

# Affordable Housing Needs Assessment Template

## PART 1: Demographics & Housing Information

### Submission contact

Name:

Organization type:

E-mail address:

Organization name:

Title:

### Municipality

Municipality:

Date of Completion:

Select the municipality or municipalities you are conducting the needs assessment for. If this is a joint report (multiple municipalities), ensure that the municipalities are geographically close to each other.

**Note:** The list of municipalities correspond to the Statistics Canada's list of Census Sub-Divisions (CSDs). Based on your selection of municipalities, certain fields in the Needs Assessment will be pre-populated with information available from the Statistics Canada Census.

☐ We have conducted our own Housing Needs Assessment and would like to use it as our submission.

**Upload:** <File Name(s) and Type(s)>

If you upload an existing document, please continue to next steps in the online template, using data and information in your assessment to populate the fields.

### Population

When entering information into fields, enter all the data for the municipalities you are completing the needs assessment on behalf of. All fields are required, unless otherwise noted. Information, where available from Statistics Canada for the municipality(ies) noted above will be included in the grey boxes below.

You may receive this message: Data for the municipality(ies) you have selected is not available due to data suppression from Statistics Canada to protect individual privacy. Please upload any municipal census report/dataset to support your Housing Needs Assessment submission.

**Files added:** <file name>

|                  | 2016 | 2021 | Compounded Annual Growth | 2027 (Projected) | Compounded Annual Growth |
|------------------|------|------|--------------------------|------------------|--------------------------|
| Total population |      |      |                          |                  |                          |
| Household count  |      |      |                          |                  |                          |

|   | 2016 | 2021 | 2027 (Projected) |
|---|------|------|------------------|
| Average household size                  |      |      |                  |
| Median age                              |      |      |                  |
| Percent of population age 65 or greater |      |      |                  |

|                                 | Own home | Rent home | Rent home<br>(subsidized) |
|---------------------------------|----------|-----------|---------------------------|
| Percentage of households (2021) |          |           |                           |

**Comments on population and household projections as well as other population considerations:**

## Income / Economy

Information from Statistics Canada, where available for the municipality(ies) for which the assessment is being done, is included below. If you have more recent or relevant data, you may select the checkbox below and enter the relevant/updated information.

### **Median household income**

|                    |  |
|--------------------|--|
| All households:    |  |
| Owner households:  |  |
| Renter households: |  |
| Reporting year:    |  |

☐ We have our own median household income data to provide

The data displayed below is by economic region. The economic region has been determined based on the municipality(ies) you have selected. If you have selected municipality(ies) in more than one economic region, then the data for multiple economic regions will be displayed. You may select the economic region that best represent your community. If you have your own data, select the checkbox below and provide your own custom data.

### **Labour Force Data**

|  |  |
|--|--|
| Reporting region:                          |  |
| Labour participation rate (February 2022): |  |
| Unemployment rate (February 2022):         |  |
| Month / year of data provided:             |  |

☐ We have our own labour force data to provide

### **Major local industries**

Enter up to 10 major industries for the municipality(ies) you are conducting the needs assessment on behalf of.

Include those that employ a majority of lower income households. Also note any unique industry characteristics that may impact housing demand such as use of temporary seasonal workforce, industry growth, dependency on other industries, or variability due to economic cycles.

Industry:

Top employers in industry (optional)

Unique characteristics impacting affordable housing demand (optional)

Housing

The housing data below is derived from the 2021 Statistics Canada Census. No entry is required. You can use this information to estimate housing need in the Housing Supply section of the Housing Needs Assessment.

A household is considered in “Core Housing Need” if its housing does not meet one or more of the adequacy, suitability or affordability standards, and it would have to spend 30 percent or more of its before tax income to access acceptable local housing. Acceptable housing is adequate in condition, suitable in size, and affordable. Adequate housing does not require any major repairs, according to residents. Suitable housing has enough bedrooms for the size (number of people) and makeup (gender, single/couple, etc.) of the needs of the households, according to National Occupancy Standard (NOS) requirements.

| Owner Households  | Bachelor     | 1 Bedroom    | 2 Bedroom    | 3 Bedroom    | 4 Bedroom    |
|---|--------------|--------------|--------------|--------------|--------------|
| Households in Core Housing Need                             | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |
| Households spending more than 30% of income on shelter cost | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |
| Households spending more than 50% of income on shelter cost | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |
| Renter Households   | Bachelor     | 1 Bedroom    | 2 Bedroom    | 3 Bedroom    | 4 Bedroom    |
| Households in Core Housing Need                             | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |
| Households spending more than 30% of income on shelter cost | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |
| Households spending more than 50% of income on shelter cost | # households | # households | # households | # households | # households |
|   | % households | % households | % households | % households | % households |

| <b>All Households</b>  | <b>Bachelor</b> | <b>1 Bedroom</b> | <b>2 Bedroom</b> | <b>3 Bedroom</b> | <b>4 Bedroom</b> |
|--|-----------------|------------------|------------------|------------------|------------------|
| Households in Core Housing Need                                    | # households    | # households     | # households     | # households     | # households     |
|  | % households    | % households     | % households     | % households     | % households     |
| Households spending more than <b>30%</b> of income on shelter cost | # households    | # households     | # households     | # households     | # households     |
|  | % households    | % households     | % households     | % households     | % households     |
| Households spending more than <b>50%</b> of income on shelter cost | # households    | # households     | # households     | # households     | # households     |
|  | % households    | % households     | % households     | % households     | % households     |

### **Additional information**

|                           | <b>Bachelor</b> | <b>1 Bedroom</b> | <b>2 Bedroom</b> | <b>3+ Bedroom</b> |
|---------------------------|-----------------|------------------|------------------|-------------------|
| <b>Median Market Rent</b> | \$              | \$               | \$               | \$                |
| <b>Vacancy Rate</b>       | %               | %                | %                | %                 |

*Provide some context on the median market rent or vacancy rates if the information above do not accurately capture the current market housing situation (e.g. variable housing demand due to seasonal/temporary fluctuations in population, vacancy mostly in high-end market units, and data inaccuracies due to survey methodology): (optional) .*

### **Policies and Key Initiatives**

*Please provide current municipal / regional housing policies and key initiatives that enable affordable housing (e.g. tax exemptions, inclusionary zoning), as well as any current local community plans and regional growth strategies established within the last five years. List the documents uploaded as well as a short summary of each (one to three sentences).*

*If you have any supporting documentation for housing policies and key initiatives, attach them to the submission.*

**Upload:** <File Name(s) and Type(s)>

### **Community Consultations**

*Please provide findings from community consultations undertaken on housing needs with persons, organizations, authorities, or community groups (including Indigenous groups) serving the priority low- to moderate-income populations\* selected for the municipality(ies).*

*Examples of groups to consult with include, but not limited to:*

- *Housing Management Bodies (HMBs)*
- *Social Service Organizations*
- *Local Family and Community Support Services (FCSS)*
- *Private Housing Sector*

**Who did you consult with?**

|  |
|--|
|  |
|--|

**What was the consultation process?**

|  |
|--|
|  |
|--|

**Where were the results of these consultations?**

|  |
|--|
|  |
|--|

PART 2: Municipal Key Findings and Priorities

Non-Market Affordable Housing Supply

Please provide the number of non-market affordable housing units currently in the municipality(ies),as well as the number of units currently needed. .

| 2022 Current State           | A. Existing Units | B. Current Unit Deficit (need) | B.1 Current Accessible Unit Deficit (need) | B2. Number of Households on Waitlist |
|------------------------------|-------------------|--------------------------------|--|--------------------------------------|
| Community Housing            |                   |                                |  |                                      |
| Seniors' Self Contained      |                   |                                |  |                                      |
| Seniors' Lodge               |                   |                                |  |                                      |
| Seniors' Housing (Other)     |                   |                                |  |                                      |
| Near Market Housing          |                   |                                |  |                                      |
| Permanent Supportive Housing |                   |                                |  |                                      |
| Specialized Needs Housing    |                   |                                |  |                                      |
| Indigenous Housing           |                   |                                |  |                                      |
| Rent Supplement              |                   |                                |  |                                      |
| Other                        |                   |                                |  |                                      |

2027 Projections

|                              | B.<br>Current Unit Deficit<br>(need) | C.<br>Anticipated<br>New Units | C.1 Committed<br>or Under-<br>development | D.<br>Projected New<br>Demand | E.<br>Unit loss expected<br>due to expiry of<br>agreements,<br>condition or age | F.<br>Total<br>Projected Unit<br>Deficit |
|------------------------------|--------------------------------------|--------------------------------|---|-------------------------------|---|--|
| Community Housing            |                                      |                                |   |                               |   |  |
| Seniors' Self Contained      |                                      |                                |   |                               |   |  |
| Seniors' Lodge               |                                      |                                |   |                               |   |  |
| Seniors' Housing (Other)     |                                      |                                |   |                               |   |  |
| Near Market Housing          |                                      |                                |   |                               |   |  |
| Permanent Supportive Housing |                                      |                                |   |                               |   |  |
| Specialized Needs Housing    |                                      |                                |   |                               |   |  |
| Indigenous Housing           |                                      |                                |   |                               |   |  |
| Rent Supplement              |                                      |                                |   |                               |   |  |
| Other                        |                                      |                                |   |                               |   |  |

If applicable, provide information on the number of Emergency Shelter spaces available, usage and trends associated with these spaces:



## Municipal Priorities

Please list the top three (3) priority housing types for the municipality and the number of units needed. Provide rationale / key findings to support the top housing priorities.

### Priority 1

**Housing Type:**

☐ Not available

**Current units available:**

☐ Not available

**Current unit deficit:**

☐ Not available

**Projected unit deficit in 5 years:**

☐ Not available

**Current vacancy rate:**

☐ Not available

**Current waitlist count**

☐ Not available

Key findings/comments

Please upload any documentation you may have to support this priority (optional).

**Files added:** <file name>

### Priority 2

**Housing Type:**

☐ Not available

**Current units available:**

☐ Not available

**Current unit deficit:**

☐ Not available

**Projected unit deficit in 5 years:**

☐ Not available

**Current vacancy rate:**

☐ Not available

**Current waitlist count**

☐ Not available

Key findings/comments

Please upload any documentation you may have to support this priority (optional).

**Files added:** <file name>

### Priority 3

**Housing Type:**

☐ Not available

**Current units available:**

☐ Not available

**Current unit deficit:**

☐ Not available

**Projected unit deficit in 5 years:**

**Current vacancy rate:**

**Current waitlist count**

☐ Not available

☐ Not available

☐ Not available

Key findings/comments

Please upload any documentation you may have to support this priority.

**Files added:** <file name>

## Municipal Endorsement

**Have you received a municipal endorsement for each municipal government applicable to this submission?**

Please upload copies of supporting documentation of your municipality's endorsement(s) for this Housing Needs Assessment.

The municipal endorsement must be provided by the chief administrative officer or municipal general manager. For questions about municipal endorsements, please contact **SH.HousingNeedsAssistance@gov.ab.ca**.

Please upload any documentation you may have to support this priority.

**Files added:** <file name>

# Affordable Housing Needs Assessment Guide

Municipalities that have recently conducted their own housing needs assessment can choose to upload the results of their assessment and will be asked to enter their assessment information into the relevant online template section. All municipalities are encouraged to complete the Affordable Housing Needs Assessment to support a provincial standardized approach in evaluating housing need across the province.

## PART 1: Demographics & Housing Information

### Population

#### Total population and Household count – 2016, 2021

The total population and the household count is based on the municipality(ies) selected. This data is automatically populated when available through Statistics Canada. If Statistics Canada census data is unavailable or you would like to submit municipal census data instead, please select the checkbox and enter in municipal census data.

#### Total population and Household count (Average annual growth)

The total population and the household count average annual growth rates are based on the municipality(ies) selected. This data is automatically populated when the data is available through Statistics Canada. This rate is calculated by the system based on the formula:

$$\text{Compound Annual Growth Rate (CAGR)} = \left( \frac{\text{End population}}{\text{Beginning population}} \right)^{\frac{1}{\# \text{ of years}}} - 1$$

Municipalities can employ their preferred method to calculate the average annual growth rate to project the total population in 2027. However, a simple method is to use the straight line growth rate to project 2027 data.

#### Straight-Line Growth Rate

To use the Straight-Line Growth Rate method, first calculate the Average Annual Growth Rate from 2016 to 2021. Find the difference between the two values by subtracting the 2021 value by the 2016 value. Then, divide this number by the 2016 value multiplied by 5 (years) to get the Average Annual Growth Rate from 2016 to 2021. Finally, multiply the 2021 value by the Average Annual Growth Rate and by 6 (years) to get the projected amount of growth over the next 6 years. Add this to the 2021 value to derive the projected value for 2027.

Example – Projecting # of Households in 2027

$$\text{Avg Annual Growth Rate} = \frac{(\# \text{ Households in 2021}) - (\# \text{ Households in 2016})}{(\# \text{ Households in 2016}) \times 5 \text{ years}}$$

$$\text{2027 Household Projection} = (\# \text{ Households in 2021}) [1 + (\text{Avg Annual Growth Rate}) \times 6 \text{ years}]$$

#### Total population and Household count – 2027 (projected)

Enter the projected population in 2027. Municipalities may use their preferred method the straight-line growth rate method described above to project population and household counts in 2027.

#### Average household size – 2016, 2021, 2027 (projected)

This data is automatically populated when available through Statistics Canada. The municipality can apply their preferred method or the Straight-Line Growth Rate to project the average household size in 2027.

-

#### Median age – 2016, 2021, 2027 (projected)

This data is automatically populated when available through Statistics Canada. To calculate the projected median age in 2027, the municipality can apply their preferred method or the Straight-Line Growth Rate.

#### Percent of population age 65 or greater – 2016, 2021, 2027 (Projected)

This percentage is automatically calculated when the data is available through Statistics Canada. To calculate the projected percentage of seniors population in 2027, the municipality can apply their preferred method or use the Straight-Line Growth Rate.

#### Percent of households – Owner, Renter, Renter (subsidized) for 2021

The percentage of households that own, rent (total and subsidized) their current residence. This percentage is automatically calculated when the data is available through Statistics Canada.

**Comments on population and household projections as well as other population considerations:**

Please provide any information on demographic groups that may not be accurately or fully captured in the Statistics Canada Census data. Some examples of these demographic groups may include homeless and transient/seasonal workforce, and Indigenous households. If any of your projections deviate significantly from historic trends, please explain your rationale/methodology in this section.

## Income / Economy

**Median Household Income (All households)**

This number is automatically calculated when the data is available through Statistics Canada. Municipalities can choose to manually enter the median household income for all households in the municipality/region if they have more detailed or up-to-date information on household income in their community.

**Median Household Income (Renter households)**

This number is automatically calculated when the data is available through Statistics Canada. Municipalities can choose to manually enter the median household income for renter households in the municipality/region if they have more detailed or up-to-date information on renter household income in their community.

**Median Household Income (Owner households)**

This number is automatically calculated when the data is available through Statistics Canada. Municipalities can choose to manually enter the median household income for owner households in the municipality/region if they have more detailed or up-to-date information on owner household income in their community.

**Reporting Month/Year**

Specify the month and year that the data was collected.

**Reporting Region**

Economic data is only available for the following Economic Regions. The economic Region has been determined based on the municipality(ies) you have selected. If you have selected municipality(ies) in more than one economic region, then the data for multiple economic regions will be displayed. You may select the economic region that best represent your community. If you have your own data, select the checkbox below and provide your own custom data.

- Banff-Jasper-Rocky Mountain House
- Calgary
- Camrose-Drumheller
- Edmonton
- Lethbridge-Medicine Hat
- Athabasca-Grande Prairie-Peace River
- Red Deer
- Wood Buffalo-Cold Lake

**Participation Rate**

The participation rate measures the total number of individuals who are currently employed or in search of a job. This rate is automatically calculated when the data is available through Statistics Canada. Municipalities can choose to manually enter labour force participation rate in the municipality/region if they have more detailed or up-to-date information on labour force participation rates in their community.

