



**Council - Corporate Priorities Committee Meeting
Agenda**

Tuesday, September 17, 2019

6:00 p.m.

Council Chambers

Pages

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. DISCLOSURE OF INTEREST
4. PUBLIC QUESTION PERIOD
5. OLD BUSINESS
6. NEW BUSINESS
 - 6.1 Bylaw No. 308-BD-07 - Procedural Bylaw 2 - 141
 - 6.2 Bylaw No. 649-UT-19 - Bylaw to Amend Regulation, Control and Management of Municipal Solid Waste Bylaw No. 519-UT-14 142 - 199
 - 6.3 Bill 7 - Municipal Government (Property Tax Incentives) Amendment Act, 2019 200 - 224
 - 6.4 Alberta Mid-Sized Cities Mayors' and CAOs' Caucus - September 2019 Meeting 225 - 227
 - 6.5 Animal Care and Control in Public Spaces 228 - 256
 - 6.6 Blue Ribbon Panel on Alberta's Finances 257 - 554
 - 6.7 Regional Emergency Management Plan Exploration 555 - 561
 - 6.8 Council Board, Committee and Commission Appointments 562 - 566
7. QUESTIONS
8. IN CAMERA
9. ADJOURNMENT



STAFF REPORT

Title: Bylaw No. 308-BD-07 - Procedural Bylaw

Meeting Date: September 17, 2019

Executive Summary:

Bylaw No. 308-BD-07, Procedural Bylaw was passed by Council on October 23, 2007, with minor amendments being subsequently passed by Council on November 12, 2008 (Amending Bylaw No. 344-BD-08), and December 14, 2010 (Amending Bylaw No. 383-BD-10).

Given the length of time since the bylaw was passed (12 years), administration has reviewed the Procedural Bylaw, researched any available direction from Municipal Affairs in relation to council procedures as well as researched several other comparably sized communities' procedural bylaws to see how newly emerging areas are being dealt with and to determine whether amendments may be beneficial.

Background:

The *Municipal Government Act*, RSA 2000, c M-26 (the "MGA") section 145 states that:

- 145** A council may pass bylaws in relation to the following:
- (a) the establishment and functions of council committees and other bodies;
 - (b) procedures to be followed by council, council committees and other bodies established by the council.

The MGA does not give specific direction about what must be included within a procedural bylaw.

There are a number of sections of the City's Bylaw No. 308-BD-07, Procedural Bylaw which are not/or rarely utilized by Council (often due to the issues not arising before Council). Administration has attached an unofficially consolidated version of Bylaw No. 308-BD-07, Procedural Bylaw (which includes the amendments to the bylaw made by Bylaw No. 344-BD-08 and Bylaw No. 383-BD-10). The sections that Council may wish to revisit and/or sections which are rarely utilized have been highlighted in yellow.

Municipal Affairs has published a document which makes recommendations about which topics should be covered in a municipality's procedural bylaw. In general, the City's Bylaw No. 308-BD-07, Procedural Bylaw covers most of the topics that are recommended to be covered within a municipal government's procedural bylaw. These



topics include the procedures around the following subjects (it has been noted in red where the City's procedural bylaw does not address the area indicated):

- Meetings (Organizational Meetings, Regular Meetings, Special Meetings)
- Public Hearings
- Quorum
- Absences of Council (**not addressed in City's Bylaw*)
- Electronic Meetings (**mentioned but no detailed procedure is provided*)
- Delegations
- Reports and Correspondence to Council
- Electronic Devices (**not addressed in City's Bylaw*)
- Parliamentary Rules
- Agenda (structure, timelines for input, rules for additions, distribution, etc.)

Administration has reviewed the procedural bylaws of the following communities, selected due to their comparable size with Cold Lake as well as having recently revised their procedural bylaws: City of Wetaskiwin revised January 2019, Town of Okotoks revised March 2019, and Town of Cochrane revised March 2019. The procedural bylaws of other larger cities in Alberta were also considered, however, they generally have a more formalized procedure.

Based on the above noted research, and a line-by-line review of the City's current procedural bylaw, administration recommends undertaking an overhaul of the procedural bylaw which could include:

- Updates to section 4.3 "Conflict of Interest" to include Pecuniary Interest and to ensure consistency with Bylaw No. 618-AD-18, Council Code of Conduct Bylaw
- Update to section 4.17 "Spokesperson" which is now addressed in Bylaw No. 618-AD-18, Council Code of Conduct Bylaw
- Reconsideration of the time period permitted for delegations to Council and enforcement of such time limits (Wetaskiwin allows 10 minutes, Cochrane allows 10 minutes, and Okotoks allows 5 minutes).
- Adding procedures around Electronic Devices - Municipal Affairs recommends considering the following questions:
 - Are council meetings allowed to be recorded? By members of the public, the media, administration (for minute taking purposes), Councilors, etc.
 - Are cell phones allowed in council chambers, in closed meetings?
 - What about laptops and tablets that are not council property?
- Adding procedures around Electronic Meetings (ie. attending a meeting by telephone, video conference) - Municipal Affairs recommends considering the following questions:
 - What types of meetings (regular, special or committee) would allow electronic participation? (Should the Chairperson be permitted to attend by electronic means?)



- What constitutes a valid reason for being unable to attend?
 - Should each councilor be given the discretion to judge validity?
 - How many councilors should be allowed to participate electronically in the same meeting (e.g. should a quorum be physically present)? If there is a limit, how are participants chosen?
 - If council pays per diem costs for attendance at meetings should electronic meetings be reimbursed at the same rate?
 - How many times should a councilor be permitted to participate electronically?
 - Should a member who is participating electronically be allowed to join a meeting that is underway – i.e., arrive late?
 - Should there be provisions to amend agendas with controversial items to defer the issues when members are participating by electronic means? What would those circumstances be (e.g. certain number of members participating electronically or certain type of issue to be dealt with by council)?
 - What about closed/in-camera meetings? (Some municipalities permit Councilors to attend in-camera meetings electronically utilizing procedures like sworn affidavits to establish confidence that others are not also listening in to the in-camera session, others do not).
 - Should there be a policy about providing information received at the meeting to members participating electronically before voting on the matter?
- Adding more detail and clarity around the procedures for the following:
 - Absences of Council
 - Loss of quorum during a meeting,
 - The conduct of individuals at meetings including disciplinary procedures (for Councilors, members of the public, etc.)
 - Matters to be discussed at organizational meetings
 - Urgent business motions
- Update to section 4.2 which would distinguish the expectations and potential disciplinary actions against individuals who do not follow the rules. For example, it is not clear if section 4.2(13) was intended to apply to only councilors or other members of the public attending the meeting.
- Greater clarity around which portions of the procedure apply to City Council meetings, and which procedure applies to Council Committee meetings. For example, section 4.4(2) states that “Meeting agendas shall be made available at least two business days prior to the time of the meeting.” Was this requirement intended to apply to all Council Committees or just Regular Meetings of Council and Corporate Priority Meetings?



- Section 4.11(7) may be revisited as it is not clear whether this was intended to address “in camera” portions of meetings (although the section is located under the heading for “in camera” meetings).

Administration seeks Council’s feedback on whether there is a desire to overhaul the procedural bylaw and if so, what areas Council would like to see addressed in more detail and what areas of the current bylaw Council would like to see removed or amended.

Alternatives:

That Council accept the report as information only.

That Council request Administration prepare an amended Procedural Bylaw for Council’s consideration.

Recommended Action:

Type the recommendation here

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer

Procedure Bylaw and Agenda



Alberta Municipal Affairs
December 2017

Municipal Capacity Building, Municipal Capacity and Sustainability Branch
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The contents of this publication are intended to provide general information. Readers should not rely on the contents herein to the exclusion of independent legal advice. All publications of this document prior to October 2017 no longer contain current information.

Table of Contents

Introduction	1
Procedure Bylaw	1
Meetings	2
Public Hearings	3
Quorum.....	3
Absences	3
Delegations	4
Reports and Correspondence to Council	5
Electronic Devices.....	5
Parliamentary Rules	5
Agenda.....	5
General Information	5
Agenda Structure	7
Title and Heading	7
Acceptance of the Agenda	7
Adoption of Previous Minutes.....	7
Public Hearings.....	7
Delegations	7
Bylaws	7
Business	7
Councillor/Committee Reports	7
CAO Report and Action List	8
Financial	8
Correspondence.....	8
Confidential Items.....	8
Adjournment.....	8
Sample Agendas	9
Sample Request for Decision	11
Action List Template.....	12

Introduction

The inexplicable, sometimes baffling and misunderstood tools that a municipality develops to govern how business is conducted during formal meetings can be confusing and often daunting. This booklet provides several suggested best practices to be considered when building a procedure bylaw (or rules for meetings) and shows the connection to the agenda. Both are an integral part of efficient council meetings. The procedure bylaw should be different for every municipality as it responds to the unique dynamics. Additionally, it is expected that this document is reviewed at least once every 4 years to coincide with potential representative changes on council, although it can be reviewed as the need arises. It is YOUR rule book for YOUR chambers. Embrace it!

The agenda presented here is a standard format used throughout Canadian municipalities for most meetings, not just council meetings. It is proven to be an effective framework!

The *Municipal Government Act (MGA)* provides very little information about either document. Section 145 of the MGA provides that a municipality may pass a bylaw in relation to the procedure and conduct of council, council committees, and other bodies established by council; however, there is nothing said about the agenda. Both documents are important to the integrity of a municipality's operation and meeting conduct. They also ensure a level playing field for anyone attending council or council committee meetings and consistent treatment of residents if any issues arise in a meeting that requires a standard procedure.

For information on minutes, please [The Preparation of Meeting Minutes for Council](#).

Procedure Bylaw

Hierarchy of rules

- ***Municipal Government Act* and any other provincial legislation**
- **Procedure Bylaw**
- **Principle Rules of a Meeting (Robert's Rules)** (not legislated)

As a starting point it is important to note that federal legislation supersedes provincial legislation and the MGA supersedes municipal bylaws. Nothing that is contrary to the legislation can be put in a procedure bylaw, however the legislation can be built on.

So, what should be in the bylaw? Anything that a council believes is necessary to have municipal business dealt with and conducted in a professional, expedient manner.

Like any other bylaw, it must include:

- the corporate title of the municipality,
- a bylaw number,
- a sub-title describing the purpose,
- an enactment phrase,
- a citation,
- any required definitions, and
- an application phrase.

Things to consider:

- Should urgent business be defined?
- What does this bylaw apply to?
- Just council meetings or does it include committees of council, or other bodies established by council?
- Who does it apply to - the public attending those meetings? It should, and it should also be publically posted so that everyone knows the rules.

Generally speaking, a procedure bylaw should include the following subjects:

Meetings

Organizational meetings – Section 192 provides when they must be held. It is recommended that all councillors be present!

The agenda for the organizational meeting should include:

- The appointment of mayor or reeve (if necessary), the deputy, and the appointment of council members to committees and other bodies – what is the process for nomination and appointment for these duties? Remember that committees of council must each be created by a separate bylaw!
- Setting the time, dates and place for regular meetings, as section 193, regular meetings, indicates that all council must be present.
- Review and signing of the code of conduct for elected officials.
- The procedure bylaw should also be reviewed at the inaugural organizational meeting.
- A review of pertinent policies, such as remuneration, travel, subsistence and out of pocket expenses to be paid to members and members at large.
- Appoint the chair for meetings of council. This is normally the mayor, but can be any member if desired.
- Signing authorities, and any other necessary appointments (auditor, legal, assessor).

Regular meetings – Section 193 provides that regular meetings do not need to be advertised unless changed. Dates of regularly scheduled council meetings are normally established by resolution at the organizational meeting. If not all councillors were present at the organizational meeting, then this can be done at a regular meeting with all councillors present. Things to consider:

- What happens when there is no quorum at a regular meeting? A council can act only by bylaw or resolution in an open meeting with quorum. A special meeting would have need to be called to postpone the regular meeting to the next scheduled meeting date **or** the chief administrative office (CAO) would be at the scheduled meeting, wait the predetermined time to achieve quorum and then complete the minutes indicating that no one was present and that the agenda be moved forward to the next regular meeting.
- How long to you want the meetings to last? Do you need to set a time to adjourn the meetings?
- Will you allow the meeting to be extended?

- Does a resolution to extend require unanimous consent, quorum, two thirds of council consent?
- What happens when the chair is absent, or the chief elected official (CEO)?
- And the deputy Chair?
- Is there a provision for rotation of chairs?

Special Meetings – Section 194 states how and who may call a special meeting, when the meeting must be held and the notice requirement. It also states that only items that can be discussed at special meeting are those that are listed on the advertised agenda, unless agreed to by the whole council. Things to Consider:

- Why would a special meeting be required?
- Urgent time sensitive business, or extra time required to complete discussion on a topic?
- Where will notices be posted?

NOTE: It is not always necessary to advertise the agenda; can be held with less than 24 hours leaving no time to advertise.

Public Hearings

Section 230 outlines the public hearing process, section 230(3) indicates that council may establish procedures for the hearing and section 230(6) states that minutes are to be recorded as directed by council. A public hearing must be held during a regular or special council meeting and advertised as per section 606. Public hearing minutes' form part of the council meeting minutes. Things to consider:

- Does it make sense to follow the process and minute taking of a regular council meeting?
- Is more detail required to be recorded at a public hearing?
- How to ensure that everyone is heard?
- What to do with the information, consider section 230(5) passing a resolution to move the bylaw to the open meeting for consideration and then a resolution for one of the three options?

Quorum

Section 167 defines quorum as the majority of all councillors that comprise council. Section 180 indicates that council can only act by resolution or bylaw and section 181 states that neither are valid unless they are passed at a meeting open to the public at which a quorum is present. Things to consider:

- How long to wait for elected officials to arrive before starting the meeting?
- What happens if quorum is lost during the meeting?
- How long to wait for the councillors to return before adjourning the meeting?

Absences

Section 174(1)(d) states that a councillor is disqualified if they are absent from all regular council meetings held during any period of eight consecutive weeks, unless the absence is

authorized by council prior to the end of the eight weeks, or if there is no regular meeting during the eight week period, before the end of the next regular meeting. This does not apply if a bylaw under s 144(1) Maternity and Parental Leave is in effect or if a councillor is away on council business at the direction of council. Things to consider:

- Under what circumstances would council allow a prolonged absence?

Electronic Meetings

Section 199 allows council meetings or council committee meetings to be conducted through electronic means. Appropriate notice must be given and the facilities must allow all participants to watch or hear each other. Things to consider:

- What types of meetings (regular, special or committee) would allow electronic participation?
- What constitutes a valid reason for being unable to attend? Should each councillor be given the discretion to judge validity?
- How many councillors should be allowed to participate electronically in the same meeting (e.g. should a quorum be physically present)? If there is a limit, how are participants chosen?
- If council pays per diem costs for attendance at meetings should electronic meetings be reimbursed at the same rate?
- How many times should a councillor be permitted to participate electronically?
- Should a member who is participating electronically be allowed to join a meeting that is underway – i.e., arrive late?
- Should there be provisions to amend agendas with controversial items to defer the issues when members are participating by electronic means? What would those circumstances be (e.g. certain number of members participating electronically or certain type of issue to be dealt with by council)?
- What about closed meetings? (Get a legal opinion!)
- Should there be a policy about providing information received at the meeting to members participating electronically before voting on the matter?

Delegations

Section 153 states that councillors have specific duties. One of these is to consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality. Section 198 provides the right of the public to be at council meetings. Both of these suggest the importance of allowing citizens to make presentations to council at a meeting. The procedure bylaw is the place to layout the rules for delegations. Things to consider:

- When do they present on the agenda?
- How much time are they given?
- How many delegations per meeting?
- How many times can a delegation come back?
- What type of notice and material are required in advance?

- Is council bound to make a decision on the delegation at the meeting or will council take time to consider the information?

Reports and Correspondence to Council

Most councillors sit on various committees and outside boards. It is then their role to report back to the rest of council anything of note and for the CAO to report to council. This is the place to decide how these reports will be presented in a council meeting. Things to consider:

- How are the reports to be submitted, written or verbal? If written they should be included in the agenda package.
- When do they need to be received by administration?
- Is a request for decision (RFD) required?
- What about the letters and other communications to council? Is each item listed and acknowledged separately?
- Is ALL correspondence – even invitations to events - included?

Electronic Devices

Council may be approached to allow a reporter to record meetings or council might find it inappropriate if a cell phone is used in meetings. Again, the procedure bylaw is the document that should contain the rules that council wishes to apply in these circumstances. Things to consider:

- Are council meetings allowed to be recorded?
- Are allow cell phones in council chambers, in closed meetings?
- What about laptops and tablets that are not council property?

Parliamentary Rules

The purpose of parliamentary rules of order is to help people make group decisions after a full, fair, and free discussion. Rules allow a council to conform to standards established formally through this bylaw, that council will conduct its decision making in a way that is recognized throughout the province. This will ensure that there won't be any surprises for new comers to council meetings.

Council may choose to rely on Roberts Rules or a similar publication, however these rules are normally very formal and may be relaxed to fit your needs. Robert's Rules may still be relied on if an unusual situation arises. Things to consider:

- Do resolutions require a seconder?
- Does the presiding officer leave the chair when making a motion or when participating in discussion?
- When can a motion be reconsidered?
- What types of motions are allowed?

Agenda

General Information

The agenda structure, timelines for input, rules for additions, distribution timelines, etc. should definitely be included in the procedure bylaw! Although the MGA does not outline

the contents of the agenda for council meetings, there are several suggested best practices to consider which will allow meetings to run smoothly and to meet the requirements for council meetings in sections 192 - 200, and 227 – 229.

An agenda is a list of individual items which must be "acted upon" or processed in the order in which they are presented, beginning with the call to order and ending with adjournment. The agenda and information package should be prepared for each meeting of council to ensure that council business is dealt with in an orderly and expedient manner. The procedure bylaw should provide for the cut off time to submit items for the agenda and the time before the meeting the agenda package is to be provided to council.

Ideally, the agenda is distributed to council members, attendees and the recording secretary prior to the meeting, so they will be aware of the items to be discussed, and are able to prepare for the meeting accordingly. As the public should have access to the agenda package at the same time as council, many municipalities also post the agendas for the upcoming meeting on their municipal website.

When an agenda item requires a decision of council, the CAO is charged with ensuring that all information required has been identified and any recommendations provided (if required) be attached to the agenda. This could be in the form of a report or a request for decision (RFD). A RFD includes a background sentence or paragraph, a statement of the problem or issue, any findings or conclusions, any recommendations for action, policy or legislative implications, community response or financial impact, and should list who has prepared or reviewed the information. A sample RFD is attached to this guide.

RFDs for issues that will be discussed in public should be available with the agenda package. RFDs for issues that meet the tests of harm in the *Freedom of Information and Protection of Privacy Act (FOIP)* should only contain information that does not cause harm (nature of issue, recommendation).

Council has the option to change the format of the agenda if they feel it isn't working for them. Some best practices to keep in mind when planning and developing the agenda structure and contents are:

- As a courtesy to the public, hold presentations/delegations at the beginning of the meeting.
- Arrange topics in sections – for example: all bylaw readings under Bylaws; the CAO report, financial reporting, and councillor reports could be included under Reports.
- Confidential items are those items that fall within the parameters of closing the meeting to the public as set out in section 197 of the *MGA* and are normally left until the end of the meeting as a courtesy to the public.

Remember, a separate agenda is required for each kind of meeting – organizational, regular and special.

There can be no amendments to a special meeting agenda unless the whole council is present and the decision to add the item is unanimous.

Agenda Structure

The following sections are based on the sample agenda attached to this guide, and outline the types of information that should be contained under each section.

Title and Heading

The agenda title and heading should be similar to the council meeting minutes in format and should:

- a. State it is an agenda
- b. Name the Municipality
- c. Show the date, time, place and type of meeting for which the agenda is issued.

Acceptance of the Agenda

The agenda for a council meeting is not binding unless it has been adopted by a resolution or motion at the start of the meeting. It may be adopted as presented or with amendments, such as deletions or additions. Things to consider:

- What kinds of additions are allowed?
- Is it an urgent request? It is recommended that items should only be added to the agenda at the meeting if the matter is of an urgent nature.
- Is a RFD required for the additions?

Adoption of Previous Minutes

Section 208(1)(a)(iii) of the *MGA* requires that the minutes of each meeting be adopted by a motion of council at a subsequent meeting of council.

Public Hearings

Section 230 of the *MGA* outlines the public hearing requirements and specifies that a public hearing must be held during a regular or special council meeting.

Delegations

The agenda may provide a specific section for receiving presentations or questions from individuals or delegations. As a courtesy, delegations should be scheduled earlier in the agenda so that members of the public who want to address the council are not kept waiting.

Bylaws

All council members must be given the opportunity to review the full text of a proposed bylaw before being required to vote on it. See [Basic Principles of Bylaws](#) for more information.

Business

This section should identify items of business that require a council decision, and should reference any attached RFD or other supporting information.

Councillor/Committee Reports

Councillors generally report to council on meetings they have attended. The municipality's process for receiving these reports should be included in the procedure bylaw.

CAO Report and Action List

Section 207 outlines the primary responsibilities of the CAO, however other responsibilities are found throughout the MGA. One of these is to advise and inform the council on the operation and affairs of the municipality. Many CAOs use an action list to track and report to council on the status of actions taken on resolutions from previous meetings. The list would normally include any unfinished business which has been raised at a previous meeting which has not been completed. The items would remain on the action list until they are finalized. An action list template is attached to this guide.

Financial

It is the responsibility of the administration to provide council with financial information such as budget to actual comparison reports. Council should have a policy for administration indicating what you need to see, how often and the format required.

Correspondence

Any correspondence that is addressed to council or that should be brought to the attention of council should be listed on the agenda and included in the agenda package.

Confidential Items

Confidential items should be dealt with in a closed portion of the council meeting excluding the public. The agenda should contain a 'Confidential' heading and provide a brief description of the topic and state the section of FOIP that allows the topic to be discussed in a closed meeting. Section 197 provides the requirements and processes that must be followed when excluding the public from a meeting or portion of a meeting. For example, "Personnel – Evaluation - FOIP Section 17" could be used to describe conducting the performance appraisal of a chief administrative officer or "Legal – Arena Project - FOIP Section 27" could describe discussions regarding a pending court case. No bylaw or resolution can be passed at a closed meeting.

The confidential materials would not be included in the distribution of the agenda to the general public. Is there secure system for emailing the agenda packages to council? Remember all members are required to keep in confidence matters discussed in-camera until the item is discussed at a meeting held in public.

Adjournment

A meeting is adjourned when the agenda is finished.

Sample Agendas

MUNICIPALITY OF ANYWHERE AGENDA REGULAR COUNCIL MEETING Tuesday, January 16, 2018

The regular meeting of the council of the Municipality of Anywhere will be held in the Municipal Office on Tuesday, January 16, 2018, starting at 7:00 pm.

1. CALL TO ORDER
2. ACCEPTANCE OF AGENDA
3. ADOPTION OF THE PREVIOUS MINUTES
4. PUBLIC HEARINGS
 - a. Proposed bylaw to rezone.....
 - b.
5. DELEGATIONS
 - a. John Day to discuss recycling options. 7:40 p.m.
 - b.
6. BYLAWS
 - a. Bylaw 02-18, Establish the procedure and conduct of meetings of council and council committees
 - b.
7. BUSINESS
 - a.
 - b.
8. COUNCILLOR REPORTS
9. CAO REPORT and ACTION LIST
10. FINANCIAL
 - a. Budget to Actual reporting to date
11. CORRESPONDENCE
 - a. Correspondence – accept for information
12. CONFIDENTIAL
 - a. Personnel – Evaluation - FOIP Section 17
 - b. Legal – Arena Project - FOIP Section 27
13. ADJOURNMENT

**MUNICIPALITY OF ANYWHERE AGENDA
SPECIAL COUNCIL MEETING
Wednesday, January 17, 2018**

The regular meeting of the council of the Municipality of Anywhere will be held in the Municipal Office on Wednesday, January 17, 2018, starting at 5:00 pm.

1. CALL TO ORDER
2. ACCEPTANCE OF AGENDA
3. BUSINESS
 - a.
4. ADJOURNMENT

Sample Request for Decision

MUNICIPALITY OF ANYWHERE

Request for Decision (RFD)

Meeting: Regular Council

Meeting Date: January 16, 2018

Originated By:

_____, Chief Administrative Officer

Title: Bylaw 02-18, PROCEDURE BYLAW

Agenda Item Number: 6(b)

BACKGROUND/PROPOSAL:

Council requires a process to govern procedures at meetings to ensure that council meetings and council committee meetings are effective. The bylaw regulates the conduct of council, councillors and others attending council and council committee meetings.

At the December 19, 2017 council meeting, council passed the following resolution:

MOVED by Councillor Bucks that the Chief Administrative Officer prepare a proposed Procedure Bylaw for the December 19, 2017 regular meeting of council.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES:

The Municipal Government Act provides the following:

Section 145

A council may pass bylaws in relation to the following:

- a) the establishment and functions of council committees and other bodies;
- b) procedures to be followed by council, council committees and other bodies established by the council.

Proposed Bylaw No.02-18 is presented for first reading.

COSTS/SOURCE OF FUNDING (if applicable) Not applicable in any direct way.

RECOMMENDED ACTION:

- 1. Council review the proposal and give first reading to the proposed bylaw.
- 2. Council provide further direction or required changes/amendments.

Reviewed By: **CAO:** _____

Action List Template

ACTION LIST MUNICIPALITY OF: _____				
MONTH	RESOLUTION	ASSIGNED TO	STATUS	DATE COMPLETED

CITY OF COLD LAKE
BYLAW #308-BD-07 - Unofficial Consolidation
PROCEDURAL BYLAW

Please note: in a bylaw that is “Unofficially Consolidated”, the original approved bylaw is updated to include all of the approved amendments to that bylaw.

A BYLAW OF THE COUNCIL OF THE CITY OF COLD LAKE, IN THE PROVINCE OF ALBERTA, TO PROVIDE RULES GOVERNING THE PROCEEDINGS AND THE REGULAR BUSINESS OF COUNCIL AND COUNCIL COMMITTEES

WHEREAS Section 145 (b) of the *Municipal Government Act*, RSA 2000, Chapter M-26, provides that Council shall by bylaw make rules for calling meetings and governing its proceedings, the conduct of its members, the appointment of committees and for the transaction of its business; and

WHEREAS Section 145 (a) of the *Municipal Government Act*, RSA 2000, Chapter M-26, provides that Council may establish committees to consider matters referred to them by Council, may appoint the members of such committees and may require reports of the findings or recommendations of the committees;

NOW THEREFORE, the Council of the municipality of the City of Cold Lake, in Council duly assembled, hereby enacts as follows:

SHORT TITLE

1.0 This bylaw may be cited as the "**Procedural Bylaw.**"

DEFINITIONS

2.0 In this bylaw:

- (1) Whenever the singular, masculine or feminine is used in this bylaw it shall be considered as if plural, feminine or masculine has been used where the context of the bylaw so requires.
- (2) "ACT" means the *Municipal Government Act*, RSA 2000, Chapter M-26.1 of the Statutes of Alberta.
- (3) "ADMINISTRATION" mean the employees of the municipality.
- (4) "BUSINESS DAY" means a day on which the municipal offices are open for business.
- (5) "CHAIR" means the Mayor, Deputy Mayor or presiding officer who presides over Council and/or committee meetings.
- (6) "CAO" means the Chief Administrative Officer for the municipality or his designate, appointed by Council in accordance with Section 205 of the *Municipal Government Act* as determined by Bylaw.
- (7) "COMMITTEE" means a committee appointed by Council under section 145 of the *Act* to provide advice and make recommendations to Council (and excepting the Library Board).
- (8) "COMMITTEE OF THE WHOLE" means a committee of the whole Council where no bylaw or resolution, apart from the resolution necessary to revert back to an open meeting, may be passed.
- (9) "COUNCIL" means the duly elected Council of Cold Lake.
- (10) "IN CAMERA" means at the discretion of the Mayor or Chair or a majority of the members of a committee, a meeting closed to the general public or municipal employees, as deemed appropriate.
- (11) "MEETING" means duly constituted regular or special open meeting of Council where bylaws and resolutions are formally ratified.
- (12) "MEMBER" means a member of Council, duly elected and continuing to hold office.

- (13) "MOTION" means a standard terminology used by Council to describe the original statement whereby business is brought before a meeting, and may also mean resolutions.
- (14) "PERSON" means a reference in discourse to the speaker, the person spoken to, or another person capable of having legal rights and duties.
- (15) "ELECTRONIC MEETING" is a meeting held in two or more places with the participants using electronic means of communication.

APPLICATION

- 3.0 The following rules shall be observed and shall be the rules and regulation for the order and conduct of business in all regular and special meetings of Council and its committees, all in camera meetings, and all Committee of the Whole meetings.

MEETINGS AND PROCEEDINGS

- 4.0 This bylaw covers the following areas:

- 4.1 Rules of Order
- 4.2 Conduct
- 4.3 Conflict Of Interest
- 4.4 Agendas
- 4.5 Notice of Meeting
- 4.6 Meeting Etiquette
- 4.7 Regular, Special, Organizational and Committee Meetings
- 4.8 Order Of Business
- 4.9 Delegations
- 4.10 Public Hearings
- 4.11 In Camera
- 4.12 Rights in Debate
- 4.13 Motions
- 4.14 Voting
- 4.15 Bylaws, Resolutions and Policies
- 4.16 Minutes
- 4.17 Spokespersons

4.1 Rules of Order

- (1) In all regular and special Council meetings, *in camera* meetings, and committee meetings, the most recent version of Robert's Rules will be followed where this policy does not provide direction.
- (2) The conduct of all City business is controlled by the general will of the Council and committee members - the right of the majority to decide, accompanied by the right of the minority to require the majority to decide only after a full and fair deliberation in a constructive and democratic manner, of the issues involved.
- (3) At no time is it intended that undue strictness of adherence to the rules of order intimidate members or limit full participation.
- (4) The first person to raise a hand and address the Chair (Mr./Madam Chair) when the person speaking has finished, and to be recognized by the Chair, has the floor. Speaking while another is still speaking is out of order, except to make a point of order or to make a point of personal privilege.
- (5) Debate begins when the Chair states the motion or resolution and asks "Are you ready for the question?" If no one initiates discussion, the Chair calls for the vote.
- (6) No member can speak twice to the same issue until everyone who wishes to has spoken to it once.
- (7) All remarks must be directed to the Chair, and be courteous.
- (8) A **quorum** for meetings shall be a simple majority of the whole Council, Committee or board.
- (9) If a quorum is not present within 30 minutes of the start time set for a regular or special Council meeting, the CAO or designate shall record the

names of the Council members present and Council shall stand adjourned until the next regular meeting.

(10) If a quorum is not present within 15 minutes of the start time set for a committee or board meeting, the meeting shall be re-scheduled.

(11) Individuals who arrive late for meetings shall not have prior discussion reviewed for them except with the unanimous consent of all members present.

4.2 Conduct

(1) Councillors and committee members shall carry out required duties to the best of their ability, be accountable for their decisions and actions, and strive to create a courteous, respectful atmosphere.

(2) The presiding Chair shall maintain order and decorum at all Council meetings, and rule on points of order, citing the applicable governing rule or authority, without debate or comment.

(3) The presiding Chair shall recognize who has the right to speak, rule on motions, and call members to order, as required.

(4) The presiding Chair shall encourage questions, treating them impartially, with sound judgment.

(5) The Chair must step down from the chair to make a motion.

(6) Each individual wishing to address a meeting shall first be recognized by the Chair.

(7) No speaker shall be interrupted by private conversations or comments, except on a point of order or personal privilege.

(8) No individual may give specific direction to any staff member at any Council or committee meeting; such direction shall come from the full Council at a duly assembled meeting, unless delegated to the CAO or designate.

(9) Any individual addressing a meeting shall not shout; use profane, vulgar or offensive language; or speak on a matter not before the meeting.

(10) Speakers shall not make personal comments about any staff or Council member, or any other person, or indulge in personalities, use language personally offensive, arraign motives of members, charge deliberate misrepresentation, or use language tending to hold another member up to contempt.

(11) Speakers shall obey the approved rules of order, and shall be called to order by the Chair if they do not, at which they must immediately stop speaking unless permitted to explain; this shall be recorded in the minutes.

(12) The Council or committee shall, if appealed to, decide the case without debate. The speaker may proceed only if the decision is in his/her favour.

(13) Individuals who flout the rules twice in one meeting shall be asked to leave that meeting (only), and the matter may be discussed in camera if necessary. When the open meeting reconvenes, the excluded member may, upon an adequate apology and majority vote of the members, be permitted to rejoin the meeting.

(14) The decision of the presiding Chair is final, unless the person called to order appeals to the meeting members; this shall be decided without debate.

(15) No exclusion shall be for more than the meeting in progress.

4.3 Conflict Of Interest

(1) An individual who stands to gain personal benefit from a decision of the Council or a committee, or has a pecuniary interest in the matter, as defined in the *Municipal Government Act* is in conflict of interest.

(2) Anyone in conflict of interest shall declare that interest, and shall not participate in any debate or decision concerning the matter, but does not need to leave the room.

Such conflict of interest shall be recorded in the minutes.

4.4 Agendas

- (1) The CAO or designate shall be responsible for preparing meeting agendas, including input from participants, City staff, and previous meetings.
- (2) Meeting agendas shall be made available at least two business days prior to the time of the meeting.
- (3) Only business listed in the agenda shall be undertaken at a meeting, unless a resolution to change it is unanimously passed
- (4) Agenda items and applications from delegations shall be accepted up to Wednesday noon prior to the meeting and approved at the discretion of the Mayor or designate.

4.5 Notice of Meeting

- (1) Regular Council meetings: Notice to participants and the public is not required unless there is a change, in which case the CAO or designate shall deliver notice to all members of the Council and to the public at least one business day prior to the day of the Council meeting.
- (2) Special Council meetings shall be called in accordance with S. 194 of the *Municipal Government Act*.
- (3) Notice of committee meetings shall be given to participants and the public at least 24 hours in advance.

4.6 Meeting Etiquette

- (1) Accepted conventions of meeting protocol shall be used, to facilitate respect orderly progression, and attentiveness.
- (2) The designated Chair shall start the meeting on time; explanation of a late start shall be included in the minutes.
- (3) Speakers shall raise their hands to be recognized by the Chair, and shall then have the floor.
- (4) Respect for all participants and guests shall be shown at all times, so there shall be no side comments or private conversations.
- (5) When addressing any participants in a meeting, the use of official titles is required. (i.e. Councillor Miller, Mrs. Whalen or Mr. Brown)
- (6) Active participation is expected, with the intent of arriving at the best solutions for the City.
- (7) The next meeting must be scheduled (date, time, and location).
- (8) The meeting must be formally adjourned.

4.7 Regular, Special, Organizational and Committee Meetings

- (1) All City meetings shall be open to the public, except for any in camera portions.
- (2) All Council and committee meetings shall be held in accordance with the provisions of the *Municipal Government Act*.
- (3) The CAO or designate shall record the minutes of all Council and committee meetings, and provide the required written reports of committee activities to Council.
- (4) Council shall hold its' regular meetings on the second and fourth Tuesday of each month at 6:00 pm in City Hall Council Chambers.
- (5) When a regular Council or committee meeting falls on a legal holiday, the meeting shall be held on the first following non-holiday business day.
- (6) The second regular Council meeting in July and December will be cancelled and the Corporate Priorities meeting in July and August will be cancelled.
- (7) Any regular meeting may be cancelled or postponed by resolution of Council.
- (8) **Special Council meetings** shall be called in accordance with *Municipal Government Act*.
- (9) Council may establish council committees and other bodies as necessary under the *Municipal Government Act* and shall determine Terms of Reference for each (to be reviewed annually).

- (10) The Library Board, while appointed by Council, is not advisory, but self-governing, established by Council bylaw under the *Alberta Libraries Act* and responsible to Council under that *Act*.
- (11) Committee members shall be appointed annually by the Mayor no later than two weeks following the third Monday in October.
- (12) Each committee is responsible for reviewing and making recommendations to Council (at least annually) on all bylaws and policies dealing with subject matter germane to that committee.
- (13) Committee meetings shall set date, time, and location.
- (14) Committees may pass no resolutions other than a motion to report to or make recommendations to Council.
- (15) Written reports or minutes of committee activities shall be submitted to the next regular Council meeting.
- (16) No committee has the power to pledge the credit of the municipality or commit the Municipality to any particular action.
- (17) Evening meetings shall be adjourned by 9:30 p.m. unless a resolution to continue is passed by simple majority.
- (18) Organizational Meeting must be held at a designated time in accordance with the *Municipal Government Act*.

Amended Dec 14, 2010, by Bylaw #383-BD-10.

4.8 Order Of Business

Council and City committees shall use the following order of business, unless changed by unanimous consent.

- (1) Call to Order
- (2) Adoption of Agenda
- (3) Adoption of Minutes
- (4) Question Period
- (5) Public Hearings
- (6) Delegation (limited to Council meetings)
- (7) City Financial Reports
- (8) Old Business
- (9) New Business
- (10) Committee Reports
- (11) Notices of Motion, Proclamations, or Announcements
- (12) Adjournment

Amended Nov 12, 2008, by Bylaw #344-BD-08.

4.9 Delegations

- (1) Any person or delegation wishing to appear before Council or committee or to address an agenda item not designated as a public hearing shall give written notice to the CAO no later than noon on the Wednesday preceding the meeting day.
- (2) An instructional sheet setting out meeting procedures and protocol shall be supplied to anyone wishing to address a Council or committee meeting.
- (3) Any person or delegation addressing Council shall state name(s), address(es), and the purpose of the presentation.
- (4) Delegations shall speak only on the matters which they have submitted to Council and which have been included on the agenda.
- (5) Delegations may be limited in the time they are permitted, but shall generally be allowed 15 minutes for presentation and discussion, which can be extended or decreased at the discretion of Council.
- (6) Approval of a delegation is subject to the Mayor or designates' discretion.

4.10 Public Hearings

- (1) On a matter included in the agenda of a regular or special Council meeting for the purpose of a **public hearing**, any individual or delegation may appear without prior notice.
- (2) The presiding Chair shall call three times for appearances from the gallery, and upon receiving no response, shall declare the public hearing closed.

- (3) Council and committee members may, upon recognition by the Chair, direct questions to a delegate or to administration, but at no time shall a debate be entered into.
- (4) Any person disrupting the proceedings of Council or a committee may be removed upon the request of the Chair.
- (5) Individuals who do not wish to make a presentation, but who wish to go on record in support or opposition to an agenda item may complete the comment form provided, which will be referred to the CAO and Council.

4.11 In Camera

- (1) At the discretion of the Mayor or Chair or a majority of the members of a committee, a meeting may be closed to the general public or municipal employees, as deemed appropriate, called *in camera*.
- (2) Under the *Freedom of Information and Protection of Privacy* (FOIP), Boards may close all or part of their meetings in accordance with the *Municipal Government Act*.
- (3) A motion is required to go in camera, and the times the meeting goes *in camera* and comes out are recorded in the minutes.
- (4) No record is necessary during the in camera portion of the meeting, but if a record is kept, it is subject to FOIP regulations.
- (5) Council shall not pass resolutions or bylaws during in camera meetings. Any decisions reached by consensus during the in camera session must be passed as motions when the regular meeting resumes.
- (6) What is discussed in camera must remain confidential and may not be discussed at any other time or place, unless brought forward as a motion and recorded in the regular meeting minutes.
- (7) When two (2) or more elected officials participate in council or committee meetings through an electronic device or other communication facilities; that meeting will be deemed to be a meeting through electronic communication or as per the *Municipal Government Act*.

4.12 Rights in Debate

- (1) Debate is the discussion regarding a motion that occurs after the Chair has restated the motion and before it is put to a vote.
- (2) When a pending question is presented for consideration, the Chair shall recognize the member who made the motion to speak first and the member who seconded the motion (if any) to speak second.
- (3) When two or more members wish to speak, the Chair shall name the member who is to speak first.
- (4) No member shall normally speak more than three minutes on any question or amendment to a question, but may request permission to exceed this limit; the privilege shall be accorded without objection upon motion supported by two-thirds of the Council.

4.13 Motions

- (1) A **Main Motion** brings new business (the next item on the agenda) before the assembly.
- (2) Council or committees may deal with a motion on a subject which is not on the agenda with unanimous consent only.
- (3) After a motion has been moved and has been stated or read, it shall be deemed to be in possession of the Council or committee, and may only be withdrawn by majority consent of the members present.
- (4) Every motion or resolution shall be stated or read by the mover, who shall speak first to the motion and close debate on the motion.
- (5) When duly moved, a motion shall be open for discussion and debate. A member may speak to a motion a maximum of two times only unless there is agreement to provide another opportunity to address the issue.
- (6) Any member may ask to have the motion under discussion to be read again at any time during the debate, but may not interrupt a speaker to do so.

- (7) The mover of a motion may speak and vote for or against the motion.
- (8) When required by the Chair, a motion shall be in writing and a copy shall be given to the CAO before such motion shall be open for consideration.
- (9) No motion other than an amending motion or motion to table or refer shall be considered until any motion already before the meeting has been disposed of.
- (10) A **Notice of Motion** may be given (and shall be given verbally and in writing to all members present) at any regular meeting, specifying the entire content of the motion to be considered, but may not be dealt with at that meeting.
- (11) The CAO shall receive a copy of any notice of motion upon adjournment of the meeting at which the notice was given and shall put it on the agenda under New **or Unfinished Business** for the next regular meeting unless otherwise instructed.
- (12) When a motion under consideration concerns two or more specific matters, a motion to **Divide the Question** divides it into two or more separate motions (which must be able to stand on their own).
- (13) When a motion is tabled without being settled, no similar or conflicting motion which would restrict action on the first motion may be introduced or adopted.
- (14) A written notice of **Motion to Reconsider, Alter, or Rescind**, given from one meeting to the next with a minimum of five (5) members voting in favour, is the only way a question once decided may be reversed, reconsidered, or rescinded within one year after the decision.
- (15) Where the City has a contractual liability or obligation, Council shall not reconsider, alter, vary, revoke, rescind, or replace any motion except to the extent that it does not avoid or interfere with such liability or obligation.
- (16) A **Point of Privilege** pertains to noise, personal comfort, etc. and should only interrupt discussion if unavoidable.
- (17) A **Parliamentary Inquiry** is a query as to the correct motion, to accomplish a desired result, or to raise a point of order.
- (18) A **Point of Information** generally applies to a question asked of the speaker.
- (19) **Orders of the Day or Agenda** is a call to adhere to the agenda. Deviation from the agenda requires Suspension of the Rules.
- (20) A **Point of Order** refers to an infraction of the rules or improper decorum in speaking, and must be raised as soon as the error is made.
- (21) To **Consider by Paragraph** is to hold back adoption of a paper until all paragraphs are debated and amended and the entire paper is satisfactory. After all the paragraphs are considered, the entire paper is then open to amendment and paragraphs may be further amended.
- (22) To **amend** is to insert or strike out words or paragraphs, or substitute whole paragraphs or resolutions; this motion may be made by any member.
- (23) Amendments shall be voted on in reverse order to that in which they are moved, and all amendments shall be decided on or withdrawn before the original motion is put to a vote.
- (24) To **Withdraw or Modify a Motion** can be done only after a question is stated; mover can accept an amendment without obtaining the floor.
- (25) To **Commit /Refer/Recommit to Committee** is to state which committee or administration sector is to receive the question or resolution for research/further information, and shall include terms, timelines, and necessary explanations. If no committee exists, the size of committee, composition, and selection method (election or appointment) is included.
- (26) To **Extend Debate** can be applied only to the immediately pending question; the extension is until a set time or for a set period.
- (27) To **Limit Debate** is to close debate at a set time, or limit it to a set period.
- (28) To **Postpone** is to state the time the motion or agenda item will be resumed (usually the next regular meeting), and must be passed by a

majority of members present. It shall appear on the agenda for the meeting date specified as an item of unfinished business.

- (29) To **Object to Consideration** is to state an objection, which must be stated before discussion is started or another motion is stated.
- (30) To **Table** is to temporarily set aside an issue and bring it back at the same meeting. It may be done after a motion to close debate has carried or is pending.
- (31) To **Take from the Table** is to state a motion previously laid on the table to resume consideration of it.
- (32) To **Reconsider** can be made only by an individual on the prevailing side who has changed position or view.
- (33) To **Postpone Indefinitely** is to kill the question/resolution for this session; exception: the motion to reconsider can still be made during this session.
- (34) **Previous Question** closes debate if successful; if preferred, a motion may be made to "**Close Debate.**"
- (35) **Informal Consideration** is a motion that the assembly go into Committee of the Whole for informal debate as if in committee; this committee may limit the number or length of speeches or close debate by other means by a 2/3 vote. All votes, however, are formal.
- (36) To **Appeal the Decision of the Chair** is an appeal which the assembly must decide, and must be made before other business is resumed; NOT debatable if relates to decorum, violation of rules, or order of business.
- (37) To **Suspend the Rules** allows a violation of the assembly's own rules (except Constitution); the object of the suspension must be specified
- (38) A **Motion to Adjourn** is not subject to debate and will be voted on immediately.

4.14 Voting

- (1) When a member who has moved a motion closes the debate, the Chair shall put the motion to a vote, and this decision is final unless overruled by a majority vote of the members present at the meeting.
- (2) Once the motion has been put to a vote, no member shall debate further on the question or speak any words except to request that the motion be read aloud.
- (3) When a question is put to vote, no member shall leave Council chambers until the vote is taken.
- (4) Any bylaw or resolution upon which there is an equality of votes shall be deemed to be defeated.
- (5) Pursuant to the *Municipal Government Act*, a councillor member must vote on a matter at a council meeting except where the person abstaining is prohibited from voting because of conflict of interest or pecuniary interest in accordance with the *Municipal Government Act*.
- (6) The vote on any matter shall be recorded.

4.15 Bylaws, Resolutions, and Policies

- (1) Draft Bylaws and policies shall be prepared at the request of Council or a committee by the appropriate committee or City staff, and shall be reviewed by the appropriate committee before being presented for approval. Copies of the drafts shall be included in the agenda packages according to City procedure.
- (2) Before a **Bylaw** is passed, it shall, in accordance with the *Municipal Government Act*, have three distinct and separate readings before it is adopted, but no more than two readings may take place at any one meeting of Council, unless unanimous consent is taken before third (3rd) reading.
- (3) Council shall vote on the motion for the first reading of the bylaw without amendment or debate.
- (4) When all amendments (if any) have been accepted or rejected, the motion for second reading of the bylaw as presented or amended shall be considered.

- (5) When a bylaw has received third reading and been passed, the Mayor shall declare the bylaw adopted, and it becomes a municipal enactment, effective immediately unless the bylaw itself provides otherwise.
- (6) Upon being passed, a bylaw shall be signed by the Chair of the meeting at which it was passed and by the CAO, and shall be embossed with the corporate seal of the City.
- (7) A bylaw which requires approval from the Province of Alberta shall receive two readings prior to the submission of a certified copy to the provincial authorities. The third reading may proceed only after the signed approval of the provincial authority is received.
- (8) **Resolutions or motions** shall come into effect as soon as they are passed unless they contain a deferred implementation.
- (9) **Policies** shall be presented for discussion, and passed by simple majority, and shall come into effect as soon as they are passed unless they contain a deferred implementation.
- (10) Upon being passed, a policy shall be signed by the Chair of the meeting at which it was passed and by the CAO.

4.16 Minutes

- (1) Minutes of all proceedings of regular and special Council and committee meetings shall be recorded in accordance with the *Municipal Government Act*.
- (2) At every regular Council and committee meeting minutes of the previous regular meeting and any special meeting held more than 48 hours prior to the current meeting shall be considered for adoption.
- (3) Minutes shall include resolutions to go in camera and to adjourn the meeting.
- (4) The CAO (or designate) shall, as soon as possible after a meeting of the Council, prepare minutes of the meeting and circulate them to the members of Council or the committee.

4.17 Spokespersons

- (1) The Mayor speaks for the City unless that power is designated to another person, on a case-by-case basis only.
- (2) Individual Councillors or committee members have no authority to act outside established bylaws and policy.
- (3) Bylaws and Policy can only be initiated and must be approved by Council (with the exception of the Library Board).
- (4) Democratic process includes the right to debate, question, and discuss, but once a decision is made, Councillors and committee members must speak with one voice and practice and publicly defend all Council decisions.
- (5) Councillors and committee members should remember that advocacy and information for ratepayers are part of their responsibilities, but always within parameters set by Council decisions.
- (6) No special interests shall be promoted over the common interest.
- (7) Councillors and committee members who are approached about issues not covered by policy or bylaw shall bring such concerns to Council, and not attempt to resolve them; Council shall forward them to Administration or committee, as appropriate.

4.18 Repeal

- (1) Bylaw No.'s 071-BD-99, 185-BD-04 227-80-05 and 293-B0-07 of the City of Cold Lake and any amendments are hereby repealed.

4.19 Coming into Force

- (1) This bylaw shall come into full force and effect upon the final passing thereof.

FIRST READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this 23rd day of October, A.D. 2007, on motion by Councillor Rodden.

**CARRIED
UNANIMOUSLY**

SECOND READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this 23rd day of October, A.D. 2007, on motion by Councillor Plain.

**CARRIED
UNANIMOUSLY**

CONSENT TO THIRD AND FINAL READING granted on motion by Councillor Taschereau.

**CARRIED
UNANIMOUSLY**

THIRD AND FINAL READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this 23rd day of October, A.D. 2007, on motion by Councillor Lay.

**CARRIED
UNANIMOUSLY**

CITY OF COLD LAKE

MAYOR

CHIEF ADMINISTRATIVE OFFICER



CITY OF BROOKS

BYLAW NO. 11/11

A BYLAW OF THE CITY OF BROOKS TO REGULATE THE PROCEEDINGS OF COUNCIL AND COMMITTEES

WHEREAS pursuant to the Municipal Government Act RSA 2000, c M-26 and regulations as amended, Council may pass a Bylaw respecting the procedure and conduct of Council.

NOW, THEREFORE, the Council of the City of Brooks, in the Province of Alberta, hereby enacts as follows:

TITLE

1. This Bylaw may be referred to as the "Procedural Bylaw".

INTERPRETATION

2. In this Bylaw, unless the content otherwise requires:
 - a) "**Act**" means the Municipal Government Act RSA 2000 c-M-26 and regulations made under the Municipal Government Act as amended;
 - b) "**Administration**" is the general operations of the City, including all personnel, financial and other related resources, as permitted by the Act;
 - c) "**Agenda**" is the order of items of business for a meeting and the associated reports, bylaws or other documents;
 - d) "**Bylaw**" means the City of Brooks Bylaw No. 11/11 as may be amended from time to time;
 - e) "**Chair**" means the person presiding at the meeting of Council or Council Committee;
 - f) "**Chief Administrative Officer**" means the Chief Administrative Officer of the City of Brooks regardless of any subsequent title that may be conferred on that officer by Council or statute, or his/her designate;
 - g) "**City**" means the City of Brooks, a Municipal Corporation in the Province of Alberta, or the geographical area contained within the boundaries of the City of Brooks, as the context may require.
 - h) "**Council**" means the Municipal Council of the City of Brooks;

- i) **"Council Committee"** is a Committee within the meaning of the Act that is carrying out the powers, duties and functions delegated to it by Council and is comprised of all members of Council;
- j) **"Delegation"** shall mean a person or group of persons wishing to appear before the Council to address a specific matter;
- k) **"Deputy Mayor"** shall mean the member who is appointed pursuant to the Act to act as Mayor in the absence or incapacity of the Mayor and shall be appointed to serve for a one year term;
- l) **"Executive Assistant"** means the person or designate appointed by the CAO to prepare Agendas, Minutes and motions for any meeting and be responsible for indexing bylaws and Council resolutions;
- m) **"In Camera Session"** means a meeting or a portion of a meeting which is closed to the public;
- n) **"Mayor"** shall mean the Chief Elected Official elected in accordance with the Municipal Government Act;
- o) **"Member"** shall mean a member of Council.
- p) **"Minutes"** are the record of decisions of any meeting recorded in the English language without note or comment;
- q) **"Pecuniary Interest"** means a pecuniary interest within the meaning of the Act.
- r) **"Person"** means any person, firm, partnership, association, corporation, company or organization of any kind.
- s) **"Point of Information"** is a request to a Member or the Administration, for information relevant to the business at hand, but not related to a Point of Procedure.
- t) **"Point of Order"** shall mean the raising of a question by a member to call attention to any departure from this Bylaw;
- u) **"Point of Procedure"** shall mean a question directed to the Chair to obtain information on a matter of parliamentary law or the rules of Council bearing on the business at hand in order to assist a member to make an appropriate motion, raise a point of order or understand the parliamentary situation or the effect of a motion;
- v) **"Public Hearing"** shall mean a meeting of Council convened to hear matters pursuant to the Municipal Government Act, or any other Act, or any other matter at the direction of Council;

- w) “**Question of Privilege**” shall mean a raising of a question which concerns a member of Council, or the Council collectively when a Member believes that another Member has spoken disrespectfully towards him/her or the Council, or when he/she believes his/her comments have been misunderstood or misinterpreted by another Member or Members.
- x) “**Quorum**” means the majority of all Councillors that comprise the Council pursuant to Section 143 of the Act. If there is a vacancy on Council and the Council is not required to hold a by-election under Section 162 or 163 of the Act, quorum shall consist of the majority of the remaining Councillors that comprise the Council under Section 143 of the Act.

GENERAL

- 3. This Bylaw shall govern all meetings of Council, Council Committee, Standing Committee, Adhoc Committees, Public Hearings and any other meeting as may be directed by Council.
- 4. When a matter arises relating to proceedings in a meeting which is not covered by a provision of this Bylaw or the Act, the matter shall be decided by reference to Robert’s Rules of Order.
- 5. In the absence of any statutory obligation to the contrary, the strict application of this Bylaw may be waived if approved by a vote of the majority of Council.
- 6. A motion to waive any provision of this Bylaw as provided for in Clause 5 may be brought at any time, and if accepted, the resolution waiving the strict application of the Bylaw will only be effective for the meeting during which it was passed.
- 7. The precedence of the rules governing the procedure of Council is:
 - a) The Act;
 - b) Other Provincial Legislation;
 - c) This Bylaw; and,
 - d) Roberts Rules of Order.
- 8. All sections of the Act referenced in this Bylaw are for information only and may change as the Act is amended.

ORGANIZATION OF COUNCIL & COMMITTEES

Council:

- 9. The Mayor, when present, shall preside as Chair over all meetings of Council and Council Committee.

10. At the first organizational meeting of Council following a general election, Council shall appoint a separate Councillor to the position of Deputy Mayor for each of the three years following the general election.
11. The Deputy Mayor shall Chair Council and Council Committee when the Mayor is absent or unable to act as Mayor and shall have the powers and responsibilities of the Mayor under this Bylaw.
12. In the absence or inability of the Mayor and Deputy Mayor to act, the next Councillor appointed to be Deputy Mayor shall assume the Chair of Council and Council Committee meetings and shall have the powers and responsibilities of the Mayor under this Bylaw. At the third Organizational Meeting following a general election, the Council shall appoint a Councillor to act in the absence or inability of the Mayor and Deputy Mayor to act.

Standing and Adhoc Committee Establishment:

13. Council may establish Standing and Adhoc Committees as are necessary or advisable for the orderly and efficient handling of the affairs of the City and establish the Terms of Reference and duration of a Committee. Such committees shall be appointed by motion by a majority vote of Members present at a Council meeting and any Member may be appointed to a committee notwithstanding the absence of such Member at the time of being named to such committee for a one year term commencing the following day of the annual Organizational meeting and expiring on the date of the next annual Organizational Meeting.
14. Council Committee shall meet regularly but special meetings may be held at any time at the call of the Mayor upon twenty-four (24) hours notice. The quorum shall be the majority of the Council members.
15. Council Committee, Standing Committees and Adhoc Committees shall not have authority to:
 - a) pass bylaws or adopt policies;
 - b) make, suspend or revoke the appointment of a person to the position of Chief Administrative Officer;
 - c) adopt budgets or budget adjustments under Part 8 Financial Administration of the Act;
 - d) set taxes covered under s. 347 of the Act;
 - e) decide on appeals imposed on it by the Act or any other enactment;
 - f) authorize accumulated annual expenditures over \$10,000 that are not included in the approved operating and capital budget;
 - g) sell land that is not at market value;
 - h) approve subdivisions or rezone any parcel of land;
 - i) make changes to Area Structure Plans or the Municipal Development Plan;

- j) approve annexations or expropriations.

Council Committee:

- 16. The Mayor shall be the designated Chair.
- 17. Meetings shall be held regularly but special meetings may be held at any time at the call of the Mayor upon twenty-four (24) hours notice.
- 18. Delegated powers, duties and functions of Council Committee may include, but are not limited to the following:
 - a) making new or revised policy proposals to Council;
 - b) receiving reports on work in progress;
 - c) creating and being responsible for sub-committees and their Terms of Reference;
 - d) providing performance evaluations and ongoing monitoring of the CAO as required by the Act;
 - e) reviewing and making recommendations about corporate structure, corporate personnel issues and corporate policy to Council;
 - f) providing initial budget guidelines in consultation with the CAO;
 - g) reporting on Council's strategic priorities; and,
 - h) referring reports to Council for policy review and direction.
- 19. No motions shall be made other than recommendations to Council.
- 20. No action of Council Committee shall be binding on the City unless Council has adopted the report of the Committee by resolution.

REGULAR MEETINGS

Council:

- 21. The regular meetings of Council shall be held in Council Chambers at the Municipal Office on the 1st and 3rd Monday of every month. When the meeting day falls on a statutory holiday the meeting shall be held the following day which is not a statutory holiday.
- 22. Regular meetings of Council shall commence at 4:30 p.m.

Council of the Whole:

- 23. Where the majority of Members present are of the opinion that it is in the public interest to hold a committee meeting of the whole or part of the Members on any subject in private, a Council may, by resolution, exclude any person or persons

from the meeting, but it has no power at such a committee meeting to pass any Bylaw or resolution apart from the resolution necessary to revert to an open meeting.

24. The resolution to meet in committee of the whole must state the items or matters to be discussed.

Change in Date/Time:

25. If there are changes to the date and time of the meeting, the municipality must give at least twenty-four (24) hours notice of the change to all Members and post a public notice. Posting a public notice in the front foyer of the Municipal Office is sufficient notice to the public if the Chair or designate is unable to advertise the change in the local newspaper.

In Camera Meetings

26. Council may conduct all or a portion of any meeting In Camera pursuant to Section 197 (2) of the Act, for the purposes of:
- a) protecting the City, its operations, economic interests and delivery of its mandate from harm that could result from the release of certain information; and,
 - b) to comply with Division Two of Part One of the Freedom of Information and Privacy Act.
27. Matters which may be discussed In Camera, include the following:
- a) wages, salaries and other personnel matters;
 - b) any information regarding contract negotiations;
 - c) the acquisition, sale, lease or exchange of land;
 - d) matters involving financial information i.e. budget; financial reporting, etc.;
 - e) matters involving litigation, or the discussion of legal advice provided to the City;
 - f) matters concerning RCMP investigations or confidential reporting; and,
 - g) information pertaining to the City's accounting practices;
 - h) notwithstanding Clause 27 a) to g) above, the Members may by a two-thirds (2/3) vote authorize additional matters to be discussed In Camera.
28. Items discussed In Camera shall remain Confidential.
29. No Bylaw or resolution shall be passed at an In Camera Meeting, except a resolution to revert to meeting in public.

Organizational Meeting

30. An Organizational Meeting of Council shall be held annually pursuant to the Act.
31. When the Mayor has been elected at an election immediately preceding the meeting, the CAO shall call the meeting to order and shall preside over the meeting until every Member present has made and subscribed the official oath prescribed by the Oath of Office Act.
32. The CAO in conjunction with the Mayor shall fix the time and prepare the Agenda which shall be restricted to:
 - a) the administration of the oath and the introduction of new members of Council should the meeting follow the General Municipal Election;
 - b) the establishment of meeting dates;
 - c) the appointment of members to act on committees, boards and other bodies which Council is entitled to representation;
 - d) appointment of Councillors as Deputy Mayor; and,
 - e) any such other business as is required by the Act.

Public Meetings

33. Except as provided in Clauses 23 and 26 of this Bylaw, all meetings shall be held in public.

Quorum

34. A Council meeting is called to order when sufficient Members are present to form a Quorum at the time set for the start of the meeting. The Mayor shall take the Chair and call the Council meeting to order.
35. If there is no Quorum present within half an hour after the time appointed for the meeting of Council, the Executive Assistant shall call the roll and take down the names of the Members present, and the Council shall stand absolutely adjourned until the next meeting unless a special meeting is duly called in the meantime.
36. In the case the Mayor or Deputy Mayor is not in attendance within fifteen Minutes after the hour appointed for a meeting and a Quorum is present, Clause 12 of this Bylaw shall apply.

Attendance

37. Attendance is required as pursuant to the Act.

Special Meetings

38. The Mayor may call a special meeting of Council whenever the official considers it appropriate to do so and when a written request, stating purpose, is received from a majority of the Members.
39. Written notice of a special Council meeting stating the time and place at which it is to be held and stating in general terms the nature of the business to be discussed shall be provided to the public and all Members not less than twenty-four (24) hours in advance of the meeting.
40. The Mayor may call a special meeting of Council upon shorter notice, however no such special meeting may be held unless two-thirds (2/3) of Members give their written or electronic consent to the holding of the meeting.
41. No business other than that stated in the notice shall be discussed at any special meeting of Council, unless all Members are present and two-thirds agree that other business may be discussed.

Cancellation of Meetings

42. (1) Council meetings may be cancelled:
 - a) by a majority of Members at a previously held Meeting; or
 - b) with the written consent of a majority, provided twenty-four (24) hours notice is provided to Members and the public; or,
 - c) with the written or oral consent of two-thirds (2/3) of the Members if twenty-four (24) hours notice is not provided to the public.
- (2) Special Meetings may be cancelled:
 - a) by the Mayor if twenty-four (24) hours written notice is provided to all Members and the public; or,
 - b) if less than twenty-four (24) hours notice is provided, the Mayor may cancel with the written or oral consent of two-thirds of the Members.

AGENDA & MINUTES

Agenda Procedures for Council and Council Committee

43. The draft Agenda for Council shall be prepared by the Executive Assistant. The CAO shall review the Council Agenda with the Mayor prior to the regular scheduled Council meeting.
44. The draft Agenda for Council Committee shall be reviewed by the Mayor and CAO prior to the meeting.

45. All items for Agendas prepared by Administration and/or Members shall be delivered in writing to the CAO's designate by noon the Wednesday preceding the Council or any committee meeting.
46. Items to be discussed at an In Camera session shall be marked Confidential and distributed to Members and designated staff as directed by the CAO.
47. Unless otherwise specified in this Bylaw the order of business for meetings shall endeavor to be contained in the Agenda, which shall be prepared by the Executive Assistant. Copies of all Agenda material to be dealt with will generally be placed at the disposal of Council by 12:00 noon the Friday preceding the meeting.
48. In the event that the Mayor and/or Chair determines a matter to be urgent, the Mayor and/or Chair may bring the matter before Council notwithstanding that the matter did not appear on the Agenda. Each item of urgent business shall:
 - a) be accompanied by a brief explanation from the Mayor and/or Chair indicating the reasons and degree of urgency.
49. In the event that the Mayor and/or Member determines to add an item to the Council/Council Committee Agenda that is not of an urgent matter, the item shall be considered if carried by a two-thirds vote of the Members present.
50. The order of business in the Council Agenda shall be as follows:
 1. Items to add or delete from the Agenda
 2. Adoption of the Agenda
 3. Adoption of the previous Minutes
 4. Business arising out of Minutes
 5. R.C.M.P. Report
(second regular meeting of the month)
 6. Delegations
 7. Correspondence and Information
 8. Accounts Payable
 9. Boards & Commissions Reports
(second regular meeting of the month)
 10. Administrative Reports
 11. Financial Reports
(second regular meeting of the month)
 12. Business
 13. Bylaws
 14. Business – In Camera

15. Questions from the Media
16. Adjournment

51. The order of business established in the foregoing paragraph shall apply unless Council otherwise determines by a two-thirds (2/3) vote of the Members present, to revise the order of business.

Delegations:

52. A Delegation wishing to address Council at any meeting shall:
 - a) make a written submission to the Executive Assistant at least seven (7) business days prior to the meeting unless the Mayor and/or Deputy Mayor approves a lesser time;
 - b) the written submission will indicate the topic and purpose for requesting to appear before Council and shall become public information unless requested to be Confidential by the delegate;
 - c) Delegations consisting of more than one individual shall appoint a spokesperson who will be responsible for presenting the points of view or position for the group;
 - d) presentations will be directed to the Chair and limited to ten (10) minutes unless by the unanimous consent of Members present the ten (10) minute period of time is extended;
 - e) information presented by the Delegation shall be restricted to the topic noted in the written submission;
 - f) debate concerning matters raised by a Delegation will take place at the discretion of the Members;
 - g) the Members, by unanimous vote, may make a motion to consider the topic presented under the new business section of the Council Agenda;
 - h) notwithstanding Clause 52 (a) – (g) above, the Members by unanimous vote, may authorize a Delegation to speak at a meeting, at any time.

Minutes:

53. The Executive Assistant shall:
 - a) make an audio-recording of all Council meetings and store these recordings in a place of safekeeping for a minimum of one hundred and twenty (120) days;
 - b) prepare the Minutes of every meeting and distribute to Members and the CAO prior to the next regularly scheduled Council meeting where Minutes of the meetings shall be adopted or received as information;
 - c) record in writing or electronically motions made at each Council meeting including names of Members who vote for and against a motion when a recorded vote is taken;

- d) to number each motion in the Minutes numerically and record in the City's Council resolution index after each Council meeting;
 - e) make arrangements to have the Council Minutes signed by the Mayor and CAO or his/her designate after the Council Minutes have been adopted by Council;
 - f) maintain original copies of the meeting Minutes permanently in the vault and forward an electronic copy to the IT Department for placement on the City's website and scan an approved copy for document imaging;
 - g) record the names and general nature of a Pecuniary Interest declared by a Member.
54. A Member, who has reason to believe that the Minutes of a prior Council meeting are incorrect, whether those Minutes have been officially adopted or not, may present a Notice of Motion pursuant to this Bylaw requesting that the Minutes be amended to correct the inaccuracy or the omission.
- a) where a Notice of Motion is received pursuant to this section, the Executive Assistant shall review the audio tapes of the meeting in question and shall prepare a summary of the relevant portion of the audio recording for Council prior to the Hearing; and,
 - b) in the event of disagreement between the Member and the Executive Assistant as to the accuracy of the Executive Assistant's summary of audio recordings, Council may request that the Executive Assistant provide a copy of the audio recording which will be played at the meeting at which the motion seeking the correction is to be heard.

Recording Devices

55. The Chair has the authority to prohibit the use of still and video recording devices at meetings by Members, Administration, the press or the public if the use is disruptive and/or interfering with Council/Council Committee meetings.

ROLES AND RESPONSIBILITIES

Role of the Mayor

56. The Mayor as Chair of Council meetings shall:
- a) maintain order and preserve decorum and may, if necessary, call a Member to order;
 - b) decide Points of Order without debate or comment;
 - c) ensure that all Members who wish to speak on a motion have spoken, that the Members are ready to vote and shall subsequently call the vote; and,
 - d) rule when a motion is out of order.

57. The Chair shall have the same rights and be subject to the same restrictions, as to participation in debate, as all other Members. When wishing to make a motion, the Chair shall:
- a) vacate the Chair, and request that the Deputy Mayor take the Chair;
 - b) if the Deputy Mayor is absent, the next appointed Deputy Mayor shall Chair the meeting; and,
 - c) remain out of the Chair until the motion on the floor has been dealt with, exclusive of the motions arising;
 - d) the current Chair may vacate the Chair at anytime.
58. Procedure is a matter of interpretation, to be determined by the Mayor or Chair as applicable.

Role of Council

59. Members must not exercise a power or function or perform a duty that is by this or another enactment or Bylaw specifically assigned to the CAO or a designated officer.
60. Members are to make decisions as a collective body for all matters regarding policy or of a program nature. Individual Council Members do not have authority to bind Council or the City to a specific course of action unless the authority has been expressly granted through resolution by Council.

Pecuniary Interest

61. Where a Member has a Pecuniary Interest in the matter before Council, as defined by the Act, the Member shall disclose the general nature of the Pecuniary Interest and shall leave the Council Chambers before debate on the matter and shall not return until after all discussions and voting on the matter has been completed.
- a) Where a Member has declared a Pecuniary Interest in a matter and has vacated the Council Chamber, that Member can no longer be counted for the purpose of determining whether there is a Quorum.
 - b) Where a Member has declared a Pecuniary Interest with a question on which, under the Act or another enactment, the Member as a taxpayer, an elector or an owner has a right to be heard by the Council;
 - i) it is not necessary for the Member to leave the room; and,
 - ii) the Member may exercise a right to be heard in the same manner as a person who is not a Member.
62. The Members shall deal with and control the executive and administrative functions through the CAO or his/her designate and Council shall as normal practice require that its directives be carried out through the office of the CAO.

63. Any violations of Clauses 59 and 62 above shall be dealt with by resolution of the Council.

CONDUCT & DEBATE

Public Conduct

64. Members of the public who constitute the audience in the Council Chamber during a Council meeting shall:
- a) not address Council without Council permission;
 - b) maintain order and quiet;
 - c) not applaud or otherwise interrupt any speech or action of the Members, or any other person addressing Council.
65. A member of the public who persists in a breach of 64 above, after having been called to order by the Chair may, at the discretion of the Chair be ordered to leave Council Chambers.

Member Debating

66. A Member wishing to speak on a matter at a meeting should indicate their intention by raising their hand and being recognized by the Chair, shall not speak more than once until every Member has had the opportunity to speak except:
- a) if the explanation part of the speech may have been misunderstood; or
 - b) in reply, to close debate, after everyone else wishing to speak has spoken, provided that the Member presented the motion to the meeting.
67. Supplementary questions or a series of questions relating to the matter before the meeting may be raised by the Member, but each such question requires the consent of the Chair.
68. Members may be permitted to speak two (2) times on each matter, each time no longer than two (2) minutes which may be extended at the discretion of the Chair.
69. All questions or debate shall be directed through the Chair.

Member Conduct

70. A Member shall not:
- a) use offensive words or unparliamentary language;

- b) disobey the rules of the Council or decision of the Chair or of Members on questions or order or practice, or upon the interpretation of the rules of Council;
 - c) leave their seat or make any noise or disturbance while a vote is being taken and the result is declared;
 - d) enter the Council Chamber while a vote is being taken;
 - e) interrupt a Member while speaking, except to raise a Point of Order or Question of Privilege.
71. A Member who persists in a breach of Clause 70 (a) above, after having been called to order by the Chair, may at the discretion of the Chair be ordered to leave their seat for the duration of the meeting.
72. At the discretion of the Chair, the Member may resume their seat following an apology.
73. A Member who wishes to leave the meeting of Council, without intent to return prior to adjournment, shall so advise the Chair and the time of departure shall be recorded in the Minutes.

POINTS OF INFORMATION, ORDER, PROCEDURE AND QUESTION OF PRIVILEGE

74. When a Point of Order, Point of Procedure or Question of Privilege arises, it shall be considered immediately.

Point of Information

75. When a Point of Information is raised, the Mayor shall answer or direct the Point to the appropriate member of the Administration.

Question of Privilege

76. A Member who desires to address Council upon a matter which concerns the rights or privileges of the Council collectively shall be permitted to raise such Question of Privilege. While the Chair is ruling on the Question of Privilege, no one shall be considered to be in possession of the floor.

Point of Order

77. A Member who desires to call attention to a violation of the rules on a Point of Procedure shall ask leave of the Chair to raise a Point of Order with a concise explanation and shall attend the decision of the Chair on the Point of Order. The Member in possession of the floor, when the Point of Order was raised, shall have the right to the floor when the debate resumes.

78. A Member called to order by the Chair shall immediately vacate the floor until the Point of Order is dealt with, and shall not speak again without the permission of the Chair unless to appeal the ruling of the Chair.

Appeal Ruling

79. The decision of the Chair shall be final, subject to an immediate appeal by a Member.
80. If the decision is appealed, the Chair shall give concise reasons for his/her ruling and Council, without debate, shall decide the question. The ruling of Council shall be final.

MOTIONS

81. Every motion, when moved and presented to the Chair is the property of Council; a motion may only be withdrawn with the unanimous consent of the Council.
82. All motions shall be in writing and should be concise and unambiguous.
83. Any Member may require the motion under discussion to be read at any time during the debate, except when a Member is speaking.
84. The mover of a motion must be present when the vote on the motion is taken.
85. When a matter is under debate, no motion shall be received other than a motion to:
- a) fix the time for adjournment;
 - b) adjourn;
 - c) withdraw;
 - d) table;
 - e) call the question (that the vote must now be taken)
 - f) postpone to a certain time or date (only debatable for time and date);
 - g) refer;
 - h) amend;
 - i) postpone indefinitely;

which order shall be the order of precedence.

86. A motion relating to a matter not within the jurisdiction of the Council shall not be in order.
87. A motion to table may be made when a member wishes Council to decline to take a position on the main question. The motion is not debatable and when passed, may only be resurrected by a motion to raise from the table.
88. A motion to refer shall require direction as to the person or group to which it is being referred and is debatable.

89. A motion to postpone indefinitely must include a reason for postponement and is debatable.

Amendment

90. Only one amendment at a time shall be presented to the main motion. When the amendment has been disposed of, another may be introduced. All amendments must relate to the matter being discussed in the main motion and shall not so substantially alter the motion so as to change the basic intent or meaning of the main motion. The Chair shall rule on disputes arising from amendments.
91. The amendment shall be voted upon. If any amendment is carried, the main motion, as amended, shall be put to the vote, unless a further amendment is proposed.
92. Nothing in Clauses 90 and 91 above shall prevent other proposed amendments being read for the information of the Members.

Motions Out of Order

93. It is the duty of the Mayor to determine what motions or amendments to motions are in order, subject to challenge by a Member, and decline to put forward a motion deemed to be out of order.
94. The Mayor shall advise at a meeting of Council that a motion is out of order and cite the applicable rule or authority without further comment.
95. The Mayor may refuse to accept a motion to refer, that has the effect of defeating the motion to which it refers.
96. Once a motion has been voted on, a similar motion may not be made for six (6) months without first reconsidering the original motion.
97. If a motion is contrary to the procedures and privileges, the Mayor may refuse to accept it and must cite the rule or authority applicable without other comment.
98. A motion containing several distinct recommendations is not out of order for that reason alone.

Reconsideration

99. After a motion has been voted upon, and before moving to the next item on the Agenda, any Member who voted with the prevailing side may move for reconsideration and shall state the reason therefore.
100. Reconsideration shall then be open to debate, voted upon, and shall require the votes of a majority of Members present to pass.

101. If a motion for reconsideration is moved at a subsequent meeting by a Member who voted with the prevailing side, it shall be preceded by a Notice of Motion and shall require a majority vote for the Members present to carry.
102. If a motion to reconsider is decided in the affirmative, such reconsideration shall become the next order of business, unless the motion calls for a future definite date. Debate on the matter to be reconsidered shall proceed as though it had not previously been voted upon.
103. A Notice for Reconsideration must be confined to reasons for or against reconsideration.
104. A motion for reconsideration which is voted upon and approved, automatically suspends the previous motion to which it relates.

Rescinding Motions

105. A motion to rescind a previous motion may be accepted by the Chair under special circumstances; and, if passed by a majority vote of the Members present, the previous motion referred to would be declared null and void.

Splitting Motions

106. When the motion under consideration contains a number of distinct propositions, each proposition shall, if a Member requests, be voted upon separately.

Notice of Motion

107. Notice of Motion should be used to give notice when an extended period of time is advisable prior to considering a subject.
108. In accordance with Clause 107 above, a Notice of Motion may be received by the Chair prior to the closing of the meeting. The Member shall read the Notice of Motion which shall form part of the Agenda for the subsequent meeting.
109. A Member who hands a written Notice of Motion to the Chair to be read at any meeting need not necessarily be present during the reading of the Notice.
110. A motion, notice of which has been given, if not moved on the day and at the meeting for which notice has been given, cannot be moved at any subsequent meeting without notice being given on the Agenda for such meeting.

Voting – Close Debate

111. When a motion to close debate and take the vote is presented, it shall be put to a vote without debate and, if carried by a two-thirds vote of the Members present, the Motion and any amendments thereto shall be submitted to a vote immediately without further debate.

112. When the Chair, having ascertained that no further information is required, commences to take a vote, no Member shall speak to or present another Motion until the vote has been taken on such Motion or amendment.

Requirement to Vote

113. Every Member present, including the Mayor, shall vote on every matter, unless:
- a) in a specific case, the Member is excused by resolution of the Council from voting; or
 - b) disqualified from voting by reason of pecuniary interest.
114. A Member may request a recorded vote on any Motion.

Tie Vote

115. Any Bylaw or resolution on which there is an equality of votes shall be deemed to be decided in the negative.

Council/Council Committee Meeting Duration

116. Council proceedings shall adjourn after meeting for one and one-half (1.5) hours unless otherwise determined by a two-thirds (2/3) vote of the Members present.
117. Council Committee proceedings shall adjourn after meeting for three (3) hours unless otherwise determined by a two-thirds (2/3) vote of the Members present.

BYLAWS

118. Where a Bylaw is presented to Council for enactment, the Executive Assistant shall cause the number and short title of the Bylaw to appear on the Agenda.
119. Every Bylaw shall have three (3) readings. Only the title or identifying number must be read at each reading.
120. A Bylaw shall be introduced for first reading by a motion that the Bylaw be read a first time. The following shall apply at first reading:
- a) Council shall vote on the motion for first reading of a Bylaw without amendment or debate; and;
 - b) after first reading, a Member may ask a question concerning the Bylaw.
121. A Bylaw shall be introduced for second reading by a motion that the Bylaw be read a second time.

122. A Bylaw shall be introduced for third reading by a motion that the Bylaw be read a third time.
123. The following applies at second and third reading:
- a) Council may debate the substance of the Bylaw;
 - b) Council may propose and consider amendments to the Bylaw; and,
 - c) a Member may request all or a portion of the Bylaw to be read.
124. A proposed amendment shall be put to a vote and, if carried, shall be considered as having been read a first time and incorporated in the Bylaw.
125. When all amendments have been accepted or rejected, a vote on second reading of the Bylaw, as amended, shall be called.
126. A Bylaw shall not be given more than two (2) readings at one (1) Council meeting, unless the Members present unanimously agree to a motion authorizing third reading.
127. If a reading of a proposed Bylaw fails:
- a) previous readings are rescinded; and,
 - b) first reading of the proposed Bylaw may not be dealt with again, except in accordance with Clause 128 of this Bylaw.
128. Subject to the Land Use Bylaw, failure of a reading of a proposed Bylaw will not preclude the introduction of another proposed Bylaw with similar terms and effect.
129. In accordance with the Act, if a Bylaw:
- a) does not receive third reading within two (2) years from the date of the first reading, the readings are deemed to have been rescinded; and,
 - b) is defeated on third reading the previous readings are deemed to have been rescinded.
130. A Bylaw shall be signed by the Mayor or Deputy Mayor and CAO or his/her designate for the City after third reading is given and passed, and shall be impressed with the corporate seal of the City.
131. The Executive Assistant shall be responsible for keeping a record of all bylaws, including amendments, in the City's Bylaw Index, and shall update the Bylaw Index after each regular Council meeting as required.

PUBLIC HEARINGS

132. Members of the public or a representative may address Council on a planning matter or other matter directed by Council to be considered at a Public Hearing, subject to a ten (10) minute time limit unless otherwise determined by the Chair to have the time extended.

133. Individuals addressing a meeting must state their name and who they represent, if anyone, and provide the Executive Assistant with the correct spelling of their name.
134. Members shall not ask questions of the Administration until all representatives have been heard, except under Clause 135 (a) below.
135. The order of business for each item of a Public Hearing shall be:
- a) presentations from the Administration and questions of clarification;
 - b) Public Hearing presentations by:
 - i) those speaking in favour;
 - ii) those speaking against; and,
 - iii) follow-up questions from Members;
 - c) questions of the Administration from Members; and,
 - d) motions.
136. Members, who are absent for the whole of the statutory public hearing, are not entitled to vote on the matter.

SEVERABILITY

137. It is the intention of Council that each separate provision of this Bylaw shall be deemed independent of all other provisions herein and it is the further intention of Council that if any provision of this Bylaw is declared invalid, all other provisions hereof shall remain valid and enforceable.

REPEAL OF BYLAW

138. That Bylaw No. 07/16 and amendments thereto be hereby repealed.

EFFECTIVE DATE

139. This Bylaw shall take effect at the date of final passing thereof.

Read a first time this 3rd day of October, 2011

Read a second time this 3rd day of October, 2011

Read a third time and finally passed this 3rd day of October, 2011



Mayor

Chief Administrative Officer



**TOWN OF COCHRANE
BYLAW 19/2019**

**Being a bylaw of the Town of Cochrane, in the Province of Alberta to
regulate the proceedings and conduct of Council and Council Committee
meetings**

WHEREAS the Municipal Government Act, S.A. 2000, Chapter M-26, as amended, provides that a Council may pass bylaws in relation to the procedure and conduct of Council, and committees established by Council, and may regulate the conduct of Members and members of committees established by Council;

AND WHEREAS Council has deemed it necessary to regulate the procedure and conduct at meetings of Council and committees established by Council;

AND WHEREAS Council has deemed it necessary to regulate procedures for receiving and responding to communications and submissions to Council:

**NOW THEREFORE THE MUNICIPAL COUNCIL OF THE TOWN OF COCHRANE,
IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, HEREBY ENACTS AS
FOLLOWS:**

1 TITLE

1.1 This Bylaw may be cited as the "Procedural Bylaw".

2 DEFINITIONS

2.1 In this Bylaw:

- (a) "Act" means the Municipal Government Act, S.A., as amended;
- (b) "Administrative Representative" refers to the senior Administration resource person appointed to a Committee by the CAO;
- (c) "Agenda" means the list and order of business items for any meeting of Council, or Committees;
- (d) "Bylaw" means a bylaw of the Town;

- (e) "CAO" means the Chief Administrative Officer; "Chairperson" means the Member elected from among the Members of a Committee to preside at all meetings of the Committee;
- (f) "Committee" means a committee, board, commission, authority, task force or any other public body established by Council pursuant to this bylaw;
- (g) "Council" means the Mayor and Members of the Town of Cochrane.
- (h) "Deputy Mayor" means the Member of Council appointed pursuant to this Bylaw to act as Mayor in the absence or incapacity of the Mayor;
- (i) "In-Camera" means a part of the meeting closed to the public at which no resolution or bylaw may be passed, except a resolution to revert to a meeting held in public;
- (j) "Mayor" means the Member of Council duly elected as the Chief Elected Official, as defined by the Act and continuing to hold office;
- (k) "Member" means a Member of Council duly elected and continuing to hold office, or a Member of a Committee duly appointed by Council;
- (l) "Notice of Motion" is the means by which a Member of Council brings business before Council;
- (m) "Officer" means the Chief Administrative Officer, Deputy Chief Administrative Officer, or their delegates, all of whom shall be recorded in the official minutes;
- (n) "Point of Information" means a request or statement directed to the Presiding Officer, or through the Presiding Officer to another Member or to the administration, for or about information relevant to the business at hand, but not related to a Point of Procedure;
- (o) "Point of Order" means the raising of a question by a Member with the view of calling attention to any departure from this Bylaw or the customary proceedings in debate or in the conduct of Council's business;
- (p) "Point of Privilege" means all matters affecting the rights and exemptions of Council collectively or the propriety of the conduct of individual Members and includes but is not limited to, the following:
 - (i) the organization or existence of Council,
 - (ii) the comfort of Members,
 - (iii) the conduct of Administration or members of the public in attendance at the meeting, and
 - (iv) the reputation of Members or Council as a whole;

- (q) "Point of Procedure" means a question directed to the Presiding Officer to obtain information on a matter of parliamentary law or the rules of Council to assist a Member to:
 - (i) make an appropriate motion,
 - (ii) raise a Point of Order,
 - (iii) understand the procedure, or
 - (iv) understand the effect of a motion;
- (r) "Presiding Officer" means the Mayor, or in the absence of the Mayor, the Deputy Mayor, or in the absence of the Deputy Mayor any other Member of Council chosen to preside at the meeting;
- (s) "Public Hearing" means a meeting of Council convened to hear matters pursuant to the Act;
- (t) "Question of Privilege" means raising of a question which concerns a Member, or Council collectively, when a Member believes that another Member has spoken disrespectfully towards them or Council, or when they believe their comments have been misunderstood or misinterpreted by another Member;
- (u) "Quorum" is the majority of all Members, fifty (50) percent plus one (1), unless Council provides otherwise in this Bylaw;
- (v) "Special Meeting" means a meeting called by the Mayor pursuant to the Act;
- (w) "Terms of Reference" means those terms pertinent to the establishment and mandate of a Committee and which are:
 - (i) in addition to or beyond the parameters of this Bylaw; and
 - (ii) set out in Schedule 'C' attached to and forming part of this Bylaw.
- (x) "Town" means the Corporation of the Town of Cochrane.

3 APPLICATION

3.1 This Bylaw applies to:

- (a) all Council meetings, and
- (b) all Committee meetings, except:
 - (i) when Council has granted permission to a Committee to establish its own procedures, and
 - (ii) there shall be no limit to the number of times a member may speak to a question.

- 3.2 The precedence of the rules governing the procedure of Council is:
- (a) the *Municipal Government Act*;
 - (b) other provincial legislation;
 - (c) this bylaw, and;
 - (d) the current edition of *Robert's Rules of Order and Parliamentary Procedure*.
- 3.3 To the extent that a matter is not dealt with in the *Municipal Government Act* or this Bylaw, Council shall have regard to *Robert's Rules of Order and Parliamentary Procedure*.
- 3.4 Subject to the appeal process described in this Bylaw, the Presiding Officer or Chairperson shall interpret procedure.
- 3.5 In the absence of a statutory obligation, any provision of this Bylaw may be temporarily altered or suspended by an affirmative vote of two-thirds of all Members present. A motion to temporarily alter or suspend this Bylaw is not debatable or amendable.

4 CONDUCT OF MEETINGS

- 4.1 Quorum
- (a) As soon as there is a Quorum of Members after the hour fixed for the meeting, the Presiding Officer shall take the chair and call the Meeting to order.
 - (b) Unless a Quorum is present within 30 minutes after the time appointed for the Meeting, the Meeting shall stand adjourned until the next regular Meeting date or until a Special Meeting is called to deal with the matters intended to be dealt with at the adjourned Meeting. The Manager, Legislative Services shall record the names of the Members present at the expiration of the 30-minute time limit and such record shall be appended to the next Agenda.
 - (c) The only action that can legally be taken in the absence of Quorum is to extend the time to which to adjourn (if more than 30 minutes is being allowed), adjourn, recess or to take measures to obtain a Quorum.
 - (d) In the event that Quorum is lost after the meeting is called to order, the meeting shall be suspended until Quorum is obtained. If Quorum is not obtained within 30 minutes, the meeting shall stand adjourned.

4.2 Presiding Officer

- (a) The Presiding Officer shall preside over the conduct of the meeting, including the preservation of good order and decorum, ruling on Points of Privilege, Points of Procedure and deciding all questions relating to the orderly procedure of the meeting, subject to an appeal by any Members from any ruling of the Chair.
- (b) The Presiding Officer shall make reasonable efforts, including the calling of a recess, to ensure all Members in attendance at a meeting are present while a vote is being taken, unless a Member is excused from voting in accordance with the Act or this Bylaw.
- (c) When the Presiding Officer wishes to participate in the debate on a question or motion properly before the Meeting, the Presiding Officer shall vacate the Chair and request the Deputy Mayor to assume the Chair.

4.3 Conduct

- (a) Members shall not:
 - (i) use offensive words or unparliamentary language in the meeting and shall refrain from abusive conduct, personal attacks or verbal attacks upon the character or motives of other Members of Council, boards, commissions, committees, staff or the public;
 - (ii) disobey the rules of the meeting or disturb the proceedings
 - (iii) disobey the decision of the Presiding Officer or of Members on any ruling of a Point of Order, Point of Privilege, Point of Procedure, practice or interpretation;
 - (iv) leave their seat while a vote is being taken until the result is declared;
 - (v) interrupt a Member while speaking, except to raise a Point of Order, Point of Procedure or Point of Privilege;
 - (vi) engage in any other conduct in contravention of an Act of Canada or Alberta or a Council-approved Bylaw or Policy; or
- (b) A Member who wishes to leave the meeting prior to adjournment shall so advise the Presiding Officer and the time of departure shall be noted in the minutes.

4.4 Calling a Member to Order

- (a) When a Member has been warned about breaches of conduct but continues to engage in them, the Presiding Officer may name the Member by stating the Member's name and declaring the offence.
- (b) The offence must be noted in the minutes.

4.5 Effect of Naming Members

- (a) If a Member who has been named apologizes for a breach of conduct and withdraws any objectionable statements, at the meeting at which they were made then:
 - (i) that Member may remain and continue participating in the meeting; and
 - (ii) the Presiding Officer may direct that the notation of the offence be removed from the minutes; or
- (b) If a Member who has been named fails or refuses to apologize, then:
 - (i) Council may pass a motion to:
 - censure the Member; or
 - require that Member to immediately leave Council Chambers for the remainder of the meeting or until the Member apologizes and withdraws the objectionable statements
 - (ii) Council must, without debate, vote on a motion under this Section; and
 - (iii) A majority vote carries the motion.

4.6 Removal of Members

- (a) If a Member has been expelled pursuant to Section 4.5 that Member must leave Council Chambers immediately.
- (b) The Presiding Officer may request the Royal Canadian Mounted Police to remove an expelled Member if that Member does not leave voluntarily.

4.7 Disturbance by Public

- (a) The Presiding Officer may order any member(s) of the public who disturbs the proceedings of Council by words or actions to be expelled.
- (b) The Presiding Officer may request the Royal Canadian Mounted Police to remove the person(s).

4.8 Points of Privilege

- (a) A Member who desires to address the meeting upon a matter which concerns the rights or privileges of the Members collectively, or of himself/herself as a Member personally, shall be permitted to raise such Point of Privilege.
- (b) A Point of Privilege shall take precedence over other matters and while the Presiding Officer is ruling on the Point of Privilege, no one shall be considered to be in possession of the floor.

4.9 Points of Procedure

- (a) A Member who desires to call attention to a violation of this Bylaw shall ask leave of the Presiding Officer to raise a Point of Procedure. When leave is granted, the Member shall state the Point of Procedure with a concise explanation and shall attend the decision of the Presiding Officer upon the Point of Procedure. The speaker in possession of the floor when the Point of Procedure was raised shall have the right to the floor when debate resumes.
- (b) A Member called to order by the Presiding Officer shall immediately vacate the floor until the Point of Procedure is dealt with and shall not speak again without the permission of the Presiding Officer unless to appeal the ruling of the Presiding Officer.

4.10 Appeal Ruling

- (a) The decision of the Presiding Officer shall be final, subject to an immediate appeal by a Member of the meeting.
- (b) If the decision is appealed, the Presiding Officer shall give concise reasons for his ruling and must state the question "Is the ruling of the Presiding Officer upheld?"
- (c) A majority of the Members present at the Meeting, without debate, shall decide the question. The ruling of the Members shall be final.

4.11 Pecuniary Interest

- (a) Members who have a reasonable belief that they have a pecuniary interest (as defined by the Act) in any matter before Council, any committee of Council, or any board, commission, committee or agency to which they are appointed as a representative of Council, shall, if present, declare and disclose the general nature of the pecuniary interest prior to any discussion of the matter, abstain from discussions or voting on any question relating to the matter and shall remove themselves from Council Chambers until the matter is concluded.
- (b) the Minutes shall indicate the declaration of disclosure, the time at which the Member left the room and the time the Member returned.

4.12 Electronic Meetings

- (a) A Meeting may be conducted by means of electronic or other communication facilities if:
 - (i) notice is given to the public of the meeting, including the way in which it is to be conducted;

- (ii) the facilities enable the public to watch or listen to the meeting at a place specified in the notice and a designated officer is in attendance at that place; and
 - (iii) the facilities enable all the meeting's participants to watch and hear each other.
- (b) Members participating in a Meeting by means of electronic communications are deemed to be present at the Meeting.

4.13 Live Streaming

- (a) The Manager, Legislative Services will endeavor to cause all Regular and Special Council meetings to be live video streamed and publicly archived, excluding Closed Meetings or a portion thereof.

5 **AGENDAS AND MINUTES**

5.1 The Order of Business at a Meeting is the order of the items on the Agenda except:

- (a) when a previous Meeting has been adjourned for lack of Quorum and no Special Meeting has been called to deal with the business of the adjourned Meeting, the Agenda items from the adjourned Meeting must be dealt with before any items on the current Agenda;
- (b) when Council alters the Order of Business for the convenience of the Meeting by a majority vote;
- (c) when the same subject matter appears in more than one place on an Agenda and Council decides, by motion, to deal with all items related to the matter at the same time; and

5.2 The Agenda orders the business for a Meeting and will follow the appropriate Order of Business as set out on Schedule "A".

5.3 Council must vote to adopt the Agenda prior to transacting other business and may:

- (a) add new items; and
- (b) delete any items from the Agenda.

5.4 Minutes

- (a) Minutes of Council Meetings shall be recorded without note or comment and shall record the names of the Members present at the Meeting and shall be presented to Council for adoption at a subsequent Meeting.
- (b) The preparation and distribution of minutes of Council Meetings shall be the responsibility of the Manager, Legislative Services.

- (c) Clerical, typographical and grammatical errors in Minutes may be corrected by the Manager, Legislative Services.

6 COUNCIL MEETINGS

6.1 Organizational Meeting

- (a) An Organizational Meeting of Council shall be held annually as required by the Act.
- (b) The Agenda for the Organizational Meeting shall be restricted to:
 - (i) the administration of the oath and the introduction of new Members should the meeting follow a general municipal election;
 - (ii) selection of the Deputy Mayor by rotation;
 - (iii) the establishment of the Regular Meeting dates for Council;
 - (iv) establishment of Members membership on committees and boards; and
 - (v) any such other business as is described in the notice of the meeting
- (c) The Manager, Legislative Services shall ensure a schedule of Meetings as scheduled at the Organizational Meeting is posted as directed by Council.

6.2 Regular Meetings

- (a) Notice of Regular Meetings need not be given.
- (b) Regular Meetings of Council shall be held in the Council Chambers unless notice is given in accordance with the Act and this Bylaw that the Regular Meeting will be held elsewhere in the community.
- (c) Regular Meetings of Council shall be held on the second and fourth Monday of every month except for July and December when the Meeting shall be held on the second Monday of the month only. There will be no meetings held in August.
- (d) No Regular meetings will be held between Nomination Day and a Municipal General Election.
- (e) If a Regular Meeting of Council falls on a Statutory Holiday, the meeting will take place on the next business day.
- (f) Regular Meetings of Council shall commence at 6:00pm.

- (g) If Council changes the date, time or place of a Regular Meeting, at least 24 hours' notice of the change must be given to:
 - (i) any Members not present at the meeting at which the change was made, and
 - (ii) the public.

6.3 Special Meetings

- (a) A Special Meeting shall be scheduled by the Manager, Legislative Services when required to do so by the Mayor or a majority of the Members of Council.
- (b) Where a Special Meeting is required by a majority of Council the Mayor shall call such meeting within 14 days of the date on which the request was made.
- (c) No less than twenty-four (24) hours' notice of a Special Meeting stating the time, date and place at which it is to be held and stating in general terms the nature of the business to be transacted at the meeting shall be provided to each Member and to the public.
- (d) A Special Meeting may be held with less than 24 hours' notice to all Members and without notice to the public if at least 2/3 of the whole Council agrees to this in writing before the beginning of the meeting.
- (e) The Agenda for a Special Meeting of Council shall be restricted to the business stated in the notice unless all the Members of Council are present, in which case, by unanimous consent, any other business may be transacted.

6.4 In-Camera Sessions

- (a) Council and Council Committees may close all or part of a Meeting to the public if a matter to be discussed is within one of the exceptions to disclosure as set out in the Freedom of Information and Protection of Privacy Act, RSA 2000, c. F-25;
- (b) When a Meeting is closed to the public, the Meeting may include any person or persons invited to attend by Council;
- (c) When a Meeting is closed to the public pursuant to this Section, no resolution or bylaw may be passed at the Meeting, except a resolution to revert to a Meeting held in public.

6.5 Public Hearings

- (a) Public Hearings will be held, whenever possible, at a time to accommodate members of the public.

- (b) Persons interested in speaking at a Public Hearing should register with the Manager, Legislative Services' office prior to the Public Hearing.
- (c) All submissions for the Agenda of all Public Hearings, to be included in the published agenda, shall be received by the Legislative Services Manager no later than 4:00 p.m. on the seventh complete day before the day on which the meeting is held.
- (d) The Presiding Officer shall introduce the resolution or bylaw and shall briefly state the intended purpose. Department presentations shall follow the introduction of the bylaw or resolution.
- (e) The Presiding Officer shall then open the floor to presentations from the public.
- (f) The Presiding Officer shall call upon those persons who have registered with the Manager, Legislative Services' office to speak first, followed by other persons at the meeting who have not registered to speak but who wish to address Council. The Presiding Officer shall request those who wish to make presentations to identify themselves. A person who does not identify himself or herself will not be given the opportunity to speak.
- (g) Presentations by the public may be made verbally, in writing, or electronically. Written submissions shall be collected by the Manager, Legislative Services and retained for record purposes.
- (h) Presentations shall be limited to 5 minutes unless there is consent by Council to extend the allotted time.
- (i) Questions of clarification will be addressed during the Public Hearing.
- (j) Following public presentations, the Presiding Officer shall close the Public Hearing.
- (k) The passage of Bylaws requiring a Public Hearing shall be in accordance with Section 10.3 of this Bylaw.
- (l) When a Member is absent from a Public Hearing on a proposed Bylaw or resolution, that Member must abstain from discussions or voting on any question relating to the matter and must declare the reason for the abstention prior to any discussion on the matter.
- (m) Where a Member is absent for a portion of a Public Hearing on a proposed Bylaw or resolution, that Member may abstain from discussions or voting on any question relating to the matter and must declare the reason for the abstention prior to any discussion on the matter.
- (n) The Minutes shall indicate all declarations of abstention.

7 MEMBERS INQUIRIES AND REPORTS

7.1 Information Requests

- (a) A Member wishing to make an information request of administration shall present to Council at the appropriate time on the agenda of a Regular Council Meeting.
- (b) If the CAO is unable to answer the information request at the meeting, the CAO will forward the request to the appropriate official or body within Administration for response.
- (c) Unless the information request specifies that the Members wishes the information to appear on a subsequent agenda, the information will be forwarded directly to all Members by the CAO.
- (d) If the CAO determines that the requested information should not be supplied, as the corporation has an obligation to keep it private under the provisions of the Act or the FOIP Act, the CAO shall file a response with Council stating the reasons for withholding the information.
- (e) If the CAO determines that the time and cost of compiling the information will be considerable, the CAO shall request a resolution of Council to approve the request either at the same meeting or a future Council meeting.
- (f) If a Member who has made an information request wishes to withdraw the request, at the appropriate time on the agenda, that Member shall so inform Council.

7.2 Reports

- (a) Each Member will be provided a maximum of two (2) minutes at the appropriate time on the agenda of a Regular Council meeting for the purpose of providing a verbal update on Committees or community events in which municipal participation has been approved by Council.
- (b) Any action required as a result of a Member's Report shall be brought forward as a separate business item or Notice of Motion.

7.3 Notices of Motion

- (a) A Member may make a motion introducing any new matter only if:
 - (i) Notice is given at a previous regular Council meeting and a legible copy of the content of the notice is made available to the Manager, Legislative Services; or
 - (ii) Council on a two-thirds (2/3) vote waives the requirement for Notice.

- (b) A Notice of Motion must give sufficient detail so that the subject of the motion and any proposed action can be determined, and it must state the date of the meeting at which the motion will be made. A notice must be given without discussion of the matter, but any written copies distributed may include explanatory paragraphs.
- (c) To be placed on the meeting agenda, the Notice of Motion and any supporting documents must be submitted in the form of a Council Report to the Manager, Legislative Services by 4:00pm on the seventh complete day preceding the meeting.
- (d) If a motion is not made at the meeting indicated in the notice, it will appear on the agenda for, and may be made at any of, the next two Regular Meetings; thereafter, it will be removed from the agenda and may only be made by a new Notice of Motion.

8 MOTIONS

- 8.1 A motion relating to a matter not within the jurisdiction of the Council shall not be in order.
- 8.2 A recommendation in a report does not constitute a motion until a Member has expressly moved it.
- 8.3 Any Member may require the motion under discussion to be read at any time during the debate, except when a Member is speaking.
- 8.4 The mover of a motion must be present when the vote on the motion is taken.
- 8.5 When a matter is under debate, no motion shall be received other than a Motion to:
 - (a) Fix the Time for Adjournment;
 - (b) Adjourn;
 - (c) Recess;
 - (d) Withdraw;
 - (e) Call the Question (that the vote must now be taken);
 - (f) Postpone to a certain time or date;
 - (g) Refer;
 - (h) Amend;
 - (i) Postpone indefinitely;

which in declining order shall be the order of precedence.

8.6 Motion to Withdraw

- (a) Enables the mover to withdraw or modify a motion or substitute a different one in its place.
- (b) The mover of a motion may withdraw that motion without permission so long as the motion has not been stated by the Presiding Officer.
- (c) If the motion has been stated by the Presiding Officer and is formally before the meeting the mover may ask to withdraw, substitute or modify it and the Presiding Officer shall grant permission with the unanimous consent of Council; however, if any objection is made, it is necessary to obtain leave by Motion to Withdraw and this motion cannot be debated or amended. Once a motion is withdrawn, the effect is the same as if it had never been made.

8.7 Motion to Postpone to a Certain Time or Date

- (a) Is used if Council would prefer to consider the main motion later in the same meeting or at another meeting.
- (b) Is debatable to its merits only and cannot go into the main question except as necessary for debate of the immediately pending question.

8.8 Motion to Refer

- (a) Is used to send a pending question to a committee, department or selected persons so that the question may be carefully investigated and put into better condition for Council to consider.
- (b) Shall be clear as to the information required and shall provide direction as to the Person or Group to which it is being referred.
- (c) Is debatable.

8.9 Motion to Amend

- (a) Is used to modify the wording of a motion before the motion itself is voted on.
- (b) Is debatable whenever the motion to which it applies is debatable.
- (c) All amendments must relate to the matter being discussed in the main motion and shall not so substantially alter the motion so as to change the basic intent or meaning of the main motion. The Presiding Officer shall rule on disputes arising from amendment.

- (d) Only one amendment to a motion may be made at any time, and only one amendment to that amendment may be made at a time.
- (e) The amendment to the amendment must be voted on before the amendment.
- (f) An amendment to an amendment must be relevant to the amendment.
- (g) The amendment shall be voted upon and, if any amendment is carried, the main motion, as amended, shall be put to the vote, unless a further amendment is proposed.
- (h) Nothing in this Section shall prevent other proposed amendments being read for the information of the Members.
- (i) The Presiding Officer may accept an amendment as a Friendly Amendment if no member of Council objects.
- (j) "Friendly Amendment" means a change that does not affect the substance of a motion and clarifies the motion's intent.

8.10 Motion to Postpone Indefinitely

- (a) Is used as a method to dispose of a question without bringing it to a direct vote.
- (b) Must include a reason for postponement and is debatable. Debate can go into the main question.

8.11 Motion to Reconsider

- (a) Is used to permit correction of an action or to take into consideration added information or a changed situation that has developed since the taking of the vote on a motion.
- (b) May be moved after a motion has been voted upon, and before moving to the next item on the Agenda or at any time before the Presiding Officer declares adjourned the Meeting at which the motion was voted upon.
- (c) Must be moved by a Member who voted with the prevailing side and who shall state the reason for making the Motion.
- (d) Debate must be confined to reasons for or against reconsideration.
- (e) If a Motion to Reconsider is carried, the Question on which the vote is to be reconsidered becomes the next order of business.

- (f) Reconsideration of the question shall be open to debate, voted upon, and shall require the votes of a majority of Members present to carry it, unless otherwise required by this Bylaw.
- (g) A motion to reconsider may not be applied to:
 - i a vote which has caused an irrevocable action; or
 - ii a motion to reconsider.

8.12 Motion to Rescind

- (a) Is used to cancel a previous action.
- (b) A Motion to Rescind a previous motion, if passed by a majority vote of the Members present, renders the previous motion referred to null and void.
- (c) A Motion to Rescind is debatable into the merits of the question it is proposed to rescind.
- (d) If a Motion to Rescind relates to an action taken at a previous meeting and the matter does not appear on the Agenda, a Notice of Motion made in accordance with Section 7.3 of this bylaw shall precede the Motion to Rescind.
- (e) A Motion to Rescind will not undo actions which have already been taken as a result of the motion previously passed.

8.13 Motion to Suspend the Rules

- (a) Is used to temporarily suspend the rules of procedure in order to allow Council to take up a question or do something that would be in violation of this Bylaw and is not debatable.
- (b) If passed, Council may proceed to deal with the matter in question.
- (c) A resolution waiving any provision of this Bylaw as provided for in this Section shall only be effective for the meeting during which it is passed.

8.14 Motion to Recess

- (a) Any Member may move that Council recess for a specific period.
- (b) The motion may not be used to interrupt a speaker.
- (c) After the recess, business will be resumed at the point when it was interrupted.
- (d) A motion to recess may be amended only as to length of time, but neither the motion nor the amendment is debatable.

8.15 Motion to Renew

- (a) If a motion fails, the same, or substantially the same, motion may not be renewed unless:
 - (i) it is brought more than one year after the date of the original motion; or
 - (ii) it is brought after a general election which has taken place since the date of the original motion; or
- (b) A motion to renew may not be introduced where the vote on the original motion has caused an irrevocable action.

8.16 Motions out of Order

- (a) Subject to an appeal in accordance with Robert's Rules of Order, it is the duty of the Presiding Officer to determine if a motion or amendment is in order and the Presiding Officer may decline to put a motion before Council if it is out of order or contrary to law.
- (b) 13.2 The Presiding Officer shall advise Council and shall cite the applicable rule or authority when determining that a motion is out of order.

9 SPEAKING TO MOTIONS AND LIMITS ON DEBATE

- 9.1 No Member is permitted to speak unless and until recognized by the Presiding Officer.
- 9.2 Unless otherwise provided by this Bylaw, Members may speak only twice on any motion; however, Council may give permission to speak again.
- 9.3 Members may not speak more than once until every Member has had the opportunity to speak except:
 - (a) in the explanation of a material part of the speech which may have been misunderstood; or
 - (b) in reply, to close debate after everyone else wishing to speak has spoken, provided that the Member presented the motion to the Meeting.
- 9.4 Supplementary questions or a series of questions relating to the matter may be raised by a Member, but each such question requires the consent of the Presiding Officer.
- 9.5 Through the Presiding Officer, a Member may ask:

- (a) questions of another Member or of staff on a Point of Information relevant to the business at hand.
- (b) questions to obtain information relating to the Minutes presented to the Meeting, or to any clause contained therein, at the commencement of the debate on the minute or clause.

9.6 All questions or debate shall be directed through the Chair.

10 VOTING

10.1 Votes on all motions must be taken as follows:

- (a) The Presiding Officer must declare the motion and call for the vote.
- (b) Members must:
 - (i) Vote by a show of hands; or
 - (ii) Vote verbally by stating "for" or "against" the motion if participating by electronic communications.
- (c) Every Member present, including the Mayor, shall vote on every matter, unless:
 - (i) the Member is required to abstain from voting under this or any other bylaw or enactment; or
 - (ii) the Member is permitted to abstain from voting under this or any other bylaw or enactment.
- (d) A Member present at a meeting shall make a request for a recess if for any reason they may be away from Council Chambers during a time when a vote on a matter is imminent, unless that Member is excused from voting pursuant to this Section.
- (e) Every vote taken at a Meeting shall be recorded in the minutes by stating the names of those Members voting for and against the motion and declaring the result of the vote.
- (f) If there are an equal number of votes for and against a resolution, the resolution is defeated.
- (g) After the Presiding Officer declares the result of the vote, Members may not change their vote for any reason.

10.2 Call the Question

- (a) When a Motion that a Vote be Taken (Call the Question) is presented, it shall be put to a vote without debate and, if carried by a majority vote of the Members present, the motion and any amendments thereto shall be submitted to a vote immediately without further debate.

- (b) When the Presiding Officer, having ascertained that no further information is required, commences to take a vote, no Members shall speak to or present another motion until the vote has been taken on such motion or amendment.

10.3 Voting on Bylaws

- (a) When a Bylaw is presented to Council for enactment, the Manager, Legislative Services shall publish the number and title of the Bylaw in the Agenda.
- (b) The Manager, Legislative Services shall copy the Bylaw in full and forward it with the Agenda.
- (c) Every Bylaw shall have three readings. Only the title or identifying number must be read at each reading.
- (d) A Bylaw shall be introduced for first reading by a motion that the Bylaw be read a first time.
- (e) Prior to first reading, a Member may ask questions of clarification concerning the Bylaw.
- (f) Council shall vote on the motion for first reading of a Bylaw without amendment or debate.
- (g) A Bylaw shall be introduced for second reading by a motion that it be read a second time.
- (h) After a Member has made a motion for second reading of a Bylaw, Council may:
 - (iii) debate the substance of the Bylaw; and
 - (iv) propose and consider amendments to the Bylaw.
- (i) A Bylaw shall not be given more than two readings at one Meeting unless the Members present unanimously agree that the Bylaw may be presented to Council for third reading.
- (j) When Council unanimously agrees that a Bylaw may be presented for third reading:
 - (i) motion for third reading of the Bylaw shall be made;
 - (ii) Council shall vote on the motion without amendment or debate;
 - (iii) the third reading requires no greater majority or affirmative votes than if it had received third reading at a subsequent Meeting.
- (k) A Bylaw shall be passed when a majority of the Members voting on third reading vote in favor, provided some other applicable Provincial Statute or Bylaw does not require a greater majority.

- (l) In conformance with the Act:
 - (i) if a Bylaw does not receive third reading within two years from the date of first reading, the previous readings are deemed to have been rescinded; and
 - (ii) if a Bylaw is defeated on second or third reading the previous readings are deemed to have been rescinded.
- (m) The Manager, Legislative Services is designated to consolidate one (1) or more bylaws as deemed convenient and in doing so, must:
 - (i) incorporate all amendments to the bylaw into one (1) bylaw; and
 - (ii) omit a provision that has been repealed or that has expired.
- (n) After passage, a Bylaw shall be signed by the Mayor or Mayor's designate and by the Manager, Legislative Services and shall be impressed with the corporate seal of the Town.
- (o) Clerical, typographical and grammatical errors in bylaws may be corrected by the Manager, Legislative Services.
- (p) A copy of any bylaw, resolution or record certified by the Manager, Legislative Services as a true copy of the original is prima facie proof of the bylaw, resolution or record.

11 COMMUNICATIONS & PETITIONS

- 11.1 When a person wishes to have a letter or other communication considered by Council, it shall be directed to the Manager, Legislative Services and shall:
- (a) be legible and clearly set out the matter and issue and any request made of Council;
 - (b) be signed by at least one person who provides a printed name and address;
 - (c) be on paper or in a printable form; and
 - (d) not be libellous, impertinent or improper.
 - (e) In the case of a petition, indicate in the petition if a representative wish to address Council on the subject matter of the petition;
 - (f) Be signed by the proper authorities as required by the Act;
 - (g) In the case of a petition, be in the form and provide the information as required in accordance with the Act.
- 11.2 Where a matter has been presented to Council by a person or group pursuant to Section 10.1 and/or Section 10.1 has been dealt with by Council in any final manner and a person or group directs a letter or communication to Council on the same or substantially the same matter again within six months

after the time Council so dealt with the matter, Council subject to Section 10.4 shall not hear, discuss or consider the matter again until six months has elapsed after the time when Council previously disposed of the matter.

- 11.3 Notwithstanding Section 10.2, Council by a majority vote of Council may again consider the matter at an earlier time than the time set by Section 10.2.
- 11.4 Where pursuant to the provisions of Section 10.1, a communication intended for Council is received, the CAO shall then:
- (a) Include it as an item on the agenda for the next regular meeting, or;
 - (b) Refer it to the appropriate standing Committee of Council together with any necessary reports from the applicable departments.

12 DELEGATIONS

- 12.1 A member of the public may request in writing to be included on an Agenda as a delegation. The request must:
- (a) include a summary of the information that will be presented to Council;
 - (b) not exceed five typewritten pages;
 - (c) be submitted to the Manager, Legislative Services no later than 4:00pm on the seventh complete day before the day on which the next Council meeting is being held, with the CAO having discretion to bring forward items submitted late that may be of an emergent nature.
- 12.2 No person representing an individual shall address Council for more than five (5) minutes, exclusive of the time required to answer questions put to him / her by a Member, unless granted a time extension by the majority of Council.
- 12.3 No person representing a group shall address Council for more than ten (10) minutes, exclusive of the time required to answer questions put to him / her by a Member, unless granted a time extension by the majority of Council.

13 ADJOURNMENT

- 13.1 A Regular Council Meeting shall adjourn no later than 10:00pm, if in session at that time, except to conclude the matter under discussion, and Council shall recess and reconvene at 6:00pm on the next business day unless:
- (a) otherwise directed by Council; or
 - (b) Council, by resolution of a two-thirds (2/3) vote, taken as soon before 10:00pm as the business permits, agree to an extension of the meeting beyond 10:00pm.

13.2 A Member may move a motion to adjourn a Meeting at any time, except when:

- (a) another Member has the floor;
- (b) a call for a vote has been made;
- (c) the Members are voting;
- (d) Council is In-Camera; or
- (e) a previous motion to adjourn has been defeated and no other intervening proceedings have taken place.

13.3 A motion to adjourn shall be put without comment or debate.

13.4 When all items of an approved agenda have been dealt with, the Presiding Officer may adjourn the meeting without requiring a motion or vote by Council.

14 URGENT BUSINESS

14.1 Notwithstanding subsection 7.3, a Member may move to discuss a matter of urgent public importance without a prior Notice of Motion.

14.2 A motion to bring a matter before Council as urgent business is subject to the following conditions:

- (a) the matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;
- (b) the matter shall not involve discussion of an item that has been discussed previously in the same meeting;
- (c) the matter shall not be one which should be dealt with by giving written Notice of Motion; and
- (d) the matter shall not raise a Question of Privilege.

15 COMMITTEES

15.1 Council may establish Committees as are necessary or advisable for the orderly and efficient handling of the affairs of the Town and shall establish the Terms of Reference for said Committees as set out in Schedule 'C' attached to and forming part of this Bylaw.

15.2 The Terms of References for Committees may be amended by resolution of Council from time to time, as required.

- 15.3 When establishing a Committee Council must adopt a Terms of Reference for the Committee that:
- (a) names it;
 - (b) establishes membership, purpose and authority;
 - (c) sets the term or directs that the committee exists on an on-going basis at the pleasure of Council; and
 - (d) allocates any necessary budget or other resources.
- 15.4 The Manager, Legislative Services will facilitate an annual review by Council of all Committees' Terms of Reference.
- 15.5 Council may appoint, by resolution, Members, employees, public-at-large, or other members to Committees in accordance with the approved Terms of Reference and any applicable statute or bylaw. The Committee member selection process is set out in Schedule 'B' attached to and forming part of this Bylaw.
- 15.6 The Mayor shall be an ex-officio member of all Committees to which Council has the right to appoint members, unless otherwise prohibited by statute or bylaw, and, as such member of the Committee, shall be counted to determine quorum and has all the rights and privileges of the other Committee members including the right to make motions and vote.
- 15.7 At its first meeting each year, a Committee shall elect a Chairperson and Vice-Chairperson for a one (1) year term from among the Members unless Council designates:
- (a) the Chairperson of a Committee; or
 - (b) the manner in which the Chairperson shall be selected.
- 15.8 A Member of a Committee can remain in the position of Chairperson for a maximum of three terms of office.
- 15.9 A Chairperson of a Committee may be removed from the position by a vote of a majority of the members of the Committee. No motion to remove the Chairperson shall be in order unless Notice of Motion has been given in writing at a regular meeting of the Committee held at least seven days prior to the meeting at which the motion is considered.
- 15.10 The Chairperson of a Committee shall preside at every meeting and shall vote on all questions.
- 15.11 In the absence or inability of the Chairperson to preside over a meeting, the Vice-Chairperson shall preside and shall exercise the same powers, duties

and responsibilities that the Chairperson would be entitled to exercise if present.

15.12 In the absence or inability of both the Chairperson and Vice-Chairperson to preside over a meeting, the members present, if they constitute a quorum, shall elect one of the members present to preside for that meeting.

15.13 A Committee shall conduct its meetings in public in accordance with the provisions of the Act.

15.14 Committees shall adhere to the following minimum meeting requirements:

- (a) Committees shall establish, on an annual basis, a schedule of regular meetings;
- (b) a regular meeting schedule established under this section must be filed with the Manager, Legislative Services a minimum of three (3) clear days prior to the first meeting in the schedule;
- (c) the Chairperson may call a meeting of the Committee at any time and must do so if a majority of Committee members so request in writing, including a statement of purpose of the meeting. A Special Meeting requested by Committee members must be held within 14 days after the request is received; and
- (d) notice of Committee meetings not approved in the established annual schedule, or cancellation of a previously called meeting, must comply with requirements for Public Notice as set out in this bylaw and be filed with the Manager, Legislative Services a minimum of 48 hours prior to the meeting.

15.15 Minutes must be prepared for all Committee meetings and must:

- (a) include all decisions and other proceedings;
- (b) include the names of Committee members present at and absent from the meeting;
- (c) include any abstentions made under Act by any member and the reason for abstention;
- (d) include the signatures of the Chairperson and the Recording Secretary; and
- (e) be retained in a safe manner and be available upon request. A final copy of minutes must be filed with the Manager, Legislative Services within a minimum of three working days after being confirmed by the Committee.

15.16 When a Committee is of the opinion that a meeting should be held In-Camera, the motion passed to authorize the In-Camera meeting shall include

the reason for holding the meeting In-Camera, and the meeting shall be conducted in accordance with the Act.

15.17 Committee meetings shall be open to all Members of Council, but only those Members specifically appointed to that Committee, or appointed ex-officio are entitled to take part in discussion and debate and vote on any matter before the Committee.

15.18 A Member of a Committee who has a pecuniary interest in a matter before the Committee shall disclose the general nature of the interest and abstain from discussing the matter or voting on the matter and leave the room until discussion and voting on the matter are concluded, as prescribed in the Act.

15.19 Any member absent from three (3) consecutive regular meetings of a Committee, unless such absence is authorized by resolution of the Committee, will automatically forfeit his/her membership as of the date of the third consecutive meeting absent from. Any member forfeiting his/her membership may be eligible for re-appointment in the future but not for the unexpired portion of the term forfeited.

15.20 No Committee or any member of a Committee has:

- (a) power to pledge the credit or course of action of the Town or enter into any agreement on behalf of the Committee or Town;
- (b) power to authorize any expenditure to be charged against the Town without prior approval by Council; or
- (c) authority to act except as established in the Terms of Reference for the Committee.

15.21 Members appointed to a Committee by Council shall be responsible to keep Council informed as to Committee activities.

15.22 A Committee shall report to Council, as required.

15.23 The CAO shall appoint an Administrative Representative to each Committee who shall:

- (a) ensure required notice is given, and accurate minutes are kept, for all Regular and Special Meetings of the Committee;
- (b) provide advice, research, information and additional support staff as required by the Committee; and
- (c) not be a member of the Committee and may not vote on any matter.

16 GENERAL

16.1 That Bylaw 01/2011 be repealed in its entirety.

16.2 That this Bylaw comes into effect upon third and final reading.

Read a first time March 25, 2019

Read a second time March 25, 2019

Unanimous consent March 25, 2019

Read a third time March 25, 2019



Mayor



Manager, Legislative Services

Town of Cochrane ~ Procedural Bylaw

Schedule 'A'

ORDER OF BUSINESS AT MEETINGS

The normal order of business for the regular meeting of Council shall be as follows:

- (a) Call to Order
- (b) Adoption of Agenda
- (c) Adoption of Previous Minutes
- (d) Delegations
- (e) Bylaws
- (f) Business
- (g) Finance
- (h) Notices of Motion
- (i) Information Request
- (j) Mayor's Report
- (k) Councillors Reports
- (l) In-Camera
- (m) Adjournment

Town of Cochrane ~ Procedural Bylaw

Schedule 'B'

COMMITTEE MEMBER SELECTION PROCESS

The recruitment, selection and appointment process of members to serve on Committees established pursuant to this Bylaw shall be as follows:

- 1 Member of Council
 - (a) To be appointed by Council at the annual Organizational Meeting or, if required, during the year;
 - (b) An alternate to be appointed, where permitted by statute, in the event that the appointed Members(s) is unable to attend.
- 2 Public-at-Large
 - (a) There will be no automatic succession appointments.
 - (b) No appointee shall serve more than two (2) consecutive terms, unless provisions are made by statute or bylaw, and after two (2) consecutive terms will not be eligible for re-appointment until after observing an absence of one (1) full year.
 - (c) Membership terms will be no longer than three (3) years and will be made in such a manner that the expiry dates of members serving on on-going Committees are staggered.
 - (d) Committee members should represent a cross section of all community interests, whose mandate is service to the total community.
 - (e) All public-at-large vacancies on Committees shall be advertised to request formal submission of applications.
 - (f) Public-at-large member selection will be made from those applicants responding on a timely basis to the advertised need.
 - (g) A Selection Panel for each Committee will be comprised where possible of the Committee Chairperson, Committee Administrative Representative and the Manager, Legislative Services, with the Human Resources Division providing advice and/or training to the Panel as required.
 - (h) To be considered, candidates must be a Town resident and a minimum of 18 years of age, unless otherwise specified in the Terms of Reference.

- (i) All applicants shall be notified acknowledging receipt of their application.
- (j) Upon close of applications, the Selection Panel shall be provided with all applications received for the respective Committee, along with a report from the Administrative Representative outlining any skill sets required on the Committee.
- (k) The Selection Panel shall review all applications in a manner deemed appropriate and which may include an interview of the applicant.
- (l) The Selection Panel shall submit an appointment recommendation to Council for a decision.
- (m) Appointments to be made through a secret ballot vote by Council with the candidate, or candidates receiving the highest number of votes being appointed by resolution of Council if the majority of Council voted in favor of that candidate.
- (n) When Council has appointed members to fill vacancies, all applicants shall be advised of Council's decision.
- (o) Appointments will be made at the Regular Meeting held in December each year or, if required, during the year.

3 Other Representatives

- (a) When a Terms of Reference includes members representing other organizations or groups, they will be invited to appoint a representative.