**Unemployment Rate**

Unemployment rate measures the number of unemployed persons expressed as a percentage of the labour force. The labour force refers to the total adult population (15 years of age or older) available to the labour market at a specific time. This rate is automatically calculated when the data is available through Statistics Canada. Municipalities can choose to manually enter labour force unemployment rate in the municipality/region if they have more detailed or up-to-date information on unemployment rates in their community.

**Major local industries**

Select from the National Occupation Classification (NOC) industries. Enter up to 10 major industries for the municipality(ies) you are conducting the needs assessment on behalf of. Include those that employ a majority of lower income households. Also note any unique industry characteristics that may impact housing demand such as use of temporary seasonal workforce, industry growth, dependency on other industries, or variability due to economic cycles.

## Housing

### Households in Core Housing Need

The number and percentage of households in Core Housing Need for each unit type, broken out by tenure (i.e. owner households, renter households, all households). This data is automatically populated when available through Statistics Canada.

### Households spending more than 30% of income on shelter cost

The number and percentage of households spending more than 30 per cent of its before-tax income to pay all shelter expenses by unit type, broken out by tenure (i.e. owner households, renter households, all households). This data is automatically populated when available through Statistics Canada.

### Households spending more than 50% of income on shelter cost

The number and percentage of households spending more than 50 per cent of its before-tax income to pay all shelter expenses by unit type, broken out by tenure (i.e. owner households, renter households, all households). This data is automatically populated when available through Statistics Canada.

Example of how to calculate the percentage of Renter Households in Core Housing Need for 1 Bedroom units:

$$\frac{\text{Number of 1 bdrm Renter households in Core Housing Need}}{\text{Total number of 1 bdrm Renter households}}$$

### Median Market Rent

The median market rent in the municipality for each unit type. This data is automatically calculated when the data is available through CMHC's Rental Market Survey and Government of Alberta's Apartment Vacancy and Rental Cost Survey.

CMHC Housing Market Information Portal: <https://www.cmhc-schl.gc.ca/hmiportal>

Alberta Apartment Vacancy and Rental Cost Survey: <https://open.alberta.ca/publications/2369-8780>

### Vacancy Rate

The market vacancy rate in the municipality for each unit type. This data is automatically populated when available through CMHC's Rental Market Survey and Government of Alberta's Apartment Vacancy and Rental Cost Survey.

### Policies and Key Initiatives

Please provide current municipal / regional housing policies and key initiatives that enable affordable housing (e.g. tax exemptions, inclusionary zoning), as well as any current local community plans and regional growth strategies established within the last five years. List the documents uploaded as well as a short summary of each (one to three sentences).

### Community Consultations

Comprehensive and extensive public consultation is not required to complete this needs assessment. It is recommended the following community groups be considered for consultation:

- Housing Management Bodies (HMBs)
- Social Service Organizations
- Local Family and Community Support Services (FCSS)
- Private Housing Sector

In addition to the above, consideration may be given to consult with persons, organizations, authorities, or community groups (including Indigenous groups) serving the priority low- to moderate-income populations\* selected for the municipality(ies).

## PART 2: Municipal Key Findings & Priorities

### Non-Market Affordable Housing Supply

#### A. Existing Units

The number of active units for each non-market affordable housing type in the community. Please include all available units including municipally operated units and units operated by Housing Management Bodies (HMBs), Non-Profit Providers, and Community Organizations or others. Please contact your local HMB or the Ministry of Seniors and Housing ([SH.HousingNeedsAssistance@gov.ab.ca](mailto:SH.HousingNeedsAssistance@gov.ab.ca)) if you need a list of provincially supported housing units in your community.

#### B. Current Unit Deficit (need)

The number of units required to satisfy the current demand for each type of housing. The calculation of the number of units needed should take into account current demand for affordable units such as the number of households in the community waiting for an affordable housing

unit (such as management bodies', non-profit housing providers', municipal housing programs, Community Based Organizations' waitlists), or the number of households in the community in core housing need, offset by the amount of units currently available. If known, please also include the demand for accessible units for each housing type.

#### **B1. Current Accessible Unit Deficit (need)**

Enter the number of units required to satisfy the current demand for accessible units. This is a subset of "B. Current Unit Deficit". The calculation of the number of accessible units needed should take into account the number of households on management bodies', non-profit housing providers', municipal housing programs' and/or Community Based Organization's waitlists, waiting for an accessible unit.

#### **B2. Number of Households on Waitlist**

Enter number of households who have applied and are eligible for affordable housing through the local housing management bodies and non-profit housing providers, as well as municipal housing programs or Community Based Organizations and are waiting for placement. This is a subset "B. Current Unit Deficit". Please include the waitlist for this housing type from municipal housing programs as well as programs delivered by Housing Management Bodies (HMBs), Non-Profit providers and Community Based Organizations.

#### **C Anticipated New Units**

This is the total anticipated new supply that will be available by 2027. The municipality may apply any method to calculate anticipated new units. The units do not need to be newly built, but new additions to each housing type. Do not include any unit loss in the calculation.

##### **C.1 Committed or Under-development**

Enter the number of anticipated new supply which has funding commitments and/or are currently under development. This is a sub-set of "C. Anticipated New Units.

#### **D. Projected New Demand**

Enter the number of new households that will require housing support by 2027. The municipality may apply any method to calculate projected future demand. When projecting new demand, consider the number of household growth entered in the Population section of the Housing Needs Assessment and/or the information on percentage of households in Core Housing Need.

One method of calculating Projected New Demand for 2027 is to use the compounded annual growth rate. To do this, first find the Current Total Demand by adding the Existing Units to the Current Unit Deficit in 2022 for each housing type. Then, use the Compounded Annual Growth Rate (CAGR) value from the Population section of this report and apply it to the following formula:

$$\text{Projected New Demand} = [(\text{Current Total Demand}) \times 5 \text{ years}]^{(\text{Compounded Annual Growth Rate})}$$

#### **E. Unit loss due to expiry, condition or age**

Enter the number of units that will become unavailable by 2027 due to expiring agreements, building condition or at the end of its life cycle, due to building age. The municipality should consult with Housing Management Bodies, Non-Profit providers, and Community Based Organizations or other providers to determine the projected loss of units administered by these entities.

#### **F. Total Projected Unit Deficit**

Total Projected Unit Deficit = B + D + E – C

## **Municipal Endorsement**

Please upload copies of supporting documentation of your municipality's endorsement(s) for this Housing Needs Assessment.

The municipal endorsement must be provided by the chief administrative officer or municipal general manager. It is recommended the needs assessment submission be reviewed by council and/or council committee.

For questions about municipal endorsements, please contact [SH.HousingNeedsAssistance@gov.ab.ca](mailto:SH.HousingNeedsAssistance@gov.ab.ca).

# 2022 Resolutions Book



Version 1 – July 27, 2022

Resolutions for discussion at the 2022 Annual Convention  
September 21-23, 2022 | Calgary, AB

Resolutions Session - Thursday, September 22

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# About Resolutions

Alberta Municipalities (ABmunis) conducts an annual resolutions process that enables member municipalities to identify and prioritize common issues and solutions while also empowering Alberta Municipalities Board of Directors to advocate to the federal and provincial governments on members' behalf. This process includes a Resolutions Session at the Alberta Municipalities Convention where members vote on the resolutions submitted.

As set out in ABmunis' [Resolutions Policy](#), a resolution must address a topic of concern affecting municipalities on a regional or provincial level, and must be approved by the council of the sponsoring municipality and seconded by an additional municipal council. A resolution must not direct one or more municipalities to adopt a particular course of action or policy but must be worded as a request for consideration of an issue, including a call for action by Alberta Municipalities.

Resolutions adopted by members annually at Convention are typically active for three years. Alberta Municipalities administration, standing committees and the Board take action to develop and implement advocacy strategies for each resolution. Given the scope, complexity, and volume of issues facing municipalities, ABmunis uses a framework to prioritize where it invests our collective efforts.

All resolutions from the current year and the thirteen previous years, including those that are both active and expired, are posted in the [Resolutions Library on ABmunis' website](#).

## *How to participate in the Resolutions Session*

The resolutions session will take place on Thursday, September 22 as part of [ABmunis 2022 Convention and Tradeshow](#). The session will follow our [Resolutions Policy](#), which outlines the process for the Resolutions Session at Convention in sections 32 to 57.

### **Who can speak to a resolution?**

As outlined in the Resolutions Policy, elected representatives of Regular Members can speak to resolutions. In addition, upon a motion from the floor, or at the discretion of the Resolutions Chair, a representative of an Associate Member, which are municipal districts and counties, may also speak to a resolution.

### **How to speak to a resolution**

After each resolution is introduced, and the mover has been given the chance to speak for two minutes, the Chair will call for a speaker in opposition, seeking clarification or proposing an amendment.

In person attendees wishing to speak to a resolution will be invited to go to microphones clearly marked for those wishing to speak in favour or in opposition. A call-in number will be set up for virtual attendees to speak to resolutions by phone.

Aside from the sponsor, a speaker cannot speak more than once on each resolution.

To be fair to everyone who wants to speak, we will turn off the microphone (or phone call) once a speaker's two minutes are up.

### **How to propose an amendment**

To propose an amendment, please send it to [resolutions@abmunis.ca](mailto:resolutions@abmunis.ca) as soon as possible ahead of the Resolutions Session.

Once the resolution session starts, those attending in person are asked to provide proposed amendments in writing to both the ABmunis staff person sitting in the audio booth at the back of the room and to the Resolutions Chair. Those attending virtually can enter amendments through the Zoom chat function.

Regardless of how you propose the amendment, please ensure you include your name, title, municipality, and the resolution title, along with the exact wording of the proposed amendment.

Note that all amendments must be moved and seconded.

### How to vote

In September, registered elected officials from Regular Member municipalities will receive voting credentials from Simply Voting. Elected officials who are eligible for voting credentials can vote on all resolutions.

The email from Simply Voting will look like this:

You are registered to vote during the ABmunis Convention taking place September 21-23. Below, you will find your login credentials for the vote.

**There is a test vote that is open now. Please check your credentials and cast a vote on the test question as soon as possible so that we can be sure you received your credentials.**

If you need any assistance, please contact: [xxxx@dataonthespot.com](mailto:xxxx@dataonthespot.com)

To vote, please visit: <https://xxxxx.com/>

Then enter:

Elector ID - \*\*\*\*\*

Password - \*\*\*\*\*

Or follow this link to access the ballot directly: [xxxxx](#)

Please note that these are only the voting credentials. Further information will be sent out by Alberta Municipalities in the coming days.

Regards,  
Alberta Municipalities

When you receive this email from Simply Voting, we ask that you **complete the test vote as soon as possible** to ensure that your credentials are activated. The same login information will be used during the Board of Director elections.

Please bring to convention a laptop, phone or other device that is internet enabled. Once we get to the resolutions portion of our event, you will be asked to log in to the Simply Voting website. Once a resolution is called to vote, you will hit the “next vote” button at the top of the page to see the current resolution available to vote on. After you have cast your vote, you will receive confirmation that your vote has been counted. Once the final vote result is posted, we will move onto the next resolution.

If you have any questions about this process, please contact [resolutions@abmunis.ca](mailto:resolutions@abmunis.ca).

# **2022 RESOLUTIONS**

## **CATEGORY B – ISSUES RELATED TO ALBERTA MUNICIPALITIES STRATEGIC INITIATIVES**

# B1: Provincial-Municipal Revenue Sharing

Moved by: City of St. Albert

Seconded by: City of Airdrie

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**WHEREAS** municipalities, their residents and businesses benefit from long-term, stable, and adequate financial commitments from other orders of government;

**WHEREAS** municipalities receive approximately 8 cents of every tax dollar generated by all orders of government, yet are responsible for over 60 per cent of public infrastructure and are limited in their ability to raise needed revenue other than through property taxes;

**WHEREAS** Provincial GDP grew by an estimated 5.8 per cent in 2021, and the provincial economy is expected to recover to 2014 levels in 2022, yet infrastructure funding for municipalities is nearly 40 per cent lower than the annual average prior to the 2015 recession in Alberta;

**WHEREAS** Alberta municipalities have worked with the province to absorb funding cuts and downloading from the Government of Alberta over the past several years, whilst maintaining core services and infrastructure through times of economic hardship;

**WHEREAS** notable examples of provincial funding reductions and downloading to municipalities include: a 50 per cent reduction to the Grants in Place of Taxes (GIPOT), the province is taking a greater share of revenue from municipally-issued fines, downloading DNA/Case Biology costs to municipalities, year-over-year reductions in the Municipal Sustainability Initiative, and downloading disaster recovery costs to municipalities;

**WHEREAS** the current total funding pot for the Local Government Fiscal Framework is inadequate, and will be 37 per cent less than the annual average of the Municipal Sustainability Initiative (MSI) and BMTG programs over the past decade starting in 2024;

**WHEREAS** the Local Government Fiscal Framework's total funding pot is legislated to grow at a rate of 50 per cent of provincial revenue growth, which would mean a 0.5 per cent growth in funding based on current provincial government projections, much lower than inflationary increases;

**WHEREAS** to reinstate historical funding levels of the Municipal Sustainability Initiative under the Local Government Fiscal Framework represents approximately 0.7 per cent of the province's total budget;

**WHEREAS** the Local Government Fiscal Framework provides a predictable foundation for provincial revenue-sharing with local governments, building upon the long-term tradition of doing so within Alberta, that can eliminate red-tape by providing a single, streamlined source of revenue-sharing with municipalities; and

**WHEREAS** municipalities are economic drivers across the Province, and are partners with the Government of Alberta through times of hardship and prosperity.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to increase the size of the funding pot of the Local Government Fiscal Framework (LGFF) starting in 2024, and to grow it at a 1:1 ratio linked to provincial revenue as partners in economic prosperity and the provision of public services and infrastructure to Albertans.

## **BACKGROUND:**

Most municipalities rely on federal and provincial revenue transfers to address their infrastructure deficit. As complex organizations delivering meaningful services to citizens, all municipalities in Alberta rely on stable, predictable, and adequate revenue-sharing. Funding of this nature has been leveraged in the past to successfully

build and rehabilitate critical community infrastructure, support Albertans, and plan for the future. The projects, enabled by revenue-sharing mechanisms with the province, have had significant positive community impacts.

The 2022 Government of Alberta Budget was an important milestone, and it is commendable that the Government of Alberta was able to balance their books. This marks the transition from economic recovery to economic growth. Municipalities have been integral partners in helping to enable this milestone, by absorbing provincial funding reductions and downloading of services over the past several years.

Within a City of St. Albert context, since Budget 2020/21 this has included, annual recurring cost-reductions/downloading of the following:

- Government of Alberta taking greater share of municipal fine revenue (Loss of \$620,000 in revenue);
- Grants in Place of Taxes (GIPOT) 50 per cent reduction (loss of \$75,000 in revenue);
- DNA/Biology Caseworks billed to municipalities instead of Government of Alberta (additional \$25,000 cost); and
- Municipal Sustainability Initiative 25 per cent reduction (loss of \$4 million in revenue).

In total, this is equivalent to a 0.6 per cent property tax increase (excluding the MSI capital reduction) and means needed capital projects could be deferred and additional efficiencies sought to limit tax increases to ratepayers.

Many other Alberta municipalities have done the same.

The Local Government Fiscal Framework is critical to achieve long-term municipal sustainability and presents the opportunity to be a streamlined mechanism for provincial-municipal revenue sharing. It is positive in that it provides increased predictability, stability, and transparency for municipalities across Alberta. However, it is currently inadequately funded to meet the current and future infrastructure needs of Albertans, and to ensure appropriate asset management.

As partners with the Government of Alberta in achieving positive environmental, social, and economic outcomes, municipalities should share in economic growth and prosperity, as we have shared in reducing costs, red tape, and delaying projects to limit property tax increases to our shared residents.