Bylaw 19/2019
Town of Cochrane ~ Procedural Bylaw
Schedule 'C'

**COCHRANE LIBRARY BOARD
TERMS OF REFERENCE**

PURPOSE	To fulfill the requirements of The Libraries Act to establish a Municipal Library Board.
MEMBERSHIP	<ul style="list-style-type: none">▪ One (1) Council member;▪ Six (6) public-at-large representatives, four (4) shall be residents of the Town of Cochrane and two (2) may be a resident of the Town of Cochrane or Rocky View County.▪ Up to two (2) non-voting youth representatives, 16 – 18 years of age.
AUTHORITY	<p>The Cochrane Library Board will:</p> <ul style="list-style-type: none">▪ Manage, regulate and control the Municipal Library in accordance with The Libraries Act;▪ Fulfill approved policies of the Municipal Library Board; and▪ To comply with the Town of Cochrane Procedural Bylaw and Municipal Government Act.
TERM	On-going
FUNDING	As authorized by Council during the annual budget cycle.
APPROVAL DATE	

COCHRANE PLANNING COMMISSION TERMS OF REFERENCE

Purpose	To exercise development powers and duties on behalf of the Town of Cochrane
Membership	<ul style="list-style-type: none"> • Five (5) public at large representatives. • Two (2) members of Council. • No person who is a Development Officer, a Subdivision Authority Officer or a member of the Subdivision and Development Appeal Board, shall be appointed to the Cochrane Planning Commission.
Authority	<p>The Cochrane Planning Commission will:</p> <ul style="list-style-type: none"> • Act as a Development Authority to the extent required or permitted by the Land Use Bylaw; Act as Subdivision Authority to the extent required or permitted by the Subdivision Authority Bylaw on applications for subdivision approval referred to it by the Subdivision Authority Officer; • Consider and comment upon development and redesignation applications of significance referred to the Town by adjoining municipalities; • Advise Council with regard to the planning policy issues arising from development and subdivision applications reviewed by the Commission as Council may require from time to time; and • Comply with the Town of Cochrane Procedural Bylaw and Municipal Government Act. <p>The CAO shall appoint a Secretary to the Commission, who shall:</p> <ul style="list-style-type: none"> • Notify applicants, members and advisory of the Commission of the arrangements for the holding of Regular and Special Meetings of the Commission; • Notify such persons as the Commission may designate of the decisions of the Commission and the reasons therefore; • Keep and maintain a file for inspection by the public during all reasonable hours, the following official records: <ul style="list-style-type: none"> • A register of all applications for development permits and subdivision approvals including the decisions thereon and the reasons therefore where, under the Act, reasons are required to be given; and • Written minutes of all meetings and business transacted by the Commission. <p>The CAO may delegate to the Secretary of the Commission</p>

	<p>the authority to sign on its behalf an order, decisions, approval notice, or other thing made or given by the Commission.</p> <p>The CAO shall ensure members are provided with an annual orientation / training session and handbook outlining the roles and responsibilities of the Cochrane Planning Commission.</p>
Term	On going
Funding	As authorized by Council during the annual budget cycle.
Approval Date	

FAMILY & COMMUNITY SUPPORT SERVICES ADVISORY BOARD TERMS OF REFERENCE

PURPOSE	To support the Town of Cochrane in an advisory capacity by assisting in the development and provision of Family & Community Support Services (FCSS) programs, and through partnerships with Rocky View County, United Way and others
MEMBERSHIP	<ul style="list-style-type: none"> ▪ One (1) Council member; ▪ Five (5) public-at-large representatives (Town residents); and ▪ One (1) public-at-large representative (Rocky View County resident). ▪ One (1) public-at-large representative (United Way Liaison)
AUTHORITY	<p>The FCSS Board shall:</p> <ul style="list-style-type: none"> ▪ Encourage the development of policies and procedures for the Board's operations and functions; ▪ Foster the development of FCSS programs which may include, but are not limited to, the following: <ul style="list-style-type: none"> ▫ Services that promote the social development of children and their families; ▫ Services that enrich and strengthen family life through the development of personal skills that enhance individuals' ability to function more effectively within their own environment; ▫ Services that enhance the quality of life of retired and semi-retired individuals; ▫ Services designed to promote, encourage and support volunteer work in the community; and ▫ Services designed to inform the public of available resources. ▪ Provide, on occasion, recommendations to Council for the development of new or innovative programs, with consideration to; funding assistance available from the Government of Alberta, financial commitment to FCSS by the Town, and the annual budget process used by the Town. ▪ Comply with the Town of Cochrane Procedural Bylaw and Municipal Government Act.
TERM	On-going
FUNDING	As authorized by Council during the annual budget cycle.
APPROVAL DATE	

MAYOR & COUNCIL REMUNERATION TASK FORCE TERMS OF REFERENCE

PURPOSE	To review and make recommendations to Council regarding Mayor and Council remuneration and expenses.
MEMBERSHIP	<ul style="list-style-type: none"> ▪ Two (2) business representatives (must own a licensed business within the Town of Cochrane; ▪ Two (2) public-at-large representatives; and ▪ One (1) past member of Council (must be a member from either of the last two Councils and currently reside within the Town of Cochrane).
AUTHORITY	<p>The Mayor & Council Remuneration Task Force shall:</p> <ul style="list-style-type: none"> ▪ Review the current Town of Cochrane Mayor & Remuneration Policy by: <ul style="list-style-type: none"> ▫ Utilizing the services of a consultant, if required; ▫ Identifying relevant data to be collected; ▫ Interviewing individuals, including current members of Council or the C.A.O, if required; and ▫ Confirming current policy structure including consideration of Canada Customs and Revenue Agency rules. ▪ Present a report on the Committee's findings and recommendations to Council for consideration; ▪ Comply with the Town of Cochrane Procedural Bylaw and Municipal Government Act.
TERM	Required in the third year of the Council Term of Office as per policy.
FUNDING	As authorized by Council during the annual budget cycle.
APPROVAL DATE	

PARKS AND RECREATION COMMITTEE TERMS OF REFERENCE

Purpose	To act as an advisory body to Council and Administration regarding matters pertaining to community parks, and recreation.
Membership	<ul style="list-style-type: none"> • One (1) Town Council member; appointed as Chair (Non Voting) • Eight (8) Public-at-Large representatives (including one senior and one youth, if possible) • One (1) Spray Lake Sawmills Family Sports Centre Board of Directors Member • One (1) Local School Divisions Member (Non-Voting)
Authority	<p>The Committee will:</p> <ul style="list-style-type: none"> • Review and discuss: <ul style="list-style-type: none"> ◦ Community parks and recreation services that exist or may be needed; ◦ The most effective use of the parks and recreation infrastructure and programing in the community. • Invite and receive submissions from community groups and Administration with respect to creating and enhancing recreational opportunities. • Review any parks and recreation issues referred to the Committee by Council. • Make recommendations to Council and Administration on projects or programing and to create and enhance parks and recreation opportunities. • Review and provide input into Capital Budgets. • Comply with the Town of Cochrane Procedural Bylaw and Municipal Government Act.
Term	On-going
Funding	As authorized by Council during the annual budget cycle.
Approval Date	

PROTECTIVE SERVICES ADVISORY COMMITTEE TERMS OF REFERENCE

Purpose	To act as a liaison between Town Council, the Cochrane RCMP Detachment, the Community and Protective Services Department, and the citizens of Cochrane to foster responsible community actions towards the creation of a safe and secure community.
Membership	<ul style="list-style-type: none"> ▪ Two (2) Town Council members ▪ Eight (8) public-at-large representatives (<i>Town residents</i>) to be composed of representation from the following: <ul style="list-style-type: none"> ▪ Three (3) public-at-large representatives (<i>Town residents</i>) ▪ Five (5) public-at-large representatives to include, if possible: <ul style="list-style-type: none"> ▪ Youth ▪ COP (Citizens on Patrol) ▪ Business/Industry
Authority	<p>Liaison between Town Council and staff in the following areas of Protective Services:</p> <ul style="list-style-type: none"> • Fire • RCMP • Bylaw Enforcement • Animal Services <p>The specific duties and responsibilities of this Committee shall include the following:</p> <ol style="list-style-type: none"> a) To review traffic safety and other community safety concerns. b) To annually review and update the Community Policing Plan. c) To receive input from the public on protective services issues. d) To review and update the Fire Master Plan. e) To serve, as appointed by the committee, on relevant adhoc committees. f) To comply with the Town of Cochrane Procedural Bylaw and <i>Municipal Government Act</i>. g) To oversee the agreement between the Town and the Government of Canada for the employment of the RCMP. h) To represent the interests of Town Council and the community to the officer in charge. i) To provide community feedback to the RCMP concerning policing and the Town bylaw enforcement strategies and activities. j) To review and advise Council on the annual RCMP goals and priorities.

	<ul style="list-style-type: none"> k) To cooperate and liaise with community groups in creating programs or pursuing initiatives to improve public safety. l) To make recommendations to Council relating to policing matters or relevant community issues, as it may deem advisable, on its own initiative or upon request of Council.
Term	<i>In-Active; Activated on an As-Needed basis by Resolution of Council</i>
Funding	As authorized by Council during the annual budget cycle.
Approval Date	

SUBDIVISION & DEVELOPMENT APPEAL BOARD TERMS OF REFERENCE

Purpose	To hear and determine appeals on behalf of the Town in respect to decisions of a Subdivision Authority or Development Authority.
Membership	<ul style="list-style-type: none"> • Six (6) public at large representatives (5 regular members and 1 alternate). • Two (2) members of Council. • No person who is an employee of the Town, or a member of the Cochrane Planning Commission, and carries out subdivision or development powers, duties and functions on behalf of the Town may be appointed to the Board.
Authority	<p>The Subdivision & Development Appeal Board will:</p> <ul style="list-style-type: none"> • Hear and determine appeals brought to it in respect of an order or decision of a Development Authority; • When hearing an appeal, shall follow the order of appearance set out below unless, in special circumstances, the Board considers that in the interest of fairness, the Board ought to adopt a different order of appearances: <ul style="list-style-type: none"> ▪ Staff Report; ▪ Appellant ▪ Those present who are opposed to the Appellant (if the Applicant is the Respondent, the Applicant should lead followed by those who support the Applicant's position); ▪ Interested persons who neither support nor oppose the appeal, but wish to make comments; and ▪ Response by the Appellant. • Require that the party making the written submission shall present the submission to the Board. If such party is absent from the hearing, the person who makes the report to the Board may present the written submissions. • In arriving at its decision and formulating its reasons, may obtain advice and assistance from the Town's staff, legal advisors and other technical agencies, but assistance from such persons shall not be obtained in any case where the Town has taken a position either for or against an appeal. • Comply with the Town of Cochrane Procedural Bylaw, the Municipal Government Act and any applicable Regulations. <p>The CAO shall appoint a Secretary to the Subdivision & Development Appeal Board, who shall;</p>

	<ul style="list-style-type: none"> • Keep and maintain a file for inspection by the public during all reasonable hours, the following official records: <ul style="list-style-type: none"> ▪ A register of all appeals to the Board and the decisions thereon; ▪ A record of the proceedings before the Board, which may be in the form of a summary of the evidence presented at a hearing; ▪ Written minutes of all meetings and business transacted by the Board; and ▪ Copies of all decisions rendered by the Board. <p>The CAO may delegate to the Secretary of the Board the authority to sign on its behalf an order, decision, approval notice, or other thing made or given by the Board.</p> <p>The CAO shall ensure members are provided with an annual orientation / training session and handbook outlining the roles and responsibilities of the Subdivision & Development Appeal Board.</p>
Term	On going
Funding	As authorized by Council during the annual budget cycle.
Approval Date	

**ADMINISTRATIVE CONSOLIDATION OF BYLAW 42-17
AS OF MARCH 11, 2019**

BYLAW 42-17

**A BYLAW TO DEAL WITH PROCEDURE AND THE TRANSACTION
OF BUSINESS BY THE MUNICIPAL COUNCIL OF THE
TOWN OF OKOTOKS, IN THE PROVINCE OF ALBERTA**

(As amended by Bylaw 10-19)

WHEREAS, by virtue of the power conferred on it by the *Municipal Government Act*, M-26, RSA 2000, the Council of the Town of Okotoks, in the Province of Alberta duly assembled, enacts as follows:

SECTION 1 - SHORT TITLE

1. This bylaw may be cited as the Town of Okotoks "Procedure Bylaw".

SECTION 2 - PURPOSE AND DEFINITIONS

PURPOSE

1. The purpose of this bylaw is to establish rules to follow in governing the Town of Okotoks.

DEFINITIONS

2. The following words and phrases mean:

- (a) *Act* the *Municipal Government Act*, M-26, RSA 2000, or any legislation in replacement or substitution thereof;
- (b) *Administration* the Chief Administrative Officer and through the Chief Administrative Officer, the Directors, Managers, and employees of the Town of Okotoks;
- (c) *Acting Mayor* is the Councillor who is appointed by Council at the Inaugural Meeting to preside at any meeting of Council in the absence, ineligibility or incapacity of both the Mayor and the Deputy Mayor. The Acting Mayor is the next Councillor in the current Deputy Mayor Rotation schedule; (**Bylaw 10-19**)
- (d) *Agenda* is the list of items and order of business for any meeting of Council or its Committees;
- (e) *Chair* the person who has been given authority to direct the conduct of a meeting including the appointed head of a Committee;
- (f) *Challenge* an appeal of a ruling of the Chair;

- (g) Chief Administrative Officer (CAO) is the person appointed to the position of the chief administrative officer for the Town of Okotoks, within the meaning of the *Municipal Government Act*;
- (h) Chief Elected Official is the Mayor;
- (i) Committee any board, committee, commission, task force, or other body to which Council may appoint Members; **(Bylaw 10-19)**
- (j) Council is the Mayor and Councillors of the Town of Okotoks duly elected pursuant to the provisions of the *Local Authorities Election Act*; **(Bylaw 10-19)**
- (k) Councillor is a Member of Council, including the Mayor, duly elected and continuing to hold office;
- (l) Deputy Mayor is the Councillor who is appointed by Council at the Inaugural Meeting to preside at any meeting of Council in the absence, ineligibility or incapacity of the Mayor as per the current Deputy Mayor Rotation schedule; **(Bylaw 10-19)**
- (m) Ex-officio means membership by virtue of one's office and/or where appointed by Council; ex-officio members do not form part of the Quorum when not present and when present, does form part of the Quorum and may vote unless specifically excluded from voting by resolution or bylaw;
- (n) General Municipal Election an election held in the Town to elect the Councillors as described in the *Local Authorities Elections Act*, as amended, or any legislation in replacement or substitution thereof;
- (o) In Camera means when the assembly has closed that portion of the meeting to the public in accordance with one of the exceptions to disclosure in Division 2 of Part 1 of the *Freedom Of Information and Protection of Privacy Act* to discuss an item privately;
- (p) Inaugural Meeting the Organizational Meeting immediately following a General Municipal Election as described in Subsection 7 of this bylaw;
- (q) Mayor is the Councillor duly elected as the Chief Elected Official and continuing to hold office, and is the Chair at all meetings of Council;

- (r) Member is a Councillor, including the Mayor;
- (s) Organizational Meeting the meeting held as described in Subsection 8 of this bylaw, including the Inaugural Meeting;
- (t) Parliamentary Inquiry a request for information from the Chair about parliamentary procedure that does not require a formal ruling;
- (u) Point of Order a demand that the Chair enforce the rules of procedure;
- (v) Point (or Question) of Privilege a request made to the Chair or Council on any matter related to the rights and privileges of Council, individual Councillors or Administration which include the:
 - (i) organization or existence of Council;
 - (ii) comfort of Councillors;
 - (iii) conduct of Administration or members of the public in attendance at the meeting;
 - (iv) accuracy of the reports of Council's proceedings;
 - (v) reputation of Councillors or Council; and
 - (vi) reputation of Administration;
- (w) Postpone to delay the consideration of any matter either to a definite time, (for example when further information is likely to be obtained), or indefinitely;
- (x) Previous Question a motion to end debate and vote on the motion under debate;
- (y) Public Hearing Meeting is a meeting of Council, which is convened to hear representations on matters in accordance with Section 230 of the *Act* and the procedures under Section 18 of this bylaw;
- (z) Put is when the Chair calls for a vote or 'puts the question to vote'. The Chair asks "Are you ready for the question?";
- (aa) Quorum is a majority of Councillors elected and serving on Council, including the Mayor;
- (bb) Special Resolution a resolution passed by a two-thirds majority of all Councillors or two-thirds of all members of a Committee;

- (cc) Table a motion to delay consideration of any matter indefinitely in order to deal with more pressing matters, which does not set a specific time to resume consideration of a matter;
- (dd) Town the Corporation of the Town of Okotoks;
- (ee) Two-Thirds (2/3) Vote a vote by two-thirds of Councillors present at the meeting and entitled to vote on the motion.

SECTION 3 - INTERPRETATION AND APPLICATION

- RULES FOR INTERPRETATION** 3. The marginal notes and headings in this bylaw are for reference purposes only.
- SUSPENSION OF RULES** 4. Council may suspend any provision of this bylaw by Special Resolution except:
- (a) the provisions about statutory hearings; and
 - (b) the provisions for amending or repealing this bylaw.
- COUNCIL PROCEEDINGS** 5. When any matter relating to proceedings in Council or in the Committees arises which is not covered by a provision of this bylaw, the matter shall be decided by reference to Roberts Rules of Order, Newly Revised.
- PARAMOUNT RULES** 6. If the provision in any other bylaw conflicts with the rules in this bylaw, this bylaw will prevail.

SECTION 4 - ORGANIZATION OF COUNCIL

- INAUGURAL MEETINGS** 7. Council must hold its Inaugural Meeting no later than two (2) weeks after each General Municipal Election at the time and place fixed by the CAO. At this meeting:
- (a) the Returning Officer must report;
 - (b) all Councillors must take the oath of office;
 - (c) the seating of the Councillors excepting that of the Mayor shall be determined by lot for a term through to a following Organizational Meeting of Council;
 - (d) in case the seat of any Councillor becomes vacant by reason of death, resignation or otherwise, the Councillor elected to fill the place shall occupy that seat in the Council Chamber;

- (e) rotation schedules for the position of Deputy Mayor shall be determined by the Mayor for the term of the Council;
- (f) all other matters required under Subsection 8 must be dealt with.

ORGANIZATIONAL MEETINGS

- 8. An Organizational Meeting of Council must be held annually, according to Section 192 of the *Act*. At this meeting Council must establish:
 - (a) Regular Council Meeting dates;
 - (b) the appointment of Councillors to Committees which Council is entitled to make;
 - (c) the seating of the Councillors, excepting that of the Mayor shall be determined by lot for a term through to a following Organizational Meeting of Council;
 - (d) in case the seat of any Councillor becomes vacant by reason of death, resignation or otherwise, the Councillor elected to fill the place shall occupy that seat in the Council Chamber;

and will deal with any other business described in the Notice of the Meeting.

SECTION 5 - MEETINGS OF COUNCIL

MEETINGS

- 9. (a)(i) Regular meetings of Council shall be held on the second and fourth Monday of each month, except for one meeting in July, August, and December. Where a Regular Council Meeting falls on a holiday, the meeting shall be held the next day. All Regular meetings will commence at 2:00 p.m., beginning immediately with an In Camera session until 2:30 p.m., at which time the public portion of the meeting will commence. Meetings will be held in the Council Chamber or other location as determined by the CAO.
- (ii) That Statutory or Non Statutory Hearings may also be held on the first or third Monday of each month at 7:00 p.m. in the Council Chamber, Okotoks, or other location as deemed appropriate by the CAO.

- (b) The date and time of the Regular Meeting of Council may be changed by 2/3 consent of all Councillors provided changes are made at the Council Meeting prior to or 14 days in advance of the date of the Regular Meeting of Council.
- (c) Any scheduled Regular Meeting of Council may be cancelled by consent of 2/3 of all Councillors.
- (d) When it is necessary to continue the meeting beyond the relevant day the meeting will be continued at 6:00 p.m. on the day following the said day, unless otherwise determined by a vote of 2/3 of all Councillors.

ADJOURNMENT

- 10. On the day of a Council meeting, Council shall adjourn at 9:45 p.m. in the evening if in session at that hour, unless otherwise determined by a vote of 2/3 of all Councillors present, provided that a motion to extend the time of the meeting beyond the said hour may be made and passed while in Council.

QUORUM

- 11.
 - (a) A Quorum of Council will be a majority of Councillors elected and serving on Council, including the Mayor.
 - (b) Subject to Subsection 11(a) of this bylaw, as soon after the hour of meeting as there is a Quorum present, the Mayor shall take the Chair and the Councillors shall be called to order.
 - (c) In case the Mayor or Deputy Mayor is not in attendance within fifteen minutes after the hour appointed, the CAO shall call the meeting to order until an Acting Mayor shall be chosen, who shall preside during the meeting until the arrival of the Mayor or Deputy Mayor.
 - (d) If a Quorum is not present in half an hour after the time appointed for the meeting of Council, or within half an hour of the time appointed for the meeting to reconvene after a recess or other adjournment, the CAO shall call the roll and record the names of the Councillors present and the Council meeting shall then stand adjourned.
 - (e) Whenever a vote on any matter before Council or a Committee cannot be taken because of loss of Quorum, resulting from the disqualification of a Councillor or Councillors from voting, then the matter shall be the first business to be proceeded with and disposed of at the next Regular Meeting of the

Committee or Council. If Quorum is lost for any reason other than the aforementioned reason, the meeting is adjourned.

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| PERMISSION TO LEAVE | 12. | When a Councillor wishes to leave the Council Chamber while a meeting of Council is in progress, they shall rise and await the permission of the Mayor before leaving their place. |
| SPECIAL MEETINGS | 13. | <p>(a) The Mayor may call a special meeting at any time and must do so if a majority of Councillors so request in writing in accordance with the <i>Act</i>.</p> <p>(b) Notice in writing specifying the time, date, location and general nature of the business to be transacted must be provided to each Councillor at least 24 hours prior to the special meeting.</p> |
| ORDER OF BUSINESS | 14. | <p>The order of business at a meeting is the order of the items on the Agenda except:</p> <p>(a) When a previous meeting has been adjourned for lack of Quorum and no special meeting has been called to deal with the business of the adjourned meeting, the Agenda items from the adjourned meeting must be dealt with before any items on the current Agenda; and</p> <p>(b) When Council alters the order of business for the convenience of the meeting by a majority vote; and</p> <p>(c) When the same subject matter appears in more than one place on an Agenda and Council decides, on a majority vote, to deal with all items related to the matter at the same time.</p> |

SECTION 6 - AGENDAS AND RECORDS OF MEETINGS

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| AGENDA FORMAT | 15. | The Agenda shall list the items or order of business to be conducted at a meeting as set out in Schedule 'A'. |
| AGENDA PACKAGE DISTRIBUTION | 16. | <p>(a) The CAO will make copies of the Agenda and all reports and supplementary materials for distribution to Council in electronic format on the Town of Okotoks website no later than the Thursday before each Regular Council Meeting.</p> <p>(b) The CAO shall ensure that the revised Council Agenda package is provided for public viewing on the Town of</p> |

Okotoks website no later than 72 hours after each meeting of Council and that any revisions to the documents originally provided be clearly marked.

**ADOPTION OF
AGENDA**

17. Council must vote to adopt the Agenda prior to transacting other business and may:
- (a) add new items to the Agenda by a majority vote of Council; or
 - (b) delete any matter from the Agenda by unanimous vote.

**RECORDING OF
MINUTES**

18. The CAO must ensure that all Council minutes are recorded which will include:
- (a) all decisions and other proceedings;
 - (b) the names of the Councillors present and absent from the meeting;
 - (c) the names of Councillors, Administration, and any other person present including their purpose for attending, during In Camera sessions; **(Bylaw 10-19)**
 - (d) any declarations of pecuniary interest made under the *Act* by any Councillor; and
 - (e) the signatures of the Chair and CAO.

**ADOPTION OF
MINUTES**

- 19.
- (a) The CAO shall ensure the minutes of each Council meeting are prepared and shall include a copy in the Agenda package for the next Regular Meeting.
 - (b) The Mayor shall present the minutes to Council with a request for a motion to adopt the minutes.
 - (c) The minutes of a previous meeting shall not be read aloud unless requested by a majority of Councillors.
 - (d) Any Councillor may make a motion requesting that the minutes be amended to correct any inaccuracy or omission.
 - (e) Only minor changes may be made to correct errors in grammar, spelling, and punctuation or to correct the omission of a word necessary to the meaning or continuity of a sentence; but no change shall be

allowed which would alter or affect in a material way the actual decision made by Council.

- (f) No Councillor may introduce any extraneous evidence to support a Challenge to the accuracy of the minutes unless the evidence has been compiled or made under the direction or control of the CAO.
- (g) If a Councillor wishes to Challenge the accuracy of the minutes of a previous meeting, the Councillor must make the Challenge known to the CAO before Council has officially confirmed the minutes.

ELECTRONIC MEETINGS

- 20. (a) A meeting may be conducted through electronic or telephone services if:
 - (i) notice is given to the public of the meeting, including the way in which it is to be conducted;
 - (ii) the public is able to watch or listen to the meeting at a place specified in that notice; and
 - (iii) all the meeting's participants are able to watch or hear each other.
- (b) Councillors participating in a meeting conducted through electronic or telephone services are deemed to be present at the meeting.

RECORDINGS

- 21. Council meetings will be recorded through video or audio services and be available in perpetuity on the Town of Okotoks' website.

SECTION 7 - INQUIRIES AND RESPONSES

INQUIRIES

- 22. (a) Councillor inquiries may be presented in the following format, with a maximum of two (2) inquiries per Councillor per meeting, by verbal inquiry.
- (b) Administration may respond verbally and immediately following an inquiry; or
 - (i) Administration may provide a written response at the next Regular Meeting, or
 - (ii) Administration may request that a response be provided at a future time.
- (c) Should a response to an inquiry require more than four (4) hours of administrative time, a Council resolution to proceed must be provided at the next Regular Council Meeting. **(Bylaw 10-19)**

QUESTION PERIOD

- 23.** A person wishing to speak to, or ask a question of Council shall be permitted to speak during a Regular Council Meeting at the Delegation / Question Period at approximately 3:00 p.m., or 6:00 p.m. by prior arrangement through the CAO, or as otherwise agreed by Council, under the following guidelines:
- (a) the person's name and subject matter are to be provided to the CAO in advance of the meeting or listed on the form provided in the Council Chamber, or other appropriate location, prior to 3:00 p.m.;
 - (b) no person shall address Council for more than five (5) minutes unless otherwise approved by 2/3 vote of all Councillors;
 - (c) a subject is to be in the form of a question;
 - (d) Councillors may ask questions of the presenter with regard to the subject only;
 - (e) a Councillor or Administration may verbally answer the question during the question period if possible;
 - (f) if an immediate answer is not available, the person will be given a reply through Administration or as Council may determine, as soon as available.

SECTION 8 - MOTIONS

NOTICE OF MOTION

- 24.** A Councillor may make a motion introducing any new matter only if:

- (a) notice is given at a Council meeting held at least seven days before the Council meeting at which the motion is proposed to be made and a written copy of the content of the notice is made available to the CAO; or
- (b) Council passes a Special Resolution waiving notice.

DETAILED NOTICE OF MOTION

- (c) A notice of motion must give sufficient detail so that the subject of the motion and any proposed action can be determined, and it must state the date of the meeting at which the notice of motion is proposed to be made. A notice must be given without discussion of the matter, but any written copies distributed may include explanatory paragraphs.

**DELAY IN
PRESENTING MOTION**

- (d) If a motion is not made at the meeting indicated in the notice, it will appear on the Agenda for, and may be made at any of, the next two Regular Meetings. After the third Regular Meeting, it will be removed from the Agenda and may only be made by a new notice of motion.

**STYLE AND
PRESENTATION OF
MOTIONS**

- 25. (a) All motions must be concise and unambiguous
- (b) No motion bringing a new matter before Council may be made while any other motion is in the possession of Council.

**RECOMMENDATIONS
ARE NOT MOTIONS**

- (c) A motion must be made on any Agenda item before it is debated. A recommendation in a report does not constitute a motion until a Councillor has expressly moved it.

WITHDRAWAL

- (d) Once a motion has been moved and stated by the Chair, it is in the possession of Council, and may not be withdrawn without unanimous consent of all Councillors present at the meeting.

URGENT BUSINESS

- 26. (a) A Councillor may move to discuss a matter of urgent public importance without prior notice.
- (b) A motion to bring a matter before Council as Urgent Business is subject to the following conditions:
 - (i) The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;
 - (ii) The motion must not involve discussion of a matter which has been discussed previously in the same meeting, excepting questions raised in the Delegations / Question Period by the Public;
 - (iii) The motion must not raise a Question of Privilege.
- (c) When a Councillor has made a motion to waive notice to bring a matter before Council as Urgent Business, the Mayor shall rule upon the admissibility of the matter.

REPEATING MOTIONS

- 27. A motion which has been superseded, withdrawn, or has not been in the possession of Council may be repeated unless it has been ruled out of order because it is improper.

PUT BY THE CHAIR

- 28. The Chair must Put all motions before a vote is taken.

**POSTPONE
INDEFINITELY**

29. (a) A motion to Postpone indefinitely is debatable and debate may deal with the merits of the motion being Postponed.
- (b) A motion Postponed indefinitely may only be brought back or reconsidered at a meeting of Council held six (6) months or more from the date of Postponement, or
- (c) A Special Resolution is passed allowing it to be brought back.

**POSTPONE TO A
DEFINITE TIME**

30. (a) A motion to Postpone to a definite time may be made at any time during debate. The motion to Postpone to a definite time is only debatable as to advisability of the Postponement and is amendable only as to the time specified.
- (b) If a motion is Postponed to a definite time, it will take priority over all other unfinished business at that time, but it may not be brought back before that time without a Special Resolution.

AMENDMENTS

31. An amendment proposed to a motion must be relevant to its subject matter and must not propose a direct negative of the motion.

**AMENDMENTS TO
AMENDMENTS**

32. (a) Only one amendment to a motion may be before the meeting at any time, but an amendment to the amendment may be before the meeting at the same time. The amendment to the amendment must be voted on before the amendment.
- (b) An amendment to an amendment must be relevant to the amendment. When an amendment is to make a change to numbers, the longest time, largest sum or largest quantity must be put first.

**DEBATABILITY OF
AMENDMENTS**

33. Councillors may debate the merits only of the amendment, not the merits of the motion it is applied to.

**CANNOT AMEND OWN
MOTION**

34. A Councillor may not amend his or her own motion.

REFERRAL MOTIONS

35. A Councillor may move to refer any motion to a Committee, Administration, or for investigation and report, and the motion to refer:
- (a) will preclude all further amendments to the motion;

- (b) is debatable; and
 - (c) may be amended only as to the body or membership of the body to which the motion is referred and the instructions on the referral.
- REPORT FROM REFERRAL** **36.** When a response to a referral is before Council, the motion under consideration will be the motion, which was referred, including any amendments made prior to the referral.
- REFERRALS REFUSED BY THE CHAIR** **37.** The Chair may refuse to accept a motion to refer that would have the effect of defeating the motion to which it applies (for example, due to time constraints).
- LIMITING OR ENDING DEBATE** **38.** Any motion to limit or end debate, including a motion for the Previous Question:
- (a) cannot be debated;
 - (b) must be passed by a Two-Thirds (2/3) Vote; and
 - (c) may only be amended as to the limit to be placed on debate.
- MOTION FOR THE PREVIOUS QUESTION** **39.** (a) If the Previous Question is moved, the Chair must state that the Previous Question has been moved and immediately take the vote on the motion for the Previous Question.
- (b) Unless a motion to Postpone is made, when a motion for the Previous Question is carried, the motion to which it applies must be Put without further debate or amendment.
- TAKE FROM THE TABLE** **40.** (a) Any Councillor may move to take a motion from the Table, provided no other motion is on the floor.
- (b) A tabled motion is brought back with all of the motions connected with it, exactly as it was when laid on the Table.
- (c) The motion to take from the Table is not debatable or amendable and requires only a majority vote.
- (d) If a motion to take a motion from the Table is defeated, it may only be made again after other business has intervened.

- (e) A motion may be taken from the Table at any Regular Meeting, but not at a Special Meeting unless prior notice was given.
- (f) If a question is not taken from the Table:
 - (i) within six months after the date that it was Tabled; or
 - (ii) prior to the General Municipal Election held after it was Tabled;

it may not be taken from the Table but may be made only as a new motion.

**MOTIONS
DISALLOWED**

- 41.** If a motion is contrary to the rules and privileges of Council, the Chair may refuse to accept it and must cite the rule or authority applicable without other comments.

PRIVILEGED MOTIONS

- 42.** The following motions are privileged motions and may, if the Chair determines that they are of overriding importance, interrupt the debate on another motion:

- (a) a Point of Privilege;
- (b) a motion to excuse a Councillor from voting;
- (c) a motion to recess;
- (d) a motion to adjourn; and
- (e) a motion to fix the time to adjourn.

POINT OF PRIVILEGE

- 43.** A Councillor may raise a Point of Privilege to remedy any pressing situation at any time. The Chair must immediately decide whether to accept the Point of Privilege. If accepted, it must be dealt with immediately.

**MOTION ON POINT OF
PRIVILEGE**

- 44.** If a motion is made resulting from an accepted Point of Privilege, it is not debatable or amendable.

POINT OF ORDER

- 45.** A Point of Order, which requires immediate attention, may interrupt a speaker and is not debatable or amendable. The Chair must rule on a Point of Order and no vote will be taken unless there is a Challenge.

**MOTION TO
CHALLENGE**

- 46.** (a) Any ruling of the Chair may be Challenged.
- (b) A motion to Challenge may be made only at the time of the ruling, whether or not another speaker has the floor.

- (c) A motion to Challenge is debatable unless it relates to decorum, the priority of business, or an undebatable pending motion.
- (d) If a motion is made to Challenge, the Chair must state the question "Is the ruling of the Chair upheld?" and may participate in debate on the Challenge without leaving the Chair.
- (e) If the Chair refuses to Put the question on a Challenge, the person who would preside if the individual occupying the Chair were absent must Put the question to Council.
- (f) Unless there is a Two-Thirds (2/3) Vote against it, the ruling of the Chair will be upheld.

RECESS

47. (a) Any Councillor may call for a recess at the discretion of the Chair. After the recess, business will be resumed at the point when it was interrupted. A recess may not be used to interrupt a speaker. **(Bylaw 10-19)**

ADJOURNMENT

48. (a) A motion to adjourn is not debatable or amendable.
- (b) Council will take up a motion pending at the time of adjournment as the first item under unfinished business at the next meeting.

NOTICES OF MOTION GIVEN PRIOR TO ADJOURNMENT

49. Before Putting the motion for adjournment, the Chair must allow an opportunity for any notices of motion to be given.

ADJOURNMENT OF REGULAR MEETING

50. A motion to adjourn a Regular Meeting or a Public Hearing Meeting requires a majority vote.

OBJECTION OF CONSIDERATION OF A MOTION

51. The purpose of an "Objection to the Consideration of a Motion" is to enable Council to avoid a particular original main motion when it would be undesirable for the motion to come before them, and may be dealt with in the following manner:
- (a) A Councillor may move to object to the consideration of the main motion prior to any debate on the motion and the Chair must state the question "Will the motion be considered?"
 - (b) A motion to object to the consideration of a motion is not debatable or amendable. The motion objected to

will be heard unless there is a Two-Thirds (2/3) Vote against hearing it.

- (c) If Council passes a motion to object to the consideration of a motion, the motion objected to may be brought before Council only by renewal in accordance with Subsection 56 of this bylaw.

**DIVIDING MOTIONS
INTO PARTS**

- 52. A Councillor may request that a motion be divided if it contains parts, which stand as complete propositions. Council must then vote separately on each proposition.

**MOTIONS
PREVIOUSLY
CONSIDERED**

- 53. Subject to Subsections 54 and 58 of this bylaw, once Council has dealt with any matter, a motion that would have a similar result may not be made.

**RECONSIDERING
MOTIONS**

- 54. A Councillor who voted with the prevailing side may move to reconsider a motion only at the same meeting or during the continuation of a meeting at which it was discussed.

**RECONSIDERATION
NOT ALLOWED**

- 55. (a) A motion to reconsider may not be applied to:
 - (i) any vote which has caused an irrevocable action; or
 - (ii) a motion to reconsider.
- (b) A motion to reconsider is only debatable when the motion being reconsidered is debatable.

**RESCINDING AND
RENEWING MOTIONS**

- 56. A motion to rescind a motion which has been passed or to renew a defeated motion may be offered subsequent to the meeting at which the motion was passed or defeated if the rescinding or renewal motion is:
 - (a) brought more than six months after the date of the original motion; or
 - (b) brought after a General Municipal Election that has taken place since the date of the original motion; or
 - (c) brought more than one month after the date of the original motion when the original motion was defeated by a tie vote.

**NOTICE OF
RESCISSION OR
RENEWAL**

- 57. Notice of a motion to rescind or renew a motion must be given or dispensed with pursuant to the provisions of this bylaw.

**RESCISSION NOT
ALLOWED**

- 58.** No motion to rescind may be made when:
- (a) a vote has caused an irrevocable action; or
 - (b) a decision has been made to rescind or reconsider the motion.

SECTION 9 - VOTING

MOTION CARRIED

- 59.** A motion will be carried when a majority of Councillors present at a meeting vote in favour of the motion, unless otherwise specified in this bylaw. When a motion is Carried Unanimously, it shall be recorded as such.

TIE VOTE

- 60.** A motion is defeated when the vote is tied.

FAILURE TO VOTE

- 61.** Each Councillor present must vote on every motion as outlined under the *Act*, unless that *Act*, or any other Provincial or Federal enactment requires or permits the Councillor to abstain, in which case the Councillor must cite the legislative authority for abstaining, and the abstention and reasons must be recorded in the minutes.

LOSS OF QUORUM

- 62.** If a motion cannot be voted on because there would be no Quorum due to:
- (a) a Councillor being excused from voting by Council; or
 - (b) any abstention allowed or required by statute;
- then the matter will be dealt with as unfinished business and proceeded with at the next Regular Meeting of Council. If Council is unable to achieve Quorum at any meeting on an issue due to the pecuniary interest of Councillors, then Council must ask the Minister of Municipal Affairs for an order or direction under the *Act*.

VOTING PROCEDURES

- 63.** Votes on all motions must be taken as follows:
- (a) Councillors must be in their designated Council seat when the motion is Put;
 - (b) the Chair must Put the motion;
 - (c) Councillors must use the approved electronic or computerized voting system if it is available;

- (d) vote by a show of hands if the electronic or computerized system is unavailable; or
- (e) vote verbally by stating “for” or “against” the motion if participating by telephone;
- (f) the Chair must declare the result of the vote.

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| NO CHANGE TO VOTE | 64. | After the Chair declares the result of a vote, Councillors may not change their vote for any reason. |
| SILENCE ONCE QUESTION IS PUT | 65. | From the time the question is Put by the Chair until the result of the vote is declared, Councillors must be silent and must not leave their seats. |

SECTION 10 - RULES GOVERNING DEBATE

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| ORDER OF SPEAKERS | 66. | The Chair will determine the speaking order when two or more Councillors wish to speak, subject to a Challenge. |
| ADDRESS PRESIDING OFFICER | 67. | Councillors must address the Chair when speaking. |
| INTERRUPTIONS | 68. | <p>Councillors who have been assigned their turn to speak may only be interrupted by other Councillors including the Chair:</p> <ul style="list-style-type: none"> (a) when a Councillor is debating a subject and no motion is on the floor; (b) when a Councillor has exceeded the five (5) minute time limit to speak; (c) by a Point of Privilege; (d) by a Point of Order; (e) by an objection to the consideration of a motion; or (f) by a Challenge. |
| DEBATE | 69. | Councillors, including the Mayor, may enter debate once a motion is on the floor. |
| MAYOR ENTERING DEBATE | 70. | <ul style="list-style-type: none"> (a) The Chair must step down from the Chair for the purpose of taking part in a debate in which case the Deputy or Acting Mayor or another Councillor must be called to take the Chair. |

- (b) The Mayor is not required to leave his / her seat to step down from the Chair.
- (c) The Chair must not resume the Chair until the main motion is voted on by Council.
- (d) The Chair, either the Mayor or designate, shall not normally participate in debate.

COUNCILLOR CALLED TO ORDER	71.	A Councillor who is called to order must immediately stop talking, but must be given an opportunity to Challenge before debate is closed. Council will decide the Challenge without debate.
REQUEST TO HAVE MOTION CONSIDERED	72.	A Councillor may require that the motion being considered be read at any time during debate, but must not interrupt the speaker.
NUMBER OF SPEECHES	73.	Unless otherwise provided in this bylaw, Councillors may speak only once on any motion; however, the Chair may give permission to speak again.
TIME LIMITS	74.	Each Councillor may speak for five (5) minutes; <ul style="list-style-type: none"> (a) by asking questions on a motion; (b) in debate on a motion; (c) by asking questions on an amendment; (d) in debate on an amendment; and (e) in reply, when the Councillor is the mover of the motion; unless Council gives permission, by a Two-Thirds (2/3) Vote, to speak for an additional five minutes.
OPPORTUNITY TO BE HEARD	75.	Each Councillor will be given an opportunity to speak to a motion before it is Put to a vote, unless a motion is passed to limit or end debate.

SECTION 11 - DUTIES OF THE CHAIR

CHAIR TO MAINTAIN ORDER	76.	The Chair must preserve order and decorum and decide all questions of procedure.
CITING REASONS FOR DECISIONS	77.	When the Chair makes a decision on a question of procedure, except a Parliamentary Inquiry, he or she must provide a reason for the decision.

SECTION 12 - DISCIPLINARY PROCEDURES

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| CALLING A COUNCILLOR TO ORDER | 78. | The Chair may call to order any Councillor who is out of order. |
| NAMING A COUNCILLOR FOR AN OFFENSE | 79. | When a Councillor has been warned about breaches of order but continues to engage in them, the Chair may name the Councillor by stating his or her name and declaring the offense. The CAO must note the offense in the minutes. |
| EFFECT OF NAMING A COUNCILLOR | 80. | <p>If a Councillor who has been named:</p> <ul style="list-style-type: none">(a) apologizes and withdraws any objectionable statement, then:<ul style="list-style-type: none">(i) that Councillor may remain and continue participating in the meeting, and(ii) the Chair may direct that the notation of the offense be removed from the minutes;(b) if that Councillor fails or refuses to apologize, Council must vote on a motion to expel that Councillor. A motion to expel must be decided without debate and, if passed, that Councillor must immediately leave Council Chamber. |
| REMOVAL OF COUNCILLOR | 81. | If a Councillor has been expelled pursuant to Subsection 80 of this bylaw, that Councillor must leave the Council Chamber immediately. The Chair may order the RCMP to remove an expelled Councillor if that Councillor does not leave voluntarily. |
| DISTURBANCE BY PUBLIC | 82. | <p>The members of the public during the proceedings of Council:</p> <ul style="list-style-type: none">(a) shall not address Council without permission of the Chair;(b) shall maintain order and quiet;(c) shall not applaud or otherwise interrupt any speech or action of the Councillors, or any other person addressing Council;(d) when granted permission to address Council, shall not use offensive words or speak disrespectfully of Council, any Councillor, or Administration. |

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| EXPEL A PUBLIC MEMBER | 83. | The Chair may at any meeting expel and exclude any person who creates any disturbance or acts improperly. A person who refuses to leave is guilty of an offense and the Chair may order the RCMP to remove the person. |
| COUNCILLOR INTERFERENCE | 84. | No Councillor shall have the power to direct or interfere with the performance of any work for the Corporation. Employees shall be subject only to their supervisor (if any) and to the CAO. Nothing in the foregoing shall in any way interfere with or restrict the right of a Councillor to seek formal information from any member of Administration through the office of the CAO. |

SECTION 13 - PUBLIC AND CLOSED MEETINGS

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| PUBLIC MEETINGS | 85. | Except as provided in the <i>Act</i> , Council and Council Committee meetings will be held in public and no person may be excluded except for improper conduct. |
| CLOSED (IN CAMERA) MEETINGS | 86. | Council may by resolution; move into In Camera and while In Camera, Council may not pass any resolutions other than to revert to public meeting. |

SECTION 14 - COMMITTEES

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| EX OFFICIO | <p>87. (a) The Mayor shall be an ex-officio of all Committees to which Council has the right to appoint Members pursuant to the <i>Act</i>, and as such shall have all the powers and privileges of any Member of the same, including the right to vote upon all questions to be dealt with by the Committee.</p> <p>(b) Notwithstanding Subsection 87(a) of this bylaw, the Mayor may be a member of a board, commission, subdivision authority or development authority established under Part 17 of the <i>Act</i> only if the Mayor is appointed in his or her personal name.</p> |
| MEMBERSHIP | <p>88. The membership of a Committee shall be as provided for in the enabling legislation or as directed by Council.</p> |
| CHAIR | <p>89. Each Committee shall select one of its members to be the Chair unless Council designates:</p> <p>(a) The Chair of a Committee; or</p> <p>(b) The manner in which the Chair shall be selected.</p> |

(c) The Chair shall preside at every meeting and shall vote on all questions.

IN CAMERA

90. When a Committee established by Council is of the opinion that a meeting is to be held In Camera, the motion that is passed to authorize the In Camera meeting shall include the reason for holding the meeting In Camera, and the meeting may only be held in accordance with the *Act*.

BUSINESS OF COMMITTEES

91. The business of Committees shall be conducted in accordance with the *Act* and within the rules governing the procedures of Council.

ORGANIZATIONAL MEETING APPOINTMENTS

92. (a) At the Organizational Meeting at the beginning of the term of office of the new Council, and annually thereafter, the Mayor shall recommend to the full Council the membership of each Committee.

(b) The Mayor shall request all Councillors to submit their preference for membership on Committees and shall take these into consideration in arriving at recommendations for the ratification of Council.

(c) The recommendations of the Mayor shall be Put before the full Council for ratification.

SECTION 15 - STANDING AND SPECIAL COMMITTEES

APPOINTMENT OF COMMITTEES

93. Subject to the *Act*, Council may appoint any Committees as are necessary or advisable for the orderly and efficient handling of the affairs of the Town and may establish generally or in detail the:

(a) duties and responsibilities;

(b) composition; and

(c) duration of a Committee.

COMMITTEE PROCEDURES

94. The business of all Committees shall be conducted under the rules governing procedure in Council, except where the same conflict with the following rules:

(a) The Chair shall preside at every meeting and shall vote on all questions submitted, and in case of equal division, the question shall be lost. In the absence of the Chair, the Deputy Chair shall preside or in the absence of both, the Committee shall appoint a Chair from among the members present.

- (b) The CAO shall record the minutes of the Committee.
- (c) The minutes of the transactions of every Committee shall be accurately recorded as a record of the Town.
- (d) No report or recommendation dealing with any matter or thing shall be recognized as emanating from any Committee unless it is in writing, has been certified correct by the CAO, or designate, and refers to the minutes of the Committee under which it is issued.
- (e) Any Councillor, who is not a member of a Committee, shall have the right to attend Committee meetings with right of debate, but may not make motions or vote.

MEETING OPEN TO COUNCILLORS

- 95.** Meetings of Committees shall be open to other Councillors, who may take part in any discussion or debate, but only those Councillors specifically named or appointed to the Committee shall be entitled to vote.

SECTION 16 - BYLAWS

TITLE AND BYLAW NUMBER

- 96.** All proposed bylaws must have a bylaw number assigned by the CAO and a concise title indicating the purpose of the bylaw.

NOTICE OF PROPOSED BYLAW

- 97.** The bylaw number and the short title of a proposed bylaw must be included on the Agenda and the CAO must provide all Councillors with a copy of the proposed bylaw prior to any motion for first reading.

FIRST READING

- 98.**
- (a) A proposed bylaw must be introduced at a Council meeting by a motion that "Bylaw Number (specify the number assigned by the CAO) be read a first time". Council may hear an introduction of the proposed bylaw from Administration.
 - (b) Bylaws requiring a Public Hearing, excluding Road Closure Bylaws, shall be introduced at a Council meeting at least one Council meeting prior to the scheduled public hearing date.
 - (c) Council shall vote on the motion for first reading of a bylaw without amendment or debate.

SECOND READING

- 99.** After first reading has been given, any Councillor may move that "Bylaw Number (specifying the proposed bylaw number) be read a second time".

AMENDMENTS	100.	After a motion for second reading has been made, Council may: <ul style="list-style-type: none"> (a) debate the substance of the bylaw; (b) propose and consider amendments to the bylaw.
THREE READINGS	101.	<ul style="list-style-type: none"> (a) After second reading has been given, any Councillor may move that "Bylaw Number (specifying the proposed bylaw number) be read a third time and passed". (b) When a bylaw is being considered for third reading and the bylaw received first and second reading at a previous meeting or meetings, after a motion for third reading, Council may: <ul style="list-style-type: none"> (i) debate the substance of the bylaw; (ii) propose and consider amendments to the bylaw. (c) Any amendments to the bylaw which are carried prior to the motion for third reading being Put will be considered to have been given first and second reading and will be incorporated into the proposed bylaw. If amendments to the proposed bylaw have been carried: <ul style="list-style-type: none"> (i) all Councillors must be given an opportunity to review the full text of the amendments; and (ii) the Chair must Put the question that "Bylaw Number (specifying the proposed bylaw number) as amended, be given third reading". (d) Council may not give a bylaw more than two readings at a meeting unless all Councillors present at the meeting vote unanimously in favour of allowing a third reading at that meeting. (e) If any reading of a proposed bylaw fails, any previous readings are rescinded.
AMENDMENT PRIOR TO THIRD READING		
NUMBER OF READINGS ALLOWED AT A MEETING		
FAILURE OF A READING		
EFFECTIVE DATE	102.	A bylaw is effective from the beginning of the day it is given third reading and signed, unless the bylaw or any applicable statute provides for another effective date.
SIGNING AND SEALING BYLAWS	103.	The Mayor or Chair and CAO present at the meeting must sign and seal the bylaw as soon as reasonably possible after third reading is given.
AMENDMENT AND REPEAL	104.	Once a bylaw has been passed, it may only be amended or repealed by another bylaw made in the same way as the original bylaw unless another method is specifically authorized by statute.

SECTION 17 - DELEGATIONS

DELEGATIONS

- 105.** (a) Notwithstanding any provision of this bylaw, Council shall grant an opportunity to persons entitled, under Provincial legislation, to make verbal submissions to Council.
- (b) A person wishing to make representations directly to Council shall so advise the CAO in writing not less than five days prior to the Council meeting date.
- (c) At the place in the Agenda for the hearing of delegations, the Chair shall call each item in order as it is listed on the Agenda.
- (d) A member of Administration may introduce items.
- (e) After delegations have been heard, Council may question the Administration and Council shall then proceed to deal with the matter.
- (f) No person shall address Council upon any matter for more than five (5) minutes, exclusive of the time required to answer the questions Put by Council.
- (g) In questioning delegations, Councillors will ask only those questions which are relevant to the subject and will avoid repetition. Delegations speaking to the subject will be restricted to the subject matter only.

SECTION 18 - PUBLIC HEARINGS

PUBLIC HEARINGS

- 106.** When the *Act* or any other legislation requires Council to hold a public hearing on a proposed bylaw or resolution, the public hearing must be held unless another enactment specifies otherwise:
- (a) before second reading of the bylaw; or
- (b) before Council votes on the resolution.

TIME FOR A STATUTORY HEARING ON A BYLAW

- 107.** If a person indicates their presence to speak to the proposed bylaw, then the following procedures will apply:
- (a) the Administration will introduce the proposed bylaw;
- (b) the person will be allowed five minutes to speak; those in favour will speak first, followed by those opposed;

- (c) after a person has spoken, any Councillor may ask that speaker relevant questions;
- (d) any Councillor may ask Administration relevant questions after all persons who wish to speak have been heard;
- (e) Council must allow an opportunity to all persons to respond to any new information that has arisen; and
- (f) any Councillor may then move that "The statutory hearing on Bylaw Number (specifying the proposed bylaw number) be closed".

**WHEN NO SPEAKER
PRESENT**

- 108.** If a person is unable to attend a hearing, that person may authorize an individual to speak on his or her behalf. The authorization must:
- a) be in writing;
 - b) name the individual authorized to speak;
 - c) indicate the proposed bylaw to be spoken to; and
 - d) be signed by the person giving the authorization.

**STATEMENT OF
AUTHORIZATION**

- 109.** The authorized speaker must state the name of the person that the speaker represents and must present the written authorization to the CAO.

**REPRESENTING MORE
THAN ONE PERSON**

- 110.** If an authorized speaker represents more than one person, the speaker will be allowed only five minutes to speak unless Council decides otherwise.

SECTION 19 - AMENDMENT AND REPEAL

**OTHER BYLAWS
REPEALED OR
AMENDED**

- 111.** Bylaw 2-02 and all amendments thereto are hereby repealed.

This Bylaw will come into force on the date of final reading.

Bylaw 42-17 received third and final reading September 25, 2017.

ORIGINAL BYLAW SIGNED BY
MAYOR AND CHIEF ADMINISTRATIVE OFFICER

Revised Bylaw 42-17 signed February 27, 2019 by the Chief Administrative Officer as
authorized by Bylaw 21-17.

ORIGINAL SIGNED BY
CHIEF ADMINISTRATIVE OFFICER

Bylaw 10-19 received third and final reading March 11, 2019.

ORIGINAL BYLAW SIGNED BY
MAYOR AND CHIEF ADMINISTRATIVE OFFICER

SCHEDULE 'A'
BYLAW 42-17

COUNCIL AGENDA

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. IN CAMERA
4. MOTION(S) ARISING FROM IN CAMERA (**Bylaw 10-19**)
5. MINUTES OF PREVIOUS MEETING
6. CHIEF ADMINISTRATIVE OFFICER'S REPORT
7. BUSINESS
8. BYLAWS
9. DELEGATIONS / QUESTION PERIOD BY THE PUBLIC (3:00 P.M. and/or 6:00 P.M. by prior arrangement)
10. NOTICES OF MOTION
11. MOTIONS RE NOTICES
12. CORRESPONDENCE FOR ACTION
13. COUNCILLOR INQUIRIES AND SUGGESTIONS
14. COUNCIL REPRESENTATIVE REPORTS
15. STATUTORY / NON-STATUTORY HEARING(S) (7:00 P.M.)
16. BYLAWS / BUSINESS RELATING TO HEARING(S)
17. RESPONSES TO COUNCILLOR INQUIRIES AND SUGGESTIONS
18. CORRESPONDENCE FOR INFORMATION
19. BOARD AND COMMITTEE MINUTES
20. ADJOURNMENT

BYLAW NO. 1919-18

BEING A BYLAW OF THE CITY OF WETASKIWIN, IN THE PROVINCE OF ALBERTA, TO PROVIDE FOR THE ORDERLY PROCEEDINGS OF COUNCIL MEETINGS AND THE TRANSACTING OF BUSINESS BY THE COUNCIL OF THE CITY OF WETASKIWIN.

WHEREAS pursuant to Section 145 of the *Municipal Government Act* a Council may pass bylaws in relation to the Council meeting procedures; and

WHEREAS the Council of the City of Wetaskiwin deem it expedient to pass such a bylaw;

NOW THEREFORE the Council of the City of Wetaskiwin, duly assembled, enacts:

1. TITLE

1.1 This bylaw may be cited as “The Council Meeting Procedural Bylaw”.

2. DEFINITIONS

2.1 In this Bylaw:

- a) “Administrative Inquiry” is a request by a Councillor to the City Manager for the future provision of information;
- b) “Chief Administrative Officer” shall have the same definition and meaning as the *Municipal Government Act*;
- c) “City Manager” means the Chief Administrative Officer of the City of Wetaskiwin or their designate;
- d) “Chair” means the Mayor, Deputy Mayor or other person authorized to preside over a meeting;
- e) “Council” means the municipal Council of the City of Wetaskiwin;
- f) “Councillor” means a member of Council who is duly elected and continues to hold office and includes the Mayor;
- g) “Council Committee” means any committee, board or other body established by Council by bylaw under the *Municipal Government Act*;
- h) “Deputy Mayor” means the Deputy Chief Elected Official of the City of Wetaskiwin, whom shall have the duties and obligations prescribed by the *Municipal Government Act*;
- i) “General Election” means an election held in the City of Wetaskiwin to elect the members of Council as described in the *Local Authorities Election Act*;

- j) "Closed Session" means a portion of a meeting of Council without the presence of the public, except for those invited by Council, where the matter to be discussed falls within one of the exceptions to disclosure in Division 2, of Part 1 of the *Freedom of Information and Protection of Privacy Act*;
- k) "Inaugural Meeting" means the first Organizational Meeting held immediately following the General Municipal Election;
- l) "Majority Vote of Council" means the majority of the Council Members present voting on a motion before Council;
- m) "Member" includes a Councillor and a member of a Council Committee who is not a Councillor;
- n) "Mayor" shall mean the Chief Elected Official of the City of Wetaskiwin;
- o) "Organizational Meeting" means a meeting of Council held pursuant to Section 192 of the *Municipal Government Act*.
- p) "Pecuniary Interest" means a pecuniary interest within the meaning of the *Municipal Government Act*;
- q) "Point of Order" means a demand that the Chair enforce the rules of procedure;
- r) "Public Hearing" is a pre-advertised segment of the Council meeting that Council is required to hold pursuant to the provisions of *Municipal Government Act* or another enactment;
- s) "Question of Privilege" means a request or motion made to the Chair, unrelated to the business on the floor, which affects the comfort, dignity, safety, or reputation of Council or individual Councillors, examples of which include: requests related to heating, lighting, noise or other disturbances in Council Chambers, conduct of members of the public or fellow Councillors;
- t) "Quorum" means the minimum number of Members that must be present at a meeting for business to be legally transacted;
- u) "Table" means any of the following:
 - (i) to postpone making a decision on a matter until a specific date, time or event has occurred, such as, but not limited to, the production of a subsequent report by Administration providing further information;
 - (ii) to postpone the disposal of a motion that is before Council until a specific date, time or event has occurred, such as, but not limited to, the production of a subsequent report by Administration that provides further information;
 - (iii) to delay a matter or motion currently before Council to deal with an urgent matter, with the intention of returning to the tabled matter or motion prior to the end of the meeting.
- v) "Two-Thirds Vote" means a vote by at least two-thirds of Members present at the meeting and who are entitled to vote on the motion.

3. APPLICATION AND INTERPRETATION

General Rules

- 3.1 The procedures contained in this Bylaw shall be observed in Council meetings.
- 3.2 The procedures contained in this Bylaw shall be observed in Council Committee meetings, with the exception of the limit of the number of times for speaking; however, no Member shall speak more than once to any question until every other Member choosing to speak has spoken.
- 3.3 To the extent that a procedural matter is not dealt with in the *Municipal Government Act* or this Bylaw, the matter will be determined by referring to the most recent version of *Robert's Rules of Order Newly Revised*.
- 3.4 Subject to any statutory obligation to the contrary, Council or a Council Committee may temporarily suspend any provision of this Bylaw by passing a motion supported by a Two-Thirds Vote.
- 3.5 A resolution suspending any provision of this Bylaw as provided for in Section 3.4 is only effective for the meeting during which it is passed.

4. MEETINGS

Inaugural Meeting

- 4.1 Council must hold its Inaugural Meeting not later than two weeks after the date of an Alberta General Municipal Election.
- 4.2 At the Inaugural Meeting:
 - a) all Councillors must take the official oath prescribed by the *Oaths of Office Act*;
 - b) Council must confirm the Council Chambers seating arrangements of Councillors; and
 - c) All other matters required by Section 4.4 that must be dealt with.

Organizational Meetings

- 4.3 An Organizational Meeting must be held not later than two weeks after the third Monday in October each year.
- 4.4 At the Organizational Meeting, Council:
 - a) must establish a process for determining which Councillors will serve as Deputy Mayor throughout the year and to do so, Council may adopt a roster appointing Councillors to the position of Deputy Mayor on a rotating basis for the forthcoming

year, commencing November 1, with each Councillor serving for a two (2) month term;

- b) may appoint Members to Council Committees; any vacant appointments remaining after the Organizational Meeting will be referred to a subsequent Regular or Special Council meeting;
 - c) must establish the frequency, dates, times and locations for the holding of regular Council meetings for the next 12 months and may consider the following in doing so:
 - (i) reducing the number of Council meetings in the months of July, August and December;
 - (ii) scheduling meetings utilizing the same frequency, dates, times and locations as established at previous organizational meetings.
 - d) must conduct any other business as identified within the Organizational Meeting Agenda.
- 4.5 At the Inaugural Meeting, Council may defer the appointment of members to Council Committees but must make Committee appointments at the next scheduled Regular Council Meeting unless Council passes a resolution to defer appointments to a subsequent Regular or Special Council meeting.

Regular Council Meetings

- 4.6 When the date of a regular meeting of Council falls on a holiday, the meeting shall take place on the next business day immediately following the holiday, unless otherwise set by Council by resolution.
- 4.7 Council meetings shall be limited to five (5) hours unless Council by resolution, agrees to extend a meeting past five (5) hours.
- 4.8 Council may, by resolution, establish other regular Council meeting dates as may be required from time to time.
- 4.9 Council may, by resolution, change the date, time or place of a regularly scheduled meeting by passing a motion supported by a Two-Thirds Vote.
- 4.10 Notice of Regular Council meetings will be provided on the City of Wetaskiwin Website. Notice of a change in date, time or place, of any meeting of Council will be provided at least 24 hours prior to the meeting to Councillors in accordance with the provisions of the *Municipal Government Act* and to the public by:
- a) posting a notice in City Hall; and
 - b) posting a notice on the City of Wetaskiwin website.
 - c) Council deems that providing notice in this manner is sufficient, pursuant to Section 196(2) of the *Municipal Government Act, RSA 2000 and amendments thereto*.

- 4.11 Council may cancel any meeting through resolution if notice is given in accordance with section 4.10.

Special Meetings

- 4.12 Special Council meetings may be called in accordance with the provisions of the *Municipal Government Act*.

Electronic Recording of Proceedings

- 4.13 The recording of a Council meeting or Public Hearing by a member of the public or media, by electronic or other means is allowed unless, at the sole determination of the Chair, the recording of a Council meeting or Public Hearing by electronic or other means is determined to be disruptive to the process or if the recording of a Council meeting or Public Hearing will inhibit or discourage any member of Council or the public from fully participating in the Council meeting, in which case the Chair may prohibit the recording of a Council meeting or Public Hearing by electronic or other means.

Meeting Participation through Electronic Means

- 4.14 A member of Council may participate in any Council meeting through electronic means and, when they do so, they are deemed to be present at the meeting.

5. PUBLIC HEARINGS

- 5.1 Public Hearings will generally be held during a regular Council meeting; however, a special Council meeting for the purpose of holding a Public Hearing may be called.

- 5.2 A statutorily-required Public Hearing on any proposed bylaw or resolution must be held before the Chair puts:

- a) a motion for second reading of the bylaw, or
- b) a motion on the resolution for which the Public Hearing is to discuss.

- 5.3 The procedure for a Public Hearing is as follows:

- a) The Chair will outline the purpose of the Public Hearing, the process to be followed in the Public Hearing and any other preliminary matters;
- b) Administration will introduce the proposed bylaw or resolution, followed by questions by Council;
- c) After identifying themselves in the manner required under Section 5.5, members of the public will be invited to make verbal presentations, followed by questions by Council;
- d) If written submissions were received, Administration will read aloud the written submissions or, where appropriate, Administration may provide a report on the number of written submissions received and a general overview of the contents of the written submissions;

- 5.4 The use of slides, maps, videos and other similar materials is permitted and these, along with written submissions, become the property of the City of Wetaskiwin as exhibits to the hearing. In order to ensure that all Council Members receive all information and materials within the Agenda package, any party wishing to have their materials included in the Agenda package must submit their materials to Administration no later than one (1) week prior to the Hearing, in a format easily usable by Administrative staff.
- 5.5 Persons addressing Council shall give their name, location of residence, an indication as to whether they are speaking on their own behalf or for another person or a group, and address the Chair when responding to questions or providing information.
- 5.6 Individuals may speak for a maximum of five (5) minutes.
- 5.7 One spokesperson per petition or group may speak for a maximum of ten (10) minutes.
- 5.8 At the discretion of the Chair, the time limits for speaking and presentations may be extended to ensure that all interested parties have had a fair and equitable opportunity to express their views.
- 5.9 At the discretion of the Chair, after everyone has had an opportunity to speak once, those interested in speaking a further time to provide new information may be granted further opportunity to speak.
- 5.10 At the conclusion of the business of the Public Hearing, the Chair shall declare the Public Hearing closed, or call for continuance and establish a date for reconvening the Public Hearing, and then recess the Public Hearing.
- 5.11 The minutes of a Council meeting during which a Public Hearing is held must contain the names of the speakers and a summary of the nature of representations made at the Public Hearing.

6. COUNCIL REVIEW OF ORDERS ISSUED UNDER SECTION 545/546

- 6.1 In this section, the following terms have the following meanings:
 - a) "Appellant" means the person who received a written order under Section 545 or 546 of the *Municipal Government Act*;
 - b) "Order to Remedy" means an order issued under section 545 or section 546 of the *Municipal Government Act*;
 - c) "Staff" means a designated officer of the City of Wetaskiwin or an employee of the City of Wetaskiwin that has been delegated the responsibility to issue an Order to Remedy.

- 6.2 Upon receipt of a written request pursuant to Section 547 of the *Municipal Government Act*, the City Manager will schedule a Council Review at a Regular Council Meeting as soon as practicable after ensuring that all parties have sufficient time to prepare for the Council Review.
- 6.3 Written materials, videos, and slide presentations received as submissions from the Appellant and Staff must be submitted not less than seven (7) calendar days prior to the Council Review and will be distributed as part of the Council Agenda.
- 6.4 The Appellant is entitled to appear before Council, in person or by an authorized agent, and to be represented by legal counsel.
- 6.5 The rules of evidence in judicial proceedings do not apply to a Council Review and evidence may be given in any manner Council considers appropriate.
- 6.6 The procedure in a Council Review is as follows:
- a) the Chair will open the Council Review, introduce members of Council, Staff and the Appellant or their representative;
 - b) the Chair will describe the Council Review process and deal with any preliminary matters;
 - c) the Appellant will be invited to make opening remarks and presentation (maximum of ten (10) minutes) followed by questions to the appellant by Councillors;
 - d) Staff will be invited to make opening remarks and presentation (maximum of ten (10) minutes) followed by questions to the Staff by Councillors;
 - e) the Appellant will be invited to make a rebuttal (maximum of five (5) minutes) followed by questions to the Appellant by Councillors;
 - f) Staff will be invited to make a rebuttal (maximum of five (5) minutes) followed by questions to the Staff by Councillors; and
 - g) The Appellant will be invited to make closing remarks (maximum of five (5) minutes) followed by questions to the Appellant by Councillors.
- 6.7 If the Appellant fails to attend the Council Review despite having been given notice, Council may proceed with the Council Review in the absence of the Appellant.
- 6.8 At the conclusion of the Council Review, Council may confirm, vary, substitute or cancel the Order to Remedy.

7. QUORUM

- 7.1 Quorum for a Council meeting is a majority of Councillors, and for Council Committees is a majority of members of a Council Committee, unless specified otherwise by this or any other bylaw, or the *Municipal Government Act*.

No Quorum

- 7.2 If there is no quorum within fifteen (15) minutes after the time set for the commencement of the meeting, the City Manager will record the names of the Councillors present and the meeting will be adjourned to the time of the next regular Council meeting;
- 7.3 Notwithstanding 7.2, if the Mayor or the City Manager is contacted by one or more members of Council whom indicate that they are in transit, the waiting period for achieving a quorum as noted in 7.2 shall be extended to thirty (30) minutes.

Lost Quorum

- 7.4 If, at any time during a meeting, quorum is lost, the meeting will be recessed and if quorum is not achieved again within fifteen (15) minutes, the meeting will be deemed to be adjourned, unless a resolution was passed prior to losing the quorum, to extend the recess period.

8. COMMENCEMENT OF MEETINGS

- 8.1 As soon as there is a Quorum after the time for commencement of a Council meeting:
- a) the Mayor must take the Chair and begin the meeting; or
 - b) if the Mayor is absent, the Deputy Mayor must take the Chair and begin the meeting; or
 - c) if the Mayor and Deputy Mayor are not in attendance within fifteen (15) minutes after the time set for the meeting and there is a quorum, the City Manager must begin the meeting by calling for a motion for the appointment of a Chair.

9. DUTIES OF THE CHAIR

- 9.1 The Chair:
- a) opens Council meetings;
 - b) chairs Council meetings;
 - c) preserves order in Council meetings, and may call to order any Councillor, staff member or member of the public who is out of order;
 - d) decides all questions of procedure;
 - e) ensures that each Councillor who wishes to speak on a debatable motion is granted the opportunity to do so;
 - f) states and puts to a vote all questions that legitimately come before Council as motions and declares the results of all votes;

- g) decides who, aside from Councillors, may address Council; and
- h) declares meetings adjourned when Council so votes or, where applicable, at the time appointed for adjournment, or at any time in the event of an emergency.

10. AGENDA

Preparation of Agenda

- 10.1 The agenda for each Council meeting shall be established by the Mayor in consultation with the City Manager, seven (7) days prior to the meeting.

Agenda Delivery

- 10.2 The City Manager will distribute the Council agenda to the Councillors on three business days prior to the Council meeting.

Late Submissions

- 10.3 Reports and supplementary materials related to items on the agenda and that are received less than seven (7) days prior to the Council meeting will be accepted only if the matter is time critical, otherwise the additional material and the affected item on the agenda will be deferred to the next scheduled meeting. Any additional supplemental materials provided to Council will be made available as soon as reasonably possible in order to allow the greatest opportunity for review prior to the meeting.
- 10.4 Additional agenda items, reports and supplementary materials that are of very high priority, are time sensitive and are received too late to be included on the agenda may be made available for consideration of Council as an additional agenda item and will be delivered to Council members in paper or electronic format as soon as possible. Despite the urgency of any proposed additional item, an item will only be added to the agenda when there is sufficient information available for Council to make a decision.
- 10.5 The City Manager will make the agenda available to the public after distribution to Council, subject to the following:
 - a) Agenda items whose subject matter relate to privacy, land, or legal or other related issues as described in the *Freedom of Information and Protection of Privacy Act*, the *Municipal Government Act*, or other applicable legislation may be withheld, in whole or in part as appropriate, from public distribution.
 - b) The full agenda and all supporting documentation, other than those matters described in 10.5a), will be made available to the general public through electronic means including, but not limited to, the City Website;
 - c) Upon request, paper copies of specific agenda items will be provided to members of the general public who do not have electronic access to the agenda; in order to receive the paper copy of the item(s), the request for same must be received prior to noon on the day of the Council meeting.

Adoption of the Agenda

- 10.6 The agenda must be adopted by Council prior to transacting other business; in adopting the agenda, Council may:
- a) add each new item to the agenda by a Two-Thirds Vote;
 - b) delete any item from the agenda by a Two-Thirds Vote;
 - c) change the order of the agenda.
- 10.6 The motion to adopt the agenda, with or without amendments, requires a majority vote to pass.
- 10.7 Any agenda items that have not been disposed of at the time that a meeting is adjourned will be addressed at the beginning of the next regular meeting unless a special meeting is called to deal with the business of the adjourned meeting.

11. ORDER OF BUSINESS

Order of Business

- 11.1 The order of business for each meeting shall be as follows:
- a) Call to Order;
 - b) Reading of Proclamations;
 - c) Adoption of Agenda;
 - d) Approval of Minutes;
 - e) Public Hearings;
 - f) Delegations;
 - g) Council Attendance Reports;
 - h) Departmental Reports;
 - i) Bylaws;
 - j) New and Unfinished Business;
 - k) Council Schedule;
 - l) Council Action Task Summary (2nd meeting of the month);
 - m) Correspondence;
 - n) Closed Session Items;

- o) Adjournment.

Deviation from Order of Business

- 11.2 The Chair, in his or her sole discretion, may deviate from the Order of Business to accommodate special circumstances or to ensure effective and efficient use of time.

12. MINUTES

- 12.1 The City Manager or designate will prepare minutes for all Council meetings which will include:

- a) the names of Councillors and members of Administration present and participating at Council meetings;
- b) a brief introductory statement about the subject discussed for each agenda item;
- c) all decisions and other proceedings;
- d) the names of staff or members of the public who speak to an item;
- e) any abstentions made under the *Municipal Government Act* by a Councillor and the reason for the abstention;
- f) a record of the time when any Member of Council leaves and returns to the Council Chambers during the meeting;
- g) the signatures of the Chair and the City Manager.

13. PROCEEDINGS

Discussion Directed through Chair

- 13.1 All discussion at a Council meeting must be directed through the Chair.
- a) The Chair is to be addressed as Ms./Mr. Chair, or otherwise as directed by the Chair.

Absence from Proceedings

- 13.2 When a Councillor has a Pecuniary Interest in a matter before Council or a Council Committee the Councillor must, if present:
- a) disclose the general nature of the Pecuniary Interest prior to any discussion on the matter;
 - b) abstain from voting on any question relating to the matter;
 - c) subject to the provisions of the *Municipal Government Act*, abstain from any discussion of the matter; and

- d) leave the Council Chambers until discussion and voting on the matter are concluded.

Speaking to Motions

- 13.3 A Councillor may not speak unless and until recognized by the Chair.
- 13.4 Unless permitted by the Chair, a Councillor may only speak twice on any motion, once in debate and once to ask questions.

Time Limit

- 13.5 Each Councillor may speak for only five (5) minutes, unless otherwise permitted by the Chair.

Interruption of Speaker

- 13.6 A Councillor who is speaking may only be interrupted:
 - a) on a Question of Privilege; or
 - b) on a Point of Order.
- 13.7 A Councillor who is speaking when a Question of Privilege or a Point of Order is raised must cease speaking immediately.
- 13.8 Subject to Section 13.9, a Question of Privilege or Point of Order is not debatable or amendable.
- 13.9 The Chair may grant permission:
 - a) to the Councillor or staff member raising a Question of Privilege or a Point of Order to explain the Question or Point briefly; and
 - b) to the Councillor who was speaking to respond briefly.

Ruling on Proceedings

- 13.10 The Chair will rule on a Question of Privilege or Point of Order.
- 13.11 The Chair may seek advice on a Question of Privilege or Point of Order to determine whether a matter is within the jurisdiction of Council.

Challenging a Ruling

- 13.12 Any ruling of the Chair may be challenged.
- 13.13 A motion to challenge may be made only at the time of the ruling, whether or not another speaker has the floor.

- 13.14 A motion to challenge is debatable unless it is related to decorum, the priority of business, or an undebatable pending motion.
- 13.15 If a motion to challenge is made, the Chair must state the question: "Is the ruling of the Chair upheld?", and may participate in debate on the challenge without leaving the Chair.
- 13.16 If the Chair refuses to put the question on a challenge, the person who would preside if the individual occupying the Chair were absent must put the question to Council.
- 13.17 Council will decide the challenge by a majority vote and the decision of Council is final.

14. MOTIONS

Consideration of Motions

- 14.1 Unless otherwise determined by the Chair, no matter may be debated or voted on by Council unless it is in the form of a motion.
- 14.2 A Councillor may move a motion whether or not the Councillor intends to support it.
- 14.3 Once a motion has been moved and recognized by the Chair, it is in the possession of Council, and may only be withdrawn with the unanimous consent of the Councillors present at the meeting.
- 14.4 All motions shall be presented in a manner that will allow Council to take a positive action. Negative motions are prohibited.
- 14.5 When required to do so by the *Municipal Government Act*, Council will provide reasons why a motion was defeated.
- 14.6 A motion does not require a seconder.

Motions to the Main Motion

- 14.7 When a motion is made and is being considered, no Councillor may make another motion except to:
- a) amend the motion;
 - b) amend any amendment to the motion;
 - c) refer the main motion for consideration;
 - d) table the motion; or
 - e) move a privileged motion.

Privileged Motions

14.8 The following motions are privileged motions:

- a) a motion to recess;
- b) a motion to adjourn;
- c) a motion to set the time for adjournment; and
- d) a Question of Privilege.

Motion to Recess

14.9 The Chair, without a motion, may recess the meeting for a specific period.

14.10 Any Councillor may move that Council recess for a specific period.

14.11 After a recess, business will be resumed at the point where it was interrupted.

Amending Motions

14.12 A Councillor may not propose an amending motion which:

- a) does not relate to the subject matter of the main motion; or
- b) is contrary to the main motion.

14.13 The main motion will not be debated until any proposed amendments to it have been debated and voted on.

14.14 When all proposed amendments have been voted on, the main motion, incorporating any amendments that have been adopted by Council, will be debated and voted on.

Friendly Amendments

14.15 As an alternative to making an amending motion, a Councillor may propose a “friendly amendment” to a motion on the floor. A “friendly amendment”, if accepted, allows for a change to the main motion on the floor without the necessity of passing an amending motion.

14.16 In order for a proposed amendment to be considered a “friendly amendment”, the following must apply:

- a) the proposed “friendly amendment” is one which, in the opinion of the Chair makes minor revisions to the motion on the floor which may:
 - (i) clarify the intention of the main motion;
 - (ii) change a quantity (such as a dollar amount) or date, time or location stated within the motion;
 - (iii) other changes within the main motion which do not change the main purpose or intent of the motion.

- b) the mover of the main motion must be in agreement with the proposed “friendly amendment”, otherwise the Councillor proposing the “friendly amendment” is required instead to move an amendment.

Motion to Refer

14.17 A Councillor may move to refer any motion to the appropriate Council Committee and the motion to refer:

- a) precludes all further amendments to the motion;
- b) is debatable only as to the desirability of referring the main motion; and
- c) may be amended only as to the body to which the motion is referred and the instructions on the referral.

Motion to Limit or End Debate

14.18 Any motion to limit or end debate of another motion:

- a) cannot be debated;
- b) must be passed by a Two-Thirds Vote; and
- c) may only be amended as to the limit to be placed on debate.

Motion to Table

14.19 A motion to Table:

- a) must specify the date, time or event that must transpire in order for the motion or matter being tabled to be disposed of;
- b) can only be debated as to the date, time or event that the motion or matter is being tabled until; and
- c) takes precedence over any other motion.

14.20 If the tabling motion involves tabling a motion that is before Council, when the tabled motion is subsequently returned to Council, a motion to “lift the motion from the table” is required and the tabled motion is brought back with all of the motions connected with it, exactly as it was when it was tabled. A motion to “lift the motion from the table” is passed with a majority vote of Council.

Reconsideration of Motions

14.21 If a motion is voted on by Council, the same matter dealt with in the motion cannot be reconsidered by Council unless;

- a) a General Election has been held; or

- b) six months have passed since the date that motion was considered; or
 - c) a motion to reconsider has passed; or
 - d) new and compelling information has come to light which could have an impact on Council's previous decision.
- 14.22 A Councillor may introduce a motion asking Council to reconsider a matter dealt with in a previous motion providing:
- a) the motion is made at the same meeting of Council at which the original matter was considered and is moved by a Councillor who voted with the prevailing side; or
 - b) a Notice of Motion is submitted by a Councillor who voted with the prevailing side, prior to the meeting at which it is to be considered, in which the Councillor sets out what special or exceptional circumstances warrant Council reconsidering the matter; and
 - c) the motion to which it is to apply has not already been acted upon.
- 14.23 If a motion to reconsider is passed, the original motion is on the floor.

15. CLOSED SESSIONS

Motion to proceed with a closed session

- 15.1 Any Councillor may move that Council proceed with the meeting in a closed session if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act*.

Attendance Within the Closed Session

- 15.2 The closed session portion of the meeting will:
- a) be chaired by the same person chairing the rest of the meeting; and
 - b) be held without the presence of the public unless one or more members of the public are invited by Council to participate in the closed session; as well, the Chair will determine which, if any, City staff are to be included in the closed session; and
- 15.3 The minutes shall notate the names of any person, other than a member of Council that is in attendance at the closed session and the reason for that person's attendance in the closed session.
- 15.4 No bylaws or resolutions are allowed to be passed during the closed session except for a resolution to revert to an open session.

16. NOTICE OF MOTION

- 16.1 A Council Member wishing to introduce a new matter for consideration may do so either by providing all of Council and the City Manager, or their designate, with written notice no less than two (2) weeks prior to the meeting they wish to have the matter dealt with or by making a verbal request during the Council Attendance Report section of a meeting, in which case the matter will be brought forward at the next Regular Council meeting.
- 16.2 Any Council Member advancing a matter in this manner must meet with Administration to draft the item.

17. VOTES OF COUNCIL

Voting Procedure

- 17.1 Votes on all motions must be taken as follows:
- a) except for Council members participating remotely through electronic means, all Councillor must be in their designated Council seat when a motion is being considered;
 - b) the Chair puts the motion to a vote;
 - c) Councillors vote by a show of hands or other method agreed to by Council; and
 - d) the Chair declares the result of the vote.
- 17.2 Unless otherwise specified in the *Municipal Government Act* or this Bylaw, a motion is carried when a majority of Councillors present at a meeting vote in favor of the motion.

Declaring Results of a Vote

- 17.3 After the Chair declares the result of the vote, Councillors may not change their vote for any reason.
- 17.4 If there is confusion on the outcome of a vote the Chair may ask for a second show of hands to clarify the result of the vote.

Tie Votes

- 17.5 A motion is lost when the vote is tied.

18. BYLAWS

Basic Requirements

- 18.1 All proposed bylaws must have:
- a) a bylaw number assigned by the City Manager or his or her designate; and

b) a concise title indicating the purpose of the bylaw.

18.2 Councillors will be provided the opportunity to review a copy of the proposed bylaw, in its entirety, prior to any motion for first reading.

Introducing a Bylaw

18.3 A proposed bylaw must be introduced at a Council meeting by a motion that the bylaw be read a first time. Council may hear an introduction of the proposed bylaw from Administration prior to first reading.

18.4 After first reading has been given, subject to the requirements of the *Municipal Government Act*, any Councillor may move that the bylaw be read a second time.

18.5 Council will be given the opportunity to discuss the proposed bylaw between readings of the proposed bylaw.

18.6 Council may not give a bylaw more than two readings at a meeting unless all Councillors present at the meeting vote in favor of allowing a third reading at that meeting.

Amendments to Bylaws

18.7 Any amendments to be made to a bylaw that has not yet been passed or defeated are to be made after first reading and prior to third reading.

18.8 A Council Member may make a motion to amend a bylaw under consideration, consistently with 18.7. An amending motion requires a majority vote to pass.

18.9 Once a motion to amend a bylaw under consideration has been passed, the amendment becomes part of the bylaw.

Defeated Bylaws

18.10 The previous readings of a proposed bylaw are considered to be rescinded if the proposed bylaw:

- a) does not receive third reading within two years after first reading; or
- b) is defeated on second or third reading.

Effective Date

18.11 A bylaw is effective from the beginning of the day it is signed unless the bylaw or any applicable statute provides for another effective date.

Bylaws Signed and Sealed

18.12 The Mayor and the City Manager must sign and seal all bylaws, and initial all pages of the bylaws, as soon as reasonably possible after third reading is given.

- 18.13 Once a bylaw has been passed, it may only be amended or repealed by another bylaw made in the same way as the original bylaw, unless another method is specifically authorized by the *Municipal Government Act* or another enactment.

19. ADMINISTRATIVE INQUIRIES

Verbal or Written Administrative Inquiries

- 19.1 Any Councillor may make an administrative inquiry through the Chair:

- a) verbally, if the Councillor does not require a written response; or
- b) in writing, if the request requires a written response.

Submission of Administrative Inquiries by Councillors

- 19.2 Administrative inquiries may be submitted by Councillors:

- a) at any regular meeting of Council; or
- b) for inclusion on the Agenda of a Council meeting; or
- c) outside a regular Council meeting if the response to the inquiry is of a routine nature and is not a substantive task.

Response to Administrative Inquiries

- 19.3 Administrative inquiries made at a Council meeting will be responded to at the next meeting of Council following the meeting at which the inquiry was submitted, unless:

- a) the financial or other resources required to answer the inquiry are substantial and a decision of Council or the City Manager is required to approve such allocation of resources; or
- b) additional time is required to prepare the response or compile the requested information, in which case Administration will report to Council about the progress of the inquiry and an expected completion date.

- 19.4 Administrative inquiries made outside a Council meeting will be responded to within two (2) weeks from the date the inquiry was submitted, unless:

- a) the financial or other resources to answer the inquiry are substantial and a decision of Council or the City Manager is required to approve such allocation of resources; or
- b) additional time is required to prepare the response or compile the requested information, in which case Administration will advise the Councillor of the status of the request and provide an expected completion date.

- 19.5 Councillors will be advised as to when the response to an administrative inquiry will be provided.

- 19.6 A Councillor who requested an administrative inquiry may request that the inquiry be abandoned.
- 19.7 All responses to inquiries made by Councillors will be copied to all of Council.

20. COMMUNICATIONS TO COUNCIL

Presentations at Council Meetings

- 20.1 Requests for an appointment to make a presentation to Council must be received by the City Manager and must:
- a) be in writing and received at least 14 days prior to the Council meeting date;
 - b) clearly identify the reason or purpose of the appointment;
 - c) identify the individual or primary contact for a group or organization; and
 - d) include contact information of the individual or organization.
- 20.2 Presentations for the purposes of promoting commercial products or services will not be accepted.
- 20.3 Delegations from the same party or parties, or for the same matter as a previous delegation, held within the previous six months, shall not be allowed to appear before Council unless, in the opinion of the Mayor, new and compelling information comes to light which would warrant the delegation within the six-month period.
- 20.4 The amount of time allotted for each presentation is ten (10) minutes unless the Chair allows for the time to be extended.

Criteria for Written Submissions

- 20.5 Any communication intended for Council must be forwarded to the City Manager in writing and must:
- a) be legible and coherent;
 - b) identify the writer and the writer's contact information;
 - c) be on paper or in an electronic, printable format; and
 - d) not be libelous, impertinent or improper.

Responsibilities of the City Manager

- 20.6 If the City Manager determines the communication or presentation is within the governance authority of Council, the City Manager will:
- a) if it relates to an item already on the Agenda, deliver a copy of the communication or a summary of it to Councillors prior to or at the meeting at which the Agenda is being considered; or
 - b) acquire all information necessary for the matter to be included on a future Council Agenda for consideration by Council.

Decisions on Communications

- 20.7 If the City Manager determines the communication and/or presentation is not within the governance authority of Council, the City Manager will:
- a) refer the communication to Administration for a report or a direct response and provide a copy of the original correspondence and the referral to the Councillors; and
 - b) take any other appropriate action on the communication.
- 20.8 If a Councillor objects to the process determined by the City Manager, a Councillor may introduce a notice of motion requesting the item be included for Council consideration on a Council Agenda.
- 20.9 If the standards set out in section 20.5 are not met, the City Manager may file the communication without any action being taken.
- 20.10 The City Manager will respond to the person sending the communication and advise that person of the process to be followed and any action taken on the subject of the communication.

21. CONDUCT IN COUNCIL MEETINGS

Public Conduct

- 21.1 During a Council meeting members of the public must:
- a) not approach or speak to Council without permission of the Chair;
 - b) not speak on any matter for longer than ten (10) minutes unless permitted by the Chair;
 - c) maintain order and quiet; and
 - d) not interrupt a speech or action of Council or another person addressing Council.
- 21.2 The Chair may order a member of the public who creates a disturbance or acts improperly at a meeting to be expelled.

Council Conduct

21.3 During a Council meeting, Councillors must not:

- a) attack or question the motives of another Councillor or staff member, speak disrespectfully, or use offensive words or gestures;
- b) address Councillors without permission of the Chair;
- c) carry on private conversations;
- d) break the rules of Council or disturb the proceedings;
- e) leave their seat or make any noise or disturbance while a vote is being taken or the result declared;
- f) make dilatory motions intended to obstruct the proceedings or thwart the will of Council; or
- g) disobey the decision of the Chair on any question of order, practice or interpretation.

Breach of Conduct

21.4 A Councillor who persists in a breach of subsection 21.3, after having been called to order by the Chair, may, at the discretion of the Chair, be ordered to leave for the duration of the meeting.

21.5 Notwithstanding 21.4, at the discretion of the Chair, a Councillor may resume his or her seat after making an apology for the Councillor's offending conduct.

22. GENERAL

22.1 If any portion of this bylaw is found by a court of competent jurisdiction to be invalid, the invalid portion is to be severed and the remainder is to remain valid.

22.2 Bylaw No. 1909-18 and Policy CO-999 are hereby repealed.

22.3 This Bylaw will come into force and effect on the final day of passing and signature thereof.

Read for a first time this 17th day of December, 2018

Read for a second time this 17th day of December, 2018

Read a third time and passed this 14th day of January, 2019

ORIGINAL SIGNED

Tyler Gandam, Mayor

ORIGINAL SIGNED

Sue Howard, Acting City Manager



STAFF REPORT

Title: Bylaw No. 649-UT-19 - Bylaw to Amend Regulation, Control and Management of Municipal Solid Waste Bylaw No. 519-UT-14

Meeting Date: September 17, 2019

Executive Summary:

The City of Cold Lake is constructing a Material Recovery Facility (MRF) for processing, storage, collection and disposal of recyclables for the City of Cold Lake and surrounding areas.

Waste Management Bylaw No. 591-UT-14 requires amendment to include the new City owned and operated MRF to allow the City to regulate and control the processing, storage, collection and disposal of recyclables at the MRF.

Background:

Recyclables are currently processed, stored, collected and disposed of at a private Material Recovery Facility under contract by the City. This contract expires on September 30, 2019 and the City decided to construct and operate its own MRF for processing, storage, collection and disposal of recyclables for the City of Cold Lake and surrounding areas.

As a result, Waste Management Bylaw No. 591-UT-14 requires amendment to reflect the new MRF and associated fees. Taking the opportunity of bylaw being amended, Administration is also amending few others things as housekeeping items.

Attached for reference is:

- Bylaw 519-UT-14 the “unofficial consolidate version of the current bylaw with **all** the suggested changes in red.
- Bylaw #649-UT-19 to Amend Bylaw No. 591-UT-14 for Regulation, Control and Management Of Municipal Solid Waste

The attached documents will provide details on what is being amended but below is the proposed fee schedule for the new MRF for discussion and feedback.



MATERIAL RECOVERY FACILITY (MRF)			
RESIDENTIAL- RECYCLABLES			
S.No	Waste Facility & Waste Description	Member Fee	Non-Member Fee
12.	Sorted Recyclables	No Charge	No Charge
13.	Mixed Recyclables	\$15 per tonne (minimum charge \$8.00 if below 100kg)	\$50.00 per tonne (minimum charge \$20.00 if below 100kg)
14.	Contaminated Recyclables – Contamination > 10% (Charged as Residential Waste)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
INDUSTRIAL, COMMERCIAL & INSTITUTIONAL- RECYCLABLES			
15.	Sorted Cardboard	\$25.00 per tonne	\$60.00 per tonne
16.	Sorted Newspaper	\$25.00 per tonne	\$60.00 per tonne
17.	Sorted Office Paper	\$25.00 per tonne	\$60.00 per tonne
18.	Sorted Mixed Paper	\$25.00 per tonne	\$60.00 per tonne
19.	Sorted Tin Cans	\$25.00 per tonne	\$60.00 per tonne
20.	Sorted Shopping Bags	\$25.00 per tonne	\$60.00 per tonne
21.	Sorted Mixed Plastic	\$25.00 per tonne	\$60.00 per tonne
22.	Mixed Load (Charged as ICI – Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
23.	Contaminated Recyclables – Contamination > 10% (Charged as ICI –Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)

Administration developed the proposed rate schedule with the view to not charge tipping fee to residential customers as far they bring sorted recyclable. The intent is to encourage residential customer to use drop-off location for recycling but to provide a one stop shop if they are visiting Landfill/Transfer Station for disposing recyclables items.



Similarly Industrial, Commercial and Institutional Recycling haulers are given incentive to bring recyclables sorted. There is additional fees associated if the load is contaminated or mixed.

Bylaws is also being amended to include E-Waste but no charge to customers.

Alternatives:

Corporate Priorities Committee of Council may consider the following alternatives:

1. Direct Administration to bring Bylaw No. 649-UT-19, being a Bylaw to Amend the Regulation, Control, and Management of Municipal Solid Waste Bylaw No. 519-UT-14 to the next regular Council meeting for first reading, as presented.
2. Direct Administration to bring Bylaw No. 649-UT-19, being a Bylaw to Amend the Regulation, Control, and Management of Municipal Solid Waste Bylaw No. 519-UT-14 to the next Corporate Priorities meeting for further discussion.

Recommended Action:

That the Corporate Priorities Committee of Council direct Administration to bring Bylaw No. 649-UT-19 - Bylaw to Amend Regulation, Control and Management of Municipal Solid Waste Bylaw No. 519-UT-14 as presented.

Budget Implications (Yes or No):

Yes

Submitted by:

Kevin Nagoya, Chief Administrative Officer

CITY OF COLD LAKE
BYLAW #649-UT-19

A BYLAW OF THE CITY OF COLD LAKE IN THE PROVINCE OF ALBERTA, TO AMEND BYLAW NO. 591-UT-14 FOR REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

PURSUANT to section 63(1) of the *Municipal Government Act*, RSA 2000, Chapter M-26 as amended a Council may by bylaw authorize the revision of a bylaw of the municipality;

WHEREAS recyclables are currently processed, stored, collected and disposed of at a private Material Recovery Facility under contract by the City;

WHEREAS Council deems it desirable to construct, own and operate a Material Recovery Facility for processing, storage, collection and disposal of recyclables for the City of Cold Lake and surrounding areas;

WHEREAS amending the Waste Management Bylaw No. 591-UT-14 to include a City owned and operated Material Recovery Facility will allow the City to regulate and control the processing, storage, collection and disposal of recyclables at the Material Recycling Facility;

NOW THEREFORE the Council of the City of Cold Lake in the Province of Alberta, in Council duly assembled, hereby enacts as follows:

SECTION 1 – TITLE

1. This Bylaw shall be cited as the “Bylaw to Amend Bylaw No. 591-UT-14, Inclusion of a processing at City, Material Recovery Facility”.

SECTION 2 – BYLAW AMENDMENT

2. The City of Cold Lake Waste Management Bylaw No. 591-UT-14 is hereby amended by:

2.1 Inserting: the word process to the sentence in section 2.1

such that the sentence in Bylaw No. 591-UT-14 shall now read:

2.1 To regulate the collection, process and disposal of the waste by the City;

- 2.2 Inserting: ARMA (Alberta Recycling Management Authority) definition in section 3.

such that the definition in Bylaw No. 591-UT-14 shall now read:

ARMA (Alberta Recycling Management Authority) means the registered not-for-profit organization responsible for managing the province’s tires, electronics, paint and used oil recycling programs. To regulate the collection, process and disposal of the waste by the City;

- 2.3 Deleting: Blue Bag Recyclables definition in section 3:

Blue Bag Recyclables means glass bottles and jars; aluminum, steel and tin cans; plastic bottles, containers and bags; milk and juice containers; or other items as designated by the City from time to time.

- 2.4 Inserting: Mixed Blue Bag Recyclables definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Mixed Blue Bag Recyclables means aluminum, steel and tin cans; plastic bottles, containers and bags; milk and juice containers; or other items as designated by the City from time to time.

2.5 Deleting: Contaminated Recycling definition in section 3:

Contaminated-Recycling means that recyclable materials have been compromised by the presence of food residue, blood, soil, or other prohibited materials, “soiled” shall have the same meaning.

2.6 Inserting: Contaminated Recycling definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Contaminated-Recycling means incorrect items/ materials are put into the recycling system or the right items/ materials are prepared the wrong way (ie. presence of food residue, blood, refuse/ regular garbage, recyclables are placed in plastic bags or not separated as per the Bylaw)

2.7 Inserting: Electronic Waste (e-waste) definition in section 3.

such that the definition in Bylaw No. 591-UT-14 shall now read:

Electronic Waste (e-waste) is an electrical or electronic device that is discarded after the end of its useful life. Eligible e-waste accepted is defined by ARMA.

2.8 Inserting: Mixed Recycling definition in section 3.

such that the definition in Bylaw No. 591-UT-14 shall now read:

Mixed Recycling means a system which all paper, plastic, metals and other containers are mixed in a collection truck instead of being sorted by the depositor into separate commodities.

2.9 Deleting: Recycling Depot definition in section 3:

Recycling Depot means a public drop off facility for recyclable materials and special waste materials.

2.10 Deleting: Source Separated Composting Facility definition in section 3:

Source Separated Composting Facility means a facility designed to receive, process and compost organic material.

2.11 Inserting: Composting Facility definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Composting Facility means a facility designed to receive, and process compostable organic material.

2.12 Inserting: Source Separated Recycling definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Source Separated Recycling means recyclable materials separated by type as defined in this Bylaw so they can be recycled.

2.13 Inserting: the words Class III to Waste Management Facility definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Waste Management Facility means any of the facilities for the management of residential and ICI waste, mixed waste, recyclable material and organic material operated by the City, its contractors and or its agents; including but not limited to the Class III Landfill, Material Recovery Facility, Source Separated Compost Facility and Transfer Station.

2.14 Inserting: the words: or 0.20 meters in width or diameter to Yard Waste definition in section 3:

such that the definition in Bylaw No. 591-UT-14 shall now read:

Yard Waste means uncontaminated, organic waste from gardening or horticultural activities including grass clippings, leaves, brush, house and garden plants but excludes: trees, shrubs, branches over 1.2m in length, or 0.20 meters in width or diameter soil, sod, rock, stumps and any other woody material.

2.15 Inserting: the words Mixed Blue Bag and Deleting: the word co-mingled to the sentence in section 9.3.1

such that the sentence in Bylaw No. 591-UT-14 shall now read:

9.3.1 Mixed Blue Bag Recyclables must be placed in watertight, clear or transparent blue bags with an overall length of no more than 82.5cm (32inches) when empty;

2.16 Inserting: the words as directed by the CAO or their designates and Deleting: the words provided it is a small load, at the bin area to the sentence in section 21.9

such that the sentence in Bylaw No. 591-UT-14 shall now read:

21.9 No Person shall dispose of refuse at the disposal site other than at the transfer station or, as directed by the CAO or their designates,

2.17 Inserting: Disposal of Contaminated Organic Material and Soil Description and Fee to Schedule “C”

such that the Schedule C in Bylaw No. 591-UT-14 shall now include:

	Disposal of Contaminated Organic Material and Soil	\$150.00 per tonne	\$195.00 per tonne
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2.18 Inserting: Section Material Recovery Facility and Fee to Schedule “C”

such that the Schedule C in Bylaw No. 591-UT-14 shall now include:

MATERIAL RECOVERY FACILITY (MRF)			
RESIDENTIAL- RECYCLABLES			
12.	Sorted Recyclables	No Charge	No Charge
13.	Mixed Recyclables	\$15 per tonne (minimum charge \$8.00 if below 100kg)	\$50.00 per tonne (minimum charge \$20.00 if below 100kg)
14.	Contaminated Recyclables – Contamination > 10% (Charged as Residential Waste)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
INDUSTRIAL, COMMERCIAL & INSTITUTIONAL- RECYCLABLES			

15.	Sorted Cardboard	\$25.00 per tonne	\$60.00 per tonne
16.	Sorted Newspaper	\$25.00 per tonne	\$60.00 per tonne
17.	Sorted Office Paper	\$25.00 per tonne	\$60.00 per tonne
18.	Sorted Mixed Paper	\$25.00 per tonne	\$60.00 per tonne
19.	Sorted Tin Cans	\$25.00 per tonne	\$60.00 per tonne
20.	Sorted Shopping Bags	\$25.00 per tonne	\$60.00 per tonne
21.	Sorted Mixed Plastic	\$25.00 per tonne	\$60.00 per tonne
22.	Mixed Load (Charged as ICI – Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
23.	Contaminated Recyclables – Contamination > 10% (Charged as ICI –Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)

2.19 Inserting: Electronic Waste (under ARMA eligible materials) Description and Fee to Schedule “C”

such that the Schedule C in Bylaw No. 591-UT-14 shall now include:

	Electronic Waste (under ARMA eligible materials)	No Charge	No Charge
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SECTION 3 – ENACTMENT

3. This Bylaw shall take effect on the date of passing third and final reading.

FIRST READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this ____ day of _____, A.D. 201__, on motion by _____.

**CARRIED
UNANIMOUSLY**

SECOND READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this ____ day of _____, A.D. 201__, on motion by _____.

**CARRIED
UNANIMOUSLY**

THIRD AND FINAL READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta, this ____ day of _____, A.D. 201__, on motion by _____.

**CARRIED
UNANIMOUSLY**

Executed this ____ day of _____, 201__.

CITY OF COLD LAKE

MAYOR

CHIEF ADMINISTRATIVE OFFICER

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

A BYLAW OF THE CITY OF COLD LAKE, IN THE PROVINCE OF ALBERTA, BEING A BYLAW TO REGULATE, CONTROL AND MANAGE WASTE IN THE CITY OF COLD LAKE

WHEREAS: the Municipal Government Act (Alberta) R.S.A. 2000 and amendments thereto, permits the Council to pass bylaws for municipal purposes respecting the safety, health and welfare of people; the protection of people and property; nuisances; services provided by or on behalf of the municipality; public utilities; and the enforcement of bylaws

AND WHEREAS: the Council deems it desirable to regulate and control the storage, collection and disposal of waste within the City of Cold Lake.

AND WHEREAS: Bylaw No. 277-UT-07, Bylaw No. 418-UT-11 and Bylaw 356-UT-09 of the City of Cold Lake are hereby repealed; and

NOW THEREFORE: the Council of the City of Cold Lake, in the province of Alberta, duly assembled, enacts as follows:

1. TITLE

1.1 This Bylaw may be cited as the “The Waste Management Bylaw”.

2. PURPOSE

2.1 To regulate the collection, **process** and disposal of the waste by the City;

2.2 To levy waste service fees for services provided;

2.3 To levy Waste Management Facility and Tipping fees for service provided;

2.4 To establish a Waste Management System for the City of Cold Lake, pursuant to the provisions of this Bylaw

3. DEFINITIONS

3.1 **Act** means the Municipal Government Act RSA 2000 and regulations made under the Municipal Government Act as amended.

3.2 **Active Face** means the area of the disposal site where active land filling of solid waste takes place.

3.3 **Aggregate** means inert granular construction fill material.

3.4 **Alley** means a lane intended primarily for the access to the rear yard of adjacent premises.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.5 **Animal Waste** means all forms of waste from animals or the treatment of animals.
- 3.6 **Apartment** means a residential dwelling unit in a building containing more than four self- contained dwelling units.
- 3.7 **ARMA (Alberta Recycling Management Authority)** means the registered not-for-profit organization responsible for managing the province's tires, electronics, paint and used oil recycling programs.
- 3.8 **Ashes** means the residue and cinders from any substance used for fuel and from incineration of waste.
- 3.9 **Asphalt** means recyclable asphaltic concrete originating from roadways, parking areas and other paved surfaces.
- 3.10 **Automated Collection** means the collection of organic, recyclable or waste material disposed of through a cart system designed to be emptied through mechanical means into a collection vehicle.
- 3.11 **Automated Collection Container or Cart** means a receptacle that:
- 3.11.1 is allocated to a residence by the City; and
- 3.11.2 is intended for Automated Collection of Waste, Recycling or Organics.
- 3.12 **Bag Tags** means a sticker purchased by the Owner or Occupants of the eligible premises from the City at a price as designated by the City as per Schedule A for the collection of excess waste. Bag Tags are only available in areas that are not eligible for automated collection services or for a premise that Automated Collection Services has not yet been established.
- 3.13 **Base Rate** means the rate established by the City from time to time for the collection of one unit of waste, one unit of organics and one unit of recycling to be collected from each dwelling unit.
- 3.14 **Batteries** means an electro-chemical cell contained in a plastic case consisting of lead and lead oxide plates and containing a mixture of acid which is used to supply an electric power source for motor vehicles.
- 3.15 **Beaver River Regional Waste Commission** means the Commission established under Municipal Government Act AR 51/2003 and amendments thereto; governing the administration of the Waste Transfer Station.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.16 **Billing Period** shall be the same as the one month period for which the customer is charged for water and sewer services.
- 3.17 **Biomedical Waste** means medical waste that requires proper handling and disposal because of environmental, aesthetic, and health and safety concerns as well as risks to human health and includes:
- 3.17.1 human anatomical waste;
 - 3.17.2 infectious human waste;
 - 3.17.3 infectious animal waste;
 - 3.17.4 microbiological waste;
 - 3.17.5 blood and body fluid waste; and
 - 3.17.6 medical sharps, such as needles, syringes, blades or other clinical or laboratory materials capable of causing punctures or cuts.
- 3.18 **Blue Bag** means a blue transparent plastic bag of similar size to a Standard Bag but shall be filled only with cleaned Recyclables.
- 3.19 **Boxboard** means cereal, shoe, tissue, detergent, cracker, cookie, baking product and frozen food boxes; toilet paper and paper towel rolls and or other similar items.
- 3.20 **Bylaw** means The Waste Management Bylaw that may be amended from time to time
- 3.21 **Bylaw Officer** means a Bylaw Enforcement Officer appointed by council to enforce its bylaws or a member of the Royal Canadian Mounted Police or Municipal Police.
- 3.22 **Carcass** means dead animal or part of a dead animal.
- 3.23 **Chlorofluorocarbons, CFC's** means a chemical used as a refrigerant requiring special handling and disposal.
- 3.24 **Church** means any property held by a religious body and used chiefly for divine service, public worship or religious education.
- 3.25 **City** means the municipal corporation of The City of Cold Lake or the area located within the boundaries of the City, as the context requires;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.26 **City Manager or designate** means a person appointed by the Council of the City as Chief Administrative Officer (CAO), or that person's designate
- 3.27 **Class I Compost Facility** means a waste management facility where compostable waste, not including hazardous waste, is decomposed through a controlled bio-oxidation process, including a thermophilic phase, that results in a stable humus-like material, but does not include, a residential composter, a compost facility that receives only sludge as defined in the Wastewater and Storm Drainage Regulation (AR 119/93), a Class II compost facility as defined in the Waste Control Regulation (AR 192/96), or a manure storage facility defined in Agricultural Operation.
- 3.28 **Class III Landfill** means a landfill for the disposal of inert waste.
- 3.29 **Clean Fill** means soil, sediment or fill material which does not contain contaminants,
- 3.30 **Collectible Waste** means material originating from eligible properties and placed by the owner or the occupant for collection by a collector or by an agent of the City and includes but is not limited to Refuse, Recyclable and Organic Materials.
- 3.31 **Collection** means picking up and gathering waste, recycling or organic materials including transport of the material to a disposal site or a material recovery facility, as applicable.
- 3.32 **Collection Services** means one or more of the services provided by the City under this Bylaw, including waste, recycling and organic collection services.
- 3.33 **Collector** means any person employed, hired, contracted or otherwise authorized by the City to collect Waste.
- 3.34 **Collection Day** means the day or days on which the Waste is scheduled to be collected.
- 3.35 **Commercial Bin** means a container provided for the storage of commercial waste or recyclable material and may be constructed to be mechanically emptied into a collection vehicle, with a volume capacity of more than three hundred and sixty five (365) liters.
- 3.36 **Commercial Firm or Company** means a company which is assessed with a business occupancy tax by the City, but does not include a business located in a residential dwelling such as but not limited to a home occupation or professional office.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.37 **Commercial Property** means any lot of land which contains one or more Commercial Firms or Companies.
- 3.38 **Commercial Waste and Recyclable Material** means waste that would normally be generated and discarded from a commercial premises, including stores, cafes, eating establishments, wholesalers, retail businesses, and offices where the establishment occupies all or part of a building having mixed uses and also includes material from the work of decorating, cleaning or repairing of a building or premises.
- 3.39 **Community Recycling Depot** means an area accessible to the City that contains bins set aside for the collection of recyclable materials
- 3.40 **Compostable Bags** means a bag that is made of materials that will biodegrade through the composting process. A compostable bag shall be filled only with Organics.
- 3.41 ~~Source-Separated~~ **Composting Facility** means a facility designed to receive, and process compostable organic material.
- 3.42 **Concrete** means a hardened mixture of cement with sand and gravel.
- 3.43 **Condominium** means a residential dwelling to which title is:
- 3.43.1 registered under the Condominium Property Act, R.S.A. 2000, C-22, as amended; or
- 3.43.2 held by a cooperative housing association registered under the Cooperatives Act, S.A. 2001, C-28.1, as amended.
- 3.44 **Construction, Renovation and Demolition Waste** means all waste produced in the process of constructing, altering, renovating, repairing, or demolishing a building; including earth and rock displaced during the process of building, all of which is acceptable disposal at an approved disposal site.
- 3.45 **Contaminated-Recycling** means incorrect items/ materials are put into the recycling system or the right items/ materials are prepared the wrong way (ie. presence of food residue, blood, refuse/ regular garbage, recyclables are placed in plastic bags or not separated as per the Bylaw) ~~means that recyclable materials have been compromised by the presence of food residue, blood, soil, or other prohibited materials, “soiled” shall have the same meaning.~~

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.46 **Contaminated Soil** means soil or sediment of fill containing substances that are potentially hazardous to health or environment.
- 3.47 **Controlled Waste** means a class of hazardous waste, which may be disposed if special handling and disposal techniques are used to avoid creating health hazards, nuisances or environmental pollution, and includes, but is not limited to:
- 3.47.1 contaminated soils;
 - 3.47.2 contaminated gypsum board or wall board;
 - 3.47.3 a dead animal;
 - 3.47.4 fibre optic cable;
 - 3.47.5 food processing waste;
 - 3.47.6 health hazard waste;
 - 3.47.7 pumpings containing soil, sand, gravel, other non-hazardous solids, sewage solids, trace levels of petroleum products or grease; including:
 - 3.47.7.1 pumpings from parking lot drainage sumps;
 - 3.47.7.2 pumpings from domestic and municipal sewage treatment plants and sand filters and pump stations;
 - 3.47.7.3 pumpings from septic tanks;
 - 3.47.7.4 pumpings from laundry lint traps;
 - 3.47.7.5 pumpings from sumps which collect run-off from vehicle washing facilities, but not from facilities used for maintenance or lubrication of automobile components or where solvents or sandblasting are employed for the removal of paint, grease or oil;
 - 3.47.8 screenings from municipal sewage treatment plants or pump stations;
 - 3.47.9 soot;
 - 3.47.10 waste asbestos;
 - 3.47.11 waste sludge from municipal sewage treatment plants and sump pump stations;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.47.12 used oil;
- 3.47.13 recyclable paint.
- 3.48 **Council** means the Municipal Council of the City of Cold Lake.
- 3.49 **Disposal** includes disposition or intended disposition by discarding, discharging, dumping, throwing away, dropping or abandoning and “dispose” shall have a comparable meaning.
- 3.50 **Disposal Site** means any premises designated by the City of Cold Lake for waste disposal or any other premises approved by Alberta Environment for the disposal of waste.
- 3.51 **Duplex** means a single building that contains two dwelling units and each dwelling unit has a separate, direct entrance from grade.
- 3.52 **Dwelling Unit** means a residence of one or more persons that contains a kitchen, living, sleeping and sanitary facilities.
- 3.53 **Electronic Waste (e-waste)** is an electrical or electronic device that is discarded after the end of its useful life. Eligible e-waste accepted is defined by ARMA.
- 3.54 **Eligible Premises** means those properties within the City of Cold Lake which are eligible for municipal collection as defined by Section 7 of this Bylaw
- 3.55 **Excess Rate** means the rates established by the City of Cold Lake for the purchase and use of City Excess Waste Bags/ Carts/ Containers and for the collection of excess waste.
- 3.56 **Fee** means any fee, as set out in this Bylaw that may be levied as a utility charge by the City in exchange for the collection, disposal and recycling of Refuse.
- 3.57 **Fiber Recyclables** means mixed paper, corrugated cardboard, newsprint, envelopes, file folders, magazines, catalogues, flyers, telephone and other soft cover books, paper egg cartons, paper drink trays or other similar items as designated by the City from time to time.
- 3.58 **Food Waste** means fruit and vegetable peelings, table scraps, meat, poultry, fish, shellfish, dairy products, cooking oil, grease, bread, grain, rice, pasta, bones, egg shells, coffee ground and filters, tea leaves and bags or other similar items.
- 3.59 **Fourplex** means a single building that contains four dwelling units, and each unit has a separate direct entrance from grade.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.60 **General Medical Waste** means non-hazardous medical waste and includes soiled dressings, sponges, surgery drapes, lavage tubes, casts, catheters, disposable pads, disposable gloves, specimen containers, lab coats and aprons, tubings, filters, towels and disposable sheets, but excludes biomedical waste.
- 3.61 **Hauler** means any company, person or person who transports waste material including without limitation, Industrial, Commercial and Institutional Waste, residential waste, refuse, recyclable materials or organic materials to waste management facilities operated by the City, its contractors, its agents or to other waste management facilities approved under applicable law for disposal of waste material.
- 3.62 **Hazardous Waste** as defined under the Environmental Protection and Enhancement Act and its regulations.
- 3.63 **Household Hazardous Waste** means any waste, produced in the home, which contains hazardous substances, which may pose threat to the environment, wildlife and human health. Examples include but are not limited to drain cleaners, oil paint, motor oil, antifreeze, fuel, poison, pesticides, herbicides, rodenticide, fluorescent lamps, medical waste, some types of cleaning chemical and lamp ballasts.
- 3.64 **Industrial, Commercial, Institutional Waste or ICI Waste** means material of similar composition as waste collected within the City of Cold Lake other than by Municipal Collection.
- 3.65 **Industrial Waste** means waste generated by commercial or industrial activities that present health, safety or environmental concerns, and includes but is not limited to lime, sulphur, asbestos, contaminated soils, empty chemical containers and drums, carbon, acids, caustics, sludge, and industrial sump water, but excludes Hazardous Waste and Biomedical Waste.
- 3.66 **Industrial Premises** means any place that carry on one or more of the following activities; manufacturing, processing, assembling, cleaning, repairing, servicing, testing, storage, warehousing, distribution or shipment of material goods, products and or equipment.
- 3.67 **Inert materials** means waste neither chemically or biologically reactive and will not decompose. This could include drywall, some non-recyclable plastics and construction materials.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.68 **Institutional Premises** means any building exclusively used by any corporate body or society for promoting a particular purpose on a non-profit basis and includes public buildings.
- 3.69 **Litter Receptacle** means a receptacle intended for public use for the temporary storage of litter, garbage or waste, but excludes all other types of waste containers.
- 3.70 **Material Recovery Facility** means a facility that receives, separates and prepares recyclable material for marketing.
- 3.71 **Medical Sharp** means a needle device or any non-needle sharp used for withdrawing body fluids, accessing an artery or vein, administering medications or other fluids, or any other device that can reasonably be expected to penetrate the skin or any other part of the body.
- 3.72 **Member** means refuse generated from member rate payers of the Beaver River Waste Commission as defined in 3.15.
- 3.73 **Mixed Blue Bag Recyclables** means ~~glass bottles and jars;~~ aluminum, steel and tin cans; plastic bottles, containers and bags; milk and juice containers; or other items as designated by the City from time to time.
- 3.74 **Mixed Loads** means a load containing Residential, Industrial, Commercial or Institutional Waste and more than sixty percent (60%) Construction and Demolition Waste.
- 3.75 **Mixed Recycling** means a system which all paper, plastic, metals and other containers are mixed in a collection truck instead of being sorted by the depositor into separate commodities.
- 3.76 **Multi-residential complex** means a group of more than four dwelling units that:
- 3.76.1 share a common parcel of land; or
 - 3.76.2 share a private roadway that provides access to the dwelling units, notwithstanding that some of the dwelling units may be located adjacent to a public street; or
 - 3.76.3 both 3.76.1 and 3.76.2
- 3.77 **Multi family dwelling** means a building designed and built to contain five or more dwelling units separated from each other by a firewall.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.78 Municipal Tag** means a tag or ticket wherein the Person alleged to have committed a breach of a provision of this Bylaw is given an opportunity to pay a voluntary penalty to the Municipality of Cold Lake in lieu of prosecution of the offence.
- 3.79 Non Collectible Waste** means all material other than collectible waste including, but not limited to:
- 3.79.1 animal waste, dead animals, carcasses, offal, manure, kennel waste, excreta or animal parts;
 - 3.79.2 biomedical waste;
 - 3.79.3 building waste;
 - 3.79.4 cooking oil, grease, fat, lard or similar materials used in commercial operations;
 - 3.79.5 furniture or appliances including refrigerators, freezers, stoves, dishwasher, hot water tanks, and other appliances;
 - 3.79.6 hazardous materials;
 - 3.79.7 Highly combustible or explosive materials including live ammunition;
 - 3.79.8 industrial waste;
 - 3.79.9 liquids;
 - 3.79.10 Lead-acid automotive batteries or propane tanks;
 - 3.79.11 plumbing fixtures;
 - 3.79.12 products containing chlorofluorocarbons;
 - 3.79.13 radioactive material;
 - 3.79.14 scrap metal;
 - 3.79.15 soil, sod, dirt, rocks or stumps;
 - 3.79.16 tree branches or lumber that exceeds 1.2 meters in length or 0.20 meters in width or diameter;
 - 3.79.17 any material that is in a state of combustion or any material that is likely to cause other materials to combust when in the waste container;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.79.18 any material that does not comply with the Waste Bylaw or any regulation established by the City;
- 3.79.19 any material that does not meet the requirements set out by Alberta Environment
- 3.80 **Non Member** means refuse generated from non-member of the Beaver River Waste Commission.
- 3.81 **Non -Recyclable Paper** means napkins, paper towels, fast food wrappers, wax paper, paper plates and cups, dirty or soiled newspaper or flyers, sugar, flour& potato paper bags or other similar items.
- 3.82 **Organic Materials** means food waste, leaf and Yard Waste, boxboard, soiled and non-recyclable paper, branches bushes, Wood Waste, natural Christmas trees without decorations or stands and other material of plant or animal origin as designated by the City from time to time.
- 3.83 **Occupant** means the owner of any premises who resides or carries on any kind of business therein; or any person or corporation residing or carrying on business therein as a lessee of the owner pursuant to a license of occupancy granted by the owner; or the owner of any vacant premises eligible to receive Waste Collection Services.
- 3.84 **Owner** means the registered owner of the real property as designated on the Certificate of Title for the property.
- 3.85 **PCB** means any monochlorinated, dichlorinated or polychlorinated biphenyl or any mixture that contains one or more of these.
- 3.86 **Peace Officer** means a member of the Royal Canadian Mounted Police, a member of a municipal police officer, Community Peace Officer or a Bylaw Officer.
- 3.87 **Person** means any person, firm, partnership, association, corporation, company or organization of any kind.
- 3.88 **Plastic Garbage Bag** means a sturdy plastic bag specifically marketed to store waste for collection, and excludes plastic bags that are intended for other purposes.
- 3.89 **Premise** means land including any buildings erected thereon.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.90 Prohibited Materials** means a gaseous, liquid or solid material, substance or object which is not acceptable for disposal at the disposal site, including but not limited to:
- 3.90.1 aggregate;
 - 3.90.2 asphalt;
 - 3.90.3 biomedical waste;
 - 3.90.4 clean soil;
 - 3.90.5 concrete;
 - 3.90.6 batteries, propane tanks, tires;
 - 3.90.7 empty waste containers, unless they are crushed, shredded, or similarly reduced in volume to the maximum practical extent;
 - 3.90.8 hazard waste, except as permitted by this bylaw;
 - 3.90.9 ignitable waste;
 - 3.90.10 motor vehicle bodies and farm implements;
 - 3.90.11 CB's
 - 3.90.12 radioactive waste;
 - 3.90.13 reactive waste;
 - 3.90.14 solid waste that is on fire or smoldering.
- 3.91 Propane Tank** means a storage container used for the storage of propane in its liquid form. Tanks are available in many different sizes being engineered and designed for propane storage containment at high pressures
- 3.92 Radioactive Waste** means waste containing a prescribed substance as defined in Atomic Energy Control Act (Canada) in sufficient quantity or concentration to require a license for possession or use under that Act and regulations made under the Act.
- 3.93 Reactive** means a gaseous, liquid or solid material, substance or object which is:

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.93.1 explosive, oxidizing or so unstable that it readily undergoes violent change in the presence of air or water;
- 3.93.2 generates toxic gases, vapors or fumes by itself or when mixed with water;
or
- 3.93.3 polymerized in whole or in part by chemical action and causes damage by generating heat or increasing in volume.
- 3.94 **Reasonably Clean** means not contaminated or soiled.
- 3.95 **Recyclable Materials** means fiber recyclables, blue bag recyclables and other substances or mixture of substances intended to be recycled.
- 3.96 **Refuse or Regular Garbage** means and includes all **Collectible Waste** other than that which is collected as recyclable or organic materials such as:
 - 3.96.1 broken bottles, crockery and glassware, floor sweepings, discarded clothing, non-recyclable packaging, non-repairable household goods, Styrofoam and other household waste;
 - 3.96.2 glass that is tightly wrapped in cardboard or other suitable material and clearly marked to prevent injury to collection personnel;
 - 3.96.3 ashes and soot that is completely cold placed in plastic disposal, watertight bags, securely tied and marked “ashes” or “soot”;
 - 3.96.4 domestic household pet feces placed in plastic disposable watertight bags, securely tied;
 - 3.96.5 residential home renovation waste materials;
 - 3.96.6 Medical sharps provided they are contained in a puncture resistant, non-breakable container with a tight fitting lid;
 - 3.96.7 other items not specifically designated as mixed waste except as excluded by this Bylaw.
- 3.97 **Residential Composter or Backyard Composter** means a composter that
 - 3.97.1 is located at a residence;
 - 3.97.2 is located to decompose food scraps or vegetative matter resulting from gardening, horticulture, landscaping or land clearing and;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.97.3 uses controlled bio-oxidation process that results in a stable humus like material.
- 3.98 **Residential Dwelling** means any self-contained dwelling place occupied or intended to be occupied as a separate place of residence and shall include a single family home, manufactured or mobile home and each dwelling unit within a duplex, triplex, and fourplex and secondary suite that has been permitted by the City of Cold Lake Land Use Bylaw as amended from time to time
- 3.99 **Residential Home Renovation Materials** means construction and demolition waste generated as a result of small residential home construction, demolition or renovation activities and includes pieces of gyprock, pieces of scrap wood, rolled carpet, and rigid polystyrene foam or fiber glass insulation.
- 3.100 **RFID** means Radio Frequency Identification, which is a system that identifies a Cart as belonging to a specific Residence through the use of computer chips and identification hardware and software.
- 3.101 **Rowhouse** means a building that contains no more than four dwelling units located side by side and fronting on a Street where each dwelling unit is located on an individual parcel of land and has a separate, direct entry from grade adjacent to the Street.
- 3.102 **Scale House Attendant** means the person(s) responsible for the operation of the scale system located at the waste management facility operated by the City, its contractor or its agents.
- 3.103 **Service Change Request** includes but is not limited to:
- 3.103.1a service change request and delivery of the requested automated collection carts;
 - 3.103.2 the replacement and delivery of automated carts removed or damaged from already assigned dwelling houses.
 - 3.103.3 a change to the number of automated collection carts assigned and approved by the CAO or designate as per 9.2.3.
- 3.104 **Service Change/ Set Up Fee** means the fees set by the City from time to time and specified in Schedule A of this Bylaw and charged for:

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.104.1 new waste and recycling collection account set up and bin delivery to all dwelling houses that do not have automated collection carts already assigned;
- 3.104.2 a service change request and delivery of the requested automated collection carts;
- 3.104.3 the replacement and delivery of automated carts removed or damaged from already assigned dwelling houses.
- 3.105 **Service Charge** means a Collection Service charge set out in Schedule A of this Bylaw.
- 3.106 **Service User** means the utility service account holder who is deemed by the City to receive Collection Services.
- 3.107 **Sidewalk** means that part of a Street especially adapted to the use of or ordinarily used by pedestrians and includes that part of a Street between:
- 3.107.1 the curb line; or
- 3.107.2 where there is no curb line, the edge of the roadway, and the adjacent property line, whether or not it is paved or improved.
- 3.108 **Single Detached Dwelling** means a building designed to contain one dwelling unit and is separated on all sides from other dwelling units.
- 3.109 **Source Separated Recycling** means recyclable materials separated by type as defined in this Bylaw so they can be recycled.
- 3.110 **Street** means any public roadway used by a waste collection vehicle to gain access to the boundary of a property from which waste is to be collected.
- 3.111 **Tires** means the outer pneumatic rubber covering of wheels of motor vehicles.
- 3.112 **Townhouse** means a single building that contains no more than four dwelling units separated from one another by party walls extending from foundation to roof and each dwelling unit has a separate direct entrance from grade.
- 3.113 **Transfer Station** means a facility operated by or on behalf of the City for unloading and consolidating residential and ICI refuse from collection vehicles for transport to another waste management facility in larger loads.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 3.114 **Triplex** means a single building that contains three dwelling units and each dwelling unit has a separate, direct entrance from grade.
- 3.115 **Vehicle** has the same meaning as the Traffic Safety Act, RSA 2000, including amendments thereto and replacement thereof.
- 3.116 **Vehicle Waste** means and includes vehicle parts, tires, batteries, lubricants, fluids and any associated packaging material.
- 3.117 **Waste Asbestos** means waste containing friable asbestos fibres, non-friable asbestos, or asbestos dust and includes asbestos cement.
- 3.118 **Waste Container** means a container approved for waste collection pursuant to this Bylaw but excludes an automated collection container, commercial bin and a litter receptacle. Refuse Container or Regular Garbage Container shall have the same meaning.
- 3.119 **Waste Materials** means anything that is discarded and that is eligible for collection through the City's Waste Management System:
- 3.119.1 pursuant to this Bylaw or to any regulation established by the Chief Administrative Officer; and
 - 3.119.2 any applicable Alberta Environment regulations or guidelines excluding Animal Wastes, Biomedical Waste, Building Waste, Hazardous Waste, Industrial Waste, products containing chlorofluorocarbons, radioactive material and Vehicle Waste.
- 3.120 **Waste Disposal Fee** means user fees per tonne or per cubic meter charged by the City for the acceptance of residential and ICI waste, refuse, recyclable materials and organic materials at designated Waste Management Facilities operated by the City, its contractors and or its agents.
- 3.121 **Waste Management Facility** means any of the facilities for the management of residential and ICI waste, mixed waste, recyclable material and organic material operated by the City, its contractors and or its agents; including but not limited to the **Class III** Landfill, Material Recovery Facility, Source Separated Compost Facility and Transfer Station.
- 3.122 **Waste Management System** means the system to administer, regulate, control, manage, collect, divert, process, store and/ or dispose of waste including all buildings, business processes, equipment, machinery, vehicles, waste containers,

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

automated collection carts, waste management sites and any approved recycling, waste reduction or waste diversion programs.

- 3.123 **White Goods** means metal appliances such as refrigerators, freezers, clothes, washers, dishwashers, clothes dryers, ranges, stoves, air conditioners and hot water tanks. All appliances containing refrigerant must have documentation or be certified that the refrigerant has been removed.
- 3.124 **Wood Waste** means wood material, substances, or objects which have not been processed or manufactures and includes stumps, trees trunks and limbs.
- 3.125 **Yard Waste** means uncontaminated, organic waste from gardening or horticultural activities including grass clippings, leaves, brush, house and garden plants but excludes: trees, shrubs, branches over 1.2m in length, **or 0.20 meters in width or diameter** soil, sod, rock, stumps and any other woody material.