This resolution aligns with a 2021 Alberta Municipalities member-adopted Request for Decision (RFD) on the Local Government Fiscal Framework Implementation, sponsored by the Village of Forestburg which called for removal of the 50 per cent limitation in the revenue index factor calculation so that annual changes in LGFF funding is equivalent to annual changes in the Government of Alberta's revenue and that the starting amount be increased.

**ALBERTA MUNICIPALITIES COMMENTS:**

As noted, this resolution aligns with a 2021 RFD and the ongoing advocacy by ABmunis to seek improvements to the Local Government Fiscal Framework. If this resolution is adopted, ABmunis will approach this issue with a high level of engagement.

## B2: Transportation Infrastructure Funding

Moved by: City of Airdrie

Seconded by: City of St. Albert

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**WHEREAS** municipalities develop Transportation Master Plans that align municipal policies and planning documents with a complementary transportation network planning strategy;

**WHEREAS** Transportation Master Plans (municipal, inter-municipal, sub-regional and regional) act as high-level planning documents allowing municipalities to better plan for major transportation infrastructure investments to ensure vital networks are both built and maintained;

**WHEREAS** safe, connected and resilient transportation networks allow both people and goods to move freely and efficiently across Alberta, supporting economic growth and prosperity;

**WHEREAS** municipal strategic transportation infrastructure projects connecting to provincially owned road networks improve both access and safety to key transportation routes;

**WHEREAS** provincial funding for strategic municipal transportation infrastructure projects that improve performance of network systems is not certain nor is the formula predictable;

**WHEREAS** *Building Forward: Alberta's 20-Year Strategic Capital Plan*, released in 2021, provides a transparent and strategic direction for how the Government of Alberta invests in planning, constructing, renewing and maintaining infrastructure over the long term;

**WHEREAS** the province needs to close the gap to define a clear process to elevate municipal transportation infrastructure projects that are in alignment with the province's strategic objectives and principles of the Building Forward Plan; and

**WHEREAS** the Building Forward Plan (page 91) outlines the importance of cost-sharing agreements with municipalities, but does not include details or principles on a cost-sharing formula.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate to the Government of Alberta for the establishment of both a clear process to elevate and equitably fund municipal transportation infrastructure projects that are in alignment with the Building Forward Plan objectives and principles.

### **BACKGROUND:**

*"In addition to supporting our everyday lives, infrastructure is also a key driver of the economy and government finances. Alberta's infrastructure powers businesses, enables trade, attracts tourism, creates jobs, supports learning, research and innovation, attracts a talented workforce, and increases quality of life for Albertans. Provincial infrastructure assets boost productivity and competitiveness, and form the networks that allow businesses to grow and expand. Infrastructure also makes up our trade corridors and supports critical supply chains. Infrastructure is a key factor in determining where families and businesses settle and grow, and is essential to accessing key resources."*

Source: Building Forward: Alberta's 20-Year Strategic Capital Plan, Plan at a Glance, page 4

In the Building Forward Plan, the Government of Alberta acknowledges that they need to work in partnership with municipalities to support the efficient, effective, safe movement of both people and goods. This need has been captured in the Maximizing Partnerships guiding strategy:

*"The concept of "going it alone" on major capital projects is no longer desirable or financially sustainable. Leveraging the wide range of expertise, knowledge, and infrastructure from partners across sectors encourages*

*innovation and appropriate risk sharing, ultimately leading to better outcomes. Partnerships may involve building on existing collaborations and securing financial fairness and involvement with other orders of government. Key partners will include municipal governments, other provincial and territorial governments, the federal government, the private sector, Indigenous communities, and non-profit organizations.”*

Source: Building Forward: Alberta’s 20-Year Strategic Capital Plan, Plan at a Glance, page 13

The importance of strategic transportation projects impacts the lives of Albertans in all types of municipalities - urban, rural, remote, small or large. Almost 80% of Albertan’s are expected to live in the Edmonton-Calgary Corridor by 2040. Further, rural, remote and northern Alberta communities depend on transportation networks to move goods, connect people and support economic activity. Access to an efficient transportation network system is a deciding factor for where businesses decide to locate and invest in our Province. In addition, residential growth in and around larger urban centres depends on the efficient movement of people to employment, commercial and lifestyle amenities.

Despite the importance of transportation infrastructure, there is presently no clear process to add projects to the provincial capital list. Nor when projects are funded, is there a transparent funding formula ensuring contribution equity from the province and municipalities across projects. Certainty in planning is extremely important for municipalities given that the *Municipal Government Act* requires the creation of five-year capital plans, at minimum. Most municipalities create ten-year plans. Many other municipal planning documents, like economic development strategies, rely on information from capital plans.

Both a clear process and transparent funding formula would go a long way to ensuring that Albertans are being treated equally from municipality to municipality.

#### **ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with ABmunis’ submission to the Government of Alberta during the consultation period for the development of *Building Forward: Alberta’s 20-year Strategic Capital Plan*. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis’ Board by the Infrastructure Committee within the context of related priorities and positions.

## B3: Operational Transit Funding for Small to Medium Sized Municipalities

Moved by: Town of Olds

Seconded by: Town of Didsbury

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**WHEREAS** one in five Canadians live in rural communities. Rural<sup>1</sup> communities in Canada account for nearly 30% of the nation's gross domestic product;<sup>2</sup>

**WHEREAS** the Government of Alberta has communicated, “As Alberta’s economy and population grows, public transportation provides safe, accessible, affordable and environmentally sustainable transportation options to connect Albertans to work, recreation, services and each other;<sup>3</sup>”

**WHEREAS** eighteen (18) Alberta municipalities, out of approximately 350, have the ability to provide transit services through established infrastructure;

**WHEREAS** a majority of capital transit funding opportunities have been designed only for those established systems, and conversely, small to medium sized municipalities do not have the financial resources to take advantage of funding opportunities; and

**WHEREAS** the Government of Canada has communicated, “For Canadians living in rural, remote and small communities, improving the way people access goods and services, get to and from work to medical appointments, and to various destinations, presents unique challenges that require unique solutions.”<sup>4</sup> Inter-community travel is necessary for areas outside of major travel routes for many of the vulnerable population.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to ensure sustainable and predictable operating funding opportunities be expanded under the new Rural Transit Fund for small to medium sized municipalities to begin their transit planning journey.

**FURTHER, BE IT RESOLVED THAT** the Alberta Municipalities advocate for the Federation of Canadian Municipalities (FCM) to ensure the new Rural Transit Fund be expanded to include further operational funding, outside of the Active Transportation Fund and the Zero Transmission Fund for small to medium sized municipalities.

### BACKGROUND:

History shows that advocacy for a national transportation strategy has come to fruition by way of the first Permanent Public Transit Fund, announced in February 2021. The \$14.9 billion will be provided at \$3 billion per year, for the next eight years to larger municipalities. This new fund will provide cities and communities with predictable transit funding. Subsequent to that, the federal government announced a new Rural Transit Fund in March 2021. The \$250 million Rural Transit Fund is dedicated to “support unique transportation solutions”<sup>5</sup> in rural, remote and small

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<sup>1</sup> <https://www.statcan.gc.ca/eng/subjects/standard/pcrac/2016/definitions>

<sup>2</sup> Rural Opportunity, National Prosperity, an Economic Development Strategy for Rural Canada, Infrastructure Canada, June 2019, Page 5

<sup>3</sup> <https://www.alberta.ca/provincial-transit-engagement.aspx>

<sup>4</sup> <https://www.canada.ca/en/office-infrastructure/news/2021/03/government-of-canada-announces-first-federal-fund-dedicated-to-rural-transit-solutions.html>

<sup>5</sup> <https://www.canada.ca/en/office-infrastructure/news/2021/03/government-of-canada-announces-first-federal-fund-dedicated-to-rural-transit-solutions.html#:~:text=The%20new%20Rural%20Transit%20Fund%20will%20provide%20%24250,deployment%20of%20innovative%20mobility%20solutions%20in%20rural%20communities.>

[solutions.html#:~:text=The%20new%20Rural%20Transit%20Fund%20will%20provide%20%24250,deployment%20of%20innovative%20mobility%20solutions%20in%20rural%20communities.](https://www.canada.ca/en/office-infrastructure/news/2021/03/government-of-canada-announces-first-federal-fund-dedicated-to-rural-transit-solutions.html#:~:text=The%20new%20Rural%20Transit%20Fund%20will%20provide%20%24250,deployment%20of%20innovative%20mobility%20solutions%20in%20rural%20communities.)



communities, as there is no one size fits all solution. As part of the *Investing in Canada* plan, this fund will support the planning and deployment of innovative mobility solutions in rural communities.

*“The first ever Rural Transit Fund recognizes that Canadians living in rural and remote areas and in small communities have unique transportation challenges that require flexible, tailored solutions. We'll work with communities to find the best transit solutions and provide the support to make them a reality, creating local jobs and growth, helping to tackle climate change, and building more inclusive communities.”*<sup>6</sup>

- Catherine McKenna, former Minister of Infrastructure and Communities

On January 27, 2022, the Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities called for applications under three programs offered through the Rural Transit Fund. All three speak to capital funding parameters, however, two offer an operational funding component, the Zero Emission Transit Fund, and the Active Transportation Fund.<sup>7</sup> While this opportunity is welcomed, it is one, a very small amount, and two, the funding is limited to trails, pathways, and most especially, geared towards established systems and infrastructure.

Further transit strategy advocacy:

- There was a national call from FCM by way of an adopted resolution, Rural Intercity Transit Strategy<sup>8</sup>, speaking to the coordination of a national strategy through all levels of government in 2018. From that, the FCM in their “Building better lives with Budget 2020”<sup>9</sup> and “Building Back Better Together 2021”<sup>10</sup> budget recommendation submission to the federal government supported a range of rural mobility and transportation solutions.
- Delegates at the 2021 FCM's annual conference adopted a resolution on Emergency Federal Support for Inter-Community Passenger Bus Service, which reinforces “the need for distinct and targeted solutions to address the unique capital and operating needs for long-distance routes.”<sup>11</sup>
- Canadian Urban Transit Association (CUTA) President and CEO, Marco D' Angelo, in a letter to then Minister of Transport stated: “Transit builds and empowers Canadian communities of all sizes from coast to coast. Rural inter-city bus services connect Canadians across the country to each other and to basic social services, like healthcare and education. Connected communities help to foster social equity and inclusion and give rise to economic opportunities for Canadians. In a country as vast as our own, rural inter-city bus services provide a lifeline that may be difficult to quantify, though invaluable to those who rely on it.”<sup>12</sup>
- The Government of Alberta completed extensive engagement to create a provincial public transportation strategy in 2014. The draft strategy, “Connecting Albertans with Each Other and the World: A Long-Term Transportation Strategy for Alberta”<sup>13</sup> outlined seven goals, of which recommended Goal 3, speaks the strongest to inter-community transit.

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<sup>6</sup> Infrastructure Minister Catherine McKenna <https://www.cbc.ca/news/politics/rural-transit-funding-mckenna-1.5967875>

<sup>7</sup> <https://www.canada.ca/en/office-infrastructure/news/2022/01/government-of-canada-calls-for-applications-for-funding-to-expand-public-transit.html>

<sup>8</sup> <https://data.fcm.ca/home/fcm-resolutions.htm?lang=en-CA&resolution=ea2984c0-5c2c-e811-adbf-005056bc2614&srch=%&iss=&filt=false>

<sup>9</sup> <https://fcm.ca/en/resources/building-better-lives-budget-2020>

<sup>10</sup> <https://data.fcm.ca/documents/COVID-19/fcm-building-back-better-together.pdf>

<sup>11</sup> <https://data.fcm.ca/home/fcm-resolutions.htm?lang=en-CA&resolution=b7856f48-3ec5-eb11-85b0-005056bc2614&srch=%&transit%&iss=&filt=false>

<sup>12</sup> [https://cutaactu.ca/wp-content/uploads/2021/01/letter\\_-\\_transport\\_minister\\_marc\\_gameau\\_-\\_rural\\_inter-city\\_bus\\_services\\_in\\_western\\_canada\\_-\\_august\\_2018-1.pdf](https://cutaactu.ca/wp-content/uploads/2021/01/letter_-_transport_minister_marc_gameau_-_rural_inter-city_bus_services_in_western_canada_-_august_2018-1.pdf)

<sup>13</sup> <https://open.alberta.ca/dataset/0a906f69-00e1-418a-aeef-78e948239103/resource/3cd7b7d6-5649-4ce7-8927-57c287a99774/download/2014-transportation-strategy-alberta-draft-2014-04.pdf>

This resolution builds upon the City of Edmonton's approved 2020 AUMA resolution on Permanent Transit Funding, and association's advocacy for stable and predictable funding for all municipalities, by highlighting the importance of small to medium municipalities having a voice in the development of the new rural transit fund and for this fund to provide operational support. The challenges for small to medium sized municipalities are very real. Just in the last few years, many provincial areas have become municipal responsibilities, without accompanying operating dollars and the inability to generate revenue as an offset to the operations of these new responsibilities.

For many of these smaller municipalities, the challenge to be able to provide forms of transit for their residents, especially the vulnerable populations is threefold: the ability to provide potential dollars towards capital projects; grant writing resources and cumbersome application processes; and finally, finding additional dollars to operate.

As seen by the table below, all municipalities over the 12,500 population have the ability for inter-community travel, where a majority of the 7,500-12,500 populations do not.

Out of 16 municipalities, a majority have some form of transportation, and at least half of all municipalities listed, already subsidize their intra-community transit in some form or another to ensure their residents can tend their daily needs. Of these municipalities, a majority of these offerings are available to seniors and residents with mobility or intellectual disabilities. And of those, the larger municipalities have one or more busses in service, and others with vans.

#### *Transportation Availabilities Overview<sup>14</sup>*

|             | Population (2020) | Intra-community | Inter-community | Subsidized   | Users   |
|-------------|-------------------|-----------------|-----------------|--|---|
| Blackfalds  | 11,974            | Yes             | Yes             | Yes - Part of property tax, \$4.59/month                       | Public  |
| Morinville  | 10,571            | No*             | No*             | n/a  | n/a   |
| Hinton      | 10,308            | Yes             | Yes             | Yes - 2 out of 3 services at \$350,000 annually and one at 81% | Public<br>Physical or intellectual disability<br>Seniors/disabled |
| Whitecourt  | 10,229            | Yes             | No*             | Yes - 1 out of 2 services                                      | Public<br>Seniors and disabled                                    |
| Olds        | 9,753             | Yes             | No*             | Yes  | 50+ / Mobility issues   |
| Taber       | 9,105             | No*             | No*             | n/a  | n/a   |
| Coaldale    | 8,933             | No*             | No*             | No longer in service   | n/a   |
| Edson       | 8,524             | Yes             | No*             | No   | Seniors<br>Mobility issues/disabilities                           |
| Drumheller  | 8,223             | Yes             | Yes             | No   | Ages 50+<br>Mobility issues/disabilities                          |
| Innisfail   | 7,957             | No*             | No*             | Rural Transportation Pilot Program – discontinued              |   |
| Ponoka      | 7,525             | Yes             | Yes             | Yes - \$10,000   | Handicap  |
|             |                   |                 |                 |  |   |
| Camrose     | 19,333            | Yes             | Yes             | 1 is \$28/household<br>3 <sup>rd</sup> no longer in service    | Public  |
| Sylvan Lake | 16,351            | No*             | Yes             | No   |   |

<sup>14</sup>Community Transportation Briefing Note, prepared by Maria Lemon, Summer Student Intern, Town of Olds, May 10, 2021

|            |        |     |     |   |   |
|------------|--------|-----|-----|---|---|
|            |        |     |     | Community donors  |   |
| Brooks     | 15,805 | Yes | Yes | In town yes/ regional no<br>Regional:<br>Government of Alberta<br>Regional Collaboration<br>Grant<br>Brooks and District<br>Health Foundation<br>\$10,000 | Seniors<br>Intellectual and physical<br>disabilities<br><br>Public<br>(Medical bookings take<br>priority) |
| Lacombe    | 14,109 | Yes | Yes | Yes   | Seniors/Mobility<br>issues/Illness  |
| Wetaskiwin | 12,996 | Yes | Yes |   | Seniors/Mobility issues   |

\*Does not include taxi service.