4. AUTHORITY AND RESPONSIBILITIES OF THE WASTE MANAGEMENT SYSTEM

- 4.1 In this Bylaw for the purpose of administering or enforcing the provisions of authority or responsibility to establish and enforce procedures and regulations as may be deemed necessary or appropriate for the management and operation of the Waste Management System following will apply:
- 4.2 The Chief Administrative Officer (CAO) shall manage and operate the Waste Management System in accordance with:
- 4.2.1 this Bylaw;
 - 4.2.2 the Council approved budget;
 - 4.2.3 any fee or rate or fee or rate structure approved by Council;
 - 4.2.4 any policies adopted by Council;
 - 4.2.5 any applicable Provincial or Federal legislation or regulation
- 4.3 Without restricting the generality of clause 4.1, the Council hereby delegates to the Chief Administrative Officer the authority and responsibility to:
- 4.3.1 establish and revise as necessary, collection routes, collection areas and collection schedules for Refuse, Recyclables, Organics and Christmas Trees.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 4.3.2 establish and enforce regulations governing the quantities and types of material that can be deposited into the Waste Container or Automated Collection Cart;
- 4.3.3 designate the conditions and guidelines relating to the acceptance of waste materials at the Waste Management Facilities;
- 4.3.4 approve or set specifications for commercial bins, waste containers, automated collection containers and plastic garbage bags;
- 4.3.5 establish and enforce regulations, consistent with any policy or program approved by Council, pertaining to recycling, waste reduction and waste diversion programs;
- 4.3.6 determine the conditions under which service under this Bylaw will not be provided, or the provision of service will be discontinued;
- 4.3.7 suspend or discontinue the collection of waste or recyclable material if the owner of the premise contravenes a provision of this Bylaw.
- 4.3.8 designate City premises to be used as City disposal sites, provided the premise complies with all applicable rules and regulation
- 4.3.9 make and execute agreements on behalf of the City for the collection of waste or recyclable materials and disposal services;
- 4.3.10 apply all provisions of this Bylaw that relate to Residential Dwellings;
- 4.3.11 grant approvals and permissions as set out in this Bylaw;
- 4.3.12 establish a system for billing and collecting rates, fees and charges;
- 4.3.13 designate any rate or rate structure approved by Council;
- 4.3.14 publish information, from time to time, pertaining to this Bylaw or the City's Waste Management System that persons may require in order to comply with this Bylaw and to understand and make proper use of the Waste Management System and to encourage Persons to participate in any approved recycling, waste reduction or diversion programs;
- 4.3.15 determine whether waste collection service can reasonably and profitably be provided outside the City's boundaries without creating any material adverse impact on the level or quality of service provided to in City

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

customers, and, if so, make a recommendation to Council pertaining to the provision of such service;

- 4.3.16 arrange procedures to facilitate the orderly materials such as discarded furniture, mattresses and large household appliances from residential properties. The Owner of the furniture, mattresses and large household appliances has the primary responsibility for disposal; however, periodic collection of these materials by the City is for the purpose of assisting Persons who are unable to arrange for proper disposal in their own and prevent the accumulation of these materials in residential neighbourhoods.
- 4.3.17 include in the annual budget submission to Council, a proposal for the management and operation of the Waste Management System.
- 4.3.18 take any other steps and make determinations that may be required to implement, administer, apply or enforce the provisions of this Bylaw and the City's Waste Management System;
- 4.4 The Chief Administrative Officer (CAO) is hereby expressly authorized to make decisions and to establish and enforce such procedures and regulations as the CAO may deem necessary for the management and operation of the Waste Management System, including the delegation of any of the duties or responsibilities to one or more employees of the City of Cold Lake

5. RATES AND FEES

- 5.1 Council shall set the rates and fee for the following:
 - 5.1.1 waste disposed at a City disposal site and waste management facilities;
 - 5.1.2 residential curbside recycling management; and
 - 5.1.3 waste management
- 5.2 Where waste management services and/or residential curbside recycling management services are supplied by the City, its contractors or agents, the owner of the premises shall pay to the City a monthly service charge as set out in Schedule A attached and forming part of this Bylaw.
- 5.3 Rates and Fees for waste management and residential curbside recycling management will apply even where no material is set out for collection.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 5.4 Every Person depositing waste at the disposal site shall pay to the City the applicable charges in the amounts and in accordance with the terms and conditions set out in Schedule “C” attached and forming part of this Bylaw.
- 5.5 Notwithstanding 5.4, Haulers delivering controlled materials to the City waste management facilities which require special handling or disposal techniques shall comply with the following procedures:
- 5.5.1 The Hauler shall give the City, its contractors or its agents 10 days, notice that it requests permission to deposit such waste for disposal at the waste management facility, stating the properties, characteristics, origins and amounts of such waste materials;
- 5.5.2 On receipt of such notice, the City and its contractors or agents shall advise the Hauler whether or not it will accept delivery of such wastes at the waste management facility; and
- 5.5.3 If the waste materials are acceptable, the City and its contractors or agents shall advise the Hauler of the time and when and under what conditions it will accept the deposit of such wastes at the waste management facility.
- 5.6 The following applies to the payment of fees at the City Waste Management Facilities:
- 5.6.1 At the City Waste Management Facilities where cash is accepted, unless credit privileges have been granted, Haulers who transport acceptable material to a facility operated by the City, its contractors or agents will be required to pay cash in accordance with the following:
- 5.6.1.1 For each white good unit a flat cash fee prescribed in Schedule “C” will be paid upon entering the site. The vehicle will not be weighed upon leaving the site;
- 5.6.1.2 For each refrigerant unit requiring CFC removal a flat cash fee prescribed in Schedule “C” will be paid upon entering the site. The vehicle will not be weighed upon leaving the site;
- 5.6.2 At the City Waste Management Facilities where credit privileges have been granted, haulers who transport acceptable waste material to a facility operated by the City, its contractors or its agents will be required to pay upon the invoice as follows:

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

5.6.2.1 Where only one scale is in operation and the tare weight of a vehicle transporting materials has been predetermined, the vehicle will be weighed when entering the facility and a payment upon invoice is required in accordance with the fee structure on Schedule “C”;

5.6.2.2 Where only one scale is in operation and the tare weight of vehicle transporting materials has not been predetermined, the vehicle will be weighed upon entering the facility and again upon leaving. The Hauler will pay the fee upon the invoice in accordance with the fee structure on Schedule “C”;

5.6.3 The following provisions apply to Haulers who have been granted credit privileges at any waste management facility operated by the City, its contractors or its agents:

5.6.3.1 Haulers granted credit privileges will receive a monthly Statement of Accounts and payment due within thirty (30) days of the end of the statement month;

5.6.3.2 Where an Account for material disposal remains unpaid for more than thirty (30) days, a notice of non- payment will be sent by the City. The City may advise that if payment is not received within a specified period of time after mailing such notice, the Hauler shall be refused entry into the facilities until such time as the outstanding amounts, interest and service charges are paid. Scale House Attendants will be notified of all Haulers on refused status and will be instructed to deny access to the facilities as applicable. The City may require posting a performance bond or any other security acceptable to the City in the event that accounts continue to be unpaid from time to time.

6. APPLICATION

6.1 This Bylaw applies to all waste and recyclable material produced or transported within the Boundaries of the City of Cold Lake. Nothing in this Bylaw shall operate to relieve any Person from complying with any Federal, Provincial or other City Law, Order, Regulation or Bylaw and such Person shall comply with all conditions or obtain any necessary consent at his or her own expense.

6.2 GENERAL

6.2.1 No person shall scavenge waste or recyclable material from a commercial bin, waste container, automated collection container, plastic garbage bag or enter a City landfill, transfer station, recycling depot or other waste

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

management facility for the purpose of scavenging, picking over, scattering, searching or burning any material.

6.2.1.1 The owner of a vehicle involved in an offence referred to in this Section is guilty of the offence, unless that vehicle owner satisfies the Court that the vehicle was:

6.2.1.1.1 not being operated by the owner; and

6.2.1.1.2 that the person operating the vehicle at the time of the offence did so without the vehicle owner's express or implied consent.

6.2.2 No person shall discard, deposit leave, dispose of or abandon any Waste within the City boundaries except in an approved Waste Container or Automated Collection Container or Waste Management Facility designed and intended to accept that specific type of Waste.

6.2.3 No Person shall place any material in a Waste Container or Automated Collection Cart unless such material meets the requirements, pursuant to this Bylaw, for collection through the City's Waste Collection System. In the event that a Waste Container or Automated Collection Cart contains any material other than Waste, the Chief Administrative Officer or designate may arrange for the proper handling and disposal of such material at the cost of the Owner or Person who deposited such material in the Waste Container or Automated Collection Cart.

6.2.4 No Person shall place any material in a waste management site unless the Person complies with all the regulations posted at the site.

6.2.5 Every Owner shall ensure that all the Waste set out for collection:

6.2.5.1 meets the requirements, pursuant to this Bylaw, for collection through the City's Waste Management System;

6.2.5.2 is fully contained within a Plastic Garbage Bag or Waste Container or Automated Collection Cart;

6.2.5.3 does not become untidy, unsightly, spill or otherwise escape from any waste container;

6.2.5.4 is packaged to minimize the generation of offensive odors or the attraction of insects, rodents, vermin or other animals;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

6.2.5.5 that is spilled, or otherwise escaped from the Waste Containers or Automated Collection Carts in the portion of the Street adjacent to the Residential Dwelling, from the Owner's property line to the center of the Street is promptly removed and the area kept tidy and free of Waste, Building Waste and all other forms of litter, garbage, refuse, trash or recyclables. In the event that this portion of the Street adjacent to the Residential Dwelling, from the Owner's property line to the center of the Street is not cleaned the Chief Administrative Officer or designate may arrange for the clean up at the Owner's expense. The fee for clean up shall be determined by the Chief Administrative Officer or designate based on the type of material for clean up and the cost incurred by the City, its contractors or agents to clean up and dispose of the material.

6.2.5.6 is promptly removed from the land the waste material originated from for which the owner is responsible and the waste is properly prepared for collection. Without restricting the generality of the above, an Owner shall arrange for temporary storage and disposal of all waste materials that do not meet the requirements, pursuant to this Bylaw, for collection through the City's Waste Collection System.

6.2.6 No Person shall discard, deposit, leave, dispose of or abandon any Waste, Animal Waste, Biomedical Waste, Building waste, Hazardous Waste, Industrial Waste, Vehicle Waste, garbage, refuse, trash, rubbish, recyclables or other unsightly or untidy material within the city boundaries of Cold lake except in accordance with this Bylaw and any applicable Federal or Provincial legislation or regulation.

6.2.7 No Person shall deposit waste or recyclable material in a waste container, automated collection cart or commercial bin without the consent of:

6.2.7.1 the owner of the container, cart or bin;

6.2.7.2 the owner of the property where the container, cart or bin is located;
and

6.2.7.3 the occupant of the property where the container, cart or bin is located.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

6.2.8 Unless the Owner has written approval from the Chief Administrative Officer or designate to set waste containers, automated collection carts or plastic bags out for collection in a specific location, an Owner must ensure the waste containers, automated collection carts or plastic bags containing waste are:

6.2.8.1 located immediately adjacent to a Street;

6.2.8.2 at a central location where the collector will have easy, direct and safe access to the waste containers, automated collection carts or plastic bags;

6.2.8.3 for Street collection:

6.2.8.3.1 if there is no sidewalk, on the occupant side of the curb;

6.2.8.3.2 if there is a sidewalk joined to the curb, on the occupant premises, adjacent to the sidewalk, or

6.2.8.3.3 if there is a separate sidewalk with a boulevard, on the boulevard adjacent to the curb.

6.2.9 No Person shall damage, tamper with or vandalize a waste container, automated collection cart or commercial bin owned by or operated by the City of Cold Lake.

6.2.10 No Person or Owner of a Motor Vehicle shall dispose of any material at a Waste Management site except in accordance with the regulations posted at the site.

6.2.11 An owner shall ensure that waste or recyclable material stored or set out for collection on or adjacent to that owner's premises does not:

6.2.11.1 create offensive odours; or

6.2.11.2 become untidy.

7.0 ELIGIBLE PREMISES FOR COLLECTION SERVICES

7.1 Collection Services shall be rendered with respect to:

7.1.2 all residential dwellings that are not multiple dwelling developments exceeding four (4) dwelling units and are not located within a private development;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 7.1.3 at the sole discretion of the Chief Administrative Officer or designate, a Multiple Dwelling Development exceeding four (4) dwelling units or dwelling units within a private development may consider rendering service provided in part that:
- 7.1.3.1 each Dwelling Unit therein is connected to a separate water meter and is able to receive water and sewer bills; and
 - 7.1.3.2 the development configuration and Street design reasonably accommodate automated truck access and curbside Refuse removal in front of each Dwelling Unit.
- 7.2 Where a property listed in 7.1 is rendered collection service and the premise is not occupied, the Owner of the premise may place waste materials originating from the same premise out for collection provided it is in accordance with this Bylaw and billing has been established.
- 7.3 The City of Cold Lake shall not collect waste or recycling material from:
- 7.3.1 condominiums, unless approved in writing by the Chief Administrative Officer or designate;
 - 7.3.2 multiple dwelling development exceeding four (4) dwelling units or dwelling units within a private development, unless approved in writing by the Chief Administrative Officer or designate;
 - 7.3.3 apartments;
 - 7.3.4 commercial premises, industrial or institutional operations;
 - 7.3.5 churches or places of religious assembly;
 - 7.3.6 unserviceable properties.
- 7.4 An Owner or occupant of a premise listed in subsection 7.3 shall:
- 7.4.1 arrange for waste and/ or recyclable material collection and disposal, at the expense of the Owner or the occupant, by a private collection service that disposes of waste at a disposal site; and

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 7.4.2 ensure that waste and/or recyclable material is collected on a regular basis to prevent the development of noxious odors and the accumulation of waste and recyclable material.

8. COLLECTIBLE MATERIAL- PREPARATION AND RESTRICTIONS

- 8.1 For eligible premises, Refuse shall be placed for municipal collection only in accordance with the following limits or conditions:
- 8.1.1 Each dwelling unit is allowed to place a maximum of three (3) waste containers or waste bags on collection day.
 - 8.1.2 excess of three (3) waste containers or waste bags require the Bag Tags. Bag Tags are only available to areas that are not eligible for automated collection or for a premise that automated collection has not yet been established.
 - 8.1.3 a maximum of one (1) Automated Collection Cart unless otherwise approved by the CAO or designate as per 9.2.3.
- 8.2 For eligible premises, Organic Materials shall be placed for municipal collection only in accordance with the following limits and conditions:
- 8.2.1 a maximum of ten (10) compostable or heavy paper bags of food, leaf and/ or yard waste may be placed for collection on each organic material collection day.
 - 8.2.2 a maximum of five (5) bundles of branches or brush may be placed in addition to the maximum ten (10) compostable or heavy paper bags of food, leaf and/ or yard waste may be placed for collection on each organic material collection day. Each bundle must be securely tied, no more than 1.2 meters (4ft) in length and no heavier than twenty (20) kilograms (45 lbs) in weight and with no individual piece of material greater than twenty (20) centimeters in diameter.
- 8.3 For eligible premises, Recyclable Materials shall have no limit provided they are placed for collection in accordance with the following conditions:
- 8.3.1 recyclable materials are reasonably clean; and
 - 8.3.2 placed in bags, bundles or containers as required in this Bylaw.
- 8.4 No Person shall place for Municipal Collection any Non-Collectible Waste.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

9. REGULATION CONTAINERS OR CARTS FOR MUNICIPAL COLLECTION

9.1 The Owner or Occupant of each eligible premise in an area where Automated Waste Collection is not available or established shall be responsible to contain designated collectible waste so as to prevent the escape of waste materials in the environment through the use of Plastic Garbage Bags or Waste Container shall meet the following specifications and requirements for the purpose of Municipal Collection:

9.1.1 An owner of a residential dwelling shall ensure that waste containers used at his residential dwelling:

9.1.1.1 are constructed of sturdy, water-tight material;

9.1.1.2 are maintained in good condition;

9.1.1.3 have handles and a smooth rim;

9.1.1.4 have properly fitting lids that are kept closed except when the containers are loaded or unloaded;

9.1.1.5 do not have lids attached to the container by chain, rope or wire; and

9.1.1.6 have a maximum volume of no more than 100 litres.

9.1.2 An owner must ensure that plastic garbage bags used at his premises shall be:

9.1.2.1 a sturdy plastic bag specifically marketed to store waste for collection, and excludes plastic bags that are intended for other purposes;

9.1.2.2 water tight and securely tied;

9.1.2.3 are capable of holding their contents without breaking; and

9.1.2.4 less than twenty (20) kilograms (45lbs) including contents and a maximum volume of 100 liters.

9.1.3 An owner must ensure that residential waste containers used at his premises are filled so that:

9.1.3.1 the cover of the container fits properly;

9.1.3.2 contents of the container can easily be removed from the container;
and

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 9.1.3.3 the total weight of the container and its contents does not exceed 20 kilograms (45 lbs).
- 9.1.4 Notwithstanding section 9.1.1.6 and 9.1.3.3 an Owner may use a Waste Container in excess of twenty (20) kilograms (45lbs) and a maximum volume of 100 liters including contents provided the waste is packaged individually in Plastic Garbage Bags as specified in 9.1.2 and can easily be removed without lifting the container.
- 9.1.5. Cardboard boxes, oil drums, paint cans or other such containers are not eligible containers for waste collection.
- 9.1.6 Where waste is placed in a receptacle other than a waste container or plastic garbage bag, the receptacle is deemed to be waste and may be collected as such.
- 9.1.7 Outdoor, roadside boxes or bins may be used to store Plastic Garbage Bags or Waste Container for refuse provided they meet the following specifications:
- 9.1.7.1 a box or bin constructed of wood or other suitable material for storing of containers or bags of refuse that must be rodent or animal proof;
- 9.1.7.2 boxes or bins must be affixed with a lid not more than five (5) kilograms (11lbs);
- 9.1.7.3 boxes or bins shall at all times be maintained in a neat and sanitary conditions and kept in good repair.
- 9.2 The Owner or Occupant of each eligible premise in an area where Automated Waste Collection shall meet the following specifications and requirements for the purpose of Municipal Collection:
- 9.2.1 Waste shall be placed in an Automated Collection Cart supplied by the City;
- 9.2.2 Residential Dwellings that are eligible for automated collection of waste material will be delivered and assigned an automated collection cart.
- 9.2.3 The number of automated collection carts required will be determined by the Chief Administrative Officer or designate.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 9.2.4 Automated Collection Carts assigned to a residential dwelling will remain with that residential dwelling;
- 9.2.5 Automated Collection Carts shall remain the property of the City and may be removed by the City, its contractors or its agents at the direction of the Chief Administrative Officer or designate;
- 9.2.6 Owners of the residential dwelling are responsible for all Automated Collection Carts assigned to the Residential Dwelling and shall ensure that the containers are:
 - 9.2.6.1 kept clean;
 - 9.2.6.2 secured against theft or loss;
 - 9.2.6.3 maintained in good condition;
 - 9.2.6.4 not altered in any way, including any alteration of the exterior;
 - 9.2.6.5 used only for allowed waste material;
 - 9.2.6.6 available to the City, its contractors, or its agents within a reasonable timeframe for the purpose of inspection, maintenance or repair.
- 9.2.7 An Owner shall ensure that the Automated Collection Cart and its contents do not exceed eighty (80) kilograms (180 lbs).
- 9.2.8 Lids on Automated Collection Carts must remain closed once placed for collection.
- 9.2.9 An Owner of a Residential Dwelling shall be responsible for all fees related to the pertaining to the use of the Automated Collection Cart issued to the premise including fees for assignment, maintenance, repair or replacement of the Automated Collection Cart.
- 9.2.10 When the Automated Collection Cart is not placed out for waste collection day the Automated Collection Cart shall be stored on the Owner or Occupant's property.
- 9.3 The Owner or Occupant of each eligible premise in an area where Recyclable Materials are collected shall meet the following specifications and requirements for Recyclable Material containers for the purpose of Municipal Collection:

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 9.3.1 ~~Mixed Blue Bag~~ ~~ee-mingled~~ Recyclables must be placed in watertight, clear or transparent blue bags with an overall length of no more than 82.5cm (32inches) when empty;
- 9.3.2 low density polyethylene opaque bags (grocery bags) or separate transparent clear or blue bags must be used to contain Fiber Recyclables except cardboard and board box;
- 9.3.3 The weight of each bag, including contents must not exceed twenty (20) kilograms (45lbs);
- 9.3.4 corrugated cardboard and boxboard must be placed in securely tied bundles not greater than 0.65 meters x 1.0 meters x 0.20 meters (2ft x 3ft x 8 in), weighing no more than twenty (20) kilograms (45lbs).
- 9.3.5 All materials must be securely contained as to prevent material from escaping into the environment.
- 9.4 The Owner or Occupant of each eligible premise in an area where Organic Materials are collected shall meet the following specifications and requirements for Organic Material containers for the purpose of Municipal Collection:
 - 9.4.1 Organic Material Bag Specifications:
 - 9.4.1.1 Each bag must be printed as compostable, but must be suitable as to prevent spillage or bag breakage;
 - 9.4.1.2 Kraft Paper Bags are acceptable without being printed as compostable, but must be suitable as to prevent spillage or bag breakage;
 - 9.4.1.3 The weight of each bag including contents must not exceed twenty (20) kilograms (45lbs) or exceed a volume of one hundred (100) liters;
 - 9.4.1.4 Regular plastic bags or plastic grocery bags are not acceptable containers for the storage of organic materials;
 - 9.4.1.5 Bagged Organic Materials, branches or brush may be placed in a Waste Container as specified in 9.1.1 and 9.1.3 provided the container is affixed with an organics label available through the City. The organics label must be clearly visible to collectors from the Street on collection day.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

9.4.2 Branches or Brush may be placed at the curb in securely tied bundles provided the branches do not exceed 1.2 meters in length or 0.20 meters in width or diameter or exceed a weight of twenty (20) kilograms (45lbs).

9.4.3 All materials must be securely contained so as to prevent material from escaping into the environment.

10. PLACEMENT OF MATERIALS, CONTAINERS, CARTS AND BAG FOR MUNICIPAL COLLECTION

10.1 Placement of Plastic Garbage Bags or Waste Container, Organic and Recyclable Materials shall be as follows:

10.1.1 Collection is curbside only. All containers, carts or bags must be placed at the end of driveway and/ or at the edge of the property abutting the Street, road or highway without obstructing the Street, road or highway;

10.1.2 All materials placed for collection must be placed in front of the eligible premise from which they are generated;

10.1.3 Recyclable, organic and refuse materials must be spaced 0.5 meters apart when placed for collection;

10.1.4 Materials will not be collected from rear lanes;

10.1.5 No collector shall be required to make a collection of waste or recyclable materials from inside a building or be required to pass through a building in order to collect waste or recyclable materials;

10.1.6 No collector shall be required to make a collection of waste or recyclable material if the waste or collection container, cart or bag is not placed according to this Bylaw, unless an owner has written approval from the Chief Administrative Officer or designate.

10.2 Unless an owner has written approval from the Chief Administrative Officer or designate for another specific location; the placement for collection from Automated Collection Carts are as follows:

10.2.1 be placed in such a matter that an automated collection may occur without collectors being required to manually move the collection carts in order to allow pick up;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 10.2.2 is located at least one (1) meter from any object on either side of the container;
- 10.2.3 is located at least thirty (30) centimeters from any object behind the container;
- 10.2.4 has an overhead clearance above the top of the automated collection container of three (3) meters;
- 10.2.5 located in front of the eligible premise that generated the waste;
- 10.2.6 located on the Street along the road at the edge of the curb;
- 10.2.7 placed in an upright position with the lid closed and the front of the cart facing the Street;
- 10.2.8 collection carts must not be placed on the sidewalk or in such a location to interfere in any way with vehicle or pedestrian traffic.

11. COLLECTION INTERFERENCE

- 11.1 No Person shall willfully hinder or interrupt or cause or procure another to hinder or interrupt, the City, its contractors, servants, agents or employees, in the exercise of powers and duties under this Bylaw;
- 11.2 No Person shall deposit waste or recyclable in a container, cart, bin or bag without the consent of the owner or occupant of the premise on which the container, cart, bin or bag is located.
- 11.3 Unless special arrangements for collection are made with the City of Cold Lake, the City of Cold Lake shall not be obliged to collect waste or recyclable materials from any building or premise the owner of which is exempt from general taxation.

12. REFUSAL OF COLLECTION SERVICES

- 12.1 In this Bylaw the City may have the right to withhold collection for the following:
 - 12.1.1 waste, recycling, organic or building materials are improperly prepared for collection.
 - 12.1.2 prohibited materials are placed for collection.
 - 12.1.3 excessive quantities of materials have been placed for collection.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

12.1.4 materials or containers are located in unsafe or non-compliant set out locations.

12.1.5 materials were not placed out for collection on the correct scheduled collection day.

12.1.6 materials were not placed out for collection before 7:00am on the collection day, there shall be no collection until the next scheduled collection day.

12.1.7 materials are scattered or spilled from container, cart, bin, bundle or bag.

12.1.8 if materials are overflowing from container, cart, bin, bundle or bag.

12.1.9 the Owner or Occupant is in default of payment for service charges.

13. COLLECTION TIMES AND FREQUENCIES

13.1 In this Bylaw the following provisions apply to municipal collection times and frequencies:

13.1.1 Collectible material must be placed at the curb no later than 7:00am on the scheduled collection day in that area as established by the Chief Administration Officer or designate

13.1.2 No Person shall place collectible materials out for collection before 7:00 pm on the day prior to the scheduled collection day applicable to the area.

13.1.3 All containers, carts, bins and bags must be removed by 9:00pm of the scheduled collection day, including any materials not collected.

13.1.4 Waste collection from any location may occur at any time during the collection day (7:00 A.M. to 9:00 P.M.) and actual time of collection will often vary on a weekly or seasonal basis.

13.1.5 Collection of refuse shall be weekly.

13.1.6 Collection of Recyclable Material or Organic Material shall be bi weekly (once every two weeks).

13.2 No Person shall place recyclable or organic materials out for collection on the week not designated as the recyclable or organic collection week in that area;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 13.3 When a regularly scheduled collection day falls on a Federal, Provincial or Civic holiday, the collection may be modified or occur on an alternate day as designated by the Chief Administrative Officer or designate.
- 13.4 Special collections such as Christmas Trees, Home Renovation Materials or Large Items may be implemented and scheduled at the discretion of the Chief Administrative Officer or designate.
- 13.5 Designated areas of pick up and collection days will be available to the eligible premise in the form of a yearly calendar. The calendar may be delivered or can be accessed on the City website or pick up at City Hall.

14. HOUSEHOLD HAZARDOUS WASTE SERVICE

- 14.1 The Chief Administrative Officer or designate, may designate the place and the time, including the days and house of operation and the materials eligible for the collection of Household Hazardous Wastes in the City.
- 14.2 Household Hazardous Waste depots may only be used by residents of the City or any municipal jurisdiction that the City of Cold Lake enters into an agreement with.
- 14.3 All Persons are prohibited from disposing of industrial, commercial and institutional waste and any materials where facilities already exist to manage them.

15. VEHICLES CARRYING WASTE

- 15.1 Persons who collect, transport, and dispose of waste materials and ICI waste shall do so in a sanitary manner, any fluid matter shall be transported in water tight containers and have tight fitting covers.
- 15.2 Every vehicle used for the collection and transportation of waste materials and ICI waste shall secure the load through the use of load restraints or other restraining devises and shall be closed or equipped with a tarp used to cover such waste material.
- 15.3 All waste materials and ICI waste shall be transported in such a manner that materials shall not spill or scatter from the vehicle containing the same.
- 15.4 All vehicles or containers used for the transportation of waste materials and ICI waste shall be hosed down as required and kept in a sanitary condition.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 15.5 The Chief Administrative Officer or designate may inspect vehicles used for the collection or carriage of waste materials at all reasonable times to ensure compliance with this Bylaw.
- 15.6 Haulers using the City waste management facilities shall comply with the registration requirements of the City including vehicle registration for such Haulers.
- 15.7 The following provisions apply to vehicle registration for Haulers using the City waste management facilities:
- 15.7.1 Haulers (other than residential users of cars, station wagons, minivans, sport utility vehicles and one ton trucks) using the City waste management facilities shall pre-register identifying information and the tare weight of each vehicle as required by the City from time to time;
- 15.7.2 Haulers who wish to be granted credit privileges with the City must register adequate identifying information with the City.

16. DISPOSAL AT TRANSFER STATIONS, LANDFILL AND OTHER FACILITIES

- 16.1 The City may designate a transfer station, landfill or other facility, including a recycling depot for the disposal of residential Refuse generated within the City. Proof of residency may be required prior to disposal;
- 16.2 No person shall deposit Refuse at a transfer station, landfill or other facility, including a recycling depot, unless the refuse is deposited in accordance with the site rules and signage.
- 16.3 The City reserves the right to inspect any load arriving at any City landfill, transfer station or other waste management facility for unacceptable materials.
- 16.4 Inspection of a load may include automated radiation detection, visual and manual inspection, use of hand held test instruments, and laboratory analysis of the waste involved.
- 16.5 When a load is selected for inspection the vehicle operator shall either comply with the directions of the City staff or shall immediately remove the load from the facility.
- 16.6 City staff will instruct the vehicle operator to dump the load in a designated holding area, may request information regarding the nature and source of the load, and may

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

request that the vehicle operator sign a statement confirming the accuracy of the information given.

- 16.7 Where the City determines through inspection and testing that a load of material is unsuitable for acceptance at a City landfill, transfer station, or other waste management facility, the customer will be informed of the results and allowed 24 hours, or less where appropriate in which to transport the load from the City facility to a facility licensed by the Province of Alberta for disposal of that type of waste.
- 16.8 Where the customer does not comply with the requirement to remove the load within the allowed time period the City reserves the right to arrange for immediate transport and proper disposal of the load and to assess a penalty as per the bylaw.
- 16.9 Where a load is determined to be unsuitable for disposal at a City facility the customer shall also be liable for all related costs incurred by the City including:
- 16.9.1 inspection costs;
 - 16.9.2 laboratory analysis fees;
 - 16.9.3 administrative fees; and
 - 16.9.4 hauling, disposal, and facility decontamination costs where applicable.
- 16.10 The City reserves the right to suspend acceptance of waste loads from any customer with outstanding account fees or penalties resulting from the City's rejection of an unsuitable load.
- 16.11 Where the City determines through an initial inspection of a load that there is a likely presence of radioactive material in the load, the City will subject the load, vehicle and driver to further radiation inspection.
- 16.12 Where further evidence of the presence of radioactive material is obtained, the material shall be dealt with in accordance with existing Alberta Provincial Government and Canadian Nuclear Safety Commission regulations.

17. COMMERCIAL AND INSTITUTIONAL WASTE

- 17.1 An Owner or Occupant of commercial premises or other premises utilizing a commercial bin shall provide at their own expense a sufficient number of commercial bins to contain the waste expected to be generated by users of such premises and shall ensure that all such commercial bins are:
- 17.1.1 maintained in good condition;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 17.1.2 kept in a clean and sanitary condition;
- 17.1.3 suitably weighted and anchored so that they cannot be inadvertently overturned;
- 17.1.4 constructed and covered so that they are water proof and animal proof;
- 17.1.5 of suitable size to contain all waste generated from the premises and from the uses thereof; and
- 17.1.6 placed in a locations convenient for the use of users or occupants of the premises to discourage litter or the accumulation of uncontained waste.
- 17.2 All waste generated is to be disposed of at a disposal site at the expense of the Owner and/ or Occupant of the premises at a frequency that prevents the accumulation of waste as referred to in Section 19.0 ;
- 17.3 No Person shall use any commercial bin not equipped with a light fitting lid which shall be kept closed except when the bin is being loaded or unloaded;
- 17.4 Commercial bins shall not be placed on any alley, lane, Street, Sidewalk, boulevard, utility right of way or highway within the City unless written approval has been granted by the Chief Administrative Officer or designate.

18. INDUSTRIAL WASTE

- 18.1 An Owner or Occupant of industrial premises shall be responsible for expenses for the disposal of the waste generated by it;
- 18.2 Industrial waste must be kept in an area blocked from public view and stored in such a way that it does not become a nuisance;
- 18.3 Industrial Waste shall not be placed on any alley, lane, Street, Sidewalk, boulevard, utility right of way or highway within the City unless written approval has been granted by the Chief Administrative Officer or designate

19. ACCUMULATION OF WASTE, ORGANIC AND RECYCLING MATERIALS

- 19.1 Except for waste, organic or recyclable materials which are placed in containers as required; locations as designated and stored in a manner complying with this Bylaw, no person shall allow waste, organic or recyclable materials of any kind to accumulate:

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 19.1.1 outside of a building or inside of a portion of a building to which the public or part of the public has access;
- 19.1.2 on any land.
- 19.2 Notwithstanding anything in this Bylaw contained, no person shall dispose of waste, organic or recyclable materials or allow waste, organic or recyclable materials to accumulate anywhere in a manner that contravenes a provision of the Environmental Protection and Enhancement Act, the regulations made thereunder or a Bylaw of the City relating to health, sanitation or nuisance unless:
 - 19.2.1 there is a written agreement with the Owner, Occupant or Person in charge of, upon which the waste, organic or recyclable materials is to be deposited; and
 - 19.2.2 the waste, organic or recyclable materials is deposited and covered as to comply with all the applicable provisions of this Bylaw, all other City Bylaws and the Environmental Protection and Enhancement Act, the regulations made thereunder.
- 19.3 No Person shall dispose of waste, organic or recyclable materials elsewhere than at a disposal or processing site of a type appropriate for that type of waste, organic or recyclable materials;
- 19.4 A Person who has disposed of waste, organic or recyclable materials on any land contrary to the provisions of Section 19.2 shall remove the same at their expense upon being requested to do so by the owner, occupant, person in charge of the land, the City Chief Administrative Officer or designate, under the Environmental Protection and Enhancement Act, and such removal shall not prevent them from being prosecuted for a contravention of this Bylaw;
- 19.5 If a Person who has placed waste, organic or recyclable materials on land contrary to the provisions of this Bylaw is not known or neglects or refuses to remove the waste or recyclable material there from, the owner, occupant or Person in charge of the land shall remove the waste, organic or recyclable materials or cause the waste, organic or recyclable materials to be removed, at their expense upon being directed to do so by the City Chief Administrative Officer or designate under the Environmental Protection and Enhancement Act.

20. PRIVATE DELIVERY OF WASTE, ORGANIC & RECYCLING MATERIALS

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 20.1 Subject to this Bylaw, A Person may deliver to a disposal or processing site or a sanitary landfill, waste or recyclable material collected from property in the City, owned or occupied by himself.

21. PROHIBITIONS

- 21.1 No Person shall:

21.1.1 remove, disturb or otherwise interfere with any waste material that has been set out for municipal collection;

21.1.2 collect waste material placed for municipal collection; or

21.1.3 remove a container placed at the curb for municipal collection.

- 21.2 The prohibitions in Section 21.1 do not apply to the Person who placed the materials for collection or to the city, its contractor or authorized municipal collection contractors;

- 21.3 No Person shall deposit any type of waste, organic or recyclable materials on any City Road or property except at acceptable placement locations for eligible premises;

- 21.4 No unauthorized Person shall place waste in any private waste container or waste bin other than those located on their own premises;

- 21.5 No Person shall place residential or commercial waste in a public litter container;

- 21.6 No Person shall burn solid waste in the open air except in accordance with the City's authorization and all necessary legislated permits or approvals;

- 21.7 No Person shall deliver, unload or dispose of waste materials to the waste management facilities except in accordance with this Bylaw and the site regulations;

- 21.8 No Person shall dispose of prohibited waste at the waste management facilities;

- 21.9 No Person shall dispose of refuse at the disposal site other than at the transfer station or, ~~as directed by the CAO or their designates, provided it is a small load, at the bin area;~~

- 21.10 No Person shall dispose of construction and demolition waste at the disposal site other than at the active face of the Class III Landfill;

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 21.11 No Person shall dispose of the recyclable materials at the disposal site other than in the designated areas for recycling;
- 21.12 No Person shall dispose of organic materials at the disposal site other than at the Class I Compost Facility.

22. PENALTIES AND ENFORCEMENT

- 22.1 Where a Community Peace Officer or a Bylaw Enforcement Officer who is also a designated officer, believes a person has contravened any provision of this Bylaw, he may:
- 22.1.1 issue to the person an order in accordance with the *Municipal Government Act*, R.S.A. 2000, c. M-26 to remedy the infraction;
- 22.1.2 issue to the person a violation ticket in accordance with the *Provincial Offences Procedures Act*, R.S.A.2000, c. P-34; or
- 22.1.3 do both (a) and (b) above.
- 22.2 If the person to whom an order has been issued pursuant to section 22.1 fails to comply with the order within the time specified in the order:
- 22.2.1 that person commits an offence under this section and a Bylaw Enforcement Officer may issue a violation ticket pursuant to *Provincial Offences Procedures Act*, R.S.A.2000, c. P-34; and
- 22.2.2 The City may take whatever steps are necessary to remedy the breach of the bylaw and the cost of doing so becomes a debt owing to the City by the person to whom the order was issued in accordance with the *Municipal Government Act*, R.S.A. 2000, c. M-26.
- 22.3 Any person who contravenes a provision of this Bylaw is guilty of an offence and is liable on conviction:
- 22.3.1 for a first offence, to a fine of not less than the penalty shown in Schedule "B" of this Bylaw in respect of that provision; and
- 22.3.2 for a second offence of the same provision within a twelve month period, to a fine of not less than twice the amount of the penalty shown in Schedule "B" of this Bylaw in respect of that provision.

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

- 22.4 In addition to any action taken or work done by the City to remedy a contravention of this Bylaw, a Community Peace Officer or Bylaw Enforcement Officer may also issue a Violation Ticket for the same offence.
- 22.5 Payment of a specified penalty of fine or prosecution or conviction for an offence under this Bylaw does not relieve an Owner or Person from compliance with any provision of this Bylaw.
- 22.6 A Community Peace Officer or Bylaw Enforcement Officer is hereby authorized and empowered to issue Violation Ticket to any Person who the Community Peace Officer or Bylaw Enforcement Officer has reasonable and probable ground to believe has contravened any provision of this Bylaw.
- 22.7 A Violation Ticket may be issued to such Person:
- 22.5.1 personally served upon the Person contravening the Bylaw; or
 - 22.5.2 by regular mail upon the owner of the property at the address shown on the City's Tax rolls; or
 - 22.5.3 placed on or attached in a conspicuous location on the property.
- 22.8 The Violation Ticket shall be in a form approved by the Chief Administrative Officer and shall state:
- 22.8.1 the name of the Person;
 - 22.8.2 the municipal or legal description of the land on or near where the offence took place;
 - 22.8.3 the offence;
 - 22.8.4 the penalty for the offence as set out on Schedule "B" to this Bylaw;
 - 22.8.5 that penalty shall be paid within seven (7) days of the issuance of the Violation Ticket; and
 - 22.8.6 any other information as may be required by the Chief Administrative Officer or by the provisions of the Act or the Provincial Offences Procedure Act, RSA 2000, c P-34 as amended.
- 22.9 Where a contravention of this Bylaw is of a continuing nature, further Violation Tickets may be issued by a Community Peace Officer or Bylaw Enforcement

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

Officer provided, however, that no more than one Violation Ticket shall be issued for each day the contravention continues.

- 22.10 Where a Violation Ticket is issued pursuant to this Bylaw; the Person to whom the Violation Ticket is issued may, in lieu of being prosecuted for the offence, pay to the City the penalty specified on the Violation Ticket;
- 22.11 Where, on a prosecution of an offence pursuant to this Bylaw, a Person believes a written approval or permission from the Chief Administrative Officer or designate provides that Person with a defense, the onus of proving that approval or permission was given rests with the Person relying on the permission or approval.
- 22.12 Nothing in this Bylaw relieves a Person from complying with any federal or provincial law or regulation, other bylaw or any lawful permit, order, consent or other direction.

23. SEVERABILITY PROVISION

- 23.1 It is the intention of Council that each separate provision of this Bylaw shall be deemed independent of all other provisions herein and it is the further intention of Council that if any provision of this Bylaw is declared invalid, all other provisions hereof shall remain valid and enforceable.
- 23.2 If a court or tribunal of competent jurisdiction declares any portion of this Bylaw to be illegal or unenforceable, that portion of the Bylaw will be considered to be severed from the balance of the Bylaw, which will continue to operate in full force.

24. ENACTMENT/REPEAL

- 24.1 That Bylaw 277-UT-07 as amended; Bylaw 418-UT-11 and Bylaw 356-UT-09 as amended of the City of Cold Lake are hereby repealed;
- 24.2 This Bylaw shall take effect on the date of passing third and final reading.
- 24.2.1 Schedules “A”, “B” and “C” form part of this bylaw

FIRST READING passed on open council duly assembled in City of Cold Lake, in the Province of Alberta, this **XX** day of July, AD 20**XX**, on motion by Councilor **XXXXXX**.

CARRIED
UNANIMOUSLY

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

SECOND READING passed on open council duly assembled in City of Cold Lake, in the Province of Alberta, this **XX** day of August, AD 20**XX**, on motion by Councilor **XXXX**.

CARRIED
UNANIMOUSLY

THIRD AND FINAL READING passed on open council duly assembled in City of Cold Lake, in the Province of Alberta, this **XX** day of August, AD 20**XX**, on motion by Councilor **XXXX**.

CARRIED
UNANIMOUSLY

Executed this ____ day of _____, 20**XX**.

CITY OF COLD LAKE

MAYOR

CHIEF ADMINISTRATIVE OFFICER

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

RECORD OF AMENDMENTS TO THIS BYLAW

The following amendments apply to this Bylaw;

BYLAW NUMBER	TEXT/ SCHEDULE-AMENDMENT	DESCRIPTION OF AMENDMENT	DATE ADOPTED
571-UT-2016	Schedule C	Tipping Fee Changes	February 2, 2016
617-UT-17	3.95 Residential Dwelling	Definition change	December 12, 2017
622-UT-18	3.76 Non Member	Definition change	January 23, 2018
637-UT-19	Schedule A	Fee Change	January 22, 2019
649-UT-19	2.1 added word	added process	
	added ARMA definition	ARMA (Alberta Recycling Management Authority added) defined	
	Blue Bag Recyclables revised	added Mixed to definition and removed glass	
	Contaminated Recycling definition revised	included improper sorting as contamination	
	added Electronic Waste (e-waste) definition	Electronic Waste defined	
	added Mixed Recycling definition	Mixed Recycling defined	
	Recycling Depot removed	Two definitions for recycling depot kept Community Recycling Depot	
	Source Separated Composting Facility definition revised	now just Composting Facility	
	added Source Separated Recycling definition	Source Separated Recycling defined	
	Waste Management Facility definition revised	added Class III to definition for clarity	
	Yard Waste definition revised	added size restrictions	

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

	9.3.1 revised wording to match definition	No longer co-mingled now defined as Mixed Blue Bag Recyclables	
	21.9 revised wording to remove small load disposal in bins and add as per CAO	21.9 revised wording to remove small load disposal in bins and add as per CAO	
	Schedule "C" added Item and Fee	Disposal of Organic Material and Soil	
	Schedule "C" added Item and Fee	Electronic Waste	
	Schedule "C" added Section with Items and Fees	Material Recycling Facility	

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE
COLLECTION SERVICES RATES & FEES

	Fees
Residential Solid Waste Management Fee:	
Per Residential Dwelling Unit	\$19.00 per month
Recycling Fee:	
Per Residential Dwelling Unit	\$9.25 per month
Apartment	\$5.50 per month
Organic/Compost Fee:	
Per Residential Dwelling Unit	\$1.50 per month
Regular Garbage Bag Tags (available through the City)	\$2.50 each
Additional Waste Collection Cart <i>(If approved by the CAO or Designated as per 9.2.3)</i>	\$19.00 per month
Replacement Fee for lost or damaged Automated Collection Cart	\$65.00 per occurrence
Penalty for overdue charges	2.5% of outstanding amount

End of SCHEDULE “A” to WASTE MANAGEMENT BYLAW 519-UT-14
COLLECTION SERVICES RATES & FEES

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

SCHEDULE “B” to WASTE MANAGEMENT BYLAW 519-UT-14
CONTRAVENTION & PENALTIES

CONTRAVENTION	PENALTY
Allow building, construction, renovation or demolition waste and or materials to become untidy, unsightly, or a nuisance	\$250.00
Remove, disturb or otherwise interfere with any waste, recycling or organic material that has been set out for collection	\$250.00
Place waste in a private waste container, bin other than those located on their own premises	\$250.00
Fail to comply with the waste management site regulations	\$250.00
Allow Waste, Recycling or Organic Materials to become untidy, unsightly, spill or otherwise escape from container, bin or bag	\$250.00
Fail to keep Street tidy or free from any Waste, Recycling or Organic Materials or other litter	\$250.00
Deposit any type of Waste on any City road or property except at acceptable placement locations for eligible premises	\$250.00
Fail to properly store, remove or dispose of Waste, Recycling, Organic Materials, Animal Waste, Biomedical Waste, Building Waste, Hazardous Waste, Industrial Waste, Vehicle Waste or non-collectible material	\$250.00
Scavenge waste or recyclable material	\$125.00
Waste, Recycling or Organic Material deposited without consent	\$250.00
Improperly located waste containers	\$125.00
Allowing Offensive odors from waste	\$125.00
Setting out Restricted and/ or Prohibited Waste	\$250.00
Use Improper Waste Containers	\$125.00
Improperly filled containers, bags or bins	\$125.00

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

Set out containers, bins or bags for collection before 7:00pm on day before collection	\$125.00
Fail to remove containers, bins or bags for collection by 9:00pm on collection day	\$125.00
Fail to Use Automated Collection Container where waste is collected by automation collection	\$125.00
Filled containers, bins, or bags exceed weight and/or volume limitations	\$125.00
Fail to properly locate automated collection containers for collection	\$125.00
Fail to use commercial bin	\$250.00
Fail to provide sufficient bins, containers or bags	\$250.00
Collection Interference	\$125.00
Failure to keep lid closed	\$125.00
Fail to comply with Order	\$1000.00
Second Offence of any of the above	Double the original penalty

End of SCHEDULE “B” to WASTE MANAGEMENT BYLAW 519-UT-14
CONTRAVENTION & PENALTIES

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

SCHEDULE “C” to WASTE MANAGEMENT BYLAW 519-UT-14
WASTE MANAGEMENT FACILITY TIPPING FEES

S.No	Waste Facility & Waste Description	Member Fee	Non-Member Fee
TRANSFER STATION			
1.	Residential Waste (Regular Garbage)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
2.	Industrial, Commercial and Institutional Waste (Regular Garbage)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
3.	Mixed Loads (Commercial)	\$165.00 per tonne (minimum charge \$30.00 if below 100kg)	\$210.00 per tonne (minimum charge \$50.00 if below 100kg)
4.	Mixed Loads (Residential)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
COMPOST FACILITY			
5.	Organic Waste- Residential	No Charge	No Charge
6.	Organic Waste- Commercial	\$10.00 per tonne	\$20.00 per tonne
7.	Disposal of Contaminated Organic Material and Soil	\$150.00 per tonne	\$195.00 per tonne
CLASS III LANDFILL			
8.	Demolition/Construction and Inert Materials (Residential)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
9.	Demolition/Construction and Inert Materials (Industrial, Commercial and Institutional)	\$100.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
10.	Asbestos	Not Accepted	Not Accepted
11.	Clean Clay Fill	No Charge	No Charge
MATERIAL RECOVERY FACILITY (MRF)			
RESIDENTIAL- RECYCLABLES			
12.	Sorted Recyclables	No Charge	No Charge
13.	Mixed Recyclables	\$15 per tonne	\$50.00 per tonne

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

		(minimum charge \$8.00 if below 100kg)	(minimum charge \$20.00 if below 100kg)
14.	Contaminated Recyclables – Contamination > 10% (Charged as Residential Waste)	\$80.00 per tonne (minimum charge \$8.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
INDUSTRIAL, COMMERCIAL & INSTITUTIONAL- RECYCLABLES			
15.	Sorted Cardboard	\$25.00 per tonne	\$60.00 per tonne
16.	Sorted Newspaper	\$25.00 per tonne	\$60.00 per tonne
17.	Sorted Office Paper	\$25.00 per tonne	\$60.00 per tonne
18.	Sorted Mixed Paper	\$25.00 per tonne	\$60.00 per tonne
19.	Sorted Tin Cans	\$25.00 per tonne	\$60.00 per tonne
20.	Sorted Shopping Bags	\$25.00 per tonne	\$60.00 per tonne
21.	Sorted Mixed Plastic	\$25.00 per tonne	\$60.00 per tonne
22.	Mixed Load (Charged as ICI – Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
23.	Contaminated Recyclables – Contamination > 10% (Charged as ICI –Regular Waste)	\$150.00 per tonne (minimum charge \$20.00 if below 100kg)	\$195.00 per tonne (minimum charge \$40.00 if below 100kg)
RECYCLABLES			
24.	Electronic Waste (under ARMA eligible materials)	No Charge	No Charge
25.	Concrete (with or without exposed reinforcement) or Asphalt	\$15.00 per tonne (minimum charge \$8.00)	\$30.00 per tonne (minimum charge \$15.00)
26.	Scrap Metal	No Charge	No Charge
27.	Used Oil- under 50 Liters	No Charge	No Charge
28.	Used Oil- over 50 Liters	\$0.05 per Liter	\$0.10 per Liter
29.	Used Paint- Residential	No Charge	No Charge
30.	Used Paint- Commercial	\$20 per Load (maximum of 50 Liters)	\$30 per Load (maximum of 50 Liters)
31.	Tires- without rims	No Charge	No Charge
32.	Tires- with rims	\$5.00 per tire	\$5.00 per tire
33.	Batteries	No Charge	No Charge
34.	Fluorescent Lamps	No Charge	No Charge
ANIMAL CARCASSES			
35.	Domestic Animals	No Charge	No Charge
36.	Livestock	No Charge	No Charge
OTHER WASTE SPECIAL CHARGES			

CITY OF COLD LAKE
BYLAW # 519-UT-14
REGULATION, CONTROL AND MANAGEMENT OF MUNICIPAL SOLID WASTE

37.	White Goods-no Freon/ CFC	No Charge	No Charge
38.	White Goods-with Freon/ CFC	\$25.00 each	\$25.00 each
39.	Industrial Chemical including contaminated paint, oil, fuel	\$20 per Load (maximum of 50 Liters)	\$30 per Load (maximum of 50 Liters)
40.	Propane Tanks-Under 20lbs	\$5.00 each	\$5.00 each
41.	Propane Tanks-20lbs and over	\$55.00 each	\$55.00 each
42.	Sofas & Mattresses- Residential	No Charge	No Charge
43.	Sofas & Mattresses- Commercial	\$10.00 each	\$10.00 each

End of SCHEDULE “C” to WASTE MANAGEMENT BYLAW 519-UT-14
WASTE MANAGEMENT FACILITY TIPPING FEES



STAFF REPORT

Title: Bill 7 - Municipal Government (Property Tax Incentives) Amendment Act, 2019

Meeting Date: September 17, 2019

Executive Summary:

Bill 7, *Municipal Government (Property Tax Incentives) Amendment Act*, 2019 received Royal Assent and came into force on June 28, 2019. This bill amended the *Municipal Government Act* to allow another avenue for municipalities to provide property tax incentives to business and industry which can help municipalities attract investment and development.

Background:

Bill 7 allows municipalities to decide if, and how, to implement the tax incentives by passing a single bylaw that will:

- Offer incentives to reduce, exempt or defer the collection of property taxes for non-residential properties for **up to 15 years**, with the option for renewal (Currently, Saskatchewan allows property tax incentives for up to 5 years and B.C. for up to 10 years);
- Establish an eligibility criteria and application process to streamline tax incentive offers, instead of requiring a separate council resolution or bylaw for each property
- Municipalities will continue to collect the province's education tax as part of the municipal property taxes

If a municipality wants to utilize the new multi-year tax incentives authorized by Bill 7, the Council would pass a bylaw which would establish criteria for eligibility (ie. types of businesses or geographic areas that qualify, the time period, and amount of the exemption). Applicants would then apply for consideration.

Prior to Bill 7, municipalities already had the ability to provide year-by-year tax incentives under section 347 of the *MGA*, which allows a municipality to cancel, refund, or defer a tax on any property, but those provisions are not clear on how long it can be offered. Bill 7 amends the *MGA* so that municipalities can partially or fully exempt nonresidential properties for up to 15 years which may be an incentive for new business development. It has been noted however, that some municipalities have already used section 347 to incentivize business development. Municipalities can currently already



offer multi-year tax exemptions for brownfield properties under section 364.1 of the *MGA*.

Bill 7 has been received mixed reviews, since the announcement there have been concerns brought forward by some municipalities that the new legislation may create unfair advantages to the municipalities that have the capacity to offer incentives.

The City of Cold Lake currently has a Business Retention and Attraction Incentive Policy that encourages owners of nonresidential building to invest in improvements to enhance buildings or demolition of existing buildings as well as attract new business opportunities.

Alternatives:

Recommended Action:

For information only.

Budget Implications (Yes or No):

None at this time.

Submitted by:

Kevin Nagoya, Chief Administrative Officer

2019 Bill 7

First Session, 30th Legislature, 68 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 7

MUNICIPAL GOVERNMENT (PROPERTY TAX INCENTIVES) AMENDMENT ACT, 2019

THE MINISTER OF MUNICIPAL AFFAIRS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 7

2019

MUNICIPAL GOVERNMENT (PROPERTY TAX INCENTIVES) AMENDMENT ACT, 2019

(Assented to _____, 2019)

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Amends RSA 2000 cM-26

1 The *Municipal Government Act* is amended by this Act.

**2 Section 127 is amended by adding the following after
subsection (1):**

(1.1) Where an area of land is the subject of an exemption or
deferral granted under section 364.2 by one municipal authority
and an order referred to in subsection (1) annexes all or part of
that land to another municipal authority, the order must require
the receiving municipal authority to continue the exemption or
deferral in respect of the annexed land, subject to any terms the
Lieutenant Governor in Council considers appropriate.

**3 Section 303(h.1) is amended by adding “or 364.2” after
“section 364.1”.**

Explanatory Notes

1 Amends chapter M-26 of the Revised Statutes of Alberta 2000.

2 Section 127 presently reads in part:

127(1) An order to annex land to a municipal authority may

- (a) require a municipal authority to pay compensation to another municipal authority in an amount set out in the order or to be determined by means specified in the order, including arbitration under the Arbitration Act,*
- (b) dissolve a municipal authority as a result of the annexation, and*
- (c) deal with any of the matters referred to in section 89.*

3 Section 303(h.1) presently reads:

303 The assessment roll prepared by a municipality must show, for each assessed property, the following:

4 Section 303.1 is amended by adding the following after clause (h):

- (h.1) if a deferral of the collection of tax under section 364.2 is in effect for the property, a notation of that fact;

5 Section 305 is amended

- (a) **in subsection (3) by striking out** “section 364.1 or 368” **and substituting** “section 364.1, 364.2 or 368”;
- (b) **in subsection (3.1) by striking out** “section 364.1 or a deferral under that section” **and substituting** “section 364.1 or 364.2 or a deferral under one of those sections”.

6 Section 329 is amended by adding the following after clause (g.1):

- (g.2) if any property in the municipality is the subject of a deferral granted under section 364.2, a notation of the amount deferred and the taxation year or years to which the amount relates;

7 The following is added after section 364.1:

Tax incentives for non-residential property

364.2(1) In this section,

- (a) “deferral” means a deferral under this section;
- (b) “exemption” means an exemption under this section;
- (c) “non-residential” means non-residential as defined in section 297(4).

(h.1) if a deferral of the collection of tax under section 364.1 is in effect for the property, a notation of that fact;

4 Section 303.1 presently reads in part:

303.1 The provincial assessment roll must show, for each assessed designated industrial property, the following:

(h) if the designated industrial property is exempt from taxation under Part 10, a notation of that fact;

5 Section 305 presently reads in part:

(3) If exempt property becomes taxable or taxable property becomes exempt under section 364.1 or 368, the assessment roll must be corrected for the current year only and an amended assessment notice must be prepared and sent to the assessed person.

(3.1) If the collection of tax on property is deferred under section 364.1 or a deferral under that section is cancelled, the assessment roll must be corrected and an amended assessment notice must be prepared and sent to the assessed person.

6 Section 329 presently reads in part:

329 The tax roll must show, for each taxable property or business, the following:

(g.1) if any property in the municipality is the subject of a bylaw or agreement under section 364.1 to defer the collection of tax, a notation of the amount deferred and the taxation year or years to which the amount relates;

7 Tax incentives for non-residential property; judicial review of decision under section 364.2.

(2) A council may by bylaw, for the purpose of encouraging the development or revitalization of non-residential properties for the general benefit of the municipality, provide for

- (a) full or partial exemptions from taxation under this Division for non-residential property, or
- (b) deferrals of the collection of tax under this Division on non-residential property.

(3) A bylaw under subsection (2)

- (a) must set criteria to be met for a non-residential property to qualify for an exemption or deferral,
- (b) must establish a process for the submission and consideration of applications for an exemption or deferral in respect of non-residential property,
- (c) must not provide for an exemption or deferral to have effect in respect of a property for more than 15 consecutive taxation years, but may, if the council considers it appropriate, provide for subsequent exemptions or deferrals of 15 consecutive taxation years or less to be applied for and granted in respect of the property, and
- (d) if the bylaw provides for any person other than the council, including a designated officer, to refuse to grant an exemption or deferral or to cancel an exemption or deferral, must establish a process for applications to the council for the review of those decisions and must specify the period of time within which the application must be made.

(4) If after reviewing an application the municipality determines that the non-residential property meets the requirements for a full or partial exemption or for a deferral, the municipality may grant the exemption or deferral.

(5) An exemption or deferral must be granted in a written form that specifies

- (a) the taxation years to which the exemption or deferral applies, which must not include any taxation year earlier

than the taxation year in which the exemption or deferral is granted,

- (b) in the case of a partial exemption, the extent of the exemption, and
- (c) any condition the breach of which will result in cancellation under subsection (6) and the taxation year or years to which the condition applies.

(6) If at any time after an exemption or deferral is granted under a bylaw under this section the municipality determines that the property did not meet or has ceased to meet a criterion referred to in subsection (3)(a) or that a condition referred to in subsection (5)(c) has been breached, the municipality may cancel the exemption or deferral for the taxation year or years in which the criterion was not met or to which the condition applies.

(7) Where a municipality refuses to grant or cancels an exemption or deferral, the municipality must send a written notice to the applicant stating the reasons for the refusal or cancellation and, if a review of the decision is available under subsection (3)(d), the date by which any application for that review must be made.

(8) Where a municipality grants or cancels an exemption or deferral in respect of designated industrial property, the municipality must notify the provincial assessor and provide any other information requested by the provincial assessor respecting the exemption, deferral or cancellation.

(9) Subject to subsection (6), any order referred to in section 127(1.1) and the criteria and conditions on which an exemption or deferral was granted, the exemption or deferral remains valid regardless of whether the bylaw under which it was granted is subsequently amended or repealed or otherwise ceases to have effect.

Judicial review of decision under section 364.2

364.3(1) Where a decision made under a bylaw under section 364.2 in respect of an exemption or deferral is the subject of an application for judicial review, the application must be filed

with the Court of Queen's Bench and served not more than 60 days after the date of the decision.

(2) No councillor, designated officer or other person who makes a decision under a bylaw under section 364.2 is liable for costs by reason of or in respect of a judicial review of the decision.

8 Section 460 is amended

(a) by repealing subsection (7) and substituting the following:

(7) Despite subsection (5)(j),

- (a) there is no right to make a complaint about an exemption or deferral given by agreement under section 364.1(11) unless the agreement expressly provides for that right, and
- (b) there is no right to make a complaint about a decision made under a bylaw under section 364.2 in respect of an exemption or deferral.

(b) by adding the following after subsection (14):

(15) An assessment review board has no jurisdiction to deal with a complaint about any matter relating to an exemption or deferral under section 364.2, including a refusal to grant an exemption or deferral or a cancellation of an exemption or deferral under that section.

9 Section 460.1(2) is amended by adding “and (15)” after “section 460(14)”.

8 Section 460 presently reads in part:

(7) Despite subsection (5)(j), there is no right to make a complaint about an exemption or deferral given by agreement under section 364.1(11) unless the agreement expressly provides for that right.

(14) An assessment review board has no jurisdiction to deal with a complaint about designated industrial property or an amount prepared by the Minister under Part 9 as the equalized assessment for a municipality.

9 Section 460.1(2) presently reads in part:

(2) Subject to section 460(14), a composite assessment review board has jurisdiction to hear complaints about

- (a) any matter referred to in section 460(5) that is shown on*
 - (i) an assessment notice for property other than property described in subsection (1)(a), or*
 - (ii) a business tax notice or an improvement tax notice,*

RECORD OF DEBATE

Stage	Date	Member	From	To

		Questions and Comments	From	To

Stage	Date	Member	From	To

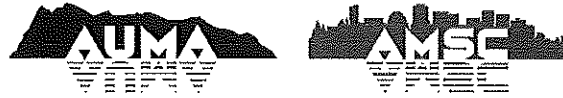
		Questions and Comments	From	To

Stage	Date	Member	From	To

		Questions and Comments	From	To

Stage	Date	Member	From	To

		Questions and Comments	From	To

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Alberta government announces property tax incentives for municipalities

June 5, 2019

It's no secret that Alberta's municipalities are the leaders in economic development - it's what they do, it's their primary priority. So AUMA appreciates that the provincial government intends to clarify and enhance property tax incentive tools so municipalities have more options to attract & retain businesses in their communities.

Bill 7 proposes to expand provisions in Alberta's Municipal Government Act (MGA) to enable municipalities to offer multi-year property tax exemptions for non-residential properties. Such provisions are being implemented to help develop brownfields in Medicine Hat, which may serve as a model.

Currently, section 347 of the MGA allows a municipality to cancel, refund, or defer a tax on any property, but those provisions are intended for when municipalities want to offer relief to businesses or organizations who are facing financial hardship. Despite that, some municipalities have used these provisions to incent new business development, but the legislation is not clear on how long it can be offered. Bill 7 proposes to amend the MGA to prescribe that municipalities can partially or fully exempt or defer property taxes for a non-residential property for up to fifteen years. While municipalities can already offer multi-year tax exemptions to brownfield properties, Bill 7 will now limit those exemptions to a maximum of fifteen years.

Bill 7 also outlines a new process to implement a property tax exemption, which involves council passing a bylaw that establishes the criteria for eligibility such as the types of businesses or geographic areas that are eligible, the time period, and the amount of the exemption. Eligible businesses can then apply to the municipality. Municipalities' primary revenue source is property taxes, which are used to pay for the services residents & businesses rely on. When considering property tax incentives, municipal leaders must be vigilant in how they apply them to ensure all local rate payers are treated equitably.

AUMA notes that the province's education tax remains a part of their municipal property taxes. As important partners with the province, municipalities will continue to collect the education tax on behalf of the government. AUMA appreciates the province's efforts to offer an additional taxation tool for municipalities and for continuing to respect the principle of local autonomy in how municipalities choose to use those tools.

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Bill 7: Member's comments

June 12, 2019

The recently announced Property Tax Incentives has been a concern for many of our members. Since the Bill has been announced there has been extensive media coverage. Some of the conversations the media have had with some of our members are curated in this article.

Many members are expressing caution as the details of this Bill have not been publicized. Some members have expressed optimism at the announcement citing the prospects of job creation by attracting major companies to smaller communities.

"We are pleased the province is giving municipalities the ability to be creative in attracting new investments, and that they recognize there is a role for municipalities to play in creating a favourable environment for business and industry. Such incentives are tools that can lay the foundation to create jobs and contribute to the long-term growth and prosperity of communities across Alberta," said Mayor Rod Frank, Strathcona County in an interview with *Lacombe Online*.

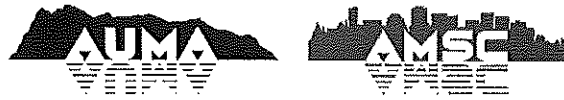
"I'd be very interested to see if we can actually use these regulations to accomplish what we're trying to do, which is to give small businesses looking at huge tax increases a break," Mayor Naheed Nenshi, City of Calgary told *St. Albert Today*.

Mayor Don Iveson, City of Edmonton, in talking with the *Calgary Herald* and Councillor Ken MacKay, St. Albert, in talking with *St. Albert Today* said that they have questions and are intrigued to see how the property tax deferral could play out across the province. "I'm just concerned that maybe we want to make sure that we don't create (a situation) where we have perhaps one community going after and being able to offer incentives that other (municipalities) just aren't able to do," MacKay said.

Iveson in an interview with *Global News* notes that there may be inequality in the tax collection if not properly implemented. "At the regional scale, I do have a concern about equity," He said. "If some municipalities around us have more fiscal capacity to offer more aggressive incentives, they can attract more business to have more fiscal capacity. And others don't have that capacity to compete. Then an existing inequity could be made even worse."

"That can be a very dangerous game, a real dangerous game of corporate welfare," Nenshi told *The Star Edmonton*.

AUMA continues to monitor the progress of the Bill and is exploring what it will mean for members.

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Minister Madu: “AUMA will provide invaluable support”

June 26, 2019

The Government of Alberta introduced Bill 7 to allow municipalities the freedom to offer tax incentives of up to 15 years to draw new investment and jobs into the province.

“It’s important to us that the incentives achieve their intent. Our members have told me that they appreciate the autonomy the government is providing them and they’re interested in leveraging this new opportunity. We’re hopeful that the correct application of these tax incentives will bring new enterprises into those communities where they are needed most”, said AUMA President, Barry Morishita.

In conjunction with Economic Development and Trade and Municipal Affairs, AUMA is developing a set of tools to assist municipalities with the appropriate use of the tax incentives to ensure regional collaboration remains unaffected.

Minister of Municipal Affairs, Kaycee Madu is keen to reinvigorate the economic wellbeing of Alberta’s municipalities. The new government introduced the bill in its first four weeks in a signal to municipal leaders that they will be viewed as the partners best positioned to responsibly and thoughtfully manage their communities’ best interests.

“I look forward to working with President Morishita and the AUMA to ensure Bill 7 is successfully rolled out and utilized in our municipalities. This legislation will provide municipalities with the flexibility they’ve been asking for to attract investment and create jobs. We know there is more work to do on this, as well as some of the more complex initiatives we are working on, and the AUMA will provide invaluable support as we seek to find the right balance and communicate effectively with municipal leaders”, Minister Madu told AUMA on Monday, just before the bill was due for its third and final reading.

Minister Madu added, “We are committed to monitoring Bill 7’s implementation to ensure it’s helping municipalities maximize their potential.”

AUMA is pleased that Municipal Affairs will monitor the program and we will be making recommendations for improvements based on the results within the year.

“We appreciate the Minister committing to monitoring the impact of the bill”, Barry said. “It’s going to be very important that we can ensure it is working in the best interests of our members”.

AUMA looks forward to a productive partnership with the Minister and his team.

[Back to news](#)



Business Retention and Attraction Incentive Program Policy

POLICY NUMBER: 120-FN-10

Approval Date: March 16, 2010

Revise Date: November 29, 2018

Motion Number: CM20100316.1006

Repeal Date:

Supersedes:

Review Date: December 11, 2018

1.0 Policy Intent

The City of Cold Lake is committed to providing a City-wide incentive program for commercial property owners who enhance existing buildings/property, construct new buildings or additions to existing buildings, or those who demolish existing buildings. Participants in the program may be eligible for an improvement incentive, upon project completion, by way of a municipal property tax rebate.

2.0 Purpose

The purpose of the Business Retention and Attraction Incentive Program is to (1) encourage owners of non-residential buildings to invest in improvements that enhance the appearance and function of the building or property; (2) attract new business opportunities to the City and encourage investment in new buildings; and (3) encourage the demolition of existing buildings that may detract from the visual amenities of the area.

3.0 Policy Statement

- 3.1 The City of Cold Lake shall establish the Business Retention and Attraction Incentive Program to encourage commercial property owners to enhance existing buildings or properties, construct/add to existing buildings and/or demolish existing buildings.
- 3.2 A standardized application process and guidelines to ensure transparent and consistent administration of the program.

4.0 Managerial Guidelines

General

- 4.1 For the purposes of this policy, “municipal tax levy” shall mean property taxes levied and collected by the City of Cold Lake, exclusive of any property taxes levied and collected by the City on behalf of the Province of Alberta.

- 4.2 The program shall be reviewed annually by Council.

Eligibility

- 4.3 In order for the property to be deemed eligible for the program, the property must be either:
- 4.3.1 a private commercial and industrial building within the City of Cold Lake (including all vacant lots zoned for commercial or industrial purposes in accordance with the City of Cold Lake Land Use Bylaw); or;
 - 4.3.2 a property zoned RMX-Residential Mixed Use if the City, in its sole discretion, determines that the post-development use of the property would be classified as a commercial use by the City of Cold Lake Land Use Bylaw.
- 4.4 In order for a project to be deemed eligible for the program, the following criteria must be satisfied:
- 4.4.1 The minimum investment by the applicant of at least \$5,000 for eligible improvements for each project;
 - 4.4.2 The program application form must be submitted within ninety (90) days of issuance of the Development Permit and/or Building Permits for the project. In cases where a qualifying project does not require permits, the incentive program application must be submitted and approved prior to commencement of any work beginning on the project.
 - 4.4.3 Notwithstanding Section 4.4.2, qualifying projects that were undertaken during the year 2018, shall be eligible to submit an incentive program application until December 31, 2018.
- 4.5 The applicant would be eligible for the grant incentive once the City has received verification that the improvements, which are the subject of the grant application, have been completed to the City's satisfaction.
- 4.6 The program is limited to one grant application per parcel or principal building on a parcel. In the case of a single parcel accommodating multiple tenants or businesses, the program may be applied for each independent business operation, with the grant available to the property owner(s).
- 4.6.1 Projects approved for inclusion in the program prior to the review date of this policy shall not be eligible to receive the increased grant funding offered by the current program.
 - 4.6.2 Notwithstanding section 4.6, properties which have previously been approved for incentive funding under this program are eligible to reapply in respect of additional enhancements provided that the payment term of the previous approval has expired and the property is no longer receiving grant payments under any previous approval made under this policy.
- 4.7 The following projects, businesses and/or properties are not eligible:
- 4.7.1 Home based businesses;
 - 4.7.2 Properties that are in tax arrears with the City;
 - 4.7.3 Government offices and agencies and any organizations exempt from paying property taxes to the City;
 - 4.7.4 Projects for which permits have been obtained and/or construction has commenced prior to the approval of this policy by Council because this policy shall not apply retroactively.

- 4.7.5 Improvements related to the normal upkeep of a building including, but not limited to, replacement of roofing, HVAC systems or business equipment shall not be eligible for a rebate under this program nor shall the value of such improvements be considered to meet the minimum investment criteria specified in 4.4.1 if combined with other eligible improvements.

Incentive Program Funding

- 4.8 External and Internal Enhancements to Existing Buildings or Properties
 - 4.8.1 A one-time property tax rebate grant equal to 10% of the municipal tax levy for the year in which construction of the enhancements is completed is provided as an incentive.
 - 4.8.2 Payment of the grant is subject to the applicant notifying the City that the project is complete and the City's confirmation of the same.
 - 4.8.3 Eligible external enhancements may also include improvements to property on which a commercial building is located such as landscaping, paving, sidewalks or patios.
- 4.9 Demolition of Existing Structures Only or Demolition and Rebuild
 - 4.9.1 A one-time grant of \$5,000 is available to assist with demolition costs.
 - 4.9.2 Payment of the demolition rebate is subject to the City's confirmation that the entire site has been cleared of all buildings and structures.
 - 4.9.3 The rebuild incentive is per the provisions of section 4.10 for new build on vacant land.
- 4.10 New Build on Vacant Land or Additions to Existing Buildings
 - 4.10.1 100% of the difference between the pre-development and post-development municipal tax levy (resulting from the increased assessed value of the property following completion of the enhancements) is provided as an incentive grant in the form of a property tax rebate.
 - 4.10.2 To be eligible, the improvements must result in an increase in the assessed value of the property.
 - 4.10.3 The grant is provided over a three-year term to the property owner; 50% of the grant will be repaid in Year 1 following grant approval; 30% in year 2 and 20% in Year 3. See example chart attached as schedule "A" to this Policy.

Application Requirements

- 4.11 Applications for this program must include the following:
 - 4.11.1 A detailed explanation, written and with plans/drawings where applicable, of the proposed improvements to be made.
 - 4.11.2 Written confirmation of the elements for which the applicant is seeking grant approval.
 - 4.11.3 Photographs of the current state of the building or condition of the land and in the case of enlargement of existing buildings or construction of new buildings, elevation drawings/renderings of the proposed development.
 - 4.11.4 A legal description of the property and the legal name of the owner(s).
 - 4.11.5 Any other information that may be deemed necessary by the General Manager of Planning & Development to support the application.
- 4.12 Program participants are required to comply with all municipal, provincial and federal permits and licenses.

- 4.13 Approvals under this policy will be subject to the applicant obtaining the necessary development permit and/or building permit for the project for which the applicant is seeking incentive funding, within 90 days of the date of funding approval unless the necessary permit(s) were already obtained prior to submission of the incentive program application. If the necessary permit(s) are not obtained within 90 days, the funding approval shall be deemed void.

- 4.14 Acceptance into the Program will coincide with the issuance of all permits necessary for the Project to be undertaken.

Application Process

- 4.15 Prior to filing an application, the applicant shall schedule a pre-application consultation meeting with the General Manager of Planning and Development regarding the application process, criteria and rules of eligibility.

- 4.16 There is no fee required to submit an application.

- 4.17 Completed applications shall be submitted to the General Manager of Planning and Development or their designate.

- 4.18 The General Manager of Planning and Development will review the application and will determine whether the proposed work meets the Program's criteria. The General Manager may approve, approve with conditions, or refuse an application.

Appeal Process

- 4.19 In the case of an approval with conditions, or refusal of an application by the General Manager of Planning and Development, the applicant may appear as a delegation before Council to appeal the decision.

- 4.20 An appeal may be made in writing by filing the Council delegation form with the Council recording secretary within 14 days of the decision of the General Manager of Planning and Development.

- 4.21 Council shall hear from the applicant as well as the General Manager of Planning and Development after which Council will make a decision on the appeal. Council's decision respecting the appeal shall be final.

- 4.22 Notwithstanding Section 4.21 Council may, at its sole discretion, defer making a decision on the appeal until a later Council meeting in order to conduct due diligence.

Payment of Incentive Funding

- 4.23 Upon completion of the project, the applicant/property owner shall notify the City that the qualifying project is complete. The City shall determine that the project has been completed to the City's satisfaction.

- 4.24 The City's Assessment Agency shall determine the post-improvement assessment of the property (if the project has been approved under Section 4.10).

- 4.25 Based on the post-improvement assessment, the City shall determine the municipal tax rebate amount in accordance with this policy.

- 4.26 For each year of the payment term, the property owner shall ensure that the tax levy for that year has been paid in full, and request payment of the approved rebate using the prescribed form attached hereto as Schedule "B".
- 4.27 Upon receiving the prescribed payment request form and confirmation that the tax levy has been paid in full, the City shall issue a rebate cheque to the property owner.

5.0 References

6.0 Persons Affected

Cold Lake City Council
Cold Lake Planning and Development Department
Members of the Public

7.0 Revision/Review History

- Refer to Bylaw 013-BD-97 Consolidated Schedule "A"
- Refer to Bylaw 361-BD-09
- Reviewed June 12, 2012 by Motion No. CM20120612.1013. Moved by Councilor Vining that Council accept the recommendation of the Economic Development Advisory Committee to continue the Business Retention and Attraction Incentive Program (BRAIP) for two (2) additional years, and direct Administration to accept and review new applications for participation in the program.
- Reviewed March 10, 2015. Moved by Council to renew the Business Retention and Attraction Incentive Program Policy for an additional one (1) year period, effective March 10, 2015.
- Reviewed June 28, 2016. Moved by Council to renew the Business Retention and Attraction Incentive Program Policy for an additional one (1) year period, to expire March 31, 2017.
- Reviewed January 10, 2017- CM20170110.1014. Moved by Council to amend this policy, percentage of Municipal Tax Levy to be offered as an incentive as per section 4.8 and table 1 to be set at 10%.
- Reviewed September 26, 2017-CM20170926.1012. Moved by Councilor Lefebvre that Council amend Policy No. 120-FN-10, being the Business Retention and Attraction Incentive Program Policy, by inserting the following section: Section 4.4.3.
- Reviewed December 12, 2017-CM20171212.1015. Moved by Deputy Mayor Buckle that Council renew Policy No. 120-FN-10, being the Business Retention and Attraction Incentive Program Policy, for 2018 and direct Administration to continue to accept application for the program until December 31, 2018.

August 23, 2019

Date

August 23, 2019.

Date



SCHEDULE "A"

Table 1: Enhancements to Existing Buildings or Properties

Post-Development Municipal Tax Levy	Grant Available (10% of Municipal Tax Levy in Completion Year)
Examples:	
\$5,675	\$568
\$8,680	\$868
\$12,035	\$1,204

Table 2: New Build on Vacant Land or Addition to an Existing Building

Pre-Development Municipal Tax Levy	Post-Development Municipal Tax Levy	Grant Available (100% of Difference)	Grant Amount Paid in Year 1 (50%)	Grant Amount Paid in Year 2 (30%)	Grant Amount Paid in Year 3 (20%)
Examples:					
\$15,000	\$95,000	\$80,000	\$40,000	\$24,000	\$16,000
\$40,000	\$150,000	\$110,000	\$55,000	\$33,000	\$22,000

SCHEDULE "B"

City of *Cold Lake***BUSINESS RETENTION & ATTRACTION INCENTIVE PROGRAM
REQUEST FOR GRANT PAYMENT**

Date: _____ Tax Roll #: _____

Property Address: _____

As Property Owner(s) of the above mentioned tax roll, I/We have accepted a grant payment through the Business Retention and Attraction Incentive Program for the _____ year in the amount of \$ _____ for the, with reference to City of Cold Lake Policy 120-FN-10.

Enclosed is a copy of the receipt proving the property tax payment for the _____ year has been paid in full.

Recipient Signature_____
Print Name_____
Date**INTERNAL USE ONLY**

BRAIP Approved by Council on _____

Approved Rebate for the _____ year at \$ _____

Authorized by: _____
(Print Name)_____
Signature_____
Date

5513 - 48 Avenue, Cold Lake, AB • T9M 1A1 • Ph: 780-594-4494 • Fax: 780-594-3480

Information on this form is collected for the sole use of the City of Cold Lake and is protected under the authority of the Freedom of Information and Protection of Privacy Act, Sec. 33 (c) which regulates the collection, use and disclosure of personal information.

Form 12-30-06

Ref: Policy 120-FN-10

Page 1 of 1



STAFF REPORT

Title: Alberta Mid-Sized Cities Mayors' and CAOs' Caucus - September 2019 Meeting

Meeting Date: September 17, 2019

Executive Summary:

Verbal update by CAO Nagoya and Mayor Copeland on the Alberta Mid-Sized Cities Mayors' and CAOs' Caucus - September 2019 meeting which was held in Lethbridge, Alberta September 11-13, 2019.

Background:

Alternatives:

Recommended Action:

Type the recommendation here

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer

Alberta Mid-sized Cities Mayors' and CAOs' Caucus

Wednesday, Sept. 11, Thursday, Sept. 12 and Friday, Sept. 13, 2019

Galt Museum & Archives, Lethbridge, AB

AGENDA *(as of Friday, Sept. 6th, 2019)*

WEDNESDAY, September 11, 2019 <i>for those who arrive early</i>	
1:00 – 6:00 pm	GOLF – Paradise Canyon (pre-registered)
8:00 – 9:00 pm	MEETING: Review and Analysis of Blue Ribbon Panel Report LOCATION: Sandman Signature Hotel (ANTON'S - main floor)

THURSDAY, September 12, 2019	
8:05 – 8:30 am	<i>Registration, coffee & continental</i>
8:30 – 9:00 am	Blessing (Travis Plaited Hair) & Welcome Adoption of Agenda Approval of previous Minutes
9:00 – 9:45 am	The Honourable Kaycee Madu, Min. Municipal Affairs <ol style="list-style-type: none"> Impacts of Blue Ribbon Panel on AB finances on municipalities Minister's vision of working with Mid-sized Cities Mayors
10:00 – 10:15 am	<i>Health Break</i>
10:15 – 12:00 noon	IMPACTS AND PRIORITIZATION FROM BLUE RIBBON PANEL REPORT Facilitated discussion - Mayor Spearman & Cathy Kiss
12:00 – 1:00 pm	<i>LUNCH – catering by L. A. Chefs</i>
1:00 – 1:30 pm	PROVINCIAL DRUG STRATEGY <ul style="list-style-type: none"> Mayor Chris Spearman (Lethbridge)
1:30 - 2:30 pm	MID-SIZED CITIES MAYORS' AND CAOS' ADVOCACY AND BRANDING STRATEGY Facilitated discussion – Mayor Spearman & Cathy Kiss
2:30 – 3:00 pm	MORTGAGE STRESS TEST <ul style="list-style-type: none"> Mayor Chris Spearman (Lethbridge) Bridget Mearns - Presentation from BILD
3:00 – 3:15 pm	<i>Health Break</i>
3:15 – 4:00 pm	2019 AUMA CONVENTION AND RESOLUTIONS <ul style="list-style-type: none"> Mayor Barry Morishita, (Brooks), President AUMA
	4:00 pm Adjourn – Tour Buses Depart

	Thursday, September 12th (continued)
4:00 pm	BUS #1 and BUS #2 <ul style="list-style-type: none"> • 4:30 pm Sherring Industrial Park (Cavendish Plant) • 5:30 pm ATB Centre • 6:00 pm Destination Project
6:45 pm	<i>DINNER – Miro Bistro (215 – 5 Street South)</i>
8:45 pm	Walk back to hotel

FRIDAY, September 13th, 2019	
8:15 am	<i>Coffee and continental</i>
8:30 am	Welcome
8:30 – 9:00 am	Issue Discussion: Equalized Assessment <ul style="list-style-type: none"> • Mayor Tara Veer (Red Deer) <ul style="list-style-type: none"> - Red Tape Reduction • Mayor John Stewart <ul style="list-style-type: none"> - Canada Revenue Agency GST Audit implications for municipalities • Mayor Brown (Airdrie) <ul style="list-style-type: none"> - Intermunicipal Collaboration Framework Discussions Update • Mayor Stuart Houston (Spruce Grove) Mayor John Stewart (Beaumont) <ul style="list-style-type: none"> - ICFs
9:45 – 10:00 am	Group Photo – Tara Grindle
10:00 - 10:15 am	<i>Health Break</i>
10:15 – 10:45 am	Issues wrap-up
10:45 – 12:00 noon	Mayor/CAO's BREAK-OUT SESSIONS
12:00 noon	<i>Departure (boxed lunches to go)</i> <i>Have a safe journey home!</i>



STAFF REPORT

Title: Animal Care and Control in Public Spaces

Meeting Date: September 17, 2019

Executive Summary:

Accountability and regulations around responsible pet owners and the placement of dog waste bag dispensers located throughout the City has prompted discussions with Council and administration respecting the approach the City should take when considering regulations on dog owners.

The purpose of the report is to engage Council in discussion on the approach to improving the health risk and personal experience in the City's public parks.

Background:

Council has raised concerns in regards to a noticeable increase in pet waste in parks and raised questions of options in helping the increasing concern.

Bylaw #535-PL-14 currently articulates the following:

6.2. No person, including an owner, shall:

6.2.1. Allow an animal under their control to defecate on public or private property, other than the property of its owner, and fail to immediately remove and clear such defecation.

The enforcement to the bylaw can be difficult for various reasons. That being said, Accountability around responsible pet owners and/or the placement of dog waste bag dispensers located throughout the municipality has prompted municipalities enact fines such as:

1. Failure to produce a plastic bag or in the opinion of a peace officer suitable means of removing dog defecation; and
2. Failure to remove any defecation left by the animal on public or private property, other than the owner's property.

A second option has been the placement of various dispensers throughout the parks in the community. The estimated cost for each dispenser is \$150 plus installation throughout the City's 35 parkettes, neighborhood parks and community parks. Restocking costs associated with the supply of pet waste bags is estimated at \$80.00



per unit. Administration would attempt coordinate this activity with the waste disposal services that is occurring for the refuse bins in the parks.

A \$15,000 budget would be reasonable to purchase and have a contractor install the dispensers at throughout the community.

Municipalities such as the MD of Bonnyville offer dispensers in some areas of the municipality. In 2012 St. Albert initiated a program where their dispensers accepted plastic shopping bags to save on the cost of stocking dispensers.

A third option use by some municipalities is offering bags to dog owners at the time of issuing annual pet licenses. Additionally, the City can inform pet owners of City issues i.e. proper depositing methods for dog owners.

At the centre on the conversation is

- ✓ what is the City's expectation on dog owners? and
- ✓ how does the City manage dog owner expectations?

Administration feels that homeowner could be more to look at their own pet waste rather than implementing municipal programs. That being said, infrastructure can help with convenience.

Alternatives:

Council may consider the following options:

1. Direct administration to prepare an amendment the Animal Care and Control By-law to include fines for failure to produce a suitable means of removing dog defecation.
2. That Council pass a motion to consider the purchase of animal waste dispensers and animal waste bags in the 2020 Budget Deliberations.
3. That Council direct administration to purchase the animal waste dispensers for the community parks throughout the community. (Administration will review current capital budget opportunities prior to Council's next meeting).
4. Receive this report titled Animal Care and Control in Public Spaces as information.

Recommended Action:

That Council's Corporate Priorities Committee make recommendation to the City Council.

Budget Implications (Yes or No):

Yes



Submitted by:
Kevin Nagoya, Chief Administrative Officer



**CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL**

A BYLAW OF THE CITY OF COLD LAKE, IN THE PROVINCE OF ALBERTA, FOR THE PURPOSE OF REGULATING ANIMAL CARE AND CONTROL WITHIN THE CITY

WHEREAS, Council deems it necessary and in the public interest to regulate the care and control of animals within the City of Cold Lake; and

AND WHEREAS the *Municipal Government Act*, RSA 2000, c. M-26 provides that Council may pass bylaws for municipal purposes respecting wild and domestic animals and activities in relation to them;

AND WHEREAS the *Municipal Government Act*, RSA 2000, c. M-26 provides that Council may by bylaw regulate, prohibit or provide for a system of licenses, permits or approvals including establishing fees for such licenses, permits and approvals;

NOW THEREFORE, by the authority of the Council of the City of Cold Lake, in the Province of Alberta, Council enacts the bylaw as follows:

SECTION 1 - TITLE

1. This Bylaw shall be cited as the "Animal Care and Control Bylaw".

SECTION 2 - DEFINITIONS

2. In this bylaw:

- 2.1. "Animal" means any animal either wild or domesticated and includes dogs, cats, and livestock, unless otherwise stated in this Bylaw.
- 2.2. "Animal Control Officer" means a Peace Officer, Bylaw Officer, a member of the RCMP or any person, firm, or corporation appointed by the Chief Administrative Officer of the City or under contract to the City to enforce the provisions of this Bylaw, and also includes a Special Constable or Peace Officer of the Alberta SPCA.
- 2.3. "Animal Control Tribunal" means the Council of the City of Cold Lake which shall hear appeals relating to an animal that has been designated a Vicious Animal.
- 2.4. "Animal License" means a metal tag issued to any owner of a dog or cat upon registration of that animal with the City, and payment of an annual licensing fee.
- 2.5. "Animal Waste" means all forms of waste from animals or the treatment of animals, and includes but is not limited to, animal feces and animal carcasses.
- 2.6. "Attack" means a physical attack by an animal on another animal or human by means of biting, scratching, jumping on, knocking over, charging, or similar action, that may or may not result in physical bodily damage or damage to property (such as clothing).
- 2.7. "Bite" means a physical bite by an animal on another animal or human which may or may not result in a puncture or breaking of the skin, bleeding, broken bones, loss of flesh, bruising, any similar injury, or damage to property (such as clothing).
- 2.8. "Breeder" means any person or corporation engaged in the breeding of dogs or cats and offering the offspring for sale or trade to the general public. Breeders must be able to verify their status by providing the City proof of membership in the Canadian Kennel Club or Canadian Cat Association. Breeders must also possess a valid City business license.

- 2.9. "Cat" means any domesticated feline animal of either sex.
- 2.10. "City" means the municipal corporation of the City of Cold Lake, or the geographical area falling within the corporate limits of the City of Cold Lake, as the context requires.
- 2.11. "Dog" means any domesticated canine animal of either sex.
- 2.12. "Highway" means the same as defined in the *Traffic Safety Act Revised Statutes of Alberta 2000 Chapter T-6* and its amendments and regulations, and includes a parking lot to which the public normally is permitted access.
- 2.13. "Livestock" means any bovine, equine, porcine, ruminant animal, pigeons, rabbits, fowl, or any other animal that may be involved in a commercial or agricultural undertaking.
- 2.14. "Motor Vehicle" means the same as defined in the *Traffic Safety Act Revised Statutes of Alberta 2000 Chapter T-6* and its amendments and regulations.
- 2.15. "Muzzle" means a humane fastening or covering device of adequate strength placed over the mouth of an animal to prevent it from biting, and words "muzzled" or "muzzling" shall have a similar meaning.
- 2.16. "Off Leash Area" means an area shown in Schedule "C" that is designated by the City through visible signage, where dogs are free to run without the need of a leash or tether, though other provisions of this Bylaw still apply.
- 2.17. "Officer" means a Peace Officer, a Bylaw Officer, a member of the RCMP, or any person appointed by the Chief Administrative Officer to enforce this Bylaw, and includes an Animal Control Officer as the context may require.
- 2.18. "Owner" shall mean:
- 2.18.1. Any person or corporate body who has legal title to an animal;
- 2.18.2. Any person who possesses or harbours an animal;
- 2.18.3. Any person who suffers any animal to remain about that person's residence or premises;
- 2.18.4. Any person occupying a residence where an animal is kept, harboured, or allowed to remain;
- 2.18.5. Any person who is in temporary control of an animal; or
- 2.18.6. Any person in direct or indirect physical control of an animal; and
- 2.18.7. In the case where the owner is a dependent under the age of eighteen (18), the owner shall be that child's parent or guardian.
- 2.19. "Possession" shall mean:
- 2.19.1. Having direct or indirect physical control of an animal;
- 2.19.2. Having given physical control of an animal to another person for a period of time; or
- 2.19.3. Where one of two or more people has physical control of an animal, it shall be deemed to be in the control of each and all of them.
- 2.20. "Pound" means a place designated by the City to act as an animal shelter where animals can be placed and impounded.

- 2.21. "Pound Keeper" means a person or organization, and their employees or agents, appointed by the City to be in charge of the Pound, and the shelter and welfare of the animals kept therein, and can include an Officer.
- 2.22. "Prohibited Animal" means any animal that is prohibited from being owned or kept within the City, as indicated by Schedule "D" of this Bylaw.
- 2.23. "Provocation" means the intentional teasing, irritation, annoyance, or incitement of an animal resulting in its indignation or anger.
- 2.24. "Right of Access" means the right of an Officer to enter onto any property, excluding inside a private dwelling house, to inspect the property and determine whether a violation has occurred, or to enforce the provisions of this bylaw, including the capture of an animal running at large.
- 2.25. "Run(ning) At Large" means an animal that is found on any public property or private property without consent from the owner of that property that is not under the direct physical control of a person by means of a leash or other similar device.
- 2.26. "Service Animal" means any animal that is trained by a specialized school for service and:
- 2.26.1. is a guide dog for the blind or visually impaired;
- 2.26.2. is a guide dog for the deaf or hearing impaired?
- 2.26.3. is a special skills animal for other disabled persons which includes animals used in therapy, registered with a recognized organization for that purpose;
- 2.26.4. is a trained and certified animal used in search and rescue operations; or
- 2.26.5. is an animal owned by the RCMP or other police service that is engaged in police work.
- 2.27. "Vicious Animal" shall mean any animal which, when on or off the property of its owner:
- 2.27.1 shows or has shown a propensity, disposition, or potential to attack, bite, or injure without provocation, other animals or humans;
- 2.27.2 without provocation chases or charges any person approaching it or passing by it;
- 2.27.3 is a continuing threat of serious harm to other animals or humans; or
- 2.27.4 without provocation has attacked or bitten any animal or human.
- 2.28. "Violation Tag, Municipal" means a tag or similar document issued by the City pursuant to the Municipal Government Act R.S.A. 2000 as amended.
- 2.29. "Violation Ticket, Provincial" has the same meaning as in the Provincial Offences Act R.S.A. 2000 as amended.
- 2.30. "Working Day" means any day where the Pound is open to the public for regular business.

SECTION 3 - INTERPRETATION

- 3.1. Each provision of this bylaw is independent of all other provisions and if any provision is declared invalid for any reason by a Court of competent jurisdiction all other provisions of this bylaw remain valid and enforceable.
- 3.2. Nothing in this bylaw relieves a person from complying with the provision of any federal or provincial law or regulation, other bylaw or any requirement of any lawful permit, order or license.
- 3.3. Any heading, subheading or tables of content in this bylaw are included only for convenience, and shall not form part of this bylaw.
- 3.4. Where this bylaw refers to another Act, bylaw regulation or agency, it includes reference to any Act bylaw, regulation or agency that may be substituted therefore.
- 3.5. All schedules attached to this bylaw shall form part of this bylaw.

SECTION 4 - GENERAL AUTHORITY

- 4.1. The Chief Administrative Officer is hereby delegated the authority to
 - 4.1.1. carry out any investigations or inspections to determine compliance with this bylaw;
 - 4.1.2. take any steps or carry out any actions required to enforce this bylaw;
 - 4.1.3. take any steps or carry out any actions required to remedy any contravention of this bylaw;
 - 4.1.4. establish investigation and enforcement procedures with respect to a contravention of this bylaw;
 - 4.1.5. establish any forms for the purposes of this bylaw;
 - 4.1.6. issue licenses with such terms and conditions as deemed appropriate; or
 - 4.1.7. delegate any powers.
- 4.2. The Chief Administrative Officer may appoint any person or corporation to act as an Animal Control Officer and/or a Pound Keeper, and may set the remuneration to be paid to each.
- 4.3. Council may designate by way of resolution, any animal as a prohibited animal, and such animal shall be listed in Schedule "D" of this Bylaw.

SECTION 5 - ANIMAL LICENSING

- 5.1. Every owner of a dog or a cat that is apparently six (6) months of age or older must register their animal with the City and obtain an Animal License.
- 5.2. The owner applying for an Animal License must provide:
 - 5.2.1. Name, street address, postal address, and phone number;
 - 5.2.2. Name and description of animal to be licensed;
 - 5.2.3. A certificate acceptable to the City certifying that the dog or cat to be licensed has received a rabies vaccination within the last twelve (12) months; and
 - 5.2.4. Any other information that may be required by the City.

- 5.3. The owner must apply for a license prior to March 1st in each calendar year, for each dog or cat to be licensed, and shall pay the annual license fee outlined in Schedule "A".
- 5.4. Upon payment of the license fee, the City shall issue the owner a metal license tag on which shall be inscribed a registration number corresponding to the registration in a master database kept by the City.
- 5.5. Animal Licenses shall be valid from January 1st and expire on December 31st of each year.
- 5.6. A person or corporation who is a licensed Breeder shall notify the City of the birth of any dogs or cats and, upon that animal reaching six (6) months of age, shall register and license each dog or cat that remains in their possession.
- 5.7. An Animal License must be securely affixed to the collar of the dog or cat to which it belongs any time that animal is off the property of its owner.
- 5.8. Should an Animal License become lost for whatever reason, a new license shall be required. The replacement license shall be issued by the City upon the payment of a fee outline in Schedule "A".
- 5.9. Where a license fee required pursuant to this Bylaw has been paid by an uncertified cheque, the license:
 - 5.9.1. Is issued subject to the cheque being honoured by the bank without any mention of this condition on the license; and
 - 5.9.2. Is automatically revoked if the cheque was not honoured by the bank from which it was issued.
- 5.10. No person shall be entitled to a rebate or refund for a license issued pursuant to this Bylaw.
- 5.11. All fees for an Animal License are set out in Schedule "A".
- 5.12. No Animal License shall be required for a dog or a cat that is accompanying a person who is visiting the City, provided that they do not stay in the City in excess of thirty (30) days, the proof of which shall be on that person. All other provisions of this Bylaw shall still apply.
- 5.13. No Animal License shall be required for any animal that is brought into the City for the purposes of a competition, parade, fair, exhibition, or other similar event, provided that those animals are under the care and supervision of a competent person at all times.
- 5.14. There shall be no fee payable for an Animal License for a Service Animal, and a police service shall not be required to obtain a license for their animals.
- 5.15. No person shall use, or permit to be used, an Animal License that belongs to a different animal.
- 5.16. Any person who provides false information, or willfully misrepresents themselves on the license application is guilty of an offence.

SECTION 6 - GENERAL REGULATIONS

- 6.1. No person, including an owner, shall knowingly or unknowingly allow an animal under their control to:
 - 6.1.1. run at large within the City;

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- 6.1.2. notwithstanding, Section 6.1.1, a dog may be allowed to run off leash in areas that are clearly signed as an Off Leash Area. These areas shall be designated by Council; the signage put up by the City;
- 6.1.3. pursue or bark at any vehicle on a highway so as to constitute a nuisance;
- 6.1.4. pursue or bark at any person so as to constitute a nuisance;
- 6.1.5. enter into any parkland, playground, or other public area where signs erected by the City clearly indicate that no animals, or no dogs, are allowed;
- 6.1.6. be in a floral area of any parkland;
- 6.1.7. enter upon any cemetery;
- 6.1.8. upset any garbage container;
- 6.1.9. cause damage to any person, animal, or property;
- 6.1.10. enter any public swimming, bathing, wading pool or splash park;
- 6.1.11. bark, howl, or create noise in an excessive manner which disturbs the peace and quiet of any person in the City;
- 6.1.12. with respect to a female dog or cat in estrus or in heat, allow said animal to be on their property without securing the animal with a tether or in an enclosure, to prevent it from running at large; or
- 6.1.13. enter into any City owned facility;
- 6.1.14. notwithstanding, section 6.1.13 an animal may enter a City owned facility if it is a Service Animal, or if there is a special event at the facility and animals are permitted to be there.
- 6.2. No person, including an owner, shall:
 - 6.2.1. Allow an animal under their control to defecate on public or private property, other than the property of its owner, and fail to immediately remove and clear such defecation.
 - 6.2.2. Allow a property under their control to contain an unreasonable buildup of animal waste so as to create a nuisance or health concern.
- 6.3. The provisions of subsection 6.2 shall not apply to a Service Animal where the person in care or control of that animal has a physical disability, including visual impairment, which would prevent them from being able to clean up after their animal.
- 6.4. No person shall run a dog or dogs in a harness so as to obstruct traffic or pedestrians; and
 - 6.4.1. When operating a bicycle or other wheeled conveyance on a pathway or sidewalk, no person shall do so with an animal on a leash;
 - 6.4.2. The provisions of subsection 6.6 shall not apply to a person operating a device designed for persons with disabilities.
- 6.5. No person shall keep or harbour any livestock on non-agricultural land within the City.

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- 6.6. Notwithstanding subsection 6.7, livestock is permitted within the City if it is involved in a competition, parade, fair, exhibition, zoo, or other similar event, provided that the livestock is kept secure and under the control of a competent person at all times.
- 6.7. No person shall keep a prohibited animal, as outlined in Schedule "D" of this Bylaw.
- 6.8. Notwithstanding subsection 6.9, prohibited animals are permitted within the City if they are involved in a competition, parade, fair, exhibition, zoo, or other similar event, provided that prior written permission is obtained from the Chief Administrative Officer of the City, and the animals are kept secure and under the control of a competent person at all times.
- 6.9. No person shall keep, in or about a dwelling unit on land zoned as residential within the City, more than:
 - 6.9.1. Three (3) dogs;
 - 6.9.2. Three (3) cats;
 - 6.9.3. Where both dogs and cats are kept, a total number of five (5) animals
 - 6.9.4. Two (2) rabbits.
- 6.10. The provisions of section 6.9 shall not apply to:
 - 6.10.1. A business operating as a pet shop or pet store provided that the business possesses a valid City business license and is operating on lands zoned for that purpose;
 - 6.10.2. A Breeder provided that they possess a valid City business license and is operating on lands zoned for that purpose;
 - 6.10.3. A foster home for animals provided that they are registered with the local Humane Society or SPCA as a foster home;
 - 6.10.4. A facility for the training of certified Service Animals;
 - 6.10.5. The designated City pound or animal shelter;
 - 6.10.6. Any lands zoned as agricultural.

SECTION 7 - IMPOUNDMENT

- 7.1. Any animal caught running at large in the City is subject to seizure and impoundment at the Pound.
- 7.2. Any person may seize, using no more force than is necessary, an animal running at large, and may deliver that animal to an Officer or to the Pound.
- 7.3. Any Officer who witnesses an animal running at large may use as much force as is necessary to affect the capture of that animal, and deliver that animal to the owner, to the owner's property provided someone is there to take possession, or to the Pound.
- 7.4. With respect to the City Pound:
 - 7.4.1. Council shall designate a place to be operated as the Pound for the keeping of animals impounded pursuant to this Bylaw.

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- 7.4.2. Council may make any rules and regulations pursuant to this Bylaw that it feels is necessary for the operation of the Pound.
- 7.4.3. Where an animal is delivered to the Pound by an Officer or person, the Pound Keeper shall take custody of the animal and provide all the necessary care to ensure the animal is fed and sheltered properly.
- 7.4.4. The Pound Keeper shall take all reasonable steps to locate and contact the registered owner of the animal through the current Animal License, provided one is attached.
- 7.4.5. The Pound Keeper or Officer shall keep a registration book at the Pound in which the following information shall be recorded:
 - 7.4.5.1. Name of the owner of each animal which is impounded;
 - 7.4.5.2. Date of issue of late Animal Licenses for dogs and cats;
 - 7.4.5.3. Date impoundment for an animal;
 - 7.4.5.4. Description of the animal impounded;
 - 7.4.5.5. Sex of the animal impounded;
 - 7.4.5.6. Registration number of the animal impounded, if any;
 - 7.4.5.7. Date an animal was released to its owner;
 - 7.4.5.8. Fees, penalties, and expenses collected; and
 - 7.4.5.9. Where an animal was not collected by its owner, the date and manner of disposition, including the name, address, and telephone number of the person or institution to whom the animal was sold, adopted, or donated to.
- 7.5. Where an animal has been impounded, the owner shall have three (3) working days to reclaim the animal, and the Pound Keeper shall, subject to the provisions of this Bylaw, release such animal upon being satisfied that:
 - 7.5.1. All penalties and pound fees have been paid; and
 - 7.5.2. A valid Animal License has been obtained.
- 7.6. Notwithstanding section 7.5, if in the opinion of the Pound Keeper or Officer an animal appears to be a pure-bred animal or if it bears an obvious identification tattoo, brand, mark, tag, or license, the owner of said animal shall have ten (10) working days to reclaim the animal.
- 7.7. Any animal left at the Pound beyond the holding period identified in section 7.5 or 7.6 may be disposed of by the Pound Keeper at their discretion by:
 - 7.7.1. Selling it to any person for an amount equal to the impound, vaccination (if necessary), and licensing fees;
 - 7.7.2. Selling it to a person according to the criteria set out in an adoption program, details of which can be found in Schedule "B" of this Bylaw;
 - 7.7.3. having the animal destroyed by a qualified veterinarian in a humane manner;
 - 7.7.4. Shipping it to another animal shelter or SPCA facility for adoption purposes; or
 - 7.7.5. Shipping it to any certified educational institution for vivisection or other uses.

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- 7.8. If an animal is disposed of in accordance with section 7.7, the ownership of the animal is deemed to vest in the person or organization paying the impound fees, and any previous claim of ownership on the animal shall be deemed null and void.
- 7.9. Should an animal be suspected of being rabid, the animal shall be quarantined and dealt with in accordance with the provisions of the *Animal Health Act, Statutes of Alberta, 2007, Chapter A-40.2* and all its associated regulations.
- 7.10. The City shall not be held responsible for any animal impounded for more than three (3) working days.
- 7.11. Where an animal is sold pursuant to this Bylaw, the proceeds of the sale of the animal shall be paid to the City, unless an agreement states otherwise.

SECTION 8 - TRAPS

- 8.1. It shall be lawful for an Officer or Pound Keeper to employ the use of lure, bait, nets, sonic, tranquilizers, mechanical devices, snares, catch poles, cages, or combination of same, or any other means whatsoever for the purposes of capturing an animal running at large.
- 8.2. Private traps may be used by the public to capture nuisance animals on a person's own property, provided that such traps or trapping methods:
 - 8.2.1. Receive approval from an Officer prior to their use;
 - 8.2.2. Are of a type that ensure the humane trapping of an animal; and
 - 8.2.3. Do not cause any physical or undue emotional or psychological harm to the animal.
 - 8.2.4. No trapping takes place in temperatures below Zero (0) Degrees Celsius.
- 8.3. It shall be a serious offence to use an inhumane trap or trapping method, including leg hold traps, to capture an animal.
- 8.4. The provisions of section 8 shall not apply to:
 - 8.4.1. A provincial or federal wildlife officer fulfilling their sworn duties;
 - 8.4.2. A pest control officer employed by the City of Cold Lake; or
 - 8.4.3. A pest control worker employed by a pest control company that possesses a valid City business license.

SECTION 9 - GENERAL ANIMAL CARE AND WELFARE

- 9.1. Every person or owner who keeps an animal within the City has a duty and shall ensure that the animal is provided with the following basics:
 - 9.1.1. A clean and sanitary environment free from an unreasonable accumulation of animal waste;
 - 9.1.2. Shelter from the elements protecting the animal from injurious heat or cold;
 - 9.1.3. An adequate and appropriate supply of food and clean water; and
 - 9.1.4. The opportunity for physical movement and activity.
- 9.2. Where an Officer believes that an animal is not being provided with the basics under section 9.1, the Officer is authorized to:

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- 9.2.1. Inspect the conditions that an animal is being kept in to see if a violation occurs;
- 9.2.2. Issue a written letter to the owner of the animal directing them to rectify any substandard conditions, set a date by which those conditions must be fixed, and set a date for re-inspection;
- 9.3. Where an Officer feels that the health of an animal is in immediate jeopardy constituting an emergency situation, the Officer is authorized to:
 - 9.3.1. seize that animal from the owner or property, and immediately take it to qualified veterinarian for medical care, the costs of which shall be assessed against the owner;
 - 9.3.2. take the animal into protective impoundment at the Pound for a maximum period of five (5) days, the costs of which shall be assessed against the owner; and
 - 9.3.3. after the five (5) day period, release the animal back to the owner if arrangements have been made and all fees have been paid, or treat the animal as a normal impoundment.
- 9.4. An Officer is authorized to receive animals pursuant to an eviction, incarceration, fire, medical emergency, or similar situation. Such animals shall be taken to the Pound and if arrangements have been made and all fees paid, the animal shall be released back into the owner's custody. If no arrangements have been made the animal shall be treated as a normal impoundment.
- 9.5. No person shall keep an animal tethered on a rope, chain, or similar restraining device unless:
 - 9.5.1. The tether is of an appropriate length for the species tethered;
 - 9.5.2. The animal has unrestricted movement within the range of such tether;
 - 9.5.3. The animal cannot become entangled in a way that would cause injury or impairment to the animal;
 - 9.5.4. The animal cannot injure themselves in any way as a result of the tethering; and
 - 9.5.5. The tether does not allow the animal to go beyond its own property.
- 9.6. Notwithstanding section 9.5, any person who keeps an animal on a tether on their own property shall ensure that the tether is at minimum three (3) metres in length, provided the animal cannot go beyond its own property.
- 9.7. No person shall tether an animal on their own property using a choke chain, choke collar, pronged collar, or any other similar device when the animal is unattended.
- 9.8. No person shall:
 - 9.8.1. injure, maim, torture, abuse, or cause harm to any animal;
 - 9.8.2. intentionally kill an animal that does not belong to them;
 - 9.8.3. tease, distress, or torment an animal in an inhumane way;
 - 9.8.4. intentionally provoke an animal, inciting it to anger;

- 9.8.5. untie, let loose, or set free any animal that was secured on public or private property, causing such animal to run at large;
- 9.8.6. open any cage, gate, or similar enclosure causing an animal to run at large;
- 9.8.7. leave an animal in a vehicle where the animal could suffer, or does suffer, as a result of the weather conditions; or
- 9.8.8. leave an animal unsecured in a vehicle, including in the back of a pickup truck, allowing the animal to come into unrestricted contact with people or other animals.
- 9.8.9. for the purposes of subsections 9.8.7 and 9.8.8, the registered owner of the vehicle involved in the offence shall be guilty of the offence, unless the owner satisfies the Court that the vehicle was:
 - 9.8.9.1. not being driven or parked by the registered owner; and
 - 9.8.9.2. that the person driving or parking the vehicle at the time of the offence did so without the registered owner's expressed or implied consent.
- 9.9. No person shall allow an animal to be outside of the passenger cab of a motor vehicle on a highway, regardless of whether the vehicle is in motion or not.
- 9.10. Notwithstanding subsection 9.9, a person may place an animal outside the passenger cab of a motor vehicle, including a pickup truck or flatbed truck, provided that the animal is:
 - 9.10.1. inside a fully enclosed trailer;
 - 9.10.2. inside a topper enclosing the bed area of a truck;
 - 9.10.3. contained in a ventilated kennel or similar device that is securely fastened to the bed of the truck; or
 - 9.10.4. securely tethered in a way that the animal is not standing on bare metal, cannot jump or be thrown from the vehicle, is not in danger of strangulation or dragging, and cannot reach beyond the outside edges of the vehicle.
- 9.11. For the purposes of sections 9.9 and 9.10, the registered owner of the vehicle involved in the offence shall be guilty of the offence, unless the owner satisfies the Court that the vehicle was:
 - 9.11.1. not being driven or was not parked by the registered owner; and
 - 9.11.2. that the person driving or parking the vehicle at the time of the offence did so without the registered owner's expressed or implied consent.
- 9.12. Every owner shall ensure that any dog or cat that is over the age, or appears to be over the age of six (6) months, has an up to date rabies vaccination.

SECTION 10 - ANIMAL BITES AND ATTACKS

- 10.1. No person, including an owner, shall permit, whether intentional or unintentional, an animal under their care or control to bite or attack a person without provocation, regardless of whether the animal was on public or private property.
- 10.2. Any person is justified in using reasonable force, including destroying an animal, in order to prevent or stop an attack or bite.

- 10.3. An Officer is justified in using any force necessary, including destroying an animal, in order to prevent or stop an attack or bite.
- 10.4. Where an animal has bitten or attacked, the animal shall immediately enter a mandatory quarantine period of ten (10) days. At the discretion of an Officer, the quarantine may occur:
 - 10.4.1. at the owner's residence, subject to section 10.5;
 - 10.4.2. at the Pound; or
 - 10.4.3. at the office of a licensed veterinarian.
- 10.5. If an animal is quarantined at the residence of its owner, an Officer shall give a letter to the owner advising that the following conditions must be followed for the period of the quarantine:
 - 10.5.1. The animal must be kept indoors at all times;
 - 10.5.2. The animal may be taken outdoors to relieve itself, but it must be under the immediate supervision of a person over the age of sixteen (16), and the animal must remain on the owner's property;
 - 10.5.3. At no time is the animal allowed off the owner's property, except to be taken to a licensed veterinarian or the Pound;
 - 10.5.4. The animal cannot come into contact with any other animal or person that does not normally reside at the residence; and
 - 10.5.5. Should the animal display any signs or symptoms of rabies, mange, canine distemper, hepatitis, parvo virus, or a significant change in mood or personality, the owner shall immediately notify the Officer who issued the quarantine letter.
- 10.6. If an owner fails to abide by the conditions of section 10.5, an Officer may seize the animal and take it to the Pound or to a licensed veterinarian to be quarantined for ten (10) full days from the start of the impoundment. The owner shall be responsible for all costs associated with the impoundment.
- 10.7. If an animal quarantined at the Pound or at the office of a licensed veterinarian is found to show signs or symptoms of rabies, canine distemper, hepatitis, parvo virus, or a significant change in mood or personality including depression, dehydration, loss of appetite, or vomiting or diarrhea with or without blood, the Pound Keeper or veterinarian upon notifying the owner and the City shall have the authority to destroy the animal.
- 10.8. The owner of an animal that has bitten or attacked must, upon request from an Officer, produce proof that the animal has a valid and current rabies vaccination.
- 10.9. Where in the opinion of an Officer an animal has pursued, attacked, or bitten another animal or person, and such animal is thought to be a danger to the public, an Officer may issue a summons to the owner requiring them to appear before the Court stating:
 - 10.9.1. the date, time, and place the owner must appear; and
 - 10.9.2. requesting that the Court issue a destruction order for the animal.

SECTION 11 - VICIOUS ANIMALS

- 11.1. A vicious animal is any animal which, when on or off the property of its owner:



- 11.1.1. Shows or has shown a propensity, disposition, or potential to attack, bite, or injure without provocation, other animals or humans;
 - 11.1.2. without provocation, chases or charges any person approaching it or passing by it;
 - 11.1.3. Is a continuing threat of serious harm to other animals or humans; or
 - 11.1.4. Without provocation has attacked or bitten any animal or human.
- 11.2. An Officer, as a result of personal observations or a public complaint, may designate an animal a vicious animal by writing a letter and such letter shall:
- 11.2.1. Be hand delivered to the owner, or sent by registered mail to the last known address of the owner;
 - 11.2.2. Inform the owner the reason(s) why their animal has been designated vicious;
 - 11.2.3. Advise the owner that they must now abide by the conditions under section 11.3 of this Bylaw; and
 - 11.2.4. Advise the owner they may appeal the designation by following the provisions of section 12.4 of this Bylaw.
- 11.3. The owner of a designated vicious animal must abide by the following conditions:
- 11.3.1. Obtain and maintain in force a policy of liability insurance in a form satisfactory to the City, providing third party liability coverage in an amount no less than \$500,000 for injuries caused by the owner's vicious animal;
 - 11.3.2. Obtain a vicious animal license as outlined in Schedule A of this Bylaw, and ensure that such license is always affixed to the collar of the vicious animal;
 - 11.3.3. Ensure the rabies vaccination for the vicious animal is kept up to date;
 - 11.3.4. Ensure that when the vicious animal is on the owner's property;
 - 11.3.5. The animal is kept indoors;
 - 11.3.6. When outdoors the animal is under the immediate supervision of a person over the age of sixteen (16); and
 - 11.3.7. If the animal is outdoors and unattended, that it is secured in a pen, cage, kennel, or similar enclosure that prevents the animal from escaping off the property, and prevents a child from being able to enter the pen with the animal;
 - 11.3.8. Ensure that when the vicious animal is off the owner's property;
 - 11.3.9. The animal is under the immediate supervision and control of a person over the age of sixteen (16);
 - 11.3.10. the animal is wearing a humane muzzle that prevents it from being able to bite another animal or person; and
 - 11.3.11. the animal is on a leash or tether no longer than three (3) metres in length and of sufficient strength to ensure the animal cannot break away.

- 11.4. The provisions of subsection 11.3 shall not apply when the vicious animal is in a building or enclosure in attendance at a bona fide dog or animal show.
- 11.5. Post “Beware of Dog” signs or similar cautionary signs as the case may be, at every entrance to the owner’s property.
- 11.6. Any person or owner who believes that their animal is a vicious animal shall keep such animal in accordance with the provisions of section 11.3 of this Bylaw.
- 11.7. The owner of a Vicious Dog shall ensure that such Dog not, without provocation, chase, pursue, injure or bite a person or other domestic animal.
- 11.8. Any owner of a Vicious Dog must at all times, prevent such dog from running at large. The owner of a Vicious Dog shall notify the City if the dog is running at large.

SECTION 12 - ANIMAL CONTROL TRIBUNAL

- 12.1. The City shall create an Animal Control Tribunal to hear appeals of vicious animal designations, and Council shall appoint members to sit on the Tribunal.
- 12.2. The Tribunal shall be made up of two (2) members of Council, and the Chief Administrative Officer of the City or their designate.
- 12.3. Membership on the Tribunal for Councilors shall be for a term of two (2) years.
- 12.4. A person or owner who receives a letter designating their animal as a vicious animal shall have fourteen (14) days from the date of the designation to appeal the decision by:
 - 12.4.1. submitting a written request to the Chief Administrative Officer of the City stating the reasons for an appeal; and
 - 12.4.2. delivering the letter by mail or by hand to City Hall.
- 12.5. The CAO, or their designate, upon receiving a letter of appeal shall:
 - 12.5.1. set the date, time, and location for the Tribunal to meet within thirty (30) days of the receipt of an appeal letter;
 - 12.5.2. notify the owner or person affected in writing; and
 - 12.5.3. notify the Officer who issued the letter of the appeal.
- 12.6. When hearing an appeal, the Tribunal shall:
 - 12.6.1. Allow the City to present evidence as to why the designation was issued including:
 - 12.6.1.1. The Officer’s testimony;
 - 12.6.1.2. The testimony of any complainants, witnesses, victims, or experts;
 - 12.6.1.3. Any pictures or supporting documents; and
 - 12.6.1.4. Any other relevant evidence.
 - 12.6.2. Allow the owner or person affected to present evidence as to why the designation should be overturned, including:
 - 12.6.2.1. The owner’s testimony;

- 12.6.2.2. The testimony of any witnesses or experts;
- 12.6.2.3. Any pictures or supporting documents; and
- 12.6.2.4. Any other relevant evidence.

12.6.3. Upon hearing from all affected parties, make a decision to either:

- 12.6.3.1. uphold the original designation;
- 12.6.3.2. add, modify, or remove certain conditions of the designation;
or
- 12.6.3.3. grant the appeal and quash the designation.

12.7. The decision of the Tribunal shall be final and binding on all parties.

SECTION 13 - OBSTRUCTION

13.1. No person, whether or not that person is the owner of an animal, shall:

- 13.1.1. Remove any collar or license from an animal that does not belong to them;
- 13.1.2. Break into or break open any Pound;
- 13.1.3. Remove any animal from the Pound without the permission of the Officer;
- 13.1.4. Interfere with an Officer, or any of their assistants, who is actively trying to capture an animal running at large;
- 13.1.5. Entice an animal to run at large;
- 13.1.6. Induce an animal to enter any place where it would be safe from capture or otherwise assist an animal to avoid capture;
- 13.1.7. Falsely represent oneself as the owner of an animal so as to establish that the animal was not running at large;
- 13.1.8. Interfere with, unlock, open, or remove any cage or door on an Officer's vehicle; or
- 13.1.9. Remove or set free any animal in an Officer's vehicle.

13.2. Any person who willfully or knowingly obstructs an Officer in their duties to enforce the provisions of this Bylaw is guilty of an offence.

SECTION 14 - EXEMPTIONS

14. The provisions of this Bylaw shall not apply to:

- 14.1. An animal used by the RCMP or other police service while that animal is engaged in police work; and
- 14.2. Provincial or federal wildlife officers while fulfilling their sworn duties.

SECTION 15 - ENFORCEMENT

- 15.1. An Officer shall have a Right of Access to any property, excluding the interior of a private dwelling house, to enforce the provisions of this Bylaw.
- 15.2. For the purposes of enforcing this Bylaw, the owner, possessor, or harbourer of an animal shall provide his or her correct name and resident address to an officer

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upon demand. Failure or refusal to do so upon first demand of the officer shall constitute an offence under this Bylaw.

- 15.3. An Officer may capture and impound any animal which they believe has contravened a section of this Bylaw.
- 15.4. Where an animal cannot be captured and the owner cannot be ascertained or located, an Officer may destroy that animal.
- 15.5. The Officer shall document all efforts involved in attempting to capture the animal, and all efforts involved in attempting to find an owner. This documentation shall be kept for a period of one (1) year.
- 15.6. Where in the opinion of an Officer an animal constitutes a public nuisance as a result of excessive noise or being at large on three (3) or more occasions within one calendar year, an Officer shall issue a provincial violation ticket to the owner requiring them to appear before the Court, and;
 - 15.6.1. Stating the date, time, and place the owner must appear; and
 - 15.6.2. Requesting that the Court issue a destruction order for the animal.

SECTION 16 - OFFENCES AND PENALTIES

- 16.1. Any person or corporation that contravenes this Bylaw is guilty of an offence.
- 16.2. Any person who willfully obstructs an Officer or assault an Officer with the intent to resist or prevent the lawful arrest or detainment of themselves, another person or an animal in the exercise or performance of their duties related to this Bylaw is guilty of an offence.
- 16.3. A person who is guilty of an offence is liable, upon summary conviction, to a fine in an amount not less than that established in Schedule "E" of this Bylaw, and not exceeding Five Thousand (\$5,000.00), and to imprisonment for not more than six months for non-payment of a fine.
- 16.4. The penalty for a second offence, within a calendar year, shall be double the fine amount as indicated in Schedule "E" of this Bylaw.
- 16.5. The penalty for a third and subsequent offences, within a calendar year, shall be triple the fine amount as indicated in Schedule "E" of this Bylaw.

SECTION 17 - MUNICIPAL VIOLATION TAGS AND PROVINCIAL VIOLATION TICKETS

- 17.1. A municipal violation tag or provincial violation ticket may be issued in respect to an offence, and the violation tag or ticket must specify the fine amount established by this Bylaw for the offence;
- 17.2. The person receiving the municipal violation tag or provincial violation ticket may pay the fine amount on or before the required date, and this person shall not be prosecuted for the offence;
- 17.3. A provincial violation ticket must be paid before the date specified by the ticket;
- 17.4. A municipal violation tag must be paid within thirty (30) days of the date it was issued;
- 17.5. If a municipal violation tag has been issued, a person may, prior to the required date, request that a provincial violation ticket be issued in place of a municipal violation tag to allow that person to attend court with respect to the offence.

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17.6. If a provincial violation ticket is issued in respect to an offence:

17.6.1. The provincial violation ticket may specify the fine amount established by this bylaw for the offence;

17.6.2. The provincial violation ticket may require a person to appear in court without the alternative of making a voluntary payment;

17.7. If a provincial violation ticket specifies a fine amount, a person may make a voluntary payment equal to the fine amount specified on or before the required date, and this person shall not be prosecuted for the offence; or

17.8. If a provincial violation ticket specifies a fine amount, a person or their agent may appear in court on the required date and elect to enter a plea with respect to the offence.

SECTION 18 - EFFECT

18.1. This bylaw shall come into full force and effect immediately upon the date of its final passing.

FIRST READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 14th day of October, A.D. 2014, on motion by Councillor Vining.

**CARRIED
UNANIMOUSLY**

SECOND READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 25th day of November, A.D. 2014, on motion by Councillor Buckle, as amended.

**CARRIED
UNANIMOUSLY**

THIRD AND FINAL READING passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 25th day of November, A.D. 2014, on motion by Councillor MacDonald.

**CARRIED
UNANIMOUSLY**

Executed this 25 day of November, 2014

CITY OF COLD LAKE

MAYOR



CHIEF ADMINISTRATIVE OFFICER

CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL

Schedule “A” – Fees

Animal Licensing Fees

Dog and Cat	Basic	\$40 annually
	Neutered or Spayed	\$20 annually
Vicious Animal		\$50 annually
Service Animal		Free
Replacement of Lost or Stolen License		\$10
Transfer to new animal		Free

Impound Fees

First Day	\$40
Additional days	\$15 per day

Drop Off and Surrender Fees as determined by the Pound
Keeper

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**CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL**

Schedule "B" – Animal Adoption Program

1. Every animal kept in the Pound beyond three (3) days, not including the day of impoundment, shall be eligible to be adopted out to the public.
2. Notwithstanding section 1, if in the opinion of the Pound Keeper or Officer an animal appears to be a pure-bred animal or if it bears an obvious identification tattoo, brand, mark, tag, or license, the animal shall become eligible for adoptions after ten (10) days of impoundment.
3. The Pound Keeper shall assess each animal, and provided it has a good disposition, put each animal up for adoption.
4. At the discretion of the Pound Keeper, an animal maybe sold to a person for an adoption fee.
5. The adoption fee shall be determined by the Pound Keeper and shall be made up of:
 - (a) Any costs incurred for impoundment of the animal;
 - (b) Any costs incurred for medical treatment, including vaccinations for the animal; and
 - (c) The licensing fee for the animal.
6. Payment of the adoption fee shall transfer all ownership of the animal to the person paying the fee.
7. Included as part of the adoption fee, the person adopting the animal shall receive a valid animal license.
8. Where an animal being put up for adoption has previously been designated a vicious animal, the Pound Keeper shall:
 - (a) Inform the new owner of the requirements of section 11 of this Bylaw, ensuring that the new owner understands they must still abide by these provisions; and
 - (b) Provide the new owner's name, address, and phone number to the City's Senior Community Peace Officer.

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**CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL**

Schedule “C” – Off Leash Areas

No areas currently designated.