"Lack of transportation in rural areas compounds the effects of aging and poverty by limiting access to medical and essential life needs. The problem is complex because of the vast area to be served and the reality that rarely are two or more people travelling to the same location at the same time." <sup>15</sup>

Mayors indicate that: "In some of these communities, if you don't have good transit, it's a real disadvantage.". They say it's a disadvantage to attract investment because people want to go where you have good public transit, [where] you're able to get around." <sup>16</sup>

In order to become part of the transit solution, while small to medium sized municipalities have the opportunity to apply for capital funding, the operational funding mechanism is the greatest barrier to overcome. Including municipalities in the development of this fund is imperative and all municipalities should have a voice in the creation of programs that can complement local solutions.

#### **ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with ongoing advocacy for improvements to transit funding, including increasing dedicated operational funding for municipalities. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Infrastructure Committee within the context of related priorities and positions.

<sup>15</sup> Kelly Taylor, Executive Manager, Rural Rides <https://www.newswire.ca/news-releases/government-of-canada-announces-first-federal-fund-dedicated-to-rural-transit-solutions-865678376.html>

<sup>16</sup> Infrastructure Minister Catherine McKenna <https://www.cbc.ca/news/politics/rural-transit-funding-mckenna-1.5967875>

## B4: Grant Alignment with Provincial Regulatory Requirements

Moved by: Town of Okotoks

Seconded by: Town of High River

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**WHEREAS** the Government of Alberta provides public funding through grant programs for municipal government initiatives of importance to all Albertans;

**WHEREAS** the Government of Alberta sets out rules that municipalities must follow through legislation and regulations;

**WHEREAS** the provisions for grant programs and regulations may not align and/or the decision making authority for the awarding of funding and regulatory requirements conflict or hinder the completion of either projects and/or regulatory compliance or grant funding of same; and

**WHEREAS** the misalignment of grants and regulatory requirements can restrict growth of initiatives or programs and unnecessarily create barriers for municipalities.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to align grant funding and regulatory provisions through creating a one window approach for municipalities to remove barriers, reduce red tape, and improve the delivery of government services at the municipal level across the province for all municipalities.

### **BACKGROUND:**

The Government of Alberta has stated that:

*“Red tape reduction is a key part of Alberta’s Recovery Plan to create jobs, encourage investment and strengthen the economy. By keeping taxes low, cutting red tape and acting on Alberta’s Recovery Plan, the government is reducing needless regulations and processes to further enhance Alberta’s competitiveness, which will drive new investment and growth across the economy.”*

By aligning grant funding with regulatory provisions and authority in a one-window approach, needless red tape will be removed such as redundant processes and rules that do not provide any extra protections. This includes all information relative to a single project, in a single application, to a single authority and ensures that grant approvers and permit approvals have all the information applicable to the project. An example of this is with the Alberta Municipal Water/Wastewater Partnership that provides funding for infrastructure upgrades and is administered under Alberta Transportation. However, the projects themselves are regulated under Alberta Environment and Parks, and therefore any project requiring funding must go through both ministries.

A similar situation existed with the 2019 Municipal Community Generation Challenge that awarded funding for municipal renewable energy generation projects but did not verify or provide a strategy to ensure that projects that received grant funding through this initiative would receive Ministerial approval to then sell the energy produced through these projects. The projects that were approved did receive funding and approval, however, the complexity and uncertainty that came with the conflict impacted project design.

Reducing red tape and aligning funding and permit approvals will save time, money, and resources for both applicants and approving authorities, while still providing the same protections and upholding fiscal accountability. This will make it easier for municipalities to access grant funding while reducing unnecessary regulatory burdens. The alignment of regulatory requirements and decision-making for the same grants will further allow municipalities to invest back into our communities and grow in a timely and efficient manner.

**ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with Alberta Municipalities' ongoing advocacy on red tape reduction and streamlining regulations. Should members adopt this resolution, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Sustainability and Environment Committee within the context of related priorities and positions.

## B5: Incentivizing Comprehensive Flood Management

Moved by: City of Airdrie

Seconded by: Regional Municipality of Wood Buffalo

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**WHEREAS** floods are an extreme weather event causing substantial loss in Alberta, with a particularly devastating effect on urban municipalities;

**WHEREAS** floods in urban municipalities require recovery time, during which their economic power and contributions to the Province are severely reduced;

**WHEREAS** the provincial government has also historically provided disaster relief funds to aid in the physical and economic recovery of urban municipalities at tremendous expense;

**WHEREAS** effective, integrated stormwater management is highly correlated with reduction in flood frequency and severity;

**WHEREAS** the largest and most stable source of revenue for almost all urban municipalities comes from property assessment values; and

**WHEREAS** the pursuit of such revenue sources can run counter to municipal or intermunicipal decisions that would allow for more effective or integrated stormwater management.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for provincial incentives to better integrate stormwater management within and between municipalities.

### **BACKGROUND:**

There is a rising cost from flood damage throughout Canada, including Alberta. Public Safety Canada reports a dramatic increase in the number of disasters for which provinces required and obtained federal assistance under the *Disaster Financial Assistance Arrangements (DFAA) program* from 1970 to 2015. The final six years of that term cost more than the previous 39 years combined, with flooding accounting for 75% of all weather-related expense. The DFAA is expected to cost over \$900M annually.

Similar cost increases are seen for insurance payouts from extreme weather events. Since the 1980s, property and casualty payouts have more than doubled every 5-10 years. Payouts averaged \$405M per year from 1983 to 2008, and then exceeded \$1B for 11 of the 12 years between 2009 and 2020. A report from the Intact Centre on Climate Adaptation at the University of Waterloo suggests that for every dollar of loss borne by Canadian insurers, three to four dollars are borne by government, homeowners, and business owners. The top five highest loss years on record are all flood related.

To reduce the costs and impacts of extreme events, municipalities or regional boards often look to develop at a greater distance from riparian areas. However, the stable and substantial revenues from property assessment run counter to these aims by incentivizing municipalities to maximize their land development opportunities – and lands next to rivers and streams often have premium assessment potential.

The high cost of payouts from provincial and federal governments for flood events provides economic rationale to incentivize municipalities to look at comprehensive or integrated stormwater management practices across an entire watershed. Such integrated practices can involve things like:

- mandating more permeable surface areas as part of developments;
- using stormwater catchment areas (i.e., trap lows) to slow transfer to stormwater ponds;

- reducing acceptable stormwater release rates and enhancing stormwater ponds for capacity beyond 1:100-year events;
- naturalizing riparian banks and avoiding riparian channelization; and
- requiring intermunicipal watershed management bodies.

Such measures may reduce the amount of net developable land, causing concern for developers and municipalities that rely on maximum yield. Alberta Municipalities recognizes that when a municipality agrees to reduce standards, it gains a competitive advantage. Moves by one municipality will often be countered by others within the watershed to remain competitive for property tax revenue, especially non-residential development.

Leadership is required to incentivize municipalities to collaborate on flood resiliency and reduce the long-term expense of extreme weather events, especially floods, for all Albertans.

**ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with ongoing advocacy for stormwater management and urban flooding prevention. Should members adopt this resolution, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Sustainability and Environment Committee within the context of related priorities and positions.

## B6: Exemption of Stormwater Reuse from Licensing Requirements

Moved by: Town of Okotoks

Seconded by: Town of High River

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**WHEREAS** municipalities in Alberta are in need of additional water sources for non-potable water-use activities such as irrigation, dust control, and landscape maintenance;

**WHEREAS** the current regulations pertaining to stormwater make it very difficult for municipalities to use stormwater for outdoor non-potable water-use activities;

**WHEREAS** Alberta Environment and Parks is proposing to change how stormwater is made available for municipalities and is requesting feedback on exempting a certain volume of stormwater from the Water (Ministerial) Regulation license requirements; and

**WHEREAS** municipalities in Alberta would support the exemption of stormwater from the Water Regulation license requirements thus reducing the burden on water licensing in Alberta.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities urge Alberta Environment and Parks (AEP) to exempt stormwater use from licensing requirements provided that the stormwater use does not exceed the difference between pre and post development volumes.

### **BACKGROUND:**

Stormwater use is interpreted as a diversion requiring authorization from the province under the *Water Act*. In the current changing climate, the impact of drier summers puts pressure on the water systems in Alberta to keep up with the demand of a growing population, especially in basins with a moratorium on new water diversion licenses. Drier conditions increase the need for the irrigation of landscaping, both commercially and residentially. Municipalities end up using potable water to irrigate sports fields, control road dust, and to maintain municipal landscaping and tree canopies. Treatment of water to render it potable uses a large amount of energy, which not only increases costs but also contributes greenhouse gas emissions through the use of fossil fuels in the Alberta energy grid.

Through development, additional stormwater volume is diverted from hard surfaces to receiving watersheds which results in a difference between pre and post development release volumes. The release volume calculations are based on rates of evaporation, annual rainfall, transpiration, and percolation. Post-development volumes of stormwater run-off are greater than pre-development volumes due to a significant increase in impervious surface areas that prevent the water from seeping into the ground. In allowing reuse of the excess stormwater, municipalities would save money and resources, and reduce greenhouse gas emissions by no longer having to treat water for irrigating sports fields and road dust control, or for transporting potable water for landscape maintenance. Through stormwater capture and reuse, municipalities would be proactive in mitigating and adapting to the impacts of climate change in Alberta.

AEP has conducted hydrological modeling showing that municipalities would have specific amounts of stormwater available for use without having a negative impact downstream or on the surrounding ecosystem.<sup>1</sup>

In spring 2022, AEP engaged stakeholders to learn about the current desire or need for stormwater reuse in regions of the Province.<sup>2</sup> Changes to how stormwater reuse is accessed are being proposed by the government in order to lessen the barriers to its use.

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<sup>1</sup> <https://www.alberta.ca/assets/documents/ep-stormwater-management-engagement-factsheet.pdf>

<sup>2</sup> [https://your.alberta.ca/stormwater-use/survey\\_tools/stormwater-wmr-amendments-survey](https://your.alberta.ca/stormwater-use/survey_tools/stormwater-wmr-amendments-survey)



In 2014, Alberta Municipalities urged the Government of Alberta to review and make changes to the *Water Act* to provide a regulatory framework that made it easier to pursue stormwater reuse projects, including streamlining the project implementation process.<sup>3</sup>

The proposed action would support the possible changes that are being put forward by the Alberta Government to remove barriers for the reuse of stormwater by municipalities in Alberta.

**ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with existing positions on stormwater management and reuse. Should members adopt this resolution, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Sustainability and Environment Committee within the context of related priorities and positions.

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<sup>3</sup> [https://www.abmunis.ca/sites/default/files/Advocacy/Document\\_library/80676\\_stormwater\\_policy\\_paper.pdf](https://www.abmunis.ca/sites/default/files/Advocacy/Document_library/80676_stormwater_policy_paper.pdf)

## B7: Intermunicipal Collaboration Frameworks

Moved by: Town of Mayerthorpe

Seconded by: City of St. Albert

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**WHEREAS** Intermunicipal Collaboration Frameworks (ICFs) were introduced through Bill 21, Modernized Municipal Government Act, 2016, and the Intermunicipal Collaboration Framework Regulation, which were proclaimed on October 26, 2017. In 2019, Bill 25, Red Tape Reduction Implementation Act made additional changes to the Intermunicipal Collaboration Framework legislation;

**WHEREAS** Intermunicipal Collaboration Frameworks have the following purposes: to provide for the integrated and strategic planning, delivery and funding of intermunicipal services; to steward scarce resources efficiently in providing local services; and, to ensure municipalities contribute funding to services that benefit their residents;

**WHEREAS** municipalities that share a common boundary must have created an Intermunicipal Collaboration Framework with each other by April 1, 2022 with a minimum five year renewal term;

**WHEREAS** Growth Management Board members were initially mandated to complete Intermunicipal Collaboration Frameworks, but Bill 25, 2019 removed this, and inadvertently introduced additional red tape for the completion of intermunicipal agreements;

**WHEREAS** the Government of Alberta and municipalities expended substantial taxpayer money through the Alberta Municipal Affairs Municipal Dispute Resolution Service and the Alberta Community Partnership Program funding facilitators and mediators to deal with Intermunicipal Collaboration Framework conflicts, through countless municipal meetings, through many hours of municipal administrative time, and through costs of arbitration processes;

**WHEREAS** 344 municipalities completed Intermunicipal Collaboration Frameworks, including 257 urban municipalities (19 cities, 106 towns, 81 villages and 51 summer villages), 6 specialized municipalities, 73 rural municipalities (63 municipal districts, 7 improvement districts and 3 special areas) and 8 Metis settlements. 442 ICFs were required in total across Alberta; 7 of these proceeded to arbitration. All of these municipalities could benefit from clearer legislation guiding the content of Intermunicipal Collaboration Frameworks; and

**WHEREAS** findings and decisions of arbitrators based on expert reports have established precedents in defining core funding formulas, establishing eligible costs, and determining eligible services.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities (ABmunis) advocate on behalf of its member municipalities, including those who belong to a Growth Management Board, that the Government of Alberta enact legislation, and develop best practices, that provide clear guidance for Intermunicipal Collaboration Frameworks (ICFs), and ensure reduced red tape and costs during the process to renew ICFs. This guidance should:

- Provide minimum core funding formulas to support fair and equitable frameworks;
- Define core minimum eligible costs, thereby reducing red tape and costs in facilitation, mediation and arbitration processes; and
- Define eligible services within transportation, water and wastewater, solid waste, emergency services, recreation, libraries and other services that benefit residents in more than one of the municipalities that are party to an ICF.

**FURTHER IT BE RESOLVED THAT** ABmunis request the Government of Alberta amend the *Municipal Government Act* to mandate ICFs for municipalities that share a common boundary within Growth Management Boards, to foster intermunicipal and sub-regional collaboration and reduce red tape with respect to intermunicipal collaboration that is currently voluntary.

**BACKGROUND:**

Intermunicipal Collaboration Framework legislation is new and innovative legislation that aligns with the *Municipal Government Act* (MGA), s. 3 Municipal purposes:

“The purposes of a municipality are:

- (a) to provide good government,
- (a.1) to foster the well-being of the environment,
- (b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of a municipality,
- (c) to develop and maintain safe and viable communities, and
- (d) to work collaboratively with neighboring municipalities to plan, deliver and fund intermunicipal services.”

Municipalities during the Intermunicipal Collaboration Framework process may not have adequate staff resources and/or financial capacity to proceed with lengthy and costly facilitation, mediation, and arbitration processes.

By codifying requirements for funding formulas and establishing the types of funding formulas to use, municipalities across the province will be able to realize a more even playing field.

By codifying arbitration precedents or best practices into existing legislation, municipalities will be in a better position to re-negotiate and streamline subsequent renewals of Intermunicipal Collaboration Frameworks providing for consistency throughout the Province.

Thousands of hours of time for municipal administrations and elected officials, untold provincial resources and countless dollars in grant funding have been expended in the process of negotiating, mediating and arbitrating ICFs across the Province. Legal precedents have been established at the expense of the taxpayer with local governments shouldering the burden. We are calling on the province to enact key amendments to legislation that remove the ambiguity and set the stage for less red tape and productive negotiations when obligatory renewal of Intermunicipal Collaboration Frameworks begins.

ICFs were introduced in recognition that while some municipalities have a strong history of collaboration, others were unable to persuade their neighbours to think regionally. ICFs have the potential to improve the quality and efficiency of the delivery of infrastructure and services which positively contribute to the well-being of Albertans and the resiliency of our economy. This resolution is presented with the conviction that there is an opportunity to learn from the experience of municipalities over the past several years in order to strengthen ICF related legislation and processes.

**ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with ongoing advocacy and change management related to reviews of the *Municipal Government Act*, with the most current review being focused on red tape reduction. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Municipal Governance Committee.

## B8: Provincial Indigenous Awareness Training & Support

Moved by: Town of Strathmore

Seconded by: Village of Rockyford

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**WHEREAS** Canada has a history of residential schools which were created for the purposes of separating indigenous children from their families, weakening family ties and cultural linkages and indoctrinating children into a new culture;

**WHEREAS** residential schools were in existence for well over 100 years and many successive generations of children from multiple communities and families endured the horrific experience of them;

**WHEREAS** the experience of those who endured residential schools was hidden until survivors of the system found the strength, courage and support to bring their experiences to light; and

**WHEREAS** it is vital that Indigenous elders and knowledge keepers be able to share their lived experiences directly with students and teachers in order to create greater awareness and support for these individuals and to continue implementing the Truth and Reconciliation Commission Calls to Action report and ensure alignment with the United Nation's Declaration of the Rights of Indigenous People.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate to the Government of Alberta to provide financial support to every school jurisdiction to enable all students (including homeschooled students) and teachers to learn about the lived experience of residential schools directly from Indigenous elders and knowledge keepers for the purposes of allowing those affected to heal and to ensure that the recommendations in the Truth and Reconciliation Commission Calls to Action and the United Nation's Declaration of the Rights of Indigenous People are fulfilled upon.

### **BACKGROUND:**

Alberta has one of the largest and fastest growing Indigenous populations in the country. The First Nations, Metis, and Inuit communities play an important role in the social, cultural and economic fabric of the Province.

However, the relationship and history between Indigenous communities and the Government of Canada is complicated and troublesome. Residential schools operated in Canada for over 100 years, with the last school closing in 1997. It is estimated that 150,000 children attended residential schools in Canada for the purposes of indoctrinating them into Euro-Canadian and Christian ways of living and assimilating them into mainstream Canadian society. The residential school system forcibly separated children from their families for extended periods of time and forbade them to acknowledge their Indigenous heritage and culture or to speak their own languages. Children were severely punished if these, among other, strict rules were broken. Former students of residential schools have spoken of horrendous abuse at the hands of residential school staff: physical, sexual, emotional, and psychological.

The Indian Residential Schools Settlement Agreement came into effect in 2007. One of the components of the agreement was the establishment of the Truth and Reconciliation Commission. The Commission's purpose was to facilitate reconciliation among former students, their families, their communities, and all Canadians. The Truth and Reconciliation Commission of Canada defines reconciliation as:

"An ongoing process of establishing and maintaining respectful relationships. A critical part of this process involves repairing damaged trust by making apologies, providing individual and collective reparations, and following through with concrete actions that demonstrate real societal change."

Alberta Municipalities has advocated for "Welcoming and Inclusive Communities." A necessary component of an inclusive community is the engagement of Indigenous communities.

The Truth and Reconciliation's 43<sup>rd</sup> Call to Action states, "We call upon federal, provincial, territorial, and municipal governments to fully adopt and implement the *United Nations Declaration on the Rights of Indigenous Peoples* as the framework for reconciliation." Reconciliation is a responsibility of all levels of government.

The proposal before Alberta Municipalities' members is to advocate that the Government of Alberta provide financial support and resources for the purposes of allowing Indigenous elders and knowledge keepers to share their lived experiences directly with students and teachers in Alberta's education system. It is imperative that survivors of the residential schools and their families are able to share their stories directly to allow opportunities for them to heal and to ensure that history is not repeated in the future.

The proposed action would be in alignment with the Truth and Reconciliation's 62<sup>nd</sup> Call to Action, which calls upon federal, provincial, and territorial governments to "[m]ake age-appropriate curriculum on residential schools, Treaties, and Aboriginal peoples' historical and contemporary contributions to Canada a mandatory education requirement for Kindergarten to Grade Twelve students."

**ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not have a specific position on the content of curriculum for Alberta schools; however, ABmunis does work to provide training on Indigenous history and culture to its staff and support its members in building relationships with Indigenous communities and peoples through its Organizational Readiness Framework to Build Respectful Relations with Indigenous Communities. This Framework is part of the organization's Municipal-Indigenous Relations initiative. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Municipal Governance Committee.

## B9: Policing Fines and Penalties Revenue Sharing

Moved by: Town of Mundare

Seconded by: Town of Bruderheim, Village of Chipman, Town of Lamont

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**WHEREAS** section 162(2) of the *Traffic Safety Act* states: “Fines and penalties imposed under this Act in respect of offences occurring in a municipality for which policing services are required to be provided under section 4(5) or (6) of the Police Act belong to the municipality that is required to provide the policing services”;

**WHEREAS** as of April 1, 2020, municipalities receiving policing services under the Provincial Police Services Agreement (PPSA) are required to pay a portion of their policing costs;

**WHEREAS** these municipalities will be paying 30% of their policing costs by 2023/2024;

**WHEREAS** the intent of Section 162 of the *Traffic Safety Act* is that fines should be distributed on the basis of who pays for the policing; and

**WHEREAS** despite the intent of the Act, those municipalities receiving policing under the PPSA do not receive a share of the fines and penalties.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to amend section 162 of the *Traffic Safety Act*, Revised Statutes of Alberta 2000, Chapter T-6 to distribute fines and penalties under the Act to those municipalities receiving policing services under the Provincial Police Services Agreement at the same percentage that these municipalities pay for policing.

### BACKGROUND

Prior to October 31, 2005, Section 162 of the *Traffic Safety Act* stated:

#### **Disposition of fines and penalties (in effect prior to October 31, 2005)**

**162 (1)** Subject to subsection (2), any fine or penalty imposed under this Act belongs to the Crown in right of Alberta.

**(2)** Any fine or penalty imposed under this Act in respect of an offence occurring in

(a) a municipality that is an urban area, belongs to that municipality,

(b) a municipal district or Metis settlement, other than on a highway designated as a primary highway pursuant to the *Public Highways Development Act*, belongs to the municipal district or Metis settlement, and

(c) an Indian reserve, other than on a highway designated as a primary highway or a highway designated as a secondary road pursuant to the *Public Highways Development Act*, belongs to the band.

**(3)** For the purposes of subsection (2)(c), “band” and “reserve” mean a band and reserve as defined in the *Indian Act* (Canada).

After October 31, 2005, the *Traffic Safety Act* was changed so that traffic fines were distributed based on the “who pays for policing model”.

Municipalities required to pay their policing costs under sections 4(5) or 6 of the *Police Act* and municipalities that pay for a Peace Officer receive 60% of the specified fine or penalties.

291 municipalities and municipal districts/counties are covered under the Provincial Police Services Agreement and do not currently receive any portion of fine or penalty revenue.

As per the resolution, as of 2023/2024, PPSA Municipalities would receive 18% of the fines and penalties (30% of 60%)

The Town of Mundare, population 852, will pay \$47,740 in 2023/2024 for policing.

This resolution relates to ABmunis Policing and Justice strategy.

**ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific issue; however, past advocacy on police funding has emphasized the need to treat municipalities equitably. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Safe and Healthy Communities Committee within the context of related priorities and positions.

# B10: Advancing Action on Alberta's Drug Poisoning Crisis

Moved by: City of Edmonton

Seconded by: City of Wetaskiwin

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**WHEREAS** 2021 was Alberta's deadliest year on record for drug poisonings with 1,758 deaths;

**WHEREAS** the devastating impacts are being felt across all communities, from big cities and suburbs to smaller remote communities, cutting across all ages, all genders, and all social strata who are at risk both in their homes and within Alberta's most vulnerable populations;

**WHEREAS** the pandemic exacerbated the drug poisoning crisis in our Province with social isolation, unemployment, and mental health challenges combined with an increasingly toxic illicit drug supply and reduced capacity of services, causing drug use to be even more risky;

**WHEREAS** municipalities across the province are facing the impacts of the drug poisoning crisis with added pressures on their first responders, frontline agencies, policing, and the provincial justice and healthcare systems, including increased pressure on Emergency Medical Services' (EMS) ability to provide timely response to other ongoing emergency needs;

**WHEREAS** research has shown that a full spectrum of supports is required, from prevention and education, to harm reduction (including naloxone access and training, supervised consumption sites, and safer supply programs), to treatment and recovery, along with ongoing mental health and addictions support to reverse the devastating impacts of this crisis; and

**WHEREAS** the provincial government has committed to responding to the drug poisoning crisis through increased investments in recovery-oriented care for people struggling with addiction and mental health issues, which is one tool among many that must be deployed.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to:

- Engage municipalities, people with lived and living experience, front-line agencies, and other partners as part of a comprehensive drug poisoning prevention strategy that includes harm reduction and recovery approaches and offers increased investments to address the urgent needs;
- Increase its investments into affordable housing with ongoing wraparound services as part of an integrated approach for responding to the drug poisoning crisis for homeless populations with complex challenges; and
- Immediately reinstate the inclusion of neighborhood-level data in the Alberta Substance Use Surveillance System reporting to inform a data-driven response in providing resources to sustainably implement a comprehensive drug strategy.

## BACKGROUND:

### 2019 Alberta Municipalities Resolution

A [resolution](#) was approved at the Fall 2019 Alberta Municipalities Annual Convention, identifying a need for provincial action to address the drug poisoning crisis, including additional strategic efforts towards supporting prevention, treatment, harm reduction and community safety.

While the province has committed to providing increased support for treatment related services, there has been little advancement on the other required interventions such as harm reduction. As this resolution is expiring this year, a new resolution will provide Alberta Municipalities with the direction to continue advocating, particularly given the increasing deaths across Alberta.



### Government of Alberta Focused Efforts

The Government of Alberta's initial response to the 2019 Alberta Municipalities' resolution referenced previous provincial budget commitments and signaled the appointment of a Mental Health and Addictions Council that would inform the government's future actions.

In March 2022, the recommendations from the Advisory Council were released, and the [report](#) acknowledged the ongoing opioid crisis and the impact it was having on various populations including children and youth, and further highlighted the important role that housing with wrap-around services can play in responding to homeless populations with addictions or mental health issues. An overarching recommendation from the report highlighted the need to:

*"Create a coordinated network providing a continuum of supports (prevention, early intervention, harm reduction, treatment and recovery) for people at risk of or suffering from addiction and mental health challenges."*

The Government's [response](#) following the release of the report centered on their efforts to build a recovery-oriented system of care through increased investments but provided no other details on new funding or initiatives in support of prevention, harm reduction or supportive housing.

### Provincial Drug Poisoning Deaths Data

The following graph shows a continued increase in monthly drug poisoning deaths from across the Province from 2019 to 2021, as taken from the [Alberta Substance Use Surveillance System](#):



### **ALBERTA MUNICIPALITIES COMMENTS:**

This resolution aligns with ongoing advocacy for improvements to Alberta's mental health and addictions system, including action to address the opioid crisis. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Safe and Healthy Communities Committee within the context of related priorities and positions.

# B11: Expansion of the Temporary Rental Assistance Benefit

Moved by: City of St. Albert

Seconded by: City of Airdrie

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**WHEREAS** the Governments of Canada and Alberta proclaimed that every Canadian deserves a safe and affordable place to call home and committed to providing \$444 million in rent support to low-income Albertans in need through the Canada-Alberta Housing Benefit from 2019 to 2028;

**WHEREAS** the Stronger Foundations Alberta Affordable Housing Strategy identifies the goal to simplify processes and regulations for eligibility, prioritization, and rent setting, creating a more transparent and fair system for Albertans who need housing supports, while protecting the most vulnerable, and ensuring housing eligibility is fair, clear, and equitable;

**WHEREAS** the Final Report of the Alberta Affordable Housing Review Panel states that “Albertans need safe, suitable, and affordable housing to participate successfully in the economy and society” and this should apply to all Albertans, regardless of geographic location;

**WHEREAS** Albertans across the province are facing increased financial pressures and there are 11.4 per cent of all Albertans in core housing need, which is not limited to the boundaries of specific municipalities; and

**WHEREAS** the Temporary Rent Assistance Benefit Program is intended to assist lower income Albertan households to afford their rent in housing of their choice and access to the two-year benefit program is currently restricted to residents living in seven Alberta communities and is not available in other Alberta municipalities;

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to expand the current Temporary Rent Assistance Benefit beyond the current eligibility of the identified seven municipalities, and commensurately increase the amount of funding available to enable all low-income Albertans to potentially access this funding to support appropriate housing on a temporary basis, which would assist Albertans to stabilize and improve their situation during the economic recovery.

## **BACKGROUND:**

On July 6, 2021, the Governments of Canada and Alberta announced the Canadian-Alberta Housing Benefit, which would provide \$444 million in rent relief over a ten-year period, until 2028. One component of this funding was the introduction of the new Temporary Rent Assistance Benefit (TRAB), intended to provide a modest subsidy for working Albertan households with low income or those between jobs for a period of up to two years. Program funding is only available to Albertans who reside within the cities of Calgary, Edmonton, Grande Prairie, Lethbridge, Medicine Hat, and Red Deer, as well as the Regional Municipality of Wood Buffalo. Albertans living outside the borders of these jurisdictions are not eligible for TRAB, despite meeting other program criteria, and may be paying the same or higher average market rents identified within the seven municipalities where the benefit is available.

This program is part of the provincial response to the joint funding agreement by the Government of Canada and Government of Alberta. The program addressed some of the recommendations from the Affordable Housing Review Panel (final report, October 5, 2020). The report outlines that in 2016 there were 164,275 (11.4 per cent) Albertans in core housing need. A household in core housing need is defined as one whose dwelling is considered unsuitable, inadequate or unaffordable and whose income levels are such that they could not find alternative suitable and adequate housing in their community. The report also identified that without action the number of Albertans in core housing need would continue to grow.

The program criteria for TRAB are not directed towards ending homelessness, but rather to bridge the gap for low income working households who are paying in excess of 30 percent of their income towards housing costs, or who are temporarily out work. Albertans are eligible if they earn incomes at or below the provincially published income

thresholds for the community they live in, based on the number of bedrooms required for the household size. The two-year fixed rate subsidy is re-assessed after the first year and is reduced in the second year, however households can reapply for rent assistance at the end of two years. Households are prioritized on a first-come, first-served basis and the benefit is paid directly to tenants, with a minimum of \$100 per month. The full rate schedule can be found here <https://open.alberta.ca/dataset/d0e76201-ba35-48d3-88c6-53ad54c43e51/resource/07833782-f819-4ace-bcb3-96182e5ab1ca/download/sh-temporary-rent-assistance-benefit-rates-2021.pdf>

The Rental Assistance Benefit Program is available to low-income Albertans through most housing management bodies across the province. Prioritization for this long-term program is based on need, meaning that only the lowest income thresholds are eligible. This ongoing program has long waiting lists, which creates a significant risk for Albertans to become homeless, as they wait for availability. For example, as of February 2020 nearly 10,000 people were on the waitlist with Capital Region Housing (now Cvida) to receive rental assistance.<sup>1</sup>

The TRAB supports Albertans who are not eligible to access deeper subsidy programs, with the goal of supporting tenants who are between jobs or are working with low income. This program also allows Albertans to exercise more choice in their housing, which creates direct economic benefits for housing providers, while ensuring families find suitable accommodations near their place of employment and/or supports. TRAB can help to bridge a gap for Albertans to prevent the requirement for greater, long-term subsidies in the future.

The past several years have created significant financial pressures on Albertans across the province, beginning with an economic downturn in 2015/16, unstable oil and gas prices, followed by economic uncertainty as a result of a worldwide pandemic. As Alberta enters into a recovery phase from the pandemic, substantial inflation, not seen in 30 years, is adding additional financial stress on Albertan households.