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**CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL**

Schedule "D" – Prohibited Animals

1. All protected or endangered animals whose possession or sale is prohibited because they are designated as protected or endangered pursuant to international, federal, or provincial law, unless the animal has been obtained in accordance with international, federal, or provincial law.
2. All dogs, other than domesticated dogs (*Canis Familiaris*) including but not limited to: wolf, coyote, fox, hyena, dingo, jackal, raccoon dog, bush dog, and any hybrid offspring of a wild dog and a domesticated dog.
3. All cats, other than domesticated cats (*Felis Catus*) including but not limited to: lion, tiger, leopard, ocelot, jaguar, puma, panther, mountain lion, cheetah, wild cat, cougar, bobcat, lynx, serval, and any hybrid offspring of a wild cat and a domesticated cat.
4. All bears.
5. All fur bearing animals of the family Mustelidae including but not limited to: weasel, marten, mink, badger, ermine, skunk, otter, pole cat, wolverine, but not including the domestic ferret (*Putorius Furo*).
6. All Procyonidae including: raccoon, kinkajou, cacomistle, cat-bear, panda, and coatimundi.
7. All carnivorous mammals of the family Viverridae including but not limited to: civet, mongoose, and genet.
8. All bats.
9. All non-human primates.
10. All squirrels.
11. All rats, including the Norway rat.
12. Reptiles (Reptilia):
 - 12.1. All Helodermatidae (Gila monster and Mexican bearded lizard);
 - 12.2. All front-fanged venomous snakes, even if de-venomized, including, but not limited to:
 - 12.2.1. All Viperidae (viper, pit viper);
 - 12.2.2. All Elapidae (cobra, mamba, krait, coral snake);
 - 12.2.3. All Atractaspididae (African burrowing asp);
 - 12.2.4. All Hydrophiidae (sea snake); and
 - 12.2.5. All Laticaudidae (sea krait).
 - 12.2.6. All venomous, mid- or rear-fanged, Duvernoy-glanded members of the family Colubridae, even if de-venomized;
 - 12.3. (Any member or hybrid offspring of the family Boidae, including but, not limited to the common or green anaconda and yellow anaconda, save and except members of the family Boidae reaching an adult length of no greater than two (2) meters;

- 12.4. Any member of the family Pythonidae, including but, not limited to the African rock python, the Indian or Burmese python, the Amethystine or scrub python, save and except members of the family Pythonidae reaching an adult length of no greater than two (2) meters;
 - 12.5. Any member of the family Varanidae, including but, not limited to the white throated monitor, the water monitor, the Komodo monitor or dragon, the Bornean earless monitor, the Nile monitor, the crocodile monitor, save and except members of the family Varanidae reaching an adult length of no greater than one (1) meter;
 - 12.6. Any member of the family Iguanidae, including the green or common iguana;
 - 12.7. Any member of the family Teiidae, including but not limited to the golden, common or black and white tegu;
 - 12.8. members of the family Chelydridae, including snapping turtle and alligator snapping turtle;
 - 12.9. All members of the order Crocodylia, including, but not limited to alligator, caiman and crocodile;
 - 12.10. All other snakes that reach an adult length larger than three meters; and
 - 12.11. All other lizards that reach an adult length larger than two meters.
13. Birds (Aves)
- 13.1. All predatory or large birds (Accipitrids, Cathartids), including but not limited to eagle, hawk, falcon, owl, vulture and condor;
 - 13.2. Anseriformes including but not limited to ducks, geese and swans;
 - 13.3. Galliformes including but not limited to pheasants, grouse, guinea fowl and turkeys; and
 - 13.4. Struthioniformes including but not limited to flightless ratites such as ostriches, rheas, cassowaries, emus and kiwis;
 - 13.5. Paragraphs (a) to (d) inclusive in subsection do not apply if the birds are kept as livestock on land zoned as agricultural.
14. Arachnida and Chilopoda
- 14.1. All venomous spiders including, but not limited to tarantula, black widow and solifugid, scorpion, save and except the exception of the following species of tarantula: Chilean Rose (*Grammostola rosea*), Mexican Red-Knee (*Brachypelma smithi*), Pink-Toed (*Avicularia avicularia*); and
 - 14.2. All venomous arthropods including, but not limited to centipede.
15. All large rodents (Rodentia), including, but not limited to gopher, muskrat, paca, groundhog, marmot, beaver, prairie dog, viscacha, and porcupine.
16. All even-toed ungulates (Artiodactyla) other than domestic sheep, including but not limited to antelope, giraffe and hippopotamus.
17. All odd-toed ungulates (Perissodactyla) other than domesticated horses (*Equus caballus*), including but not limited to zebra, rhinoceros and tapir.
18. All marsupials, including but not limited to, Tasmanian devil, bandicoot, kangaroo, wallaby, opossum, wombat, koala bear, cuscus, numbat and pigmy, sugar and greater glider.
19. Sea mammals (Cetacea, Pinnipedia and Sirenia), including but not limited to, dolphin, whale, seal, sea lion and walrus.
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20. All elephants (Proboscidea).
21. All hyrax (Hyracoidea).
22. All pangolin (Pholidota).
23. All sloth and armadillo (Edentata).
24. All insectivorous mammals (Insectivora), including armadillo (Tubulidentata), anteater, shrew, otter shrew, mole and hedgehog.
25. Gliding lemur (Dermoptera).
26. All other venomous or poisonous animals

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**CITY OF COLD LAKE
BYLAW #535-PL-14
A BYLAW REGULATING
ANIMAL CARE AND CONTROL**

Schedule "E" – Fines*

Section	Description	Fine Amount
5.1	Unlicensed animal	\$100
5.5	Expired license	\$100
5.7	Fail to affix license to collar	\$100
5.15	Use license for another animal	\$100
5.16	Provide false information	\$200
6.1.1	Allow animal to run at large	\$100
6.1.3	Allow animal to pursue/bark at vehicle	\$100
6.1.4	Allow animal to pursue/bark at person	\$100
6.1.5	Allow animal to enter into prohibited area	\$100
6.1.6	Allow animal to enter floral area	\$100
6.1.7	Allow animal to enter cemetery	\$100
6.1.8	Allow animal to upset garbage container	\$100
6.1.9	Allow animal to cause damage to a person/animal/property	\$200
6.1.10	Allow animal to enter swimming area	\$100
6.1.11	Allow animal's noise to disturb the peace	\$100
6.1.12	Fail to secure animal in heat	\$100
6.1.13	Allow animal to enter City facility	\$100
6.2.1	Allow animal to defecate on public/private property	\$100
6.2.2	Allow accumulation of animal waste	\$200
6.4	Run dogs obstructing traffic	\$200
6.4.1	Ride on pathway/sidewalk with animal on leash	\$100
6.5	Keep livestock on non-agricultural land	\$200
6.7	Keep prohibited animal	\$500
6.9	Keep more animal than permitted	\$200
8.3	Use unapproved private trap	\$200
18.3	Use inhumane trap	\$500
9.1	Fail to provide basic care	\$500
9.5	Use inappropriate tether	\$100
9.7	Use choke chain or similar on unattended animal	\$200
9.8.1	Cause harm to animal	\$500
9.8.2	Intentionally kill animal	Court
9.8.3	Torment animal	\$500
9.8.4	Provoke animal	\$100
9.8.5	Set free an animal	\$100
9.8.6	Open animal enclosure	\$100
9.8.7	Leave animal in vehicle causing suffering	\$500
9.8.8	Leave animal unsecured in vehicle	\$100
9.9	Allow animal outside of passenger cab	\$100
9.12	Fail to have up to date rabies vaccination	\$200
10.1	Animal bite/attack person	\$500
10.2	Animal bite/attack another animal	\$250
10.4	Fail to abide by quarantine	\$200
10.9	Possess animal that is a danger to the public	Court
11.3	Fail to abide by conditions of owning a vicious animal	\$500
11.7	Allow Vicious Dog to chase, pursue, injure or bite person or domestic animal	\$1000
11.8	Allow Vicious Dog to run at large	\$500
13.1.1	Remove collar/license from animal	\$100
13.1.2	Break into/open Pound	\$300
13.1.3	Remove animal from Pound	\$300
13.1.4	Interfere with an Officer/Pound Keeper	\$300
13.1.5	Entice animal to run at large	\$100
13.1.6	Induce animal to avoid capture	\$100

13.1.7	Falsely represent oneself as owner	\$100
13.1.8	Interfere with Officer's/Pound Keeper's vehicle	\$200
13.1.9	Remove animal from vehicle	\$300
13.2	Obstruct Officer/Pound Keeper	\$500
15.6	Possess animal that is a public nuisance	Court

Second offence within a calendar year: Double Fine
Amount

Third and subsequent offence within a calendar year: Triple Fine
Amount

*Any applicable Provincial Act or Regulation fines set out Provincially, shall supersede the above fines.

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STAFF REPORT

Title: Blue Ribbon Panel on Alberta's Finances

Meeting Date: September 17, 2019

Executive Summary:

This report is a briefing note to provide the Corporate Priorities Committee of Council with the recently released report and research that stemmed from the Blue Ribbon Panel on Alberta's Finances, and to facilitate any discussion the committee would like to have on the report and its contents. The Blue Ribbon Panel Report is also known as the MacKinnon report, after the panel's chair, Ms. Janice MacKinnon.

Attached are: the Blue Ribbon Panel Report and Recommendations; the Research and Analysis Support for the Blue Ribbon Panel on Alberta's Finances prepared by MNP LLP; Research and Analysis for use of the Blue Ribbon Panel on Alberta's Finances prepared by KPMG; the AUMA's Key Messages on the MacKinnon Report; and Minister Toews' mandate letter to Janice MacKinnon.

Background:

In May of 2019, the Blue Ribbon Panel on Alberta's Finances was commissioned to conduct a review of the province's finances with the goal of balancing the budget by the 2022-23 fiscal year.

The panel found that the province will need to reduce operating spending by at least \$600 million and "substantially" reduce capital spending to respond to what it describes as "... a critical financial situation that demands decisive action." The report contains analysis of a number of provincial spending areas including Health, Education through Grades K-12, Advanced Education, Public Sector Compensation, the size of the Public Sector, Capital Spending, as well as recommending a further analysis of all other provincial programs and services.

In the AUMA's initial review of the report, it states that it appreciates the intent of the report and that it will work with the RMA to support the province's fiscal goals while maintaining quality of life, sustainable and predictable municipal funding, and critical infrastructure programs. The AUMA also cautions against signals it interprets as possible justifications for "[t]ax shifting from the province to municipalities..." and additional monitoring of the delivery of municipal programs by the province.

It is anticipated that feedback will continued to be gathered and provided to the Government of Alberta by the AUMA.



Alternatives:

- The committee may wish to provide feedback to the AUMA or the Government of Alberta, or both, in regards to one or more of the discussion points raised through the report.
- The committee may accept the information provided as information at this time.

Recommended Action:

Administration recommends that the committee accept the report as information.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer



Report and Recommendations

Blue Ribbon Panel on Alberta's Finances

August 2019

Table of Contents

Executive Summary	4
Recommendations	5
Framework for the Panel's Report	9
Alberta: We have a problem.	12
Budgeting in Alberta is challenging	12
Forecasting Alberta's revenues: A continuing challenge	16
Balancing the budget by 2022-23: What will it take?	19
Addressing the spending challenge	22
Health	24
Education – K – 12	34
Advanced Education	39
Public Sector Compensation, Bargaining and Size	44
Capital Spending	51
Undertaking comprehensive program reviews	58
Enhancing Alberta's competitiveness	60
What we learned	60
What are other jurisdictions doing to improve competitiveness	62
An Alberta approach	64
Once the budget is balanced, how do we keep it that way?	66
Maintaining Balanced Budgets after 2022/23	66
Paying down Alberta's debt	70
Improving fiscal transparency	72
Monitoring Compliance with Balanced Budget rules	74
Concluding comments	74
Appendices	75
Appendix 1: Panel Terms of Reference	75
Appendix 2: Key Economic and Price Assumptions for Revenue Scenarios	76
Appendix 3: Alberta's Competitive Position	79
Appendix 4: Improving planning, transparency and financial reporting	80

Executive Summary

Alberta faces a critical financial situation that demands decisive action. At the same time, this is an opportunity for the province to look beyond just short-term quick fixes to reduce spending. It is a time to dig deeper, explore new approaches and alternatives for delivering public services, improve Alberta's competitive position, and focus on achieving a sustainable financial situation and long-term results for Albertans – all at a reasonable cost to taxpayers.

Overall, that is the conclusion of the Blue Ribbon Panel on Alberta's Finances.

The seriousness of the financial challenge is undeniable. Without decisive action, the province faces year after year of deficits and an ever-increasing debt. In order to balance the budget by 2022/23, notwithstanding the effects of both population growth and inflation, there can be no increases in government expenditures for four years and, in fact, the provincial government will actually need to reduce operating spending by at least \$600 million and substantially reduce capital spending. This is a significant challenge and will require the government to rethink how and what services are delivered. Given the volatility of Alberta's revenue, this is only a starting point. A responsible government will ultimately need to develop and sustain balanced budgets, with a cushion for uncertainties that may arise.

To address this challenge, the Panel compared Alberta's spending with other provinces and examined areas where there are the biggest opportunities for reductions. The Panel found that Alberta's spending per capita is the highest in Canada and has consistently been higher than the average of the 10 provinces over the last 25 years. And this is the most startling number: Alberta's annual expenditures would be \$10.4 billion less if its per capita spending simply matched the average of spending in Canada's three largest provinces: British Columbia, Ontario and Quebec – and we would not have a deficit. The Panel also found that, in some key areas, in spite of the higher levels of funding, the results achieved are no better and, in some cases, worse than in other provinces. To ensure success, government needs to develop and implement a plan to return to the per capita spending levels of Canada's largest provinces with a focus on achieving results.

The Panel believes there are ample opportunities for the government to bring spending in line with other provinces and, in the process, achieve better outcomes. The Panel's recommendations identify our thoughts on where those opportunities lie and what specific actions should be taken not only to achieve a balanced budget by 2022/23 but also to ensure a sustainable fiscal future for the province.

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Alberta's annual expenditures would be \$10.4 billion less if its per capita spending simply matched the average of spending in Canada's three largest provinces: British Columbia, Ontario and Quebec – and we would not have a deficit.

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Recommendations

On Health: The Panel recommends that the government should:

Recommendation 1: Empower strong, strategic leadership to transform the current health system, using other provinces as models, and engaging nurses, doctors, other health professionals, stakeholders and the public where appropriate. The goal is to establish a health system that achieves better outcomes, provides more appropriate care for Albertans, and approximates the average per capita spending of British Columbia, Ontario and Quebec.

Recommendation 2: Establish the following set of outcomes to measure Alberta's progress in transforming its health system to reflect the needs of 21st century patients and reduce costs. An external organization, independent of government, should review and report annually on Alberta's progress in closing the gap with comparator provinces on these outcomes.

TABLE 12: KEY INDICATORS FOR ALBERTA HEALTH AND ALBERTA HEALTH SERVICES

Measure of Performance	AB	BC	ON	QC	Notes
Provincial Per Capita Spending on Health Care					
Total - Nominal	\$ 5,077	\$ 4,267	\$ 4,080	\$ 4,370	CIHI data; 2018-19 forecast
Hospital	\$ 1,964	\$ 1,941	\$ 1,471	\$ 1,547	
Physician	\$ 1,178	\$ 943	\$ 1,000	\$ 966	
Drugs	\$ 382	\$ 221	\$ 400	\$ 297	
Total – Age – Gender Standardized	\$ 5,312	\$ 3,836	\$ 3,706	\$ 3,643	CIHI data; 2016 calendar year
Physicians					
APP (Alternative Payment Plans) payments as a % of total physician payments	13%	20%	36%	20%	CIHI data; National Physician Database 2016-2017
Acute Care					
Patients readmitted to Hospital	9.0%	9.7%	9.2%	8.9%	CIHI data; 2017-2018
Percentage of care in hospitals that could be provided in a more appropriate care setting (% of hospitalization days)	18.3%	13.0%	14.6%	N/A	CIHI data; Number of hospitalizations and alternate level of care (ALC) cases, and length of stay (LOS) days, by province/territory, HMDB/OMHRS, 2017-2018
Median number of days hospital stay extended until home care services or supports ready	11	7	7	N/A	CIHI data; 2017-2018
Ambulatory Care Sensitive Condition Hospitalization Rates, per 100,000	338	294	314	332	CIHI data; 2017-2018
Cost of a Standard Hospital Stay	\$ 7,983	\$ 6,539	\$ 5,460	\$ 5,839	CIHI data; 2017-2018

TABLE 12: KEY INDICATORS FOR ALBERTA HEALTH AND ALBERTA HEALTH SERVICES, CONTINUED

Measure of Performance	AB	BC	ON	QC	Notes
System Performance					
Percentage with access to a regular healthcare provider	83.7%	82.2%	90.3%	79.4%	Statistics Canada Table 13-10-0096-01; Health characteristics, annual estimates; 2018
Percentage of LPNs (Licensed Practical Nurses) relative to RNs (Registered Nurses)	38%	30%	47%	39%	CIHI data; 2018; per 100,000 population
Percentage of (Nurse Practitioners) NPs relative to Family Medicine Physicians ¹	9%	7%	19%	4%	Derived from CIHI and Scott's Medical Database data; 2017
Percentage of facility based beds in a community setting ²	78%	N/A	N/A	N/A	AHS Annual Report, 2017-2018
Median wait (number of weeks) from referral by GP (General Practitioner) to treatment ³	26.1	23.2	15.7	15.8	Bacchus Barua and David Jacques, with Antonia Collyer (2018). Waiting Your Turn: Wait Times for Health Care in Canada, 2018 Report. Fraser Institute. < www.fraserinstitute.org >

Recommendation 3: Make greater use of alternative service delivery for day procedures and other services that do not have to be delivered in hospitals and could be delivered in private or not-for-profit facilities. The use of alternative service delivery should be applied to other areas beyond health.

Recommendation 4: Limit the increasing cost of physician services by providing incentives for physicians to move to Alternative Payment Plans and by renegotiating the agreement with the Alberta Medical Association. Every effort should be made to achieve a negotiated agreement, but the government should also consider its legislative options.

On Education: The Panel recommends that the government should:

Recommendation 5: Work with education stakeholders to decrease the percentage of government funding that goes to administration and governance (currently 24.6%) to a level comparable to British Columbia (17%).

Recommendation 6: Completely review and revise the current education funding formula to ensure enrolment growth is addressed and to provide incentives for sharing services and achieving better education outcomes for students.

On Advanced Education: The Panel recommends that the government should:

Recommendation 7: Consult with post-secondary stakeholders to set an overall future direction and goals for the post-secondary system along with appropriate governance models.

¹ Family Medicine includes the specialties of general practice, emergency family medicine and family medicine

² Mental Health and Addictions, Continuing Care (LTC & SL) and Sub-Acute beds are considered community-based care; there is no interjurisdictional data accessible for this

³ As this measure is from third-party source it may not be a reliable measure for the AH / AHS due to limitations in the frequency of its measurement (i.e. based on a survey administered by the third-party)

Recommendation 8: Work with post-secondary stakeholders to achieve a revenue mix comparable to that in British Columbia and Ontario, including less reliance on government grants, more funding from tuition and alternative revenue sources, and more entrepreneurial approaches to how programs are financed and delivered. This includes lifting the current freeze on tuition fees.

Recommendation 9: Assess the financial viability of Alberta's post-secondary institutions. The government should move quickly to address the future of those post-secondary institutions that do not appear to be viable in future funding scenarios.

On Public Sector Compensation, Bargaining and Size: The Panel recommends that government should:

Recommendation 10: Establish a labour relations framework that creates long-term goals for compensation in line with comparable provinces.

Recommendation 11: End the freeze on non-bargaining staff with respect to providing merit/in range increases to ensure the equitable treatment of all Alberta public service employees (bargaining and non-bargaining) and support the attraction, engagement and retention of qualified staff.

Recommendation 12: Establish a legislative mandate that sets the salary levels for all public sector employees, including all fees and other compensation for insured medical and health services and all third parties, and applies to all negotiations and arbitrations. In the event of a strike, the mandate would form the basis for back-to-work legislation.

On Capital spending: The Panel recommends that the government should:

Recommendation 13: Bring Alberta's net public capital stock in line with the average per capita capital stock in the other provinces over the next ten years as part of its balanced budget plans and long-term fiscal sustainability.

Recommendation 14: Stabilize and rationalize the allocation of Capital Maintenance and Renewal (CMR) spending and give priority to CMR in the areas of greatest need in future capital expenditure decisions.

Recommendation 15: Examine its legislative framework for capital funding to municipalities with the goals of:

- aligning funding to provincial goals and priorities and fiscal capacity, while further considering funding formulas that require municipalities to share more in the costs of major projects;
- adjusting its allocation formulas for grants to municipalities in line with the policy of bringing Alberta's provincial and municipal per capita capital stock in line with the comparator provinces;
- establishing accountability mechanisms and performance measures to monitor the delivery of municipal programs and services and value for money spent, so citizens have the ability to constructively evaluate their local government and their use of tax dollars; and
- making better use of federal infrastructure funding, through the Investing in Canada Infrastructure Program (ICIP), as a means of more effectively managing the costs of the Capital Plan.

Recommendation 16: Redefine the government's inventory of land assets to include the broader public sector and create a definitive policy to clearly define surplus assets and a process for disposal of surplus assets. Providing an increased ability to core government and the broader public sector to dispose of surplus assets can act as an offset to the capital cost of new investments or provide revenue for the province.

Recommendation 17: Form a procurement council which would be a joint effort of government and business/industry to examine innovation and efficiency in the government's procurement methods. The intent would be to make it easier to do business with government, enable better access to procurement opportunities for small, medium and large Alberta businesses, and enhance the procurement capacity with government.

Recommendation 18: Refresh its policy on major procurements to look at how to achieve the best value for money for taxpayers. This should include exploring innovative partnerships, examining emerging innovations in other provinces, and reviewing success factors and programs that have worked well in the past.

On Program Review: The Panel recommends that the government should:

Recommendation 19: Undertake a comprehensive approach to a program review that includes all departments; agencies, boards and commissions; and the wider public sector. This should provide a principled and thoughtful cross-government approach to looking at the effectiveness and efficiency of government service delivery in the public interest.

On Enhancing Alberta's Competitiveness: The Panel recommends that the government should:

Recommendation 20: Work with industry and Albertans to set a compelling vision for Alberta's economic future combined with a deliberate strategy to foster an economy that creates jobs and wealth while rebuilding Alberta's reputation as the best and most responsible place to do business. The strategy should include specific steps to:

- develop, transform and empower the public service so it has the culture and capability to deliver on the economic vision and strategy established for the province
- make competitiveness and attraction a top priority and send an important signal to industry and investors that Alberta is putting out a "welcome mat" and tackling all the issues facing business, not just taxes
- work with industry and post-secondary institutions to develop a long-term plan to ensure Alberta has one of the best and most highly skilled workforces in the world
- set clear targets, measure results and report regularly on progress to improve competitiveness

On Keeping Alberta's Budget Balanced: The Panel recommends that government should:

Recommendation 21: Adopt a fiscal rule that limits the annual increases in total program spending to the projected rate of increase in total household incomes in Alberta.

Recommendation 22: Repeal the 1% rule on limits to in-year operating spending increases and replace it with a contingency amount, voted by the legislature and allocated to the Treasury Board and Finance Ministry. A transfer of funds from the contingency to a ministry would only be allowed for a public emergency or disaster or for an unanticipated priority that is clearly in the public interest and cannot be delayed to the next budget.

Recommendation 23: After the budget is balanced, build a formal buffer into its revenue forecasts through the use of a Revenue Forecast Allowance, initially set at 0.75% of revenue then increasing gradually to 1.25% over a three-year period.

Recommendation 24: Once the budget is balanced in 2022/23, introduce a legislated plan to eliminate Alberta's net debt by 2043/44.

Recommendation 25: Establish a fixed budget date.

Recommendation 26: Contract with a reputable independent agency to provide an assessment every four years of Alberta's fiscal policies, particularly regarding adherence to its fiscal framework and the long-term fiscal sustainability of the province's fiscal policies. The report should be made public four months before a scheduled election.

Framework for the Panel's Report

Alberta is at a critical juncture, with a large and growing debt and sizeable annual deficits. If a plan is developed and implemented to balance the budget over the next four years, challenging decisions will be required, but the future will be bright, with opportunities to reduce taxes and invest in new programs. Procrastinating will only worsen the problem, make the choices more difficult, and delay the time when Albertans can reap the benefits of balancing the budget.

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Procrastinating will only worsen the problem, make the choices more difficult, and delay the time when Albertans can reap the benefits of balancing the budget.
... Raising taxes is not the answer.

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Growing deficits and debt mean more and more tax dollars are spent on interest rather than on programs. In 2018/19, 3.5% of the budget was spent on interest; if present trends continue, by 2022/23 that will nearly double to 5.9% of the budget. To provide some perspective, the payments to service the debt in 2022/23 could pay for more than 30,000 teachers or 35,000 long-term care beds.

Without bold action, the debt will continue to grow, like a snowball rolling down a hill, gaining speed and size as it descends. On March 31, 2019, the debt incurred for operating and capital spending was \$60 billion, which is equivalent to \$13,773 for every Albertan. Without further action, by 2022/23 the debt will be nearly \$102 billion, which is \$22,070 for every man, woman and child in the province.

There are many current and underlying factors driving the debt and deficits. The most obvious one is that for years governments have spent more than they have collected in taxes, spending all of the province's non-renewable natural resource revenue in boom years and leaving the province with sizeable deficits when the economy slows.

In the longer term, an aging population will mean a smaller workforce and more costs for seniors' programs and health. To offset the aging workforce and other factors affecting both costs and revenues, Alberta must continue to grow its economy to retain and attract young people and strive to enhance productivity.

Albertans should be especially concerned about the fact that the province is spending more per capita than the three other large provinces on most of its programs and services but often getting poorer results. Raising taxes to find more money for the current level of programs and services is not the answer. If a family was paying more than their neighbours for having their car serviced and getting worse results, it would not simply find more money to pay the higher costs. Instead, it would find out what others were doing to get better results at a lower cost. Learning from other provinces, and changing, even transforming current programs and services, is the way forward to a sustainable fiscal future with programs that produce excellent results.

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Albertans should be especially concerned about the fact that the province is spending more per capita than the three other large provinces on most of its programs and services but often getting poorer results.

.....

In facing its current challenges, Alberta has many advantages. Albertans are hard-working, resourceful and innovative and the province is a Canadian leader in entrepreneurship. Alberta has outpaced all provinces in real Gross Domestic Product (GDP) growth over last two decades, and this growth has been widespread. In nearly all industries, Alberta's growth has exceeded the national average.

Alberta's economy is also becoming more diversified. The oil and gas share of GDP was 17% in 2018, well below the 24% share averaged over last two decades. More comprehensive indicators of diversification show that Alberta's output has become more diversified over time.

Alberta has a skilled and educated workforce, excellent infrastructure, and some of the world's most beautiful scenery that makes the province a global destination for tourism. It also has an array of social programs that provide a robust social safety net to protect the most vulnerable.

These advantages will ease the task of making the challenging decisions required to balance the budget.

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The approach should be strategic and focus on long-term results
not short-term quick fixes.

.....

The approach should be strategic and focus on long-term results not short-term quick fixes. To understand the scale of Alberta's spending, the Panel compared the province's spending and outcomes with the spending and outcomes of Canada's three other large provinces: Ontario, British Columbia and Quebec. As large provinces, all can benefit from economies of scale.

The Panel compared Alberta's spending patterns and outcomes to these three large provinces in key areas, including health, K-12 education, post-secondary education, capital spending and public sector compensation. Particular attention has been paid to health since it represents more than 40% of the government's spending. Also, Ontario and British Columbia have changed their health care systems significantly to address 21st century conditions and provide more appropriate and effective care for patients at a lower cost to taxpayers. Lessons learned from these provinces should be applied to Alberta. There are also excellent examples of other provinces using alternative delivery of health services to provide more appropriate and cost-effective care.

In the longer term, a strategic review of all major programs should occur to make programs more sustainable and to foster a culture that supports innovation, ideas and better outcomes. The Panel's report includes a section on how this could be undertaken in Alberta.

In the shorter term, spending should be reviewed to find administrative efficiencies. The government has promised to protect key front-line services, such as the fundamental services and programs in health, education, social programs, and justice. However, efficiencies in those areas can produce equal or better outcomes at a lower cost. Spending in all program areas should be reviewed, with a view to restructuring or eliminating lower priority programs and services, achieving greater efficiencies and effectiveness, and bringing Alberta's spending in line with other provinces. Other opportunities for alternative delivery of services should also be pursued.

Addressing spending is one component of balancing the budget. At the same time, Alberta has to look at measures that will grow and diversify the economy, create jobs and increase revenues over time. In the past, governments have focused on direct government investments in megaprojects or other programs that pick winners and losers to promote economic growth. In the 1990s, governments of all persuasions pivoted away from the direct government investment approach to the 21st century model of creating the right climate for investment. For example, the Romanow government in Saskatchewan reduced regulations and lowered income taxes to enhance the province's competitiveness and create jobs and opportunities. This entailed short-term costs but, in the longer term, produced enhanced business investment and helped balance the budget.

Establishing the right climate for business investment has to be a priority for Alberta. Over the years, governments have pursued policies that sent negative signals to the business community. These measures have become damagingly additive and include raising taxes on high income earners and large corporations and creating new and onerous regulations. Streamlining the regulatory burden and eliminating unnecessary red tape will encourage more investment. Also, while the current government's plan to reduce corporate tax rates will entail short-term costs, it will bring significant long-term benefits. Many of Alberta's current economic challenges are due to a lack of investment, with private investment still well below 2014 levels. Corporate tax cuts have been widely shown to boost investment, employment and earnings for workers.

Beyond immediate provincial government policies, the competitiveness of Alberta's economy relative to other provinces has to be considered. A section in the Panel's report outlines how Alberta has lost its competitive advantage and points to information and ideas that can help governments and industry develop a comprehensive strategy to promote economic growth and create new opportunities.

Ongoing efforts to attract investment and create new opportunities for Albertans will enhance the province's revenue which, in combination with spending reductions, will pave the way for a balanced budget.

As well as balancing the budget, the province should institute policies which prevent future governments from running consecutive deficits and accumulating debt. And the Alberta government should consider options to begin reducing and eventually eliminating the province's net debt. In the final section of our report, the Panel tackles this issue and describes approaches that will keep Alberta's budget balanced and pay down debt over the longer term.

Alberta: We have a problem.

The Panel reviewed extensive information about Alberta's financial situation, not only the current situation, but trends in spending and revenue over many years. The only conclusion that can be reached is that Alberta faces a critical financial situation. There is an ongoing structural imbalance between revenues and expenses in the Alberta government that represents a serious threat to the financial health of the province. Due to the fundamental changes that have taken place in energy markets over the past decade, today's fiscal crisis is arguably far worse than faced by the Alberta government in the early 1990s.

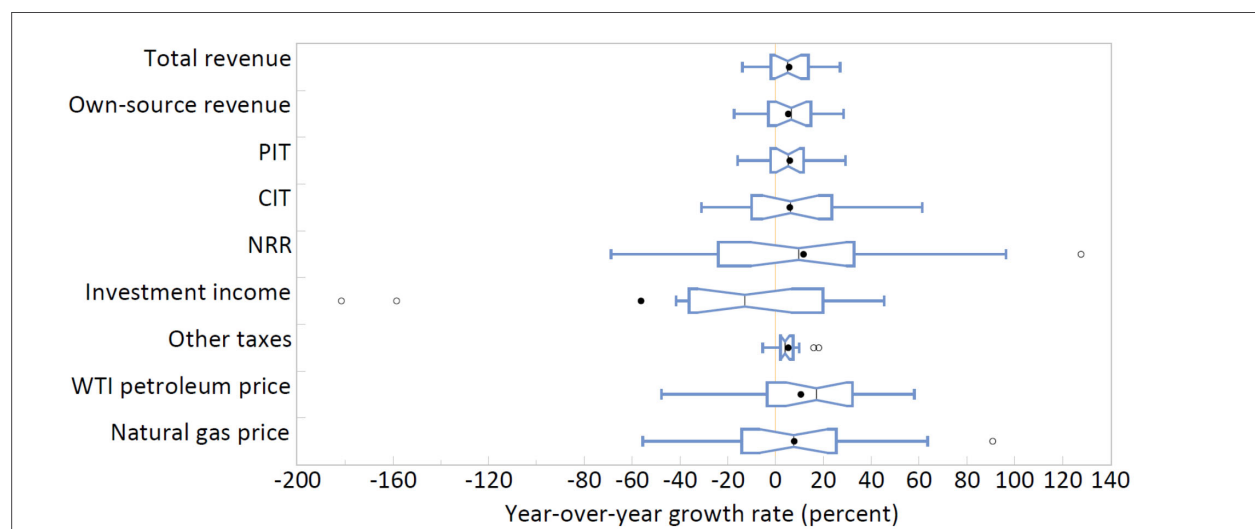
Without taking immediate and decisive action, Alberta faces year-over-year deficits for many years to come, and eventually, drastic spending cuts would be required. Left unchecked, net financial debt will grow dramatically to \$66.6 billion in 2022/23 and interest on the debt could grow to over \$3.7 billion.

Cuts around the edges won't get Alberta back to a sustainable balanced budget. The government needs to make a difficult but necessary fiscal course correction immediately to return the province to fiscal health over the medium to long term.

Budgeting in Alberta is challenging.

A budget is basically a plan outlining anticipated revenues and expenditures. In Alberta, two factors make the budget process far more complex than in other provinces. Figure 1 illustrates the tremendous volatility of Alberta's revenues by source. First and most importantly, resource revenues have historically been a larger proportion of Alberta government revenues than for other provinces. These revenues are highly variable. Since 1993, the percentage change in natural resource revenues from year to year on average has ranged from approximately -70% to +100%. Investment income, primarily from the Alberta Heritage Savings Trust Fund, and corporate income tax revenue also display significant volatility but not to the same degree as natural resource revenues.

FIGURE 1: ALBERTA'S REVENUES ARE HIGHLY VOLATILE, ESPECIALLY RESOURCE REVENUES (1998/99 – 2017/18)*



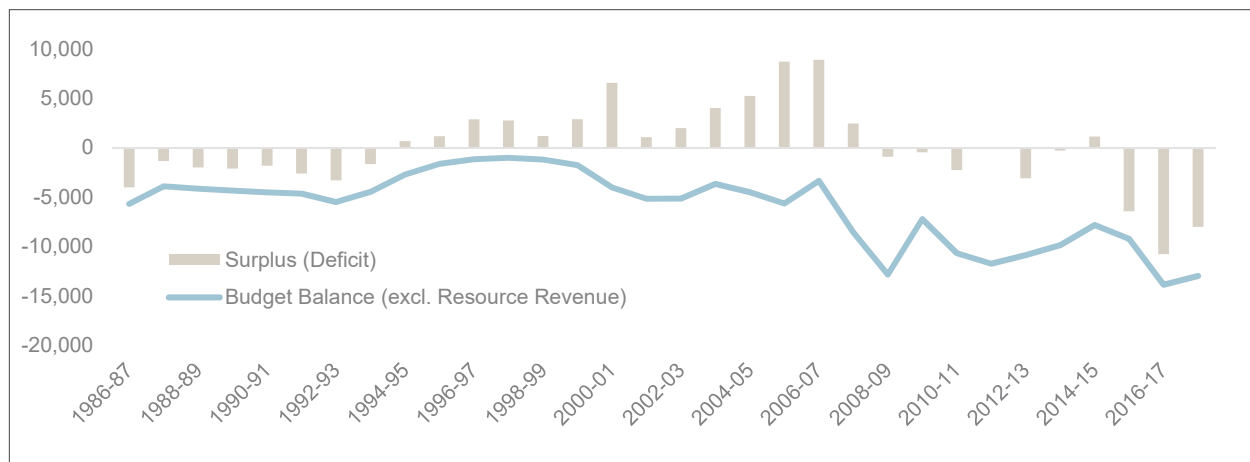
* Volatility as measured by interquartile range of percentage change in revenues.

Source: Alberta Treasury Board and Finance

Example: In 2008/09, the first quarter budget update forecast a surplus of \$8.5 billion, driven by surging natural gas royalties. But by the second quarter update, the surplus forecast declined to \$2.0 billion and by the third quarter update, the forecast was for a budget deficit of \$1.4 billion. This \$10 billion forecast budget swing was brought about in large part by a \$6.2 billion decline in energy revenues and a \$4 billion decline in investment income. While other jurisdictions were experiencing the significant impact of a global recession, Alberta's problem was even worse because of its heavy reliance on highly volatile oil and gas revenues.

Over the past four decades, provincial governments in Alberta have relied upon natural resource revenues to fund current demands for programs and services (Figure 2).

FIGURE 2: HISTORICALLY, ALBERTA GOVERNMENTS RELY HEAVILY ON RESOURCE REVENUES



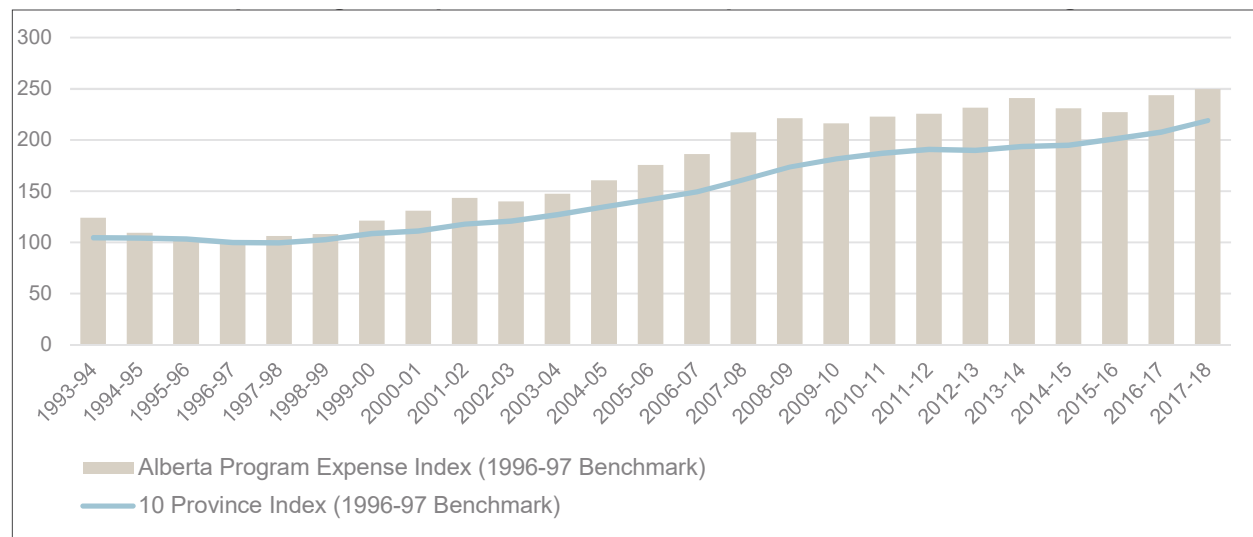
Source: Alberta Treasury Board and Finance

In the absence of natural resource revenues, budget deficits would have been the norm from 1986/87 to 2018/19. What typically happens in Alberta is that, when natural resource revenues go up, so does spending. But the reverse doesn't happen. When there are sharp declines in natural resource revenues, governments don't reduce spending to match the decline.⁴ This exacerbates the structural imbalance between revenues and expenses and leads to rapid increases in the province's debt and eventually necessitates painful fiscal adjustments.

The discipline required to manage expenditures and track spending to revenues has been weak. Because spending in Alberta typically goes up when revenues go up and does not go down when revenues drop, it's not surprising that per capita expenditures in Alberta are higher than in other provinces. Alberta's level of program expense per capita has consistently been higher than the average of the 10 provinces over the last 25 years. More recently, the gap with other provinces has grown and now stands at \$2,014 per capita in 2017/18. The gap is even larger (\$2,586) when Alberta's (relatively low) debt servicing costs are removed from the comparison across provinces. Yet as the Panel Report notes in later sections of this report, outcomes from Alberta's expenditures are often middle of the pack relative to other provinces or, in some cases, worse.

⁴ A study by Ergete Ferede (Alberta's Fiscal Responses to Fluctuations in Non-Renewable Resource Revenues, September 2018) finds that a one dollar increase in natural resource revenue is associated with a 56 cent increase in program expenses the next year.

FIGURE 3: ALBERTA'S GROWTH IN PER CAPITA SPENDING EXCEEDS THE 10-PROVINCE AVERAGE



Source: Calgary School of Public Policy: Canadian Provincial Government Budget Data (Newly Updated to 2017/18) and Statistics Canada.

* Alberta is on a pre-SUCH consolidation basis.

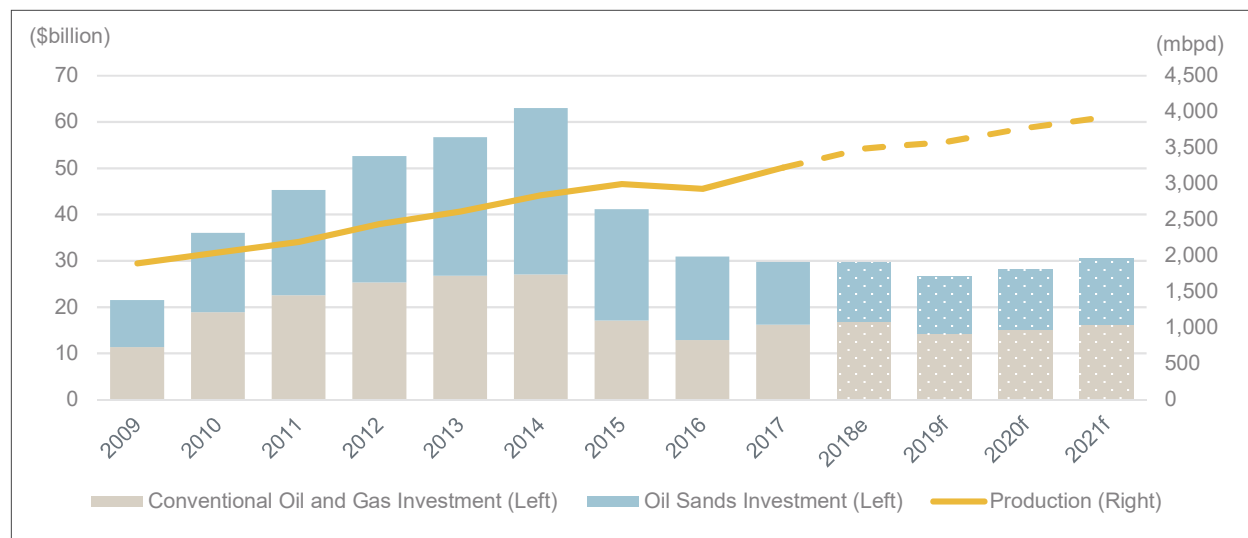
**Adjusted where possible to ensure consistency in accounting standards through time.

*** Due to differences in accounting standards across regions, data is not strictly comparable

The variability in Alberta's finances itself is complex. Sometimes the ups and downs are driven by business cycles in the economy and the actions of major oil producers such as OPEC or the United States. Sometimes the application of new disruptive technologies such as fracking and horizontal drilling has a dramatic impact on energy supplies and prices. While business cycles usually have a short-term impact on energy prices and supply, disruptive technology changes like we've seen with fracking in the United States have significant long-term impacts on supply and price.

The collapse of oil prices in late 2014 and into 2015 arguably caused the most significant provincial revenue decline in 40 years. The impact on provincial revenues and the economy was far greater than the natural gas price decline of 2008 and 2009 for three reasons. First, it was clear that the decrease in WTI (West Texas Intermediate price of oil) was longer term in nature. Oil producers had expectations of \$100 WTI during the investment boom from 2007 to 2014. The increase in shale oil production and lower oil prices led to significant declines in the expected returns from investments in the oil sector and ancillary industries. Capital investment fell dramatically as Figure 4 indicates. The fall in investment led to declines in employment and further impacted provincial revenues through falling corporate and personal income tax revenue.

FIGURE 4: ENERGY INVESTMENT DROPPED SIGNIFICANTLY IN 2015 AND HAS NOT RECOVERED



Source: Alberta Treasury Board and Finance

Second, concerns emerged regarding access to pipelines and export markets. Oilsands production increased but pipeline capacity failed to keep pace. A complex regulatory process combined with lawsuits from environmental groups hindered further pipeline investment. Legislation introduced by the federal government (Bill 69 – setting new rules for approval of future projects and Bill 48 – restricting tanker traffic on the west coast) has brought into question the future of new energy projects and introduced even more frustration and uncertainty in the industry. The increase in bitumen production put downward pressure on the price of Western Canada Select (WCS), the benchmark price for oilsands production, and widened the price differential between WTI and the price Alberta gets for its oil (WCS). The widening differential in price put further downward pressure on returns to capital invested in the oilsands and further depressed investment.

Third, we’ve seen much greater hostility by interest groups to energy developments generally, and targeted to those in Alberta specifically. The added uncertainty about public acceptance of energy projects combined with longer regulatory lags further depressed returns to capital in Alberta’s energy sector and ancillary industries.

Clearly, the task of preparing Alberta budgets in the midst of this degree of uncertainty and volatility is complex and challenging and not likely to get any simpler in the near future.

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Forecasting Alberta's revenues: A continuing challenge

As noted in the previous section, budgeting in Alberta is challenging, given the volatility on the revenue side. This begs the question: How good is the province at forecasting its revenues for budgeting purposes?

The government has a robust process for forecasting the Alberta economy and maintains a sophisticated macroeconomic model covering all sectors. It also maintains detailed models for each major revenue stream, including personal income tax, corporate tax, and resource revenue, which are updated regularly with actuals. Forecasts are based on regular consultation with the private sector and forecasts for oil prices are based on forecasts by private sector organizations with a strong understanding of oil markets. Other specific revenues are forecast by various departments and agencies.

As a result of these processes, the Alberta government is good at forecasting. Over the last 10 years, the government has ranked either #1 or #2 (out of the 13 professional forecasting organizations covering Alberta) on forecasting the core indicators of real GDP, employment growth and the unemployment rate. In fact, the government's mean forecast error on revenue has fallen to 6.6% over the last five years, literally half of what it was previously.

The elephant in the room, however, is forecasting non-renewable resource revenues (25.8% forecast error) and investment income (24.4% forecast error). Challenges with accurately forecasting these two revenue sources are not due to lack of expertise or methodology. It's because both are highly volatile and subject to a wide range of factors, many of which are beyond the province's control. In fact, the Panel found that Alberta's revenues are between three and five times more volatile than other major provinces.

While the Panel's mandate is not to opine on the make-up of revenues, to successfully manage the province's finances, steps need to be taken to increase stable sources of revenue and decrease the reliance on the volatile non-renewable resource revenues.

Status Quo Revenue Scenario

To avoid using dated information, yet wanting to provide a consistent jump off point to future periods, the Panel has taken the government's last set of medium-term fiscal estimates (2018/19 Third Quarter Update) and updated them for changes in resource pricing, exchange rates, and price differentials as well as economic factors of GDP and employment. We also have included the impact of decisions already made by the United Conservative Party (UCP) government that have an impact on revenues – specifically the reduction in the corporate income tax rate, elimination of the carbon tax and a potential Crude-by-Rail divestiture.

The Panel found that since the 2018/19 Third Quarter Update, the outlook for Alberta's economy has weakened. Real GDP growth is now projected at 1% in 2019, compared to 1.6% at Third Quarter. Canadian and global economic growth has also been revised lower.

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In spite of some hopeful signs on pipeline approvals, access to markets continues to negatively impact the resource sector and the price Alberta gets for its oil.

Employment growth is expected to slow below the Third Quarter forecast in 2018/19, and the unemployment rate is forecast to edge up. The weakness in the labour market will translate to a slowdown in housing activity and dampen growth in consumer spending.

Crude oil prices are now expected to stay lower for longer, remaining below \$70.00 US per barrel over the forecast period. Energy investment is projected to remain well below 2014 levels, while production continues to grow.

With that context and those factors considered, the Panel's revised Status Quo Outlook for Alberta's revenues is outlined below.

TABLE 1: REVISED REVENUE FORECAST (\$ MILLIONS)

Fiscal Year	2018/19 3Q	Revised Status Quo Outlook	Difference
2019/20	51,600	49,900	-1,700
2020/21	56,500	49,700	-6,800
2021/22	61,100	53,300	-7,900
2022/23	63,500	57,100	-6,400

Source: Alberta Treasury Board and Finance

Appendix 2 provides more detailed information on the assumptions built in to this revenue forecast and their impact on various sources of revenues.

Forecast Risk

A forecast, by its very nature, involves risks – factors often beyond the control of government that can have a substantial impact on whether forecasts turn out to be accurate or not. To provide some context on the potential risks to the revenue forecast, the Panel looked back at how Alberta's revenues have varied from forecasts to see if there were consistent patterns. We also developed two alternative scenarios that would have a substantial impact on Alberta's revenues.

Historically, since 2000, Alberta's actual annual revenues have been roughly 10% higher or lower than forecast. This average of a 10% deviation per year represents \$5-\$6 billion of revenues in any given year and underscores how volatile Alberta's revenues are.

To illustrate the volatility from the revised status quo case, the Panel considered two potential risk scenarios that would have a significantly negative impact on Alberta's revenues: a global recession and continued constrained market access. These scenarios are intended to show the downside risks to the current forecasts; there is always the possibility that the province's financial situation will be better than forecast if the economy and investment in Alberta grows over the next four years.

GLOBAL RECESSION SCENARIO

The impact of a global recession is estimated to reduce provincial revenues from the status quo case by \$2.8 billion in 2019/20 rising to \$4.4 billion in 2022/23.

TABLE 2: TOTAL REVENUES (\$ MILLIONS) – GLOBAL RECESSION SCENARIO

Fiscal Year	Revised status quo, base outlook	Global Recession Scenario	Difference
2019/20	49,900	47,100	-2,800
2020/21	49,700	43,900	-5,800
2021/22	53,200	47,200	-6,000
2022/23	57,100	52,700	-4,400

Source: Alberta Treasury Board and Finance

CONTINUED CONSTRAINED MARKET ACCESS SCENARIO

The second scenario – continued constrained market access – is estimated to reduce provincial revenues from the status quo case by \$100 million in 2019/20, rising to \$4.1 billion in 2022/23. While there are some hopeful signs on approval of a pipeline, there continues to be uncertainty around future projects that affect Alberta's ability to get our products to market, particularly Bills 69 and 48 introduced and approved by the federal government.

TABLE 3: TOTAL REVENUES (\$ MILLIONS) - CONSTRAINED MARKET ACCESS SCENARIO

Fiscal Year	Revised status quo, base outlook	Constrained Market Access	Difference
2019/20	49,900	49,800	-100
2020/21	49,700	49,400	-300
2021/22	53,200	51,900	-1,300
2022/23	57,100	53,000	-4,100

Source: Alberta Treasury Board and Finance

(See Appendix 2 for assumptions underlying both of the risk scenarios.)

In summary

From the Panel's review, it's clear that forecasting per se is not the problem. The problem is the province's reliance on highly volatile revenues – particularly non-renewable resource revenues – in order to set budgets and determine how much the government can afford to spend.

The final section of the Panel's report contains further recommendations on steps the government should take to address the continuing challenge of forecasting volatile revenues and minimizing the impact on budget decisions. These steps are essential in order for Alberta to sustain a balanced budget once it is achieved.

Balancing the budget by 2022-23: What will it take?

The status quo picture today

As part of its Terms of Reference, the Panel was asked to develop and provide an assessment of the Government of Alberta's business-as-usual or status quo fiscal outlook for the current year (2019/20) and the subsequent three fiscal years based on the current economic and fiscal conditions. This status quo case provides the foundation for future fiscal planning. The status quo case developed by the Panel reflects the current financial situation, updated information from the Third Quarter 2018/19 report, and decisions made by the government since the election which affect either spending or revenues.

Under the status quo projection, unless specific actions are taken, multi-billion deficits will continue through 2022/23.

Specifically, the status quo case shows that:

- The **budget deficit** in 2019/20 is estimated at \$7.7 billion, increasing to \$9.1 billion in 2020/21, before falling to \$8.1 billion in 2021/22 and \$6.2 billion in 2022/23.
- The province's **net financial debt** will continue to increase and ongoing deficits will be financed by borrowing, adding further to the net financial debt. By March 31st 2023, the status quo net financial debt is projected to reach \$66.6 billion or \$14,400 per person. This sum is \$9.7 billion higher than forecast in Third Quarter 2018-19 report.
- Consequently, annual **debt servicing charges** (the interest the province pays on its debt) are projected to almost double over the next fiscal four years, rising from \$2.0 billion in 2018/19 to \$3.7 billion, or \$800 per person in 2022/23. To put that in perspective, debt servicing costs would be higher than the operating expenses of all but four ministries: Health, Education, Advanced Education, and Community and Social Services.

TABLE 4: STATUS QUO CASE 2022/23 (IN BILLIONS) ASSUMING NO CORRECTIVE ACTIONS TAKEN

Spending	Revenues	Deficit	Net Debt	Debt Servicing
\$63.3	\$57.1	\$6.2	\$66.6	\$3.7

Given this status quo scenario, there is no question that the province faces a very significant fiscal challenge that has been developing over many years. Balancing Alberta's budget – and keeping it that way – will require difficult choices and decisions.

As the Panel's review of past experience notes, Alberta has a structural budget problem, driven primarily by the volatility of resource revenues. That said, 2016 was a watershed year. All indicators pointed to a longer-term impact on Alberta's financial situation, particularly on the revenue side. Taking action then to address continuing spending pressures would have lessened the severity of the fiscal challenge the province faces today. For example, if the government had frozen spending at \$53.1 billion in 2016/17, the budget deficit would have been \$3.2 billion lower than it was in 2018/19.

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The information the Panel reviewed is based on what we know today. There certainly are pressures the province will face that could drive the need to spend more. Emergencies like fires and floods happen. Alberta's population is aging, and that will inevitably put pressure on the health care budget. We have a growing population of school-aged children. These pressures and others we can't even anticipate today will make the choices the government must make even more difficult in the coming years. And as the previous section notes, there are serious risks that Alberta's revenue forecasts may not materialize given what's happening here in Canada and around the world.

Getting to balance

While it will be challenging, based on the Panel's review of the province's current fiscal situation and the opportunities for reducing spending outlined in the next section of the Panel's report, the Panel has concluded that the government can balance the budget by 2022/23.

Unlike the status quo case scenario described above where no corrective action is taken, the Panel's combined recommendations present a plan for eliminating deficits and setting a path towards a sustainable future.

Under a balanced budget plan, shown below in Table 5:

- **Total expense** is \$6.3 billion lower in 2022/23 than in the status quo case.
- **Operating expense** is reduced by at least \$600 million over the next four years, from \$48.4 billion in 2018/19 to \$47.8 billion in 2022/23. This is a significant challenge because it will require government not only to accommodate the effects of both population growth and inflation but also reduce spending substantially below current levels. By 2022/23, operating expense will be \$5.5 billion below what it would have grown to under the status quo case (Table 4).
- **Capital grants** (largely grants to municipalities for local capital projects) will increase moderately from 2018/19 to 2021/22. Capital grants in 2021/22 and 2022/23 are each \$500 million lower than in the current budget plan. This reduces borrowing, debt and government's deficit in 2021/22 and 2022/23.
- **Capital investment** (in buildings, highways, roads, etc.) will increase moderately from 2018/19 to 2020/21 then drop by \$500 million in each of 2021/22 and 2022/23 relative to current budget plans. This reduces borrowing and debt as government returns to a balanced budget.
- By 2022/23 when the budget is balanced, **net financial debt** is \$50.9 billion. For every Albertan, their share of net debt increases from \$6,300 in 2018/19 to \$11,000 in 2022/23.
- **Interest** charges on the debt increase from nearly \$2 billion in 2018/19, or 4.0% of total revenues, to \$3.2 billion, or 5.6% of total revenues, in 2022/23.

TABLE 5: BALANCED BUDGET PLAN SCENARIO: FISCAL SUMMARY

(\$ millions, except where noted)	2018-19 actual	2019-20	2020-21	2021-22	2022-23
Revenues	49,600	49,900	49,700	53,200	57,100
Operating Expense	48,400	48,500	48,300	48,000	47,800
Capital grants	2,000	2,100	2,200	2,300	2,000
Amortization/Inventory Consumption/ Pension Provisions	3,500	3,100	3,400	3,500	3,600
Voted Contingency (Disasters and Emergent Priorities)	500	500	500	500	500
Debt servicing costs	2,000	2,300	2,600	2,800	3,200
Total Expense	56,300	56,600	57,000	57,100	57,000
Surplus/(Deficit)	(6,700)	(6,700)	(7,200)	(3,900)	100
Capital Investment	4,200	4,300	4,600	3,800	3,200
Cash Surplus/(Deficit)	(7,500)	(7,800)	(8,500)	(4,200)	500
Primary Surplus/(Deficit)	(5,500)	(5,500)	(5,900)	(1,400)	3,700
Fiscal/Capital Plan Debt	60,000	63,100	74,400	82,200	86,100
Net Financial Debt	27,500	36,700	45,100	50,100	50,900
Net Financial Debt Per Capita	6,300	8,300	10,100	11,000	11,000
Debt Servicing Costs to Total Revenues (%)	4.0	4.7	5.2	5.2	5.6

In the starkest terms, this is the fiscal challenge the province faces. The following sections outline the Panel's views on how that challenge can be addressed.

Addressing the spending challenge

The Panel was asked to provide advice to the government on plans to balance the provincial budget by 2022/23 without raising taxes. To state the obvious, this cannot be done without addressing how much the province spends to deliver programs and services to Albertans.

As noted in the previous section, if Alberta had the average per capita spending of Canada's three largest provinces, British Columbia, Ontario and Quebec, total annual spending would have been \$10.4 billion less and Alberta would not have a deficit.

TABLE 6: COMPARISON OF ALBERTA'S PER CAPITA SPENDING

	AB	BC	ON	QC	Avg (excl. AB)
Per capita spending (2017)	\$ 13,819	\$ 10,285	\$ 10,281	\$ 13,539	\$ 11,368
Difference (versus average)	\$ 2,451	\$ (1,083)	\$ (1,088)	\$ 2,171	
Population (in millions)	4.24	4.92	14.07	8.30	
Total spending difference from average (in billions)	\$ 10.40	\$ (5.33)	\$ (15.31)	\$ 18.02	

Note: Based on 2017 data.

Source: Statistics Canada. Table 10-10-0017-01 Canadian government finance statistics for the provincial and territorial governments (x 1,000,000). Statistics Canada. Table 17-10-0005-01 Population Estimates on July 1st by Age and Sex

The significant gap in spending compared with the three comparison provinces can't be justified based on a higher cost of living in Alberta. In fact, Alberta's overall cost of living – measured by a comparison of provincial taxes and utilities in key cities in each of the provinces – is lower than the comparison provinces.

TABLE 7: 2019 INTERCITY COMPARISON OF TAXES AND UTILITIES, FAMILY @ \$75,000 TOTAL INCOME

	Calgary, AB	Vancouver, BC	Toronto, ON	Montreal, QC
Provincial Taxes				
Provincial Income Tax	\$ 2,858	\$ 2,230	\$ 1,719	\$ 4,483
Tax Credits and Rebates	(846)	-	-	(3,168)
Health Premiums	-	900	750	1,232
Sales Tax	-	1,811	2,865	3,604
Gasoline Tax	394	666	294	444
Total Provincial Taxes	\$ 2,406	\$ 5,607	\$ 5,628	\$ 6,595
Household Utility Costs				
Home Heating	\$ 735	\$ 860	968	1,577
Electricity	1,156	821	1,283	625
Telephone	361	362	378	378
Auto Insurance	3,015	2,225	5,203	1,899
Total Household Utility Cost	\$ 5,267	\$ 4,298	\$ 7,832	4,479
Total Taxes and Utilities	\$ 7,673	\$ 9,905	\$ 13,460	\$ 11,074

Note: Figures are also available at \$40,000, \$100,000 and 125,000 levels of total income

Source: Saskatchewan Provincial Budget 2019–20m pages 59 to 62

To address the spending gap and bring Alberta's spending more in line with the three comparator provinces, the Panel focused on the key areas where government spends the largest percentage of its budget. Currently, government spends more than 70% of its total operating budget in three areas: health, education and post-secondary education. In health alone, the gap between what Alberta spends and the average of the three comparator provinces is \$3.6 billion. Through a review of extensive information provided by the Government of Alberta and KPMG, the Panel focused not only on the differences in overall funding levels but also on the factors that drive costs. For example, in the case of health, that includes the cost of treating people in hospitals rather than alternative settings and the costs of physician services. In education, the funding model drives spending but does not reward outcomes or ensure that more money ends up in the classroom. In advanced education, per student costs are higher but Alberta's participation rates continue to be significantly lower than the comparison provinces.

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In health alone, the gap between what Alberta spends and the average of the three comparator provinces is \$3.6 billion.

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In all three of these areas, the Panel believes there are opportunities for restructuring in order to achieve significant savings.

The Panel also reviewed overall compensation for people working in the public sector in Alberta, primarily because these costs make up the largest percentage of spending across all areas of the public service. Finally, the Panel examined spending on capital projects including capital grants to municipalities and funding for other capital projects including buildings, roads and highways.

In terms of other aspects of provincial spending, there certainly is room for efficiencies and reductions in spending in many areas across government. As a benchmark, the government should review spending in all ministries with a view to bringing per capita spending levels in line with those of the three comparator provinces. The Panel also recommends the government undertake a comprehensive program review not only to identify savings and efficiencies but also to address bigger questions about whether programs are achieving their intended outcomes and whether there are alternative ways of delivering programs and services more effectively and at a lower cost to taxpayers.

The Panel believes that, through the approach outlined in the following sections of this report, the government can achieve a balanced budget. And it can do so in a way that actually encourages innovation, improves programs and achieves even better outcomes for Albertans.

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Health

In 2018/19, the Alberta government spent \$20.4 billion on health care, which represents 42% of the province's operating budget. Between 2008 and 2018, spending on health care increased at a faster pace than government revenue. Between 2008/09 and 2018/19 government revenue increased by 26% while health spending increased by 60% which means that health spending is taking up an ever bigger slice of total government revenues. It should be noted, however, that in the past two years, the rate of increases in spending has moderated to an average of 3.2% per year, bringing it closer to spending levels in other provinces.

In light of the size of health spending and the fact that it is increasing at a much faster rate than government revenue, balancing the budget will require restraining spending on health care and finding alternative ways of achieving better outcomes.

It should be noted that Alberta Health is responsible for policy and strategic planning and direction while Alberta Health Services (AHS) oversees the delivery and administration of health services. The Alberta government has engaged Ernst & Young to conduct a review of AHS, examining its structure and organization, evaluating its programs and services, identifying potential areas to reduce costs and improve performance, identifying opportunities to make AHS operations more responsive to front lines and Albertans, and comparing AHS to other provinces and best practices. Therefore, this report will not cover AHS.

Relative to other comparable provinces, Alberta spends more per capita on health care. Alberta spends \$5,077 per capita, while Ontario spends \$4,080, British Columbia spends \$4,267 and Quebec spends \$4,370. If Alberta spent the per capita average of Canada's three other large provinces, it would spend \$3.6 billion a year less than it currently spends on health care.

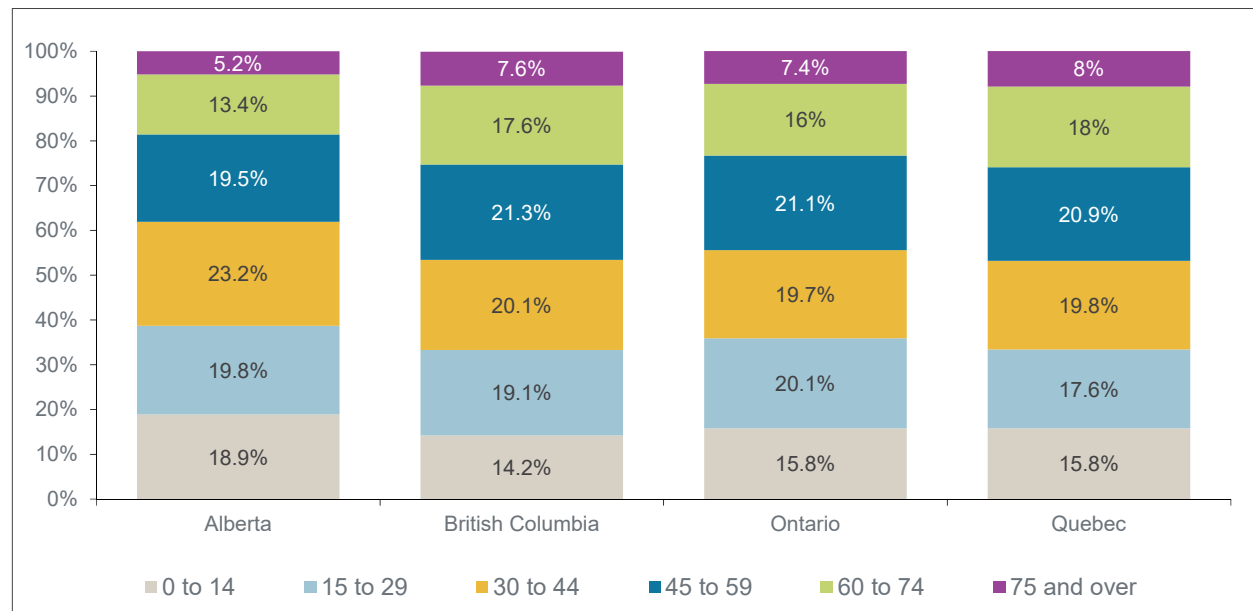
TABLE 8: ALBERTA HEALTH CARE SPENDING PER CAPITA VS OTHER PROVINCES

	AB	BC	ON	QC	Avg (excl. AB)
Health per capita spending (2018)	\$ 5,077	\$ 4,267	\$ 4,080	\$ 4,370	\$ 4,239
Difference (versus average)	\$ 838	\$ 28	\$ (159)	\$ 131	
Population (in millions)	4.31	4.99	14.32	8.39	
Total health spending difference from average (in billions)	\$ 3.61	\$ 0.14	\$ (2.28)	\$ 1.10	

Source: CIHI National Expenditure Database; values for 2018 are forecast. Statistics Canada. Table 17-10-0005-01 Population Estimates on July 1st by Age and Sex

An aging population is one factor that drives increasing health care costs; however, compared to the other big provinces, Alberta has the youngest population, with fewer people over 65. Consequently, Alberta's health care costs should be lower, not higher, than other comparable provinces.