Although the overall consumer price index has increased by 6.5 per cent in Alberta, some goods and services have seen higher increase in costs. Food prices (6.8 per cent), transportation costs (13.8 per cent), and energy costs for utilities (30.7 per cent) all represent inflation costs above the overall average, with both transportation and utility inflation rates higher in Alberta than the national average increase.<sup>2</sup> “Despite a strong recovery, average incomes in Alberta have decreased 4 per cent, since the start of the pandemic, and Albertans are falling behind their peers.”<sup>3</sup> The Alberta economy has not yet recovered from the impact of COVID, and while oil prices have improved, economic uncertainty and lower availability of permanent full time work prevails.

One of the key principles identified during the Affordable Housing Review, whose recommendations formed the foundation of the TRAB program, is that a fair, equitable, and inclusive affordable housing system is essential. However, this principle was not put into practice when the TRAB criteria was established, limiting the accessibility of the benefit to residents only within select municipalities.

The latest available population numbers indicate that the population of Alberta is 4,271,759, while the total population for the seven municipalities eligible for the TRAB is 2,704,453.<sup>4</sup> Therefore, approximately half of Albertans are ineligible to access this benefit, due to their geography, despite potentially meeting other eligibility requirements. Overwhelmingly, most municipalities in Alberta, and therefore their residents, are ineligible to access this funding. 21.2 per cent of all core housing need is outside of the seven municipalities currently eligible for the TRAB.<sup>5</sup>

Certainly, the identified seven municipalities for the TRAB program do represent major urban centres in Alberta; however socio-economic issues do not end at municipal boundaries. These municipalities are also receiving specific funding from the Provincial and Federal governments to prevent and reduce homelessness.

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<sup>1</sup> The High Cost of Waiting. Edmonton Social Planning Council Report. February 2020.

<sup>2</sup> Consumer Price Index, Canada and Alberta. Alberta Official Statistics. April 20, 2022.

<sup>3</sup> Alberta Snapshot. Business Council of Alberta. April 2022.

<sup>4</sup> 2019 Municipal Affairs Population List. Government of Alberta. December 2019.

<sup>5</sup> Statistics Canada, CMHC. Household Type—in Core Housing Need. 2016.

Data does not substantiate that only these seven municipalities have housing pressures. For example, in 2021 the overall vacancy rate was lower for most Edmonton Census Metropolitan area communities than the City of Edmonton, as identified in the Canadian Mortgage and Housing Corporation Rental Market Survey. This survey also identified increasing average rental rates for all categories, highlighting the increasing housing costs for Albertans.

Program limitations may force Albertans who would be eligible for the TRAB to relocate to one of the seven centres to access program funding. Alternatively, if residents chose to remain in their current community of choice, the benefits intended to reduce housing instability and homelessness will not be available, and these communities may face higher incidences of housing instability and homelessness without the resources to address them fully. Increased instances of housing instability and homelessness can create additional pressures on municipalities, who have to respond to the societal issues caused by homelessness.

The existing limitations of the Temporary Rental Assistance Benefit will result in long term implications to Alberta communities whose residents deserve the same consideration for core housing need support regardless of where they reside in Alberta.

**ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific issue; however, past advocacy on affordable housing has emphasized the need to improve access to affordable housing for all Albertans. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Safe and Healthy Communities Committee within the context of related priorities and positions.

## B12: Municipal Identified Unique Housing Priorities

Moved by: City of Fort Saskatchewan

Seconded by: Strathcona County

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**WHEREAS** the Government of Alberta is developing a Standardized Template for an Affordable Housing Needs Assessment as a key action item outlined in Stronger Foundations: *Alberta's 10-year strategy to improve and expand affordable housing*;

**WHEREAS** the Needs Assessment is intended to offer a standardized and comprehensive approach for evidence-based decision-making and is intended to support municipalities to identify and prioritize their housing needs;

**WHEREAS** each Alberta municipality has a unique household, geographic, and demographic context that informs their corresponding housing need;

**WHEREAS** while Federal Census Profile data is a valuable resource in identifying the overall housing need, additional local context is necessary to effectively maximize the efficiency, efficacy, and sustainability, of affordable housing investments;

**WHEREAS** data stories help make complex data clear and understandable through visuals and narrative and can provide municipalities opportunity to contextualize municipally identified priorities; and

**WHEREAS** smaller communities may need support in the form of access to funding and expertise to carry out the assessments.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to engage municipalities and housing management bodies regarding the Standardized Template for an Affordable Housing Needs Assessment to ensure data collected and used in the Template meaningfully captures each municipality's unique local context for housing needs, challenges, and barriers.

### **BACKGROUND:**

Stronger Foundations is Alberta's 10-year strategy to improve and expand affordable housing. It maps out the bold and thoughtful changes needed to provide safe, stable, affordable housing for an additional 25,000 households to increase the total number of households served to 82,000 – an increase of more than 40 per cent.

Albertans should have access to safe, affordable housing that meets their needs and promotes quality of life. The housing system should deliver innovative and sustainable affordable housing options to Albertans in need through partnerships with other orders of government, non-profit and private housing providers, and communities. The housing system will serve Albertans now and into the future

This resolution seeks to encourage the provincial government to work with municipalities to ensure that unique attributes and nuances of communities are understood and can be built into this body of work.

### **ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific issue; however, past advocacy on affordable housing has emphasized the need to improve access to affordable housing for all Albertans and consider local house needs and priorities. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further

advocacy would be recommended to ABmunis' Board by the Safe and Healthy Communities Committee within the context of related priorities and positions.

# **2022 RESOLUTIONS**

## **CATEGORY C – OTHER ISSUES OF POTENTIAL INTEREST TO ALBERTA MUNICIPALITIES**

# C1: Cannabis Plant Limits (Medical Certificate) for Residential Properties

Moved by: Village of Duchess

Seconded by: The City of Brooks

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**WHEREAS** Government of Canada regulations (Cannabis Regulations SOR/2018-144) allow for the use of a property in a residential neighbourhood for the sole purpose of cultivating marijuana plants with a legal Medical Certificate;

**WHEREAS** the number of plants that can be legally grown can exceed 500 located in one single residence with no restrictions placed on the number of plants per square foot of home and no consideration given to the health and safety of the residents in the community;

**WHEREAS** while the health and safety of municipal residents is directly affected by the potential for criminal activity and by the unsafe use of utilities, current regulations do not allow municipalities to ensure that the growing activities are in accordance with safety codes;

**WHEREAS** it is challenging for municipalities to protect the health and safety of first responders who may be called upon to enter an unsafe situation; and

**WHEREAS** the potential purchasing of smaller homes or the conversion of current rental property for medical cannabis production could negatively impact affordable housing in many communities.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities collaborate with the Rural Municipalities of Alberta (RMA) and the Federation of Canadian Municipalities (FCM) to advocate for the Government of Canada to amend medical marijuana regulations to place a reasonable limit on the number of plants that can be grown in a residential property or within property in a residential zoned district to preserve the health and safety of our communities.

## **BACKGROUND:**

All municipalities across Alberta, and Canada, are directly impacted by the current regulations that allow a person to purchase a property in a residential area and use it solely as a location for the growing of marijuana plants as defined by that persons' medical license as the owner is not required by the regulations to reside in the property. The number of plants can also be increased by the property owner holding the medical growing certificate of another person with their permission.

A person holding a medical certificate allowing them to grow their own marijuana can also grow these plants in their place of residence and could also potentially have over 500 plants. These residences are not subject to any Safety Code inspections or regulations. The owner and resident are not obligated to notify the municipality, which creates a significant barrier to ensuring safety standards are met through conducting Safety Code inspections.

Any of these residences can be located next to playgrounds, recreation centres, parks, and schools. There are limited regulations to restrict these potentially large indoor "Medical Grow Ops" to be located a reasonable distance from any place that provides facilities for children.

The Government of Canada has created a loophole in the regulations that puts the health and safety of our communities at risk. The risk is not limited to potential criminal activity but also includes the unsafe use of utilities in the property and the potential for damage to neighbouring properties in the event of a fire or explosion. The inability of municipalities to control these activities puts the safety of residents at risk and puts the health and safety of First Responders at risk if they are unaware of the situation in the property whilst responding to an emergency call.



The “loophole” in the Government of Canada regulations could also negatively impact the availability of affordable housing in communities. Affordable housing options have been targeted for lower cost purchases to provide owners with a location to grow their plants outside of their own residence. The Village of Duchess has already experienced the loss of a rental property to use of the residence (800sq ft) as a location to grow medical legal plants. We are unable to verify the utility safety of the property or the safety of the neighbouring homes. A neighbouring municipality with a population of about 350 people already has over three rental properties converted to production of medical cannabis for personal use.

Research undertaken informally has provided evidence that a medical prescription for marijuana can be anything from 10mg to 100mg per day. According to the Government of Canada [calculator](#), this means that a person can legally grow anywhere from 49 to 487 plants for their own use. This number can increase as a person may also grow for another person who is in possession of a [current medical certificate](#).

A [petition](#) was tabled in the House in 2021. The Government of Canada’s response states:

*“With each registration issued, Health Canada reminds registered individuals and designated producers that they need to comply with all relevant provincial/territorial and municipal laws, including local bylaws about zoning, noise, odour, electrical and fire safety, as well as all related inspection and remediation requirements.*

*Health Canada encourages all provinces, territories, and municipalities to use the tools at their disposal to confirm that individuals meet all standards and by-laws. This includes implementing any limitations on zoning, location, and nuisances, such as odour, that they feel are appropriate in their jurisdictions. Municipalities could, for example, require building permits and inspections of electrical work at personal production sites.”*

This response has three critical flaws:

- It is difficult for any municipality to limit permissions granted by the federal government.
- Health Canada does **not** share information with municipalities regarding registrations granted to residents to grow their own medical marijuana making it challenging for municipalities to know where plants are grown.
- And, most importantly, responsibility for managing the impact of federal legislative loopholes should **not be downloaded** to municipalities with limited resources to address them.

The Village of Duchess is not opposed to the ability for a person to grow their own medicine but insist that this activity be in accordance with municipal health and safety practices when undertaken in a residential neighbourhood. Restrictions are in place within municipalities with respect to any activity that can negatively impact the quality of life of a neighbourhood. The Village of Duchess is not opposed to excess medical plants being grown in a light industrial zoned area.

FCM and RMA have active resolutions related to this issue and the Village of Duchess would urge Alberta Municipalities to increase the voice for change by working together with FCM and RMA to advocate for urgent and immediate change.

MP Martin Shields from the Bow River Constituency is also advocating for change along with MPs from Northern Ontario and Manitoba where this issue is already impacting community health and safety.

#### **ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific issue. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis’ Board by the Safe and Healthy Communities Committee within the context of related priorities and positions.

## C2: Equitable Provincial Charitable Gaming Model

Moved by: City of St. Albert

Seconded by: City of Airdrie

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**WHEREAS** charitable organizations provide a valuable service across Alberta and their sustainability is of upmost importance to Alberta society;

**WHEREAS** the Alberta Gaming, Liquor and Cannabis (AGLC) helps to ensure the sustainability of charitable organizations through revenue generation made possible by volunteer charitable casino events;

**WHEREAS** an inequitable model for the disbursement of casino revenues to charities currently exists, and the frequency of revenue generating opportunities varies greatly based on location in the Province;

**WHEREAS** previous reviews of the charitable gaming model have articulated the inequities that exist across Alberta, yet decades of inaction have perpetuated these inequities; and

**WHEREAS** the AGLC initiated a charitable gaming review in 2019-2021, and are in the process of completing the review, to examine how the model is meeting the needs of Albertans and to look for opportunities to improve it,

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities request that the Ministry of Treasury Board and Finance, and AGLC expeditiously act on the findings of the Charitable Gaming Review and 2021 What We Heard report by implementing a more equitable provincial charitable gaming model to promote the long-term competitiveness and sustainability of charitable organizations across Alberta.

### **BACKGROUND:**

In 2010, after significant stakeholder consultation, a Provincial MLA Advisory Committee provided a report to the Solicitor General and Minister of Public Security on “Eligible Organizations’ Access to and Distribution of Proceeds from Licensed Casino Events.” The Committee recommended the Alberta Gaming and Liquor Commission (AGLC) consider several changes to casino region boundaries and how proceeds are distributed amongst eligible charities.

Under Alberta’s current model, adopted in 2003, charitable groups that meet certain criteria may be licensed by the AGLC to conduct charity casinos, in coordination with licensed private casino facilities, as a revenue generating opportunity. These revenues are critical for charitable organizations’ sustainability and ability to provide services to communities across Alberta.

There are 19 casino facilities located throughout Alberta, each of which belongs to a ‘casino region.’ Charities are generally assigned to their nearest casino facility. Only charities located within Edmonton and Calgary, or who provide province-wide services are permitted to receive a license for a casino event in Edmonton or Calgary casinos.

In the 2010 MLA Advisory Report, it was identified that inequities exist because:

- There is a long waiting period to hold casino events across the province because there are more charitable organizations than there are possible casino events.
- The waiting period for charities to hold casino events varies, from 16 months in Fort McMurray to 34.5 months in Lethbridge.
- Amongst casino regions, charitable proceeds can vary, from an average high of \$77,486 in the Edmonton region to \$18,011 in the St. Albert/Camrose region.

Despite this report, inequities have continued to persist and grow over the last twelve years. The AGLC has recently reported that the waiting period for charities to hold casino events varies from 17 months in Fort McMurray to 41 months in Camrose. This is a notable increase from the MLA Advisory report.

Alberta Municipalities had a resolution on this topic approved by over 88 per cent of members in 2018, which provided the association's position throughout the AGLC's consultation, but the resolution recently expired in 2021. The intent of bringing this forward is to ensure that action is taken by the AGLC and/or Ministry of Finance and Treasury Board to implement a more equitable model, consistent with historical asks and recommendations, spanning over a decade.

In 2019, the AGLC surveyed over 3,800 organizations as part of the Charitable Gaming Review. The AGLC also conducted stakeholder engagement in 2021, which engaged 90 charitable organizations and representatives from casinos. Feedback from the engagement included:

- Casino revenues should be pooled provincially and distributed equally to charitable organizations; alternatives included pooling rural casinos revenue, pooling a portion of all revenue and distributing it equally and using a sliding scale to distribute based on need;
- Eliminate/re-draw casino boundaries so that charitable groups can choose any casino in the province; and
- Allow organizations outside the Edmonton and Calgary boundaries to have access to casino events, where revenue generation is greater.

A final report has not been received by Alberta Municipalities and relevant stakeholder groups to outline final recommendations. Given the nature of engagement that has occurred and the initial findings, it is important that recommendations are developed and actioned to benefit charities across Alberta, whose services are more important than ever.

The City of St. Albert believes that given the increased emphasis placed on this topic in recent months, and the AGLC's communicated intent to provide recommendations on the topic and finalize their review of the charitable gaming model, Alberta Municipalities can help ensure that the AGLC completes this initiative, by adding its voice to this topic. A more equitable model will benefit the charitable organizations that support Alberta's cities, towns, and villages.

The following table outlines the wait times and revenues each casino-region received in 2019.

| Casino Region  | 2019 Wait Time for Key Events (Months) | 2019 Annualized Return (product of wait times and proceeds) |
|----------------|--|---|
| Calgary        | 20                                     | \$42,000  |
| Calgary-Rural  | 36                                     | \$16,000  |
| Camrose        | 41                                     | \$6,100   |
| Edmonton       | 23                                     | \$39,000  |
| Fort McMurray  | 17                                     | \$32,000  |
| Grande Prairie | 31                                     | \$14,100  |
| Lethbridge     | 33                                     | \$12,000  |
| Medicine Hat   | 19                                     | \$10,000  |
| Red Deer       | 36                                     | \$8,500   |
| St. Albert     | 31                                     | \$8,100   |

#### **ALBERTA MUNICIPALITIES COMMENTS:**

Visit the [Resolutions Library](#) to see the status of ABmunis work on the 2018 resolution "Equitable Provincial Charitable Gaming Model". If this 2022 resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Economic Strategy Committee within the context of related priorities and positions.

# C3: A Proposal to Review the Processes and Policies of the Natural Resources Conservation Board Concerning Confined Feeding Operations

Moved by: Summer Village of Grandview

Seconded by: Summer Village of Silver Beach

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**WHEREAS** the province has taken away the right of municipalities to approve Confined Feeding Operations (CFOs) under their Land Use Bylaws and has delegated this responsibility to the Natural Resources Conservation Board (NRCB);

**WHEREAS** the *Agricultural Operations Practices Act* (AOPA) specifies conditions that must be considered in the approval process;

**WHEREAS** the NRCB has established policies that diminish the diligence the Approval Officer must apply in reviewing the compliance of an application for a CFO;

**WHEREAS** Alberta Environment and Parks does not always provide meaningful input into the approval process when there is a possibility of significant environmental impact; and

**WHEREAS** significant social, economic, and environmental consequences can result from an approval of a CFO if the Board's policies are applied without due consideration of the specific requirements of AOPA.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to complete review through a public hearing of the policies and processes used by the NRCB in the approval of CFOs in order to enhance the transparency and fairness of the process and give all municipalities impacted by the approval a greater voice in the decision-making process.

## **BACKGROUND:**

The locations of Confined Feeding Operations have long been a contentious issue because of the social and environmental problems caused by concentrating an abundance of animals in an unnatural setting. As a result, municipal Land Use Bylaws have set a variety of standards with respect to setbacks and exclusion zones. In 2002, the province took away the right of municipalities to regulate CFOs and delegated that responsibility to the Natural Resources Conservation Board, which administers the *Agricultural Operations Practice Act*. The stated purpose of AOPA is to “ensure that the province’s livestock industry can grow to meet the opportunities presented by local and world markets in an environmentally sustainable manner” (emphasis added).

Under AOPA, the specific responsibility for evaluating CFO applications is delegated to an Approval Officer who is guided by the NRCB policies. If the officer can “tick all the boxes,” i.e., if the prescribed setbacks and other requirements are met, then the project is deemed to be environmentally sound, and it is approved. Other than the local municipality, only “directly affected parties” have a right to present arguments for consideration, and that status is determined by setback distances without consideration for local geographical or environmental conditions. There is no consideration for adjoining municipalities to be considered “directly affected” unless they were successful in getting the issue included in their Intermunicipal Development Plan (IDP). And even though the Approval Officer must deny approval if an application contravenes an affected municipality’s Development Plan, that denial can be overruled by the Board.

This issue could affect any Alberta municipality adjacent to an agribusiness operation, but it is of particular concern to municipalities near a lake fed by a watershed where agricultural operations are carried out.

The NRCB's Annual Report for 2020-2021 indicates that one of its initiatives was to reduce "red tape" and to speed up the process. The NRCB entered into an agreement with Alberta Environment and Parks whereby NRCB staff would then conduct wetland assessments at proposed confined feeding operations.

It is an admirable goal to advance the growth of the livestock industry, but as with the coal industry, there are many factors that must be considered beyond the "one size fits all" approach the NRCB takes when it considers an application. For example, in southern Alberta, the amount of precipitation is significantly less than that in central and northern Alberta. This means the concern regarding environmental impacts from nutrient runoff is much different between the two locations. Also, the size of watersheds varies greatly across the province, which causes differing environmental consequences. While the South Saskatchewan Regional Plan is now in force with specific requirements for environmental concerns, the North Saskatchewan Regional Plan is still not complete. In its absence, special attention must be paid to environmental impacts in this region. The basic question is why should one business be allowed to have consequential impacts on so many affected parties without their ability to provide input?

At Pigeon Lake, a CFO application is currently under evaluation. Through the public involvement process, the weaknesses in the AOPA Regulations are being exposed at every turn. The AOPA requires a setback of manure storage facilities of only 30 metres from a watercourse, which includes lakes and streams. High levels of nutrients from an existing Intensive Livestock Operation have been measured in adjacent streams, which flow into Pigeon Lake. It appears from other decisions that cumulative effects are not considered.

Whenever a Statement of Concern addressing significant environmental concerns is filed, Alberta Environment and Parks should be required to submit an environmental assessment as the first step in the review process. In the case of the application in the Pigeon Lake watershed, the harmful effects on the lake, which is currently at a tipping point, pose a serious threat to the health of the lake and the economy of the region. A review by the scientists at Alberta Agriculture and Forestry is not sufficient in that it is not a true arm's length investigation.

Adjacent municipalities also should have a greater voice in the decision-making process. Currently the only input they would have been through an IDP with the local county, but only if they have agreed to include exclusion zones. If the county is reluctant to include an exclusion zone or if the issue of CFOs is missed when the IDP is prepared, a CFOs in close proximity to an urban centre could meet all NRCB requirements while threatening disastrous effects on the local economy through a crashing real estate market and deteriorating quality of life. The quality of life for the residents due to persistent odours will suffer, but again, the Board does not consider odours a valid reason for denying approval.

The *Municipal Government Act* states that one of the five fundamental purposes of municipalities is to foster the well-being of the environment. Improperly situated CFOs can have dire and long-lasting consequences on many environmental features, especially lakes where nutrient loads can result in harmful algal blooms. Another of these stated purposes is to "*develop and maintain safe and viable communities*" (MGA s3). An odiferous feedlot in the vicinity of a neighboring residential area is in direct opposition to the legislated purpose of a municipality. Therefore, municipalities must have a voice in determining how these business enterprises are approved. This issue could impact each and every municipality in the province.

It is recommended that Alberta Municipalities lobby the province for a public review of this issue with specific attention to how the policies established by the Board have diminished the legislated requirements under AOPA. The overall objective is to adjust the NRCBs policies and procedures, and legislation, if need be, to consider local geographic and environmental factors with the goal of better aligning them with the long-term environmental and

economic needs of municipalities and not just the short-term interests of agribusiness. The review must include Municipal Affairs, Alberta Environment and Parks, Alberta Agriculture and Forestry, and municipalities, as well as public input.

Respectfully submitted by the Summer Village of Grandview

**ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific topic. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Sustainability and Environment Committee within the context of related priorities and positions.

## C4: Disparity in Electricity Distribution and Transmission Rates

Moved by: City of Grande Prairie  
Seconded by: Town of Drumheller

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**WHEREAS** the cost of transmission and distribution of electricity to customers is causing a disparity in prices across Alberta;

**WHEREAS** electricity prices, which are becoming extraordinarily high in some service areas, are regulated by the Alberta Utilities Commission (AUC) for residential, farm and commercial customers in rural and urban areas;

**WHEREAS** in 2021, annual transmission charges paid by the average residential customer with 7200 kWh of consumption ranged from \$239.28 (in Enmax's service area) to \$339.72 (in ATCO's service area) <sup>1</sup>;

**WHEREAS** in 2021, annual distribution charges paid by the average residential customer with 7200 kWh of consumption ranged from \$308.40 (in ENMAX's service area) to \$1,007.16 (in ATCO's service area) <sup>2</sup>; and

**WHEREAS** the cost of transmission and distribution do not just impact purchased energy but also sold energy, with high costs making micro-generation economically challenging in much of the Province.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to eliminate the disparity in electricity pricing for transmission and distribution charges across the Province by adopting a model similar to British Columbia or Saskatchewan.

### **BACKGROUND:**

Because electricity delivery is a fully regulated service, the Alberta Utilities Commission (AUC) reviews the costs in detail and approves the rates to ensure all the charges are fair and reasonable. However there seems to be a disparity in these charges depending on where you live in Alberta. Energy delivery charges include two components: transmission and distribution (in addition to rate riders).

Transmission charges cover the cost of moving electric energy from generating facilities through transmission lines to distribution utility substation transformers. The transmission charge on an electricity bill is based on how much electricity the customer has used and on average is between 14% and 20% of a customer's total bill.

Distribution costs vary with location and consumption. Distribution charges cover the cost of moving electric energy from substation transformers through local lines that carry electricity to the customers' meters. If the service area is large and sparsely populated, one kilometer of distribution line may only serve a few customers whereas in an urban centre, one kilometer of line serves a larger number of customers. Distribution charges are between 22% and 47% of a customer's total bill.

In some parts of the Province, energy delivery charges compose nearly 70% of a customer's total bill for the sum of the two components: transmission and distribution charges.

In large geographical portions of the Province, both businesses and residential endure economic penalties based on geographical and population density disadvantages. This disadvantage can be as high as a 3 to 1 ratio of as seen in

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<sup>1</sup> Utilities Consumer Advocate: Electricity Transmission and Distribution Charges  
<https://ucahelps.alberta.ca/electricity-transmission-and-distribution-charges.aspx>

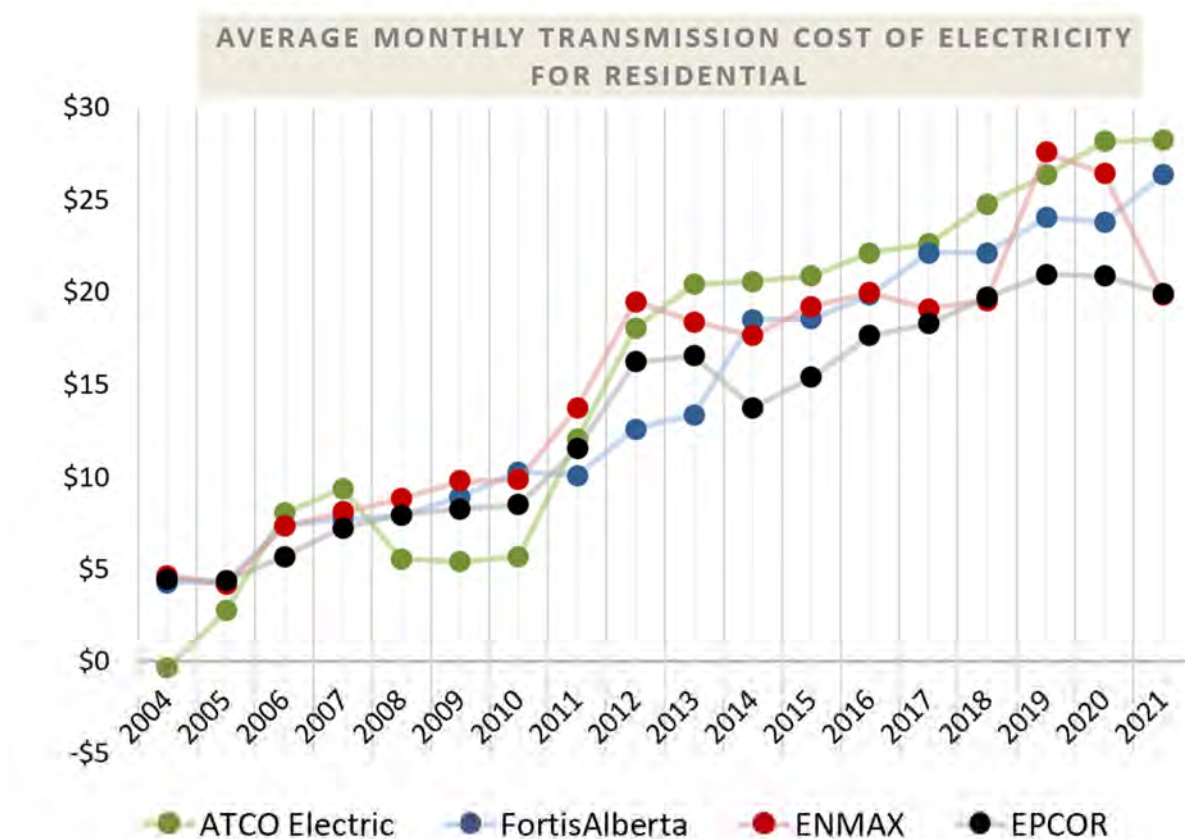
<sup>2</sup> Utilities Consumer Advocate: Electricity Transmission and Distribution Charges  
<https://ucahelps.alberta.ca/electricity-transmission-and-distribution-charges.aspx>



chart comparisons below. In comparison, British Columbia and Saskatchewan have succeeded in building and operating transmission and distribution systems where landed costs of electricity are much more evenly distributed amongst the entire system.

In Saskatchewan, all cities, towns and villages pay one rate that includes transmission and distribution costs regardless of geographic location and all rural areas pay a marginally higher rate. There is only a 1.4 to 1 ratio between the two rates. In British Columbia, all electricity costs including transmission and distribution are equalized across the entire Province.

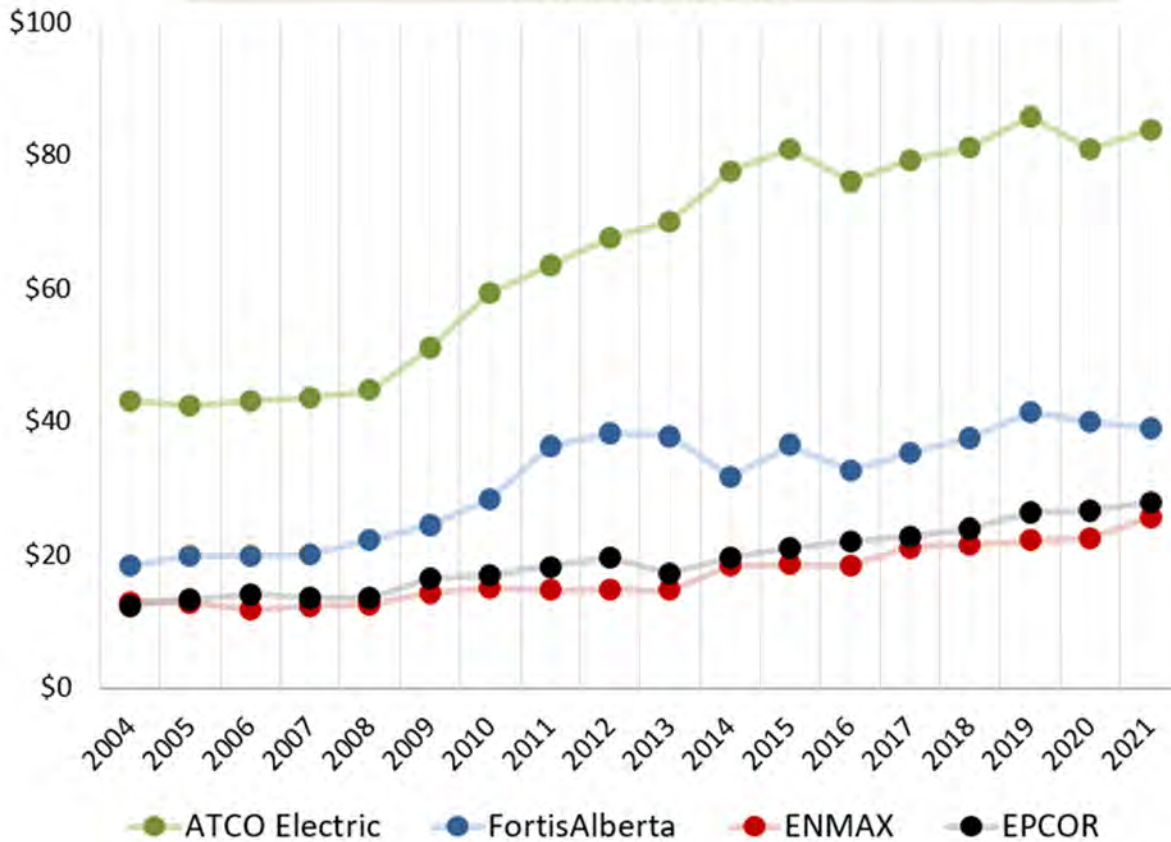
As the electrical grid for Alberta ultimately operates as a single entity, it is reasonable to distribute those costs equally across the Province. The current system unfairly penalizes communities that are on the border between providers. Competitiveness to attract businesses to Alberta or outside of major urban centers within Alberta is stunted by disparities in the Alberta model. Continual increases of transmission and distribution rates, especially in areas that are already realizing significant cost disparity, results in an increase in energy poverty for many Alberta families and seniors.



Source: Compiled by the Office of the Utilities Consumer Advocate based on data provided by the Alberta Utilities Commission and Alberta Electric System Operator



### AVERAGE MONTHLY DISTRIBUTION COST OF ELECTRICITY FOR RESIDENTIAL



Source: Compiled by the Office of the Utilities Consumer Advocate based on data provided by the Alberta Utilities Commission and Alberta Electric System Operator

#### ALBERTA MUNICIPALITIES COMMENTS:

This resolution aligns with ongoing advocacy to address disparity in distribution and transmission rates across Alberta. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Infrastructure Committee within the context of related priorities and positions.

## C5: Traffic Safety Act Exemption for Angle Parking in Cul-de-Sacs

Moved by: City of Airdrie

Seconded by: City of Calgary

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**WHEREAS** all municipalities, towns villages are required to follow the *Traffic Safety Act* and Use of Highway and Rules of the Road Regulation (UHRRR), Division 10, section 46(2);

**WHEREAS** the Use of Highway and Rules of the Road Regulation, Division 10, Parking and Stationary Vehicles, section 46(2) does not allow for angled parking in cul-de-sacs;

**WHEREAS** in many cities, towns and villages cul-de-sacs are a popular residential configuration and the vast majority of municipalities do not enforce this section of the *Traffic Safety Act's* UHRRR;

**WHEREAS** a few municipalities have spent a considerable amount of time and resources to develop processes that allow for their residents to angle park in cul-de-sacs within the confines of the *Traffic Safety Act* and UHRRR; and

**WHEREAS** the *Traffic Safety Act* and UHRRR were not developed with cul-de sacs in mind and therefore do not conform with the vast majority of community and enforcement practices.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to amend the *Traffic Safety Act* and Use of Highway and Rules of the Road Regulation, Division 10, section 46(2) to allow for angle parking in cul-de-sacs in municipalities that pass bylaws allowing this practice.

### **BACKGROUND:**

***Traffic Safety Act, Use of Highway and Rules of the Road Regulation Excerpt:***

***Traffic Safety Act, Use of Highway and Rules of the Road Regulation  
Division 10, Parking and Stationary Vehicles, Section 46 (2), Angle Parking states the following:***

*"When:*

- a) A sign indicates that angle parking is permitted or required, and*
- b) No parking guide lines are visible on the roadway, a person may only park a vehicle with the vehicle's sides at an angle of between 30 and 60 degrees to the curb or edge of the roadway and*
- c) In the case of a vehicle, other than a motorcycle, with one front wheel not more than 500 millimeters from the curb or edge of the roadway..."*

The *Traffic Safety Act* was developed to ensure all Albertans are governed by one standard when it comes to traffic safety on Alberta roads. It is an effective tool that all Police Officers, Sheriffs and many Community Peace Officer Level 1's can use to ensure a standard and consistent approach to enforcement.

Despite the importance of a standard approach to traffic safety the regulations regarding angle parking do not allow municipalities to reasonably apply the principle in cul-de-sacs. Several municipalities, examples listed below, have spent a considerable amount of time and resources to implement procedures through a permitting process to ensure they follow the regulations as set out in the *Traffic Safety Act*.

Many Alberta communities continue to take the approach of ignoring the issue or managing it on a complaint basis in an effort to not appear heavy handed in their approach to enforcement as many residents have been parking "nose in" or at an angle for years in front of their residences in cul-de sacs.

This resolution calls on the Government of Alberta to change the *Traffic Safety Act* and accompanying Use of Highway and Rules of the Road Regulation to allow for angle parking in cul-de-sacs as long as the vehicle is not

causing an obstruction or a hazard. Municipalities may need to introduce or amend existing bylaws to accommodate garbage, recycling and organics collection.

### **Current Municipal Practices**

#### **Calgary**

The City of Calgary has implemented a lengthy process to address the need for angle parking in cul-de-sacs. Each cul-de-sac is unique. Before The City of Calgary can authorize cul-de-sac angle parking at a particular location, it must be determined if:

- Minimum clearance for emergency responders to operate will be maintained;
- Minimum clearance for the safe and efficient collection of waste will be maintained;
- The number of available on-street parking spots will increase or stay the same; and
- The location in question is a residential cul-de-sac, not an elbow or corner.

Waste and recycling pick-up, as well as access and maneuverability for large vehicles may still be impacted in locations where angle parking is approved. Delivery trucks, Calgary Transit, and Emergency Services still require access.

Calgary charges a non-refundable \$70 administrative fee to start the process and the average estimated fee to residents in the cul-de-sac for installation is \$2300.00. Despite having developed this lengthy process to accommodate angle parking in cul-de-sacs, residents in Calgary continue to angle park in cul-de-sacs without going through this process.

#### **Edmonton**

Angle parking is not permitted in cul-de-sacs with less than a 15-meter radius as there is insufficient road space for vehicles to turn around. Guidelines have been established that permit angle parking for residents who live in a 15 meter or greater radius cul-de-sac. Residents must complete a petition with majority agreement. If the petition meets established guidelines, angle parking signs are installed, and angle parking is then required.

#### **Medicine Hat**

The City of Medicine Hat in Alberta has instituted a bylaw that allows for cul-de sac parking except on waste and recycling days. In essence, this becomes a policy and not the rule of law as a municipal bylaw cannot supersede a provincial Act.

### **ALBERTA MUNICIPALITIES COMMENTS:**

Although ABmunis does not have a current position on this specific issue, we do engage in ongoing advocacy to reduce red tape for the benefit of municipalities. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Infrastructure Committee within the context of related priorities and positions.

## C6: Attraction and Retention of Veterinarians to Small/Mid-sized Urban Municipalities Veterinary Practice

Moved by: Town of Didsbury

Seconded by: City of Brooks

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**WHEREAS** over the past 30 years increasing demand in Alberta's rural regions and small/mid-sized urban municipalities that serve these rural regions for veterinary medical professionals (veterinarians and veterinary technologists) combined with veterinary students more commonly choosing major urban centered careers, have created a labor shortage that has reached a crisis level;

**WHEREAS** veterinary medicine is critical to the economy, community sustainability, and quality of life in small/mid-sized urban municipalities via its contributions to agriculture, food safety, animal health and welfare;

**WHEREAS** many veterinary practices are located outside of the major urban centers and provide services to four common domestic species (Bovine, Equine, Canine and Feline);

**WHEREAS** students choosing to locate and remain in veterinary practice in small/mid-sized urban municipalities are more likely to be those originating from and living in small/mid-sized urban municipalities and/or in the rural regions in Alberta;

**WHEREAS** in 2020, veterinary medicine in Alberta generated 10,211 full time employees who contributed over \$206 million in federal, provincial and municipal taxes; and

**WHEREAS** small/mid-sized urban municipalities have a considerable role in attracting and retaining a local and regional workforce including veterinary medical professionals.

**IT IS THEREFORE RESOLVED THAT** Alberta Municipalities advocate for the Government of Alberta to endorse University of Calgary Faculty of Veterinary Medicine (UCVM) programs that will help alleviate the veterinarian shortage crisis.

**FURHTER, BE IT RESOLVED THAT** Alberta Municipalities support UCVM by serving as a conduit for information on what municipalities can do to support attraction and retention efforts including participating in recruitment committees as appropriate.

### **BACKGROUND:**

Definitions

ABVMA – Alberta Veterinary Medical Association

GOA – Government of Alberta

GPA – Grade Point Average

MCAT- Medical College Admissions Test

MMI – Multiple Mini Interview

UCVM – University of Calgary Faculty of Veterinary Medicine

There is a crisis level global shortage of veterinarians and veterinary technologists, affecting Alberta. It is estimated that there are currently at minimum 864 veterinary professional vacancies in Alberta (377 veterinarians and 487 veterinary technologists). The job vacancy rates for veterinarians (16.7%) and veterinary technologists (18.8%) far exceeds the provincial average of 2.6%. In the April 2021 ABVMA/ABVTA Veterinary Professional Workforce Study, it was projected that due to increasing expansion demand (demand for service increases due to pet ownership, increased disposable income and increasing livestock numbers) and due to replacement demand, the shortage of

professionals will increase more than 3.5 times by 2040. Using current trends, in eighteen years, the shortage of veterinary professionals is estimated to be more than 3371 people (1331 veterinarians and 2407 technologists). While the labor shortage is an issue throughout Alberta, practices in small/mid-sized urban municipalities that also serve rural regions are particularly impacted by staff shortages due partly to recruitment and admissions challenges. Further, our communities are impacted acutely in the current environment and face restricted economic growth post-Covid without targeted and immediate actions to address the shortages. Attraction and retention of veterinary medical professionals based in small/mid-sized urban municipalities that also serve rural regions has not been keeping pace with increasing demand.

Alberta Municipalities is requesting the GOA officially endorse a UCVM initiative for the implementation of admissions and curriculum changes that would benefit a significant need in small/mid-sized urban municipalities that also serve rural regions in Alberta.

UCVM is one of five veterinary schools in Canada and was the last Canadian veterinarian program to begin operations. It was developed to meet Alberta's need for highly skilled veterinary graduates to support rural Alberta, production animal and equine industries, animal and human health research, and public health. In the 15 years since inception, UCVM has become one of the top 40 veterinary schools in the world.

Established in 2005, UCVM commenced with a class of thirty (30) students which was augmented by the transfer of the twenty (20) funded Alberta students at Saskatchewan's Western College of Veterinary Medicine (WCVN). In 2017, Alberta's government reduced funding for the twenty WCVN seats and transferred the funding to UCVM. These 50 seats for veterinary education of Alberta students have remained unchanged despite shifting demand pressures. Today, UCVM needs the support of Alberta Municipalities to expand its capacity and to adapt its programming.

Currently, UCVM selects 50 Alberta students per year to enter the four-year veterinary medicine program. Recent funding announcements will increase that number to 100 starting in 2025. In August 2021, there were 5.4 qualified applicants for every educational seat at UCVM. Alberta students are demanding veterinary education be available at home rather than pursuing their education and career in other jurisdictions.

Starting with the incoming class for 2022, all applicants must write the MCAT. A pre-determined minimum MCAT score is required to advance to the interview stage of the application process. This minimum score is to ensure that successful applicants can handle the academic requirements of the curriculum. Applicants who successfully meet the pre-determined MCAT score then enter an interview process that involves Multiple Mini Interview scenarios. The MMI is designed to gauge a successful applicant's knowledge of a career in veterinary medicine and their likelihood to succeed in such a career. It would be advantageous for Alberta Municipalities to establish a strong relationship with UCVM, which would provide opportunity for Alberta Municipalities to be part of the recruitment, selection and retention of UCVM graduates.

The long-standing shortage of veterinary practitioners in small/mid-sized urban municipalities that serve rural regions in Alberta is well known. It has been shown that the likelihood of someone entering and succeeding in a veterinary practice in small/mid-sized urban municipalities that serve rural regions is much higher (39%) if they have significant knowledge and experience in a practice within and lifestyle of small/mid-sized urban municipalities. UCVM partnerships with Alberta Municipalities will assist with identifying suitable candidates for the DVM program. Members of these communities are in the ideal position to judge "best fit". The "grow your own vet" model will increase the likelihood that veterinary students will go back to their home community after graduation.

In 2020, there were 1832 registered veterinarians in Alberta and 1852 registered veterinary technologists, working in 554 veterinary practices, employing over 6600 full time equivalent employees. The total output of Alberta veterinary practices was estimated to be \$2.021 billion. This does not include the contributions made by veterinarians to Alberta's agriculture sector, which contributed \$9.68 billion in GDP and employed 69,800 Albertans. As such, access to local veterinary services for farmers and livestock producers is essential for the sustainability of the primary agriculture industry as well as Alberta's overall economy. Further, sustainability and growth of our

small/mid-sized urban communities is dependent on access to veterinary services both today and in the foreseeable future.

**ALBERTA MUNICIPALITIES COMMENTS:**

ABmunis does not currently have a position on this specific issue. If this resolution is passed, it would be forwarded to the Government of Alberta for response and further advocacy would be recommended to ABmunis' Board by the Economic Strategy Committee within the context of related priorities and positions.

# **2022 RESOLUTIONS**

## **CATEGORY E - EMERGENT RESOLUTIONS**

# About Emergent Resolutions

## Criteria

The criteria for an emergent resolution, as set in section 16 the [Resolutions Policy](#), are that it **must**:

- a. Deal with an issue of concern to Alberta municipalities which has arisen after the resolution deadline, or just prior to the resolution deadline, such that Members could not submit it as a resolution in time;
- b. Have a critical aspect that needs to be addressed before the next Convention; and
- c. Comply with the guidelines for resolutions set out in the policy.

## Submission

If your municipality is considering an emergent resolution, please contact [resolutions@abmunis.ca](mailto:resolutions@abmunis.ca) as soon as possible. ABmunis administration can help your municipality determine if the proposed resolution may meet the criteria and help your municipality work through the submission process. Any proposed emergent resolutions will be reviewed by either Alberta Municipalities Board or Executive Committee, depending on timing, to determine if they meet the criteria and can go forward for consideration at the 2022 Convention.

## Seconding

The policy also stipulates that, if the Alberta Municipalities Board or Executive Committee determines the resolution meets the criteria of an emergent resolution, the Board will second the resolution.

## Notification

Should Alberta Municipalities receive emergent resolutions, an updated version of this Resolutions Book will be distributed to Members through email and The Weekly newsletter.

## More Information

For more information on emergent resolutions, see sections 15 through 22 of the [Resolutions Policy](#) or contact [resolutions@abmunis.ca](mailto:resolutions@abmunis.ca).





# Alberta Municipalities

## Strength In Members

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Request for Decision

## Municipal Office Designation

August 8, 2022



### RECOMMENDATION

That 240 Main Street, Milk River, Alberta, T0K 1M0 be designated as the official location for the municipal office for the Town of Milk River.

### LEGISLATIVE AUTHORITY

Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26, Section 204, "a council must name a place as its municipal office".

### BACKGROUND

The Town of Milk River has participated in the Municipal Accountability Program through Municipal Affairs in the past month. One governance item identified that requires rectifying, is a resolution naming a municipal office. Administration has searched out resolutions from 1990 to date and have not discovered such resolution. It is before Council to designate the Town of Milk River's municipal office.

### RISKS/CONSEQUENCES

1. Council may provide further direction on any item contained in the report. Council shall be specific in the direction it provides.

### FINANCIAL CONSIDERATIONS

None

### ATTACHMENTS

None

Request for Decision

Kinsmen Splash Park Proposal

August 8, 2022



## RECOMMENDATION

That Council agrees, in principle, the Splash Park concept proposal.

## LEGISLATIVE AUTHORITY

None

## BACKGROUND

The Kinsmen Club of Milk River are exploring the development of a splash park beside the swimming pool, removing the old children's pool, utilizing that area.

## RISKS/CONSEQUENCES

1. Council may provide further direction on any item contained in the report. Council shall be specific in the direction it provides.

## FINANCIAL CONSIDERATIONS

Budget 2023

## ATTACHMENTS

None







Request for Decision

Councillors Report

August 8, 2022



## RECOMMENDATION

That the Councillors reports for the period ending August 8, 2022, be accepted as information.

## LEGISLATIVE AUTHORITY

## BACKGROUND

Elected Officials, appointed at the annual organizational meeting, attend regular meetings of various boards, commissions, and committees. Each elected official is required to keep Council informed by providing regular activity of the board, commission, or committee they are appointed to.

## RISKS/CONSEQUENCES

Should committee reports not be relayed, members of Council will not be informed on the various boards, commissions, and committees.

## FINANCIAL CONSIDERATIONS

None

## ATTACHMENTS

None

Request for Decision

## Mayors Report

August 8, 2022



### RECOMMENDATION

That the Mayors Report for the August 8, 2022, be accepted as information.

### LEGISLATIVE AUTHORITY

### BACKGROUND

Mayor Liebelt will provide a report from the Mayors Desk.

### RISKS/CONSEQUENCES

1. Council may provide further direction on any item contained in the report. Council shall be specific in the direction it provides.

### FINANCIAL CONSIDERATIONS

None

### ATTACHMENTS

None