FIGURE 5: ALBERTA'S POPULATION IS YOUNGER THAN COMPARABLE PROVINCES



Source: Population Estimates on July 1st by Age and Sex data from Statistics Canada, 2018, Table 17-10-0005-01.

A key question is: does the higher spending on health care in Alberta produce better outcomes? Various indicators of health outcomes show that while Alberta spends more on health care, its outcomes are no better and are often worse than comparable provinces.

Health indicators are a series of measures that can gauge the overall health of the population. Considering that Alberta has a younger population and spends more on health, it is striking that its health indicators are not better and sometimes worse than for comparable provinces.

TABLE 9: COMPARING HEALTH INDICATORS

	AB	BC	ON	QC
Number of family medicine physicians per 100,000 population	128	131	112	122
Number of specialists physicians per 100,000 population	119	112	112	127
Life expectancy at age 0	81.5	82.5	82.5	82.4
Infant (under 1 year old) mortality rates per 1,000 population	4.9	3.1	4.7	4.0
General mortality rates per 1,000 population	6.0	8.0	7.3	7.7
Deaths from major cardiovascular diseases per 100,000 population	195.2	174.5	163.0	150.1
Deaths from intentional self-harm (suicide) per 100,000 population	15.2	9.7	10.0	10.4
Incidence of end-stage renal disease patients per 1,000,000 population	136	207	218	n/a
Patients readmitted to hospital (percentage) within 30 days	9.0	9.7	9.2	8.9
In hospital sepsis per 1,000 population	3.8	3.2	4.3	3.2
Hospitalized heart attacks per 100,000 population	227	197	217	309

Legend: **Red** – higher than average for negative indicator and lower than average for positive indicator. **Yellow** – middle value(s) for indicator. **Green** – lower than average for negative indicator and higher than average for positive indicator. Source: CIHI data (2017 - number of physicians, in-hospital sepsis, hospitalized heart attacks, and Statistics Canada (Tables 13-10-0713-01, 13-10-0114-01, 13-10-0800-01) and Alberta population data. Fraser Institute. CIHI Scott's Medical Database 2017: Table 3.0, Table 4.0. Alberta Health completed analysis of actual spending on physicians. CIHI National Physician Database, Historical Payments and HEF Calculation

Another outcomes measure is wait times for treatment. Table 10 shows the average number of weeks that patients wait from referral by a General Practitioner (GP) until they receive treatment. Note that Albertans wait an average of 26 weeks, more than 10 weeks longer than in Ontario which has the shortest wait times.

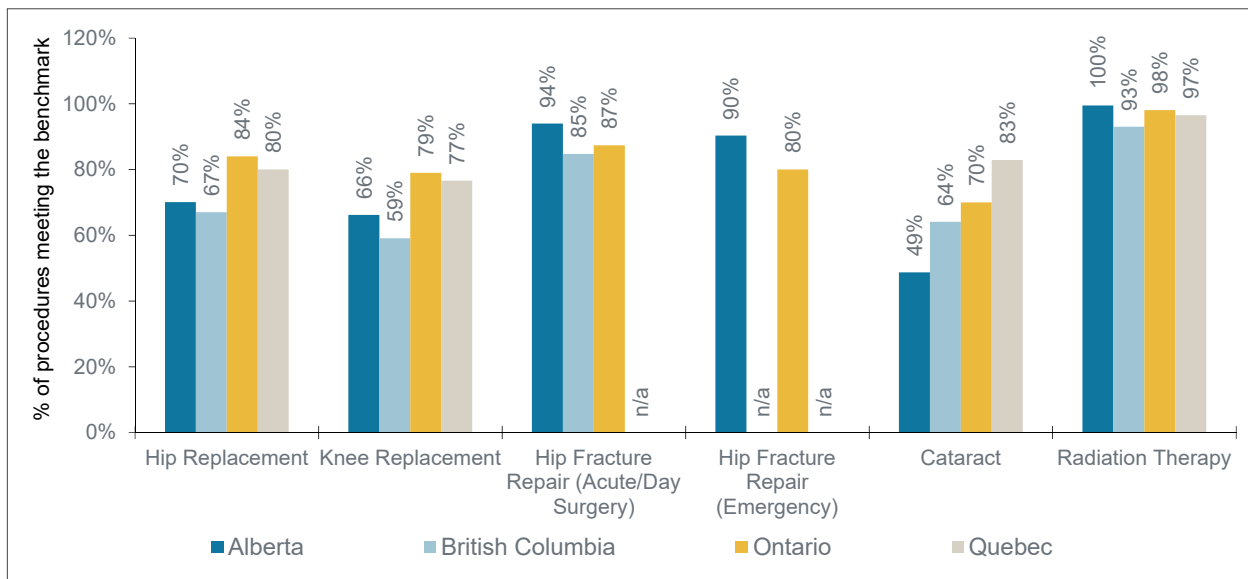
TABLE 10: WAIT TIMES FROM GP REFERRAL TO TREATMENT

	AB	BC	ON	QC
Median wait (number of weeks) from referral by GP to treatment	26.1	23.2	15.7	15.8

Source: Bacchus Barua and David Jacques, with Antonia Collyer (2018). Waiting Your Turn: Wait Times for Health Care in Canada, 2018 Report. Fraser Institute. <http://www.fraserinstitute.org>

Figure 6 shows wait times for Canada's four largest provinces as measured against benchmarks which reflect medically accepted wait times for various procedures. For radiation therapy, 100% of Alberta patients are treated within the medically accepted wait times and for hip fracture, more than 90% are treated according to benchmarks. However, for the other procedures – hip replacement, knee replacement and cataract surgery – Alberta's wait times are longer than in Ontario and Quebec, and for cataracts only 49% are treated within medically acceptable times.

FIGURE 6: ALBERTA HAS LONGER WAIT TIMES FOR SOME PROCEDURES



Note: The metrics are the percentage of time the province met with the benchmark for the procedures listed. British Columbia and Quebec had no values recorded for Hip Fracture Repair (Emergency). Quebec also had no values recorded for Hip Fracture Repair (Acute/Day Surgery.)

Source: CIHI data for wait time for procedures in Canada 2018

A major reason why Alberta spends more per person on health care than comparable provinces without getting better results is that Ontario and British Columbia have made more progress in transforming their health care systems from a 20th to a 21st century model. When Medicare was created in the 1960s and 1970s, the emphasis was on treatment and the focus was on hospitals and doctors, who were the gatekeepers to accessing services and were paid on a fee-for-service basis. Since that time, alternative and more appropriate ways to care for patients have emerged, from facilities specifically designed for chronic conditions, to home care and more emphasis has been placed on preventing illness. Similarly, many health care problems can be more appropriately treated at less cost by other health professionals, like Nurse Practitioners. Also, other provinces have moved more quickly than Alberta to find more cost-effective ways than fee for service to compensate physicians.

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A major reason why Alberta spends more per person on health care than comparable provinces without getting better results is that Ontario and British Columbia have made more progress in transforming their health care systems from a 20th to a 21st century model.

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Hospitals are the biggest expense in the health care system and the costliest place to treat and care for patients. In 2018/19, Alberta spent \$8.7 billion on hospitals, which represents 42.6% of Health's operating expense.

In many cases, patients can be more appropriately treated in community-based facilities, such as long-term care facilities or in their homes using home care, options which are significantly less costly than care in hospitals.

Relative to Ontario and British Columbia, Alberta hospitalizes more patients who could be cared for more appropriately in other settings. In Ontario, 14.6% of care in hospitals could have been provided in a more appropriate care setting, in British Columbia the number is 13%, while in Alberta the number is 18.3%.

Patients who could receive more appropriate care in another facility or setting often remain in hospitals because of a shortage of alternative care options.

For instance, in Ontario and British Columbia, the median number of days hospital stays are extended until home care services or supports are ready is seven, while in Alberta the number of days is 11. British Columbia spends 6.2% of its budget on home care while Alberta spends only 2.8% of its budget on home care.

COMPARING COSTS:

The average daily cost of a hospital bed: over \$1,000. (CIHI national average, 2016)

The average daily cost of a bed in a long-term care facility: \$203 (Alberta Health Services)

The average daily cost of home care: less than \$50 (Alberta Health Services)

As well as hospitalizing more people who could be more appropriately cared for elsewhere, Alberta keeps acute care patients in hospital longer than Ontario and British Columbia. The Age-Standardized average length of stay for acute inpatient hospitalization in days (2016/17) in Alberta was 7.7 days. By comparison, it was 7.1 days in British Columbia and 6.2 days in Ontario.

Considering that Alberta hospitalizes more people on a per capita basis who could be cared for more appropriately elsewhere and keeps acute care patients in hospital longer, it is not surprising that the cost of hospital stays is higher in Alberta. In 2017/18, the average cost of a standard hospital stay, after adjusting for the types of patients in hospital, was \$7,983 in Alberta, \$6,539 in British Columbia and \$5,460 in Ontario.

Many procedures which are performed in hospitals could be performed more appropriately and more cost effectively in other setting like private clinics. Many OECD countries that have better health outcomes than Canada rely on private clinics to deliver publicly-funded services. Clinics focus on specific procedures that can be performed more effectively and at less cost than in hospitals, which are expensive, complex and have health-care unions and associations whose contracts impose constraints on the capacity to manage hospitals efficiently and to innovate.

Clinics have been used by several provinces in Canada and, in one instance, the cost savings resulting from performing day surgeries in clinics rather than in hospitals has been quantified. Saskatchewan moved 34 day procedures from hospitals to private clinics as part of its strategy to reduce wait times, with strict conditions about quality, cost of services and standards, and in complete compliance with the Canada Health Act. A detailed costing showed that it was 26% cheaper to perform these surgeries in the clinics rather than in hospitals.

Thus, the government should increase the use of private clinics to deliver day surgeries and other procedures that do not have to be delivered in hospitals. The government should also increase the use of alternative service delivery – using not-for-profit or private facilities - for delivering other services and programs in health care and in other areas.

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Saskatchewan moved 34 day procedures from hospitals to private clinics as part of its strategy to reduce wait times, with strict conditions about quality, cost of services and standards, and in complete compliance with the Canada Health Act. A detailed costing showed that it was 26% cheaper to perform these surgeries in the clinics rather than in hospitals.

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Not all medical services need to be performed in hospitals and not all patients need to be treated by doctors or registered nurses. Ontario, whose health care system is low cost, with good outcomes and short wait times, has reduced the cost of delivering services by fully utilizing the scope of practice of health professionals (scope of practice means the responsibilities that a professional's training equips them to undertake).

The average annual salary (2018) of a Registered Nurse (RN) in Alberta is \$80,129, while the average annual salary of a Licensed Practical Nurse (LPN) is \$53,371. The scope of practice of LPNs allows them to perform some duties currently assigned to RNs. In Ontario, there are 625 RNs per 100,000 population and 304 LPNs. Alberta, which has the highest number of RNS per 100,000 population across the comparator provinces, has 744 RNs and 261 LPNs. (Table 11)

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Ontario, whose health care system is low cost, with good outcomes and short wait times, has reduced the cost of delivering services by fully utilizing the scope of practice of health professionals.

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TABLE 11: NUMBER OF RNS AND LPNS PER 100,000 POPULATION

	RNs	LPNs
Alberta	744	261
Ontario	625	304

Source: CIHI Health Workforce Data

Similarly, many of the duties performed by doctors can be assigned to Nurse Practitioners (highly qualified nurses) if their scope of practice is fully utilized. The average annual salary of a Family Medicine Physician is \$391,539 while the average salary of a Nurse Practitioner is \$92,569. The percentage of Nurse Practitioners relative to Family Medicine Physicians in Ontario is 19% while the same ratio for Alberta is only 9%. Ontario also funds Nurse Practitioners to operate their own clinics.

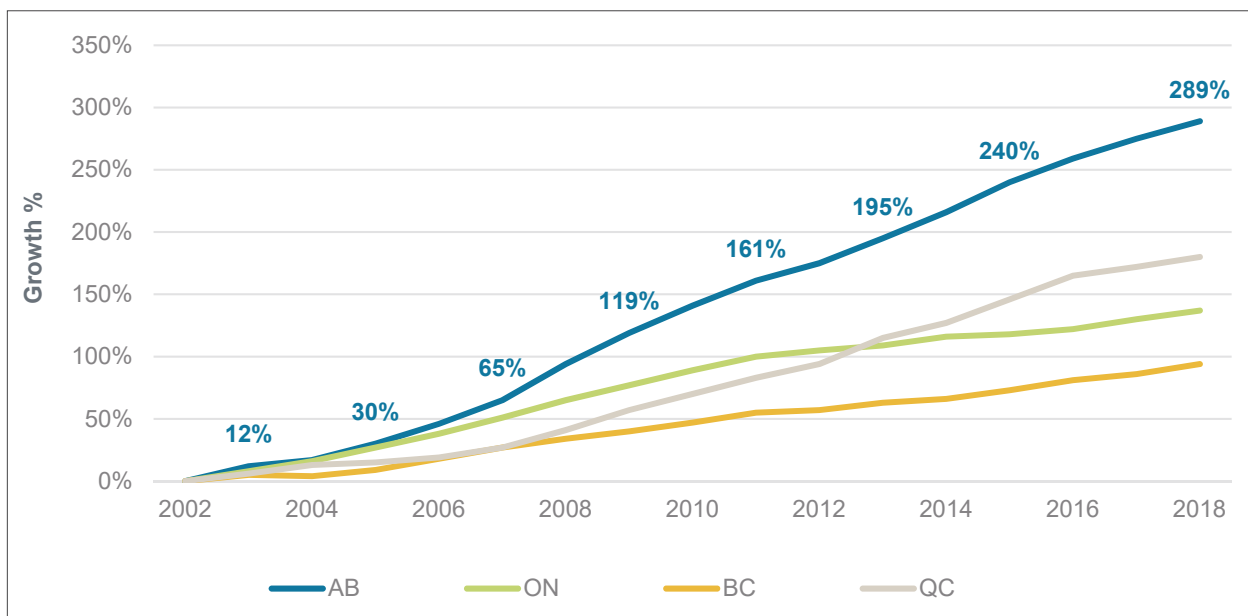
Significant savings can be achieved without affecting the quality of health care if Alberta follows the example of Ontario and allows LPNs and Nurse Practitioners to perform duties consistent with their scope of practice.

As noted in the later section on collective bargaining, the Panel also noted several constraints in the nurses' contract that limit flexibility; however, the contract does not appear to be as significant a cost driver as the agreement with Alberta's physicians.

Physician costs are the second highest expense in health care. In 2018/19, physician costs were \$5.2 billion which represented 23.3% of the health care budget.

Physician expenditure has also grown more rapidly than in other provinces. In Alberta, the growth since 2002 was close to 300% while the average of comparator provinces was 200%.

FIGURE 7: PHYSICIAN EXPENDITURES HAVE GROWN RAPIDLY SINCE 2002

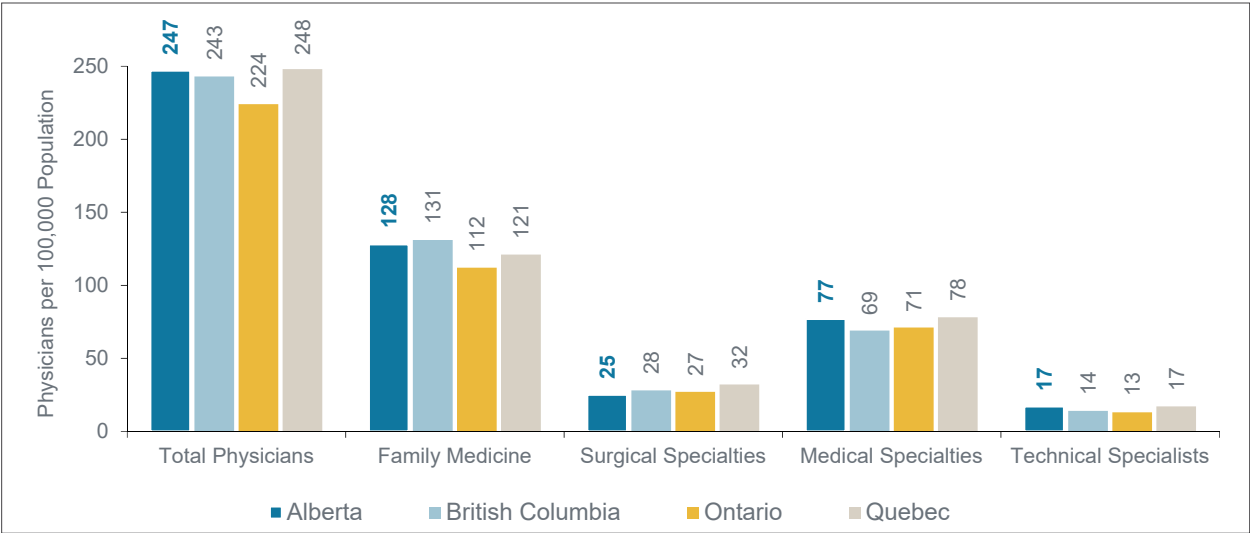


Note: Values used for 2017 & 2018 are forecasts. Comparator Average excludes Alberta.

Source: Alberta Health completed analysis of the CIHI National Health Expenditure Database.

Alberta also has one of the highest numbers of physicians per 100,000 population.

FIGURE 8: NUMBER OF PHYSICIANS IS COMPARABLE TO OR HIGHER THAN OTHER PROVINCES

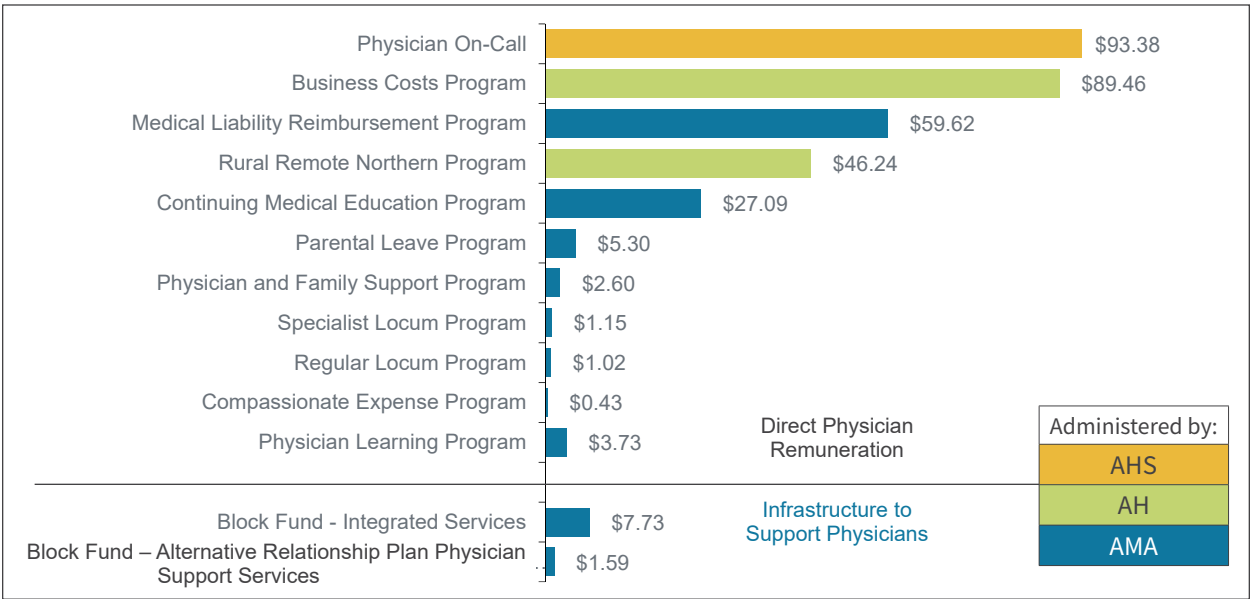


Note: Technical Specialists include Nuclear medicine, Diagnostic Radiology, Radiation Oncology and Laboratory Specialists. Medical Specialists exclude Nuclear medicine, Diagnostic Radiology, Radiation Oncology.

Source: Alberta Health completed analysis of CIHI Scott’s Medical Database 2017, Table 3.0.

Alberta also has extensive physician benefit programs which total an estimated \$336.6 million in 2019/20.

FIGURE 9: PHYSICIAN BENEFIT PROGRAMS ARE EXTENSIVE (\$ MILLIONS)



Note: All figures are in 2019-20 projected expenditures as of June 20, 2019.

Source: Alberta Health completed analysis of financial results.

A key factor driving physician costs is how physicians are paid. In Alberta, the majority of physicians are paid on a fee-for-service basis. Fee-for-service works well in clinical settings, like emergency rooms or in surgical settings, but it does not work well for an aging population with chronic conditions. Also, it is not suited to the primary health care model, where a team of health professionals – from mental health professionals to physiotherapists to nutritionists – is available to address the underlying conditions causing health problems. It is also a very expensive way to pay doctors.

In 2016/17 the average fee-for-service earning for all Alberta physicians was \$413,000. That is \$107,000 or 35% higher than the average in comparator provinces.

Alternative Payment Plans (APP) in Canada have been on the rise since 2001/02, but adoption in Alberta has been the slowest. Alberta has the lowest percentage of doctors being paid through APPs in Canada. Alberta's total APP payments as a percentage of total clinical payments grew by a modest 1.6% between 2006/07 and 2016/17. APPs as a percentage of all clinical payments is a modest 13.2% in Alberta while in Ontario, 35.7% of doctors are on APPs. It should also be noted that 92% of Ontarians have a regular family doctor, compared with 84% of Albertans who have a regular family doctor.

The higher compensation for physicians in Alberta also means that physicians from other parts of Canada migrate to Alberta and it is more difficult to move physicians to Alternative Payment Plans.

A major impediment to reducing the cost of physician services is the terms and decision-making process in the agreement between the government and the Alberta Medical Association.

The Panel learned that a number of contractual factors make it difficult to make significant changes in how physicians are paid and to effectively control increasing costs. Specifically, the Panel observed that:

- Physician payments are governed through an agreement between the Alberta Medical Association (AMA) and the Government of Alberta.
- Fee-for-service payments are determined by a Schedule of Medical Benefits, a complex and detailed listing of each and every service a physician can provide, with a fee attached. The AMA's position is that any reductions in fees paid for one type of service must be offset by increases in other areas so the total amount paid to physicians remains the same. What this means in practice is that there is no way of achieving overall savings in payments to physicians.
- A Physician Compensation Committee with membership from the AMA, Alberta Health, Alberta Health Services, and an independent chair has jurisdiction over rates paid in the Schedule of Medical Benefits, but because of the voting structure, it is very difficult to make changes unless the AMA agrees.
- A number of proposals have been brought forward (e.g. removing overhead charges for services physicians provide in hospitals, putting a daily cap on the number of physician services, or adjusting the time required to be eligible for additional funding for treating patients with complex needs) but agreement has not been achieved.
- There aren't effective incentives in place to encourage more physicians to choose Alternative Payment Plans which would not only reduce costs but also improve care for many types of patients. There also aren't effective ways of encouraging physicians to locate in places outside of the major urban centres.

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In 2016/17 the average fee-for-service earning for all Alberta physicians was \$413,000. That is \$107,000 or 35% higher than the average in comparator provinces.

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Balancing the budget requires addressing health care spending.

At 42% of Alberta's budget and with increasing costs, there is no choice but to bring spending on health in line with other provinces in order to balance the budget.

In Canada, health care spending is often reduced by controlling supply, for example, by limiting the number of health care professionals or hospital beds – a practice the Mazankowski Report on Alberta's health system called rationing. However, rationing is merely a short-term measure that leads to longer wait times. What is required in Alberta is transformational change in the way health care services are delivered and health care professionals are compensated.

To achieve fundamental change in health care the Panel recommends the following.

- **Recommendation 1:** The government should empower strong, strategic leadership to transform the current health system, using other provinces as models, and engaging nurses, doctors, other health professionals, stakeholders and the public where appropriate. The goal is to establish a health system that achieves better outcomes, provides more appropriate care for Albertans, and approximates the average per capita spending of British Columbia, Ontario and Quebec.

There are no quick fixes to curb increasing costs in health care. The system needs a major transformation, learning from other provinces and countries, implementing new and innovative approaches, and removing barriers and obstacles to change. Strong leadership and decisive action will be required but, in the longer term, the benefits to Albertans will far outweigh the short-term challenges.

- **Recommendation 2:** The following set of outcomes should be established to measure Alberta's progress in transforming its health system to reflect the needs of 21st century patients and reduce costs. An external organization, independent of government, should review and report annually on Alberta's progress in closing the gap with comparator provinces on these outcomes.

TABLE 12: KEY INDICATORS FOR ALBERTA HEALTH AND ALBERTA HEALTH SERVICES⁵

Measure of Performance	AB	BC	ON	QC	Notes
Provincial Per Capita Spending on Health Care					
Total - Nominal	\$ 5,077	\$ 4,267	\$ 4,080	\$ 4,370	CIHI data; 2018-19 forecast
Hospital	\$ 1,964	\$ 1,941	\$ 1,471	\$ 1,547	
Physician	\$ 1,178	\$ 943	\$ 1,000	\$ 966	
Drugs	\$ 382	\$ 221	\$ 400	\$ 297	
Total – Age – Gender Standardized	\$ 5,312	\$ 3,836	\$ 3,706	\$ 3,643	CIHI data; 2016 calendar year
Physicians					
APP (Alternative Payment Plans) payments as a % of total physician payments	13%	20%	36%	20%	CIHI data; National Physician Database 2016-2017
Acute Care					
Patients readmitted to Hospital	9.0%	9.7%	9.2%	8.9%	CIHI data; 2017-2018
Percentage of care in hospitals that could be provided in a more appropriate care setting (% of hospitalization days)	18.3%	13.0%	14.6%	N/A	CIHI data; Number of hospitalizations and alternate level of care (ALC) cases, and length of stay (LOS) days, by province/territory, HMDB/OMHRS, 2017-2018
Median number of days hospital stay extended until home care services or supports ready	11	7	7	N/A	CIHI data; 2017-2018

TABLE 12: KEY INDICATORS FOR ALBERTA HEALTH AND ALBERTA HEALTH SERVICES, CONTINUED

Measure of Performance	AB	BC	ON	QC	Notes
Ambulatory Care Sensitive Condition Hospitalization Rates, per 100,000	338	294	314	332	CIHI data; 2017-2018
Cost of a Standard Hospital Stay	\$ 7,983	\$ 6,539	\$ 5,460	\$ 5,839	CIHI data; 2017-2018
System Performance					
Percentage with access to a regular healthcare provider	83.7%	82.2%	90.3%	79.4%	Statistics Canada Table 13-10-0096-01; Health characteristics, annual estimates; 2018
Percentage of LPNs (Licensed Practical Nurses) relative to RNs (Registered Nurses)	38%	30%	47%	39%	CIHI data; 2018; per 100,000 population
Percentage of (Nurse Practitioners) NPs relative to Family Medicine Physicians ⁶	9%	7%	19%	4%	Derived from CIHI and Scott's Medical Database data; 2017
Percentage of facility based beds in a community setting ⁷	78%	N/A	N/A	N/A	AHS Annual Report, 2017-2018
Median wait (number of weeks) from referral by GP (General Practitioner) to treatment ⁸	26.1	23.2	15.7	15.8	Bacchus Barua and David Jacques, with Antonia Collyer (2018). Waiting Your Turn: Wait Times for Health Care in Canada, 2018 Report. Fraser Institute. < www.fraserinstitute.org >

Recommendation 3: The Panel recommends that the government make greater use of alternative service delivery for day procedures and other services that do not have to be delivered in hospitals and could be delivered in private or not-for-profit facilities. The use of alternative service delivery should be applied to other areas beyond health.

There are very good examples from other provinces and countries that can be used as a model. As outlined in the section on compensation in the public sector, considering alternative ways of delivering services should not be limited only to health care. If clear criteria are put in place (see page 53), we can ensure that quality services are provided and at an affordable price.

Recommendation 4: The government should limit the increasing cost of physician services by providing incentives for physicians to move to Alternative Payment Plans and by renegotiating the agreement with the Alberta Medical Association. Every effort should be made to achieve a negotiated agreement, but the government should also consider its legislative options.

What is required in Alberta is transformational change in the way health care services are delivered and health care professionals are compensated.

⁵ Notes:

(1) Age/gender-standardized rates are used to account for the differences in the age and gender structure of the populations being compared. The population is mathematically adjusted to have the same age and gender structure as the comparator populations.

(2) Family Medicine includes the specialties of general practice, emergency family medicine and family medicine.

(3) Mental Health and Addictions, Continuing Care (LTC & SL) and Sub-Acute beds are considered community-based care; there is no interjurisdictional data accessible for this.

(4) The 'median wait (number of weeks) from a referral by a GP to treatment' is based on a 2018 Fraser Institute report. In discussions with AH / AHS this measure may not be readily available in the future as the data source is based on a survey administered by the Fraser Institute.

⁶ Family Medicine includes the specialties of general practice, emergency family medicine and family medicine.

⁷ Mental Health and Addictions, Continuing Care (LTC & SL) and Sub-Acute beds are considered community-based care; there is no interjurisdictional data accessible for this.

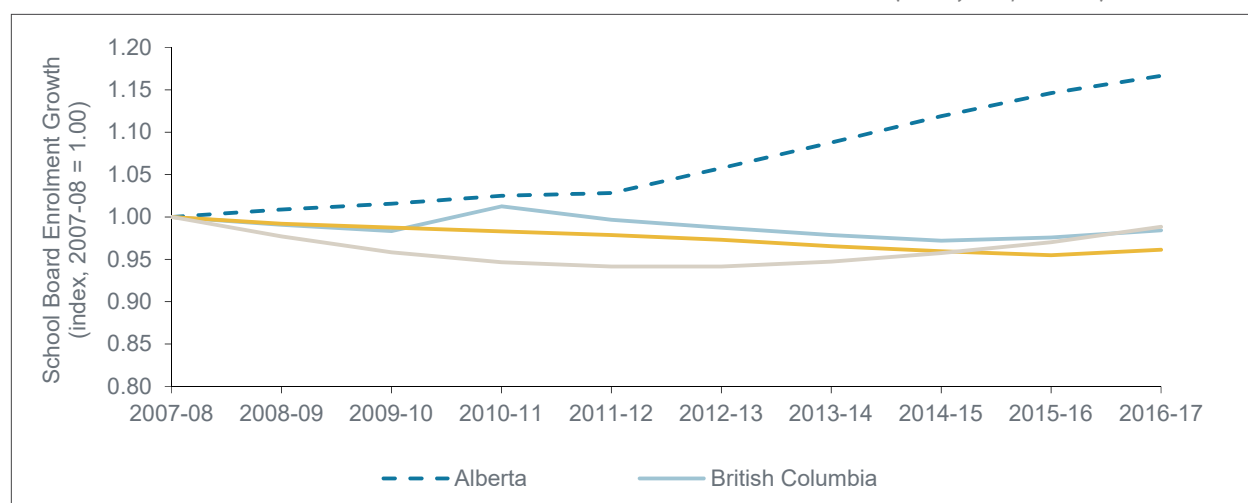
⁸ As this measure is from third-party source it may not be a reliable measure for the AH / AHS due to limitations in the frequency of its measurement (i.e. based on a survey administered by the third-party).

Education – K – 12

The provincial government spends over \$8 billion on education for children in grades K – 12. This makes education the second largest ministry expense (after Health) and accounts for close to 17% of the province's operating budget.

Over the last 10 years, Alberta Education expenditures have grown by an average of 3.5% per year while the relevant school age population (0 - 19) in the province has grown by 1.5%. Since 2007/08, enrolment in Alberta has risen by 16.7% while it has declined in the comparator provinces. In Ontario, enrolment declined by 3.9% while it dropped by 1.6% in British Columbia and 1.2% in Quebec.

FIGURE 10: ALBERTA'S SCHOOL ENROLMENT HAS GROWN MORE THAN COMPARABLE PROVINCES (INDEX, 2007/08 = 1.00)



Note: A caveat to note with Quebec enrolments is that their secondary school technically ends after Grade 11.

Source: Provincial enrolments from Statistics Canada Table 37-10-0007-01.

Alberta spends \$11,121 per student. British Columbia spends \$9,681 per student, the lowest among our comparator group, while Ontario spends \$17,077 and Quebec spends \$12,325 per student.

A review of Alberta Education expenditures indicates that 75.4 cents of every dollar spent on education is used to deliver K-12 programming while 24.6 cents is spent on supporting and administering the operations of school boards and the system. By comparison, British Columbia spends 83 cents, Ontario spends 73 cents and Quebec (K-11) spends 76 cents to deliver programs to students.

TABLE 13: EDUCATION BUDGET ESTIMATES 2018/19

% of Total Expenses / Per Student FTE Expense	AB		BC		ON		QC	
Deliver K-12 Programming	75.4%	\$8,381	83.1%	\$8,040	72.9%	\$12,444	75.8%	\$9,349
Primary to Secondary Ed	47.7%	\$5,300	65.3%	\$6,316	47.9%	\$8,174	46.8%	\$5,769
Supports for Students	15.8%	\$1,752	2.4%	\$230	12.4%	\$2,118	12.2%	\$1,509
Supports for Teachers	12.0%	\$1,330	15.4%	\$1,494	12.6%	\$2,152	16.8%	\$2,071
Supporting and Administering School Board Operations and the System	24.6%	\$2,740	16.91%	\$1,639	27.1%	\$4,632	24.18%	\$2,976
Enterprise Strategy	1.9%	\$209	0.01%	\$1	0.3%	\$50	0.08%	\$9
System Management	7.2%	\$804	1.2%	\$116	0.2%	\$39	0.5%	\$66
Enterprise Operations	15.5%	\$1,727	15.7%	\$1,522	26.3%	\$4,491	23.2%	\$2,857
Enterprise Technology	-	-	-	-	0.3%	\$52	0.4%	\$44
Total Expenditures per Student	\$11,121		\$9,681		\$17,077		\$12,325	

Note: Totals may not add up due to rounding. Consolidated views for British Columbia and Ontario do not exist; expenditures by school boards for these provinces were included using estimating assumptions. Quebec's total represents K to 11 programming.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia, Ontario and Quebec; Per student expenditures based on student data for 2017-18.

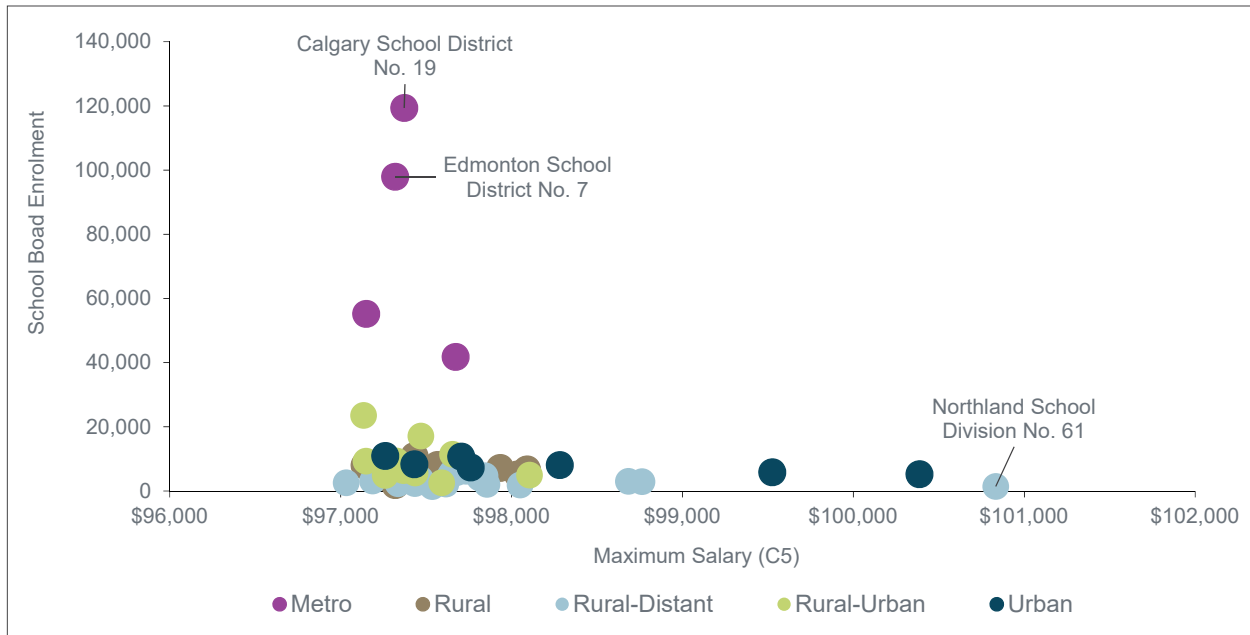
A significant component of education spending is teachers' salaries. The Panel found that the maximum teacher salaries in Alberta are comparable to those in Ontario but higher than those in British Columbia. (See page 50 for comparisons of teachers' salaries and benefits.) As Figure 11 indicates, most maximum salaries for teachers in Alberta are clustered between \$97,000 and \$98,000, with school boards in northern Alberta being outliers. There appears to be no pattern between teacher maximum salaries and enrolment.

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The level of spending by a school board is not the key factor that drives better outcomes.

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FIGURE 11: TEACHER MAXIMUM SALARIES SIMILAR ACROSS THE PROVINCE

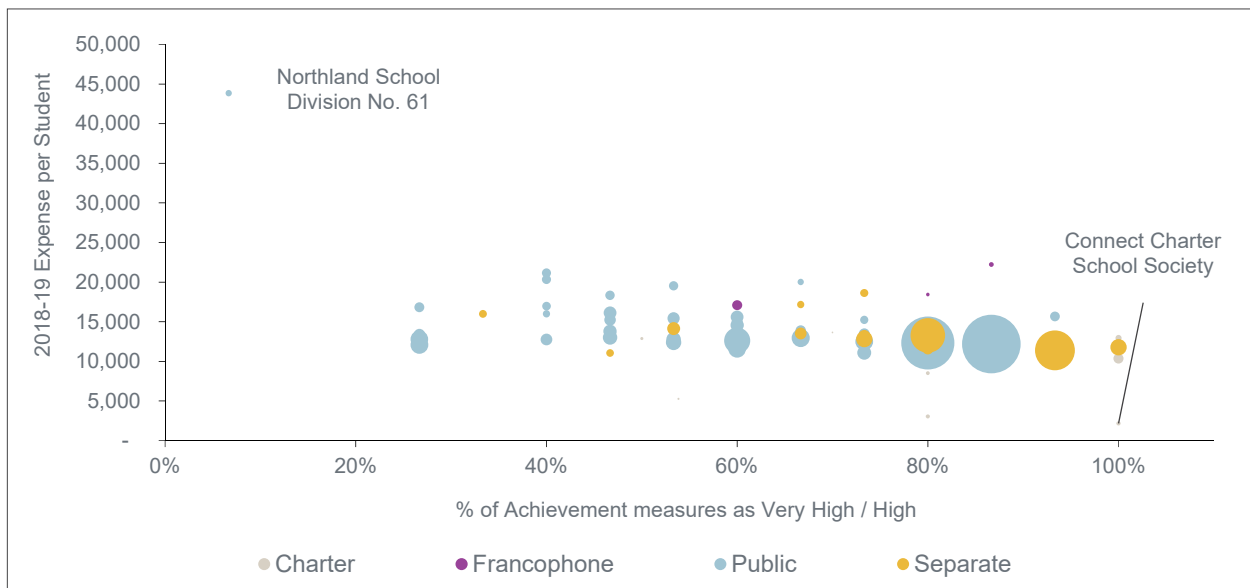


Note: Figures are based on C5 maximum salary.

Source: Teacher Salary Grids and School Board Enrolments from the Ministry of Education; School Board Enrolment from the Ministry of Education.

There are significant differences in school board performance across the province. Alberta Education uses 16 measures that make up their accountability structure. As Figure 12 indicates, the level of spending by a school board is not the key factor that drives better outcomes. A number of school boards that have very high to high expenses per student have student achievement outcomes that are below 50%.

FIGURE 12: LEVEL OF SPENDING IN SCHOOLS DOES NOT DRIVE OUTCOMES



Note: Bubble size relates to 2018-19 Enrolment. 2018-19 Expense per student is forecasted due to availability of data.

Source: Accountability Pillar Results for Annual Education Results Report (AERR) from the Ministry of Education; School Authorities Audited Financial Statements; School Board Enrolment from the Ministry of Education.

Education funding is provided to school boards through a funding formula. The current funding formula is based primarily on per student funding provided through a base grant based on enrolment. There are also a number of additional grants that provide incremental funding based on the attributes of students (e.g. grants for students with special needs).

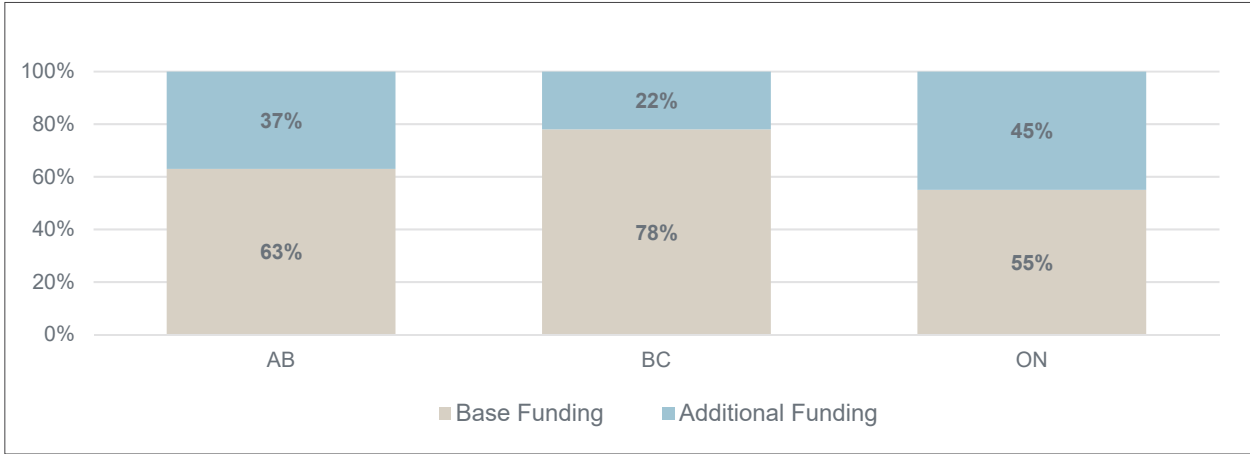
Funding formulas based purely on numbers of students as opposed to the outcomes achieved have a number of shortcomings. Perhaps the most significant drawback of enrolment-based funding is that it incents competition between boards at the expense of collaboration in key areas where greater efficiencies could be achieved. This includes areas such as shared procurement using the purchasing power of several boards, sharing expenses for busing, and sharing expensive infrastructure such as high schools. Another shortcoming of the current funding formula is that it is not linked to boards achieving the strategic goals of the ministry, for example, as they might relate to anticipating changes in the labour market or understanding diversity. Hence linking some portion of funding to school boards achieving the strategic outcomes desired by the ministry might create more alignment across districts, promote greater collaboration and lower school board administrative costs.

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Perhaps the most significant drawback of enrolment-based funding is that it incents competition between boards at the expense of collaboration in key areas where greater efficiencies could be achieved.

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FIGURE 13: SCHOOL BOARDS RECEIVE HIGHER PERCENTAGE OF FUNDING FROM SPECIAL GRANTS (2018-19 ESTIMATES)



Note: Quebec information is not available.

Source: Alberta Operational Funding to School Boards from the Ministry of Education; British Columbia Operational Funding to School Boards from BC Government Operating Grants Table; Ontario Operational Funding to School Boards from Ontario: A Guide to the Grants for Student Needs.

Many school boards across Alberta and in the rest of Canada run sizeable operating reserves arising from government funding not expended in the year it was received. As of August 31, 2018, the total amount held in operating reserves by Alberta school boards was \$318 million. However, reserves held by Alberta school boards do not seem to be out of line with other jurisdictions. Many of the Alberta school boards in the sample have reserves of less than a \$1,000 per student, less than that held by some comparator school boards in other provinces.

Based on what the Panel heard and learned during our review, the Panel believes there is a significant opportunity to achieve greater efficiency and ensure that a greater percentage of funding goes to the classroom.

- **Recommendation 5:** The Panel recommends that government work with education stakeholders to decrease the percentage of government funding that goes to administration and governance (currently 24.6%) to a level comparable to British Columbia (17%).

From the Panel's review, the total amount of funding government spends on education is not out of line with comparable provinces. We do, however, believe there is scope for reducing administrative expenses to the level achieved in British Columbia. We found there is limited sharing of services and expertise among school boards and this likely contributes to higher costs in delivering services such as busing.

- **Recommendation 6:** The Panel recommends that government completely review and revise its current education funding formula to ensure enrolment growth is addressed and to provide incentives for sharing services and achieving better outcomes for students.

While the formula has some strengths in terms of funding growth in the student population, it does not incent efficiency or reward innovation, performance and outcomes. There is also a complex array of special purpose grants which should be examined to determine whether they are achieving the intended results.

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The Panel believes there is a significant opportunity to achieve greater efficiency and ensure that a greater percentage of funding goes to the classroom.

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Advanced Education

The province spent over \$5.6 billion on post-secondary education in 2018/19 – nearly 11% of provincial operational expenditures. Over the last decade, funding for post-secondary institutions in Alberta has grown at 4% on average per year while the population of post-secondary-aged people (15 - 39) has grown by 1.3%.

There are 26 post-secondary institutions in the province, including four comprehensive academic and research universities, three undergraduate universities, 11 comprehensive community colleges, two polytechnical institutions, five independent academic institutions, and one specialized arts and culture institution.

Almost half of the 167,500 full learning equivalents (FLEs: the measure of student enrolment) attended comprehensive academic and research universities. The ratio of provincial population per post-secondary institution in Alberta is 205,000 persons, slightly higher than British Columbia at 199,000 persons per post-secondary institution, but significantly lower than Ontario at 325,000 and Quebec at 442,000. The proportion of foreign full learning equivalents attending Alberta post-secondary institutions ranged from 13% at comprehensive academic and research universities to 5% at undergraduate universities.

Alberta spends significantly more per student full-time equivalent (FTE) than the three comparator provinces. Alberta spends \$36,500 per FTE while British Columbia spends \$31,300 (\$5,200 less), Ontario spends \$21,500 (\$15,000 less), and Quebec spends \$25,800 (\$10,700 less).

For Alberta, 77 cents of each dollar is used to deliver post-secondary programming. By comparison, British Columbia spends 87 cents, Ontario spends 77 cents and Quebec spends 67 cents on post-secondary programming. However, the big differences are in the amounts spent on administration. Alberta's spending on administration at \$8,372 per FTE is slightly lower than Quebec but significantly higher than British Columbia at \$4,233 and Ontario at \$4,910.

TABLE 14: POST-SECONDARY FUNDING COMPARISONS

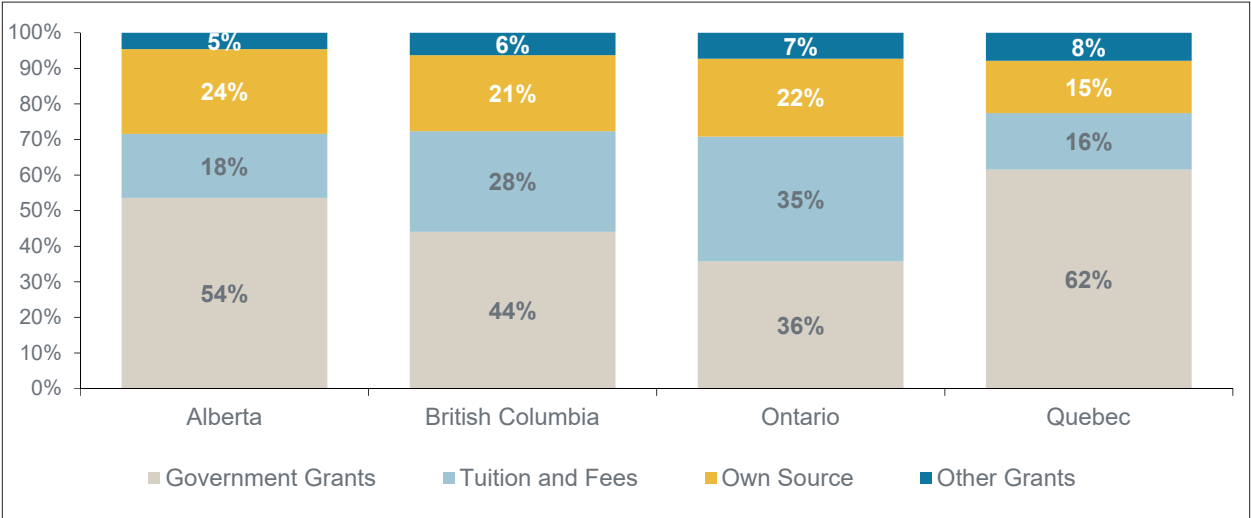
% of Total Expenses // Per Student FTE Expense	AB		BC		ON		QC	
Deliver Post-Secondary Programming	77.1%	\$28,137	86.6%	\$27,068	77.2%	\$16,626	66.6%	\$17,222
Adult Learning	51.80%	\$18,914	59.4%	\$18,584	48.6%	\$10,461	52.6%	\$13,588
Supports for Students	12.3%	\$4,479	13.3%	\$4,151	21.4%	\$4,610	10.3%	\$2,660
Stakeholder Management	0.2%	\$59	1.6%	\$495	1.6%	\$342	0.1%	\$35
Research	12.8%	\$4,685	12.3%	\$3,838	5.6%	\$1,213	3.6%	\$939
Supporting and Administering Post-Secondary Operations and the System	22.85%	\$8,372	13.51%	\$4,233	22.8%	\$4,910	33.20%	\$8,599
System Management	0.8%	\$304	0.3%	\$95	0.8%	\$173	3.00%	\$770
Enterprise Strategy	0.05%	\$17	0.01%	\$4	0.1%	\$10	0.3%	\$90
Enterprise Operations	21.6%	\$7,894	13.2%	\$4,134	21.8%	\$4,705	29.70%	\$7,678
Enterprise Technology	0.4%	\$157	-	-	0.1%	\$22	0.2%	\$61
Total Expenditures per Student FTE	\$36,510		\$31,299		\$21,536		\$25,822	

Note: Totals may not add up due to rounding. Consolidated views for British Columbia do not exist and for Ontario are limited and not detailed; expenditures by post-secondary institutions for these provinces were included using budgets and prior year actuals and estimating assumptions to allocate expenditures across the Connected Enterprise model.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia, Ontario, and Quebec; Student enrolment data to inform per student FTE expenditures from Statistics Canada for 2016-17.

Alberta universities and colleges depend far more on government grants and rely far less on tuition as a share of revenue compared to their British Columbia and Ontario counterparts while Quebec provides more in grant support. Alberta research universities are comparable to their counterparts in the rest of Canada with own-source revenues accounting for approximately 25% of total revenues.

FIGURE 14: ALBERTA UNIVERSITIES DEPEND MORE ON GOVERNMENT GRANTS AND LESS ON TUITION



Note: Based on data availability/granularity, Own Source revenue is inclusive of Investment Income, Donations, Sales of Services and Products and Miscellaneous Income.

Source: 2016-17 Revenue from Canadian Association of University Business Officers FIUC database.

Notwithstanding the level of funding, not all Alberta’s post-secondary institutions are successful at getting students to complete their studies and graduate over a seven-year period subsequent to beginning their course of study. Nine of twenty-six institutions fell below an average completion rate of 60% and one institution had a completion rate of 40%.

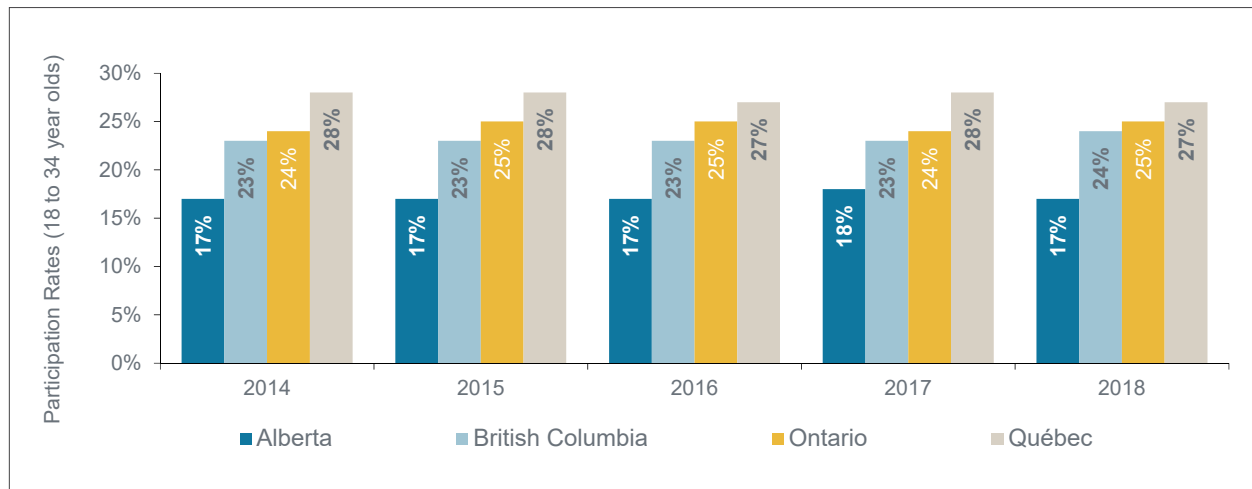
Alberta’s relatively low post-secondary participation rate has historically been explained by the lure of high-paying jobs in the energy sector for post-secondary-aged individuals. However, since 2015, high-paying energy jobs have become scarce and unemployment has risen, yet the participation rate remains at 17%. In most provinces, post-secondary participation rates rise with rising unemployment and fall with a booming economy – not so for Alberta.

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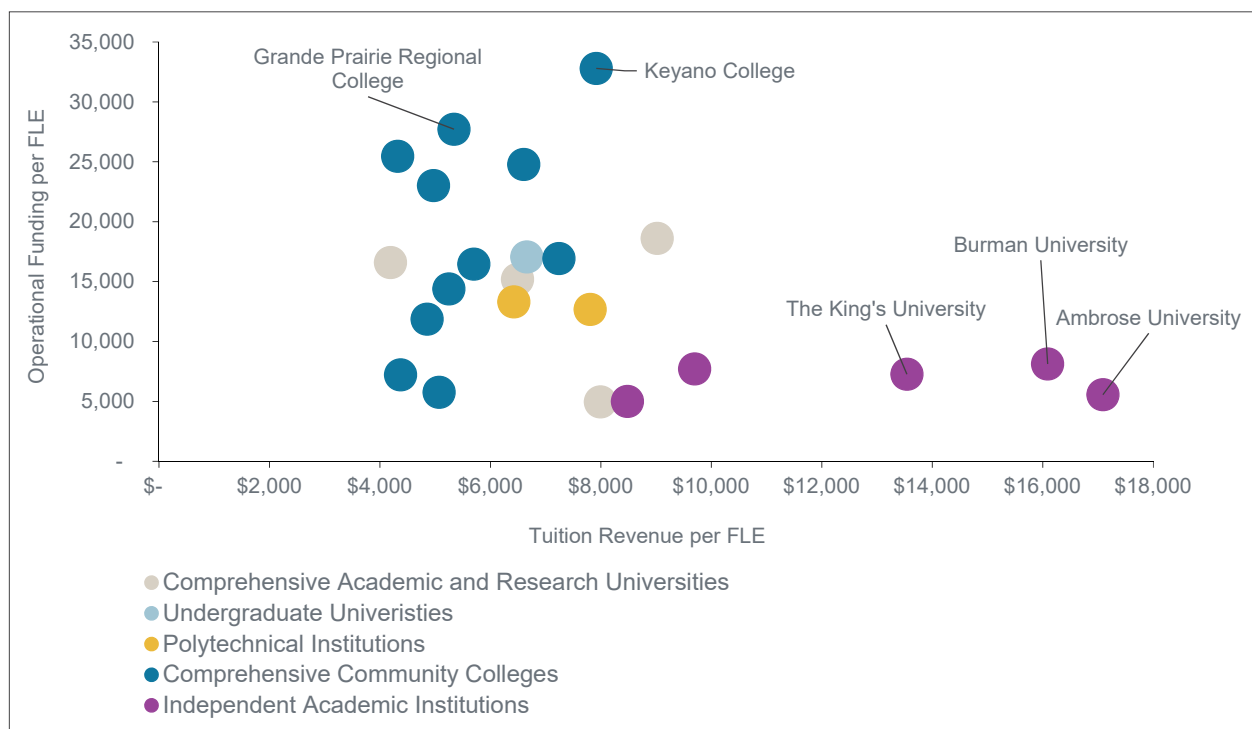
FIGURE 15: ALBERTANS' PARTICIPATION IN POST-SECONDARY EDUCATION LAGS OTHER PROVINCES



Source: Alberta Ministry of Advanced Education

The funding formula for post-secondary institutions in Alberta has historically been through block grants adjusted by some percentage year after year. Campus Alberta grants are provided on a historical basis and previous alignment to enrolment or program offerings has been eroded over time. The result is grants that are no longer linked to enrolment or program offerings. The two figures below show that Alberta has a combination of a number of high-grant, low-tuition institutions and a number of high-cost, low-enrolment institutions.

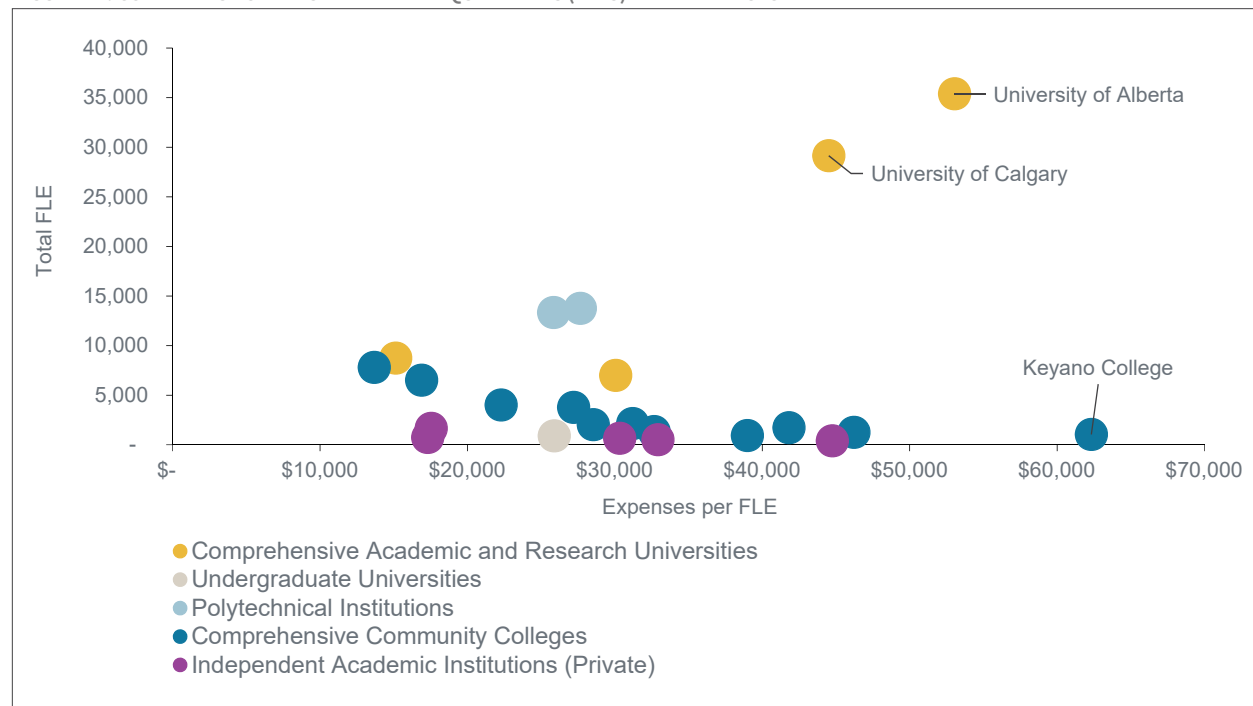
FIGURE 16: COMPARING OPERATIONAL FUNDING AND TUITION REVENUES (2017/18)



Note: Data is for Alberta Post-Secondary Institutions; SACI has been excluded due to lack of FLE data.

Source: FLE counts and Operational Funding from Ministry of Advanced Education; Tuition Revenue from 2017-18 Institution Audited Financial Statements.

FIGURE 17: COMPARING TOTAL FULL LEARNER EQUIVALENTS (FLES) WITH EXPENSES PER FLE



Note: Data is for Alberta Post-Secondary Institutions; SACI has been excluded due to lack of FLE data.

Source: FLE counts from Ministry of Advanced Education; PSI Expenses from 2017-18 Institution Audited Financial Statements.

Most significantly, the Panel found that there does not appear to be an overall direction for Alberta's post-secondary system. The current funding structure doesn't link funding to the achievement of specific goals or priorities for the province such as ensuring the required skills for the current and future labour market, expanding research and technology commercialization, or achieving broader societal and economic goals. There also continues to be extensive overlap and duplication among post-secondary institutions, each operating with their own boards of governors and with what appears to be only limited collaboration.

Recommendation 7: The Panel recommends that the government consult with post-secondary stakeholders to set an overall future direction and goals for the post-secondary system along with appropriate governance models.

Alberta's future depends on having one of the most highly skilled and well-educated populations in the world. To achieve that, a clear direction is needed along with new approaches to ensure the necessary innovation and coordination occurs. The Panel suggests that the future funding model ensure a link between provincial macro goals and outcomes to be achieved by post-secondary institutions. The government should assess whether the current governance model can address the challenges facing post-secondary institutions in Alberta by exploring alternative models used in the rest of Canada and in other jurisdictions.

Recommendation 8: The Panel recommends that the government work with post-secondary stakeholders to achieve a revenue mix comparable to that in British Columbia and Ontario, including less reliance on government grants, more funding from tuition and alternative revenue sources, and more entrepreneurial approaches to how programs are financed and delivered. This includes lifting the current freeze on tuition fees.

Alberta's post-secondary institutions should be encouraged to expand revenues from sources other than provincial grants. As costs increase and limits on government grants are inevitable, government needs to untie the hands of post-secondary institutions, encourage them to be more entrepreneurial and innovative, and allow them to implement responsible adjustments to tuition fees.

■ **Recommendation 9:** The Panel recommends that government should assess the financial viability of Alberta's post-secondary institutions. The government should move quickly to address the future of those post-secondary institutions that do not appear to be viable in future funding scenarios.

As noted, Alberta has a substantial number of post-secondary institutions, some of which are more financially viable than others. While addressing this issue is difficult and must be approached in a careful and thoughtful way, concentrating funding to some institutions rather than spreading limited provincial funding over the large number of institutions may be a more effective way of delivering post-secondary education and achieving better results.

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Most significantly, the Panel found that there does not appear to be an overall direction for Alberta's post-secondary system.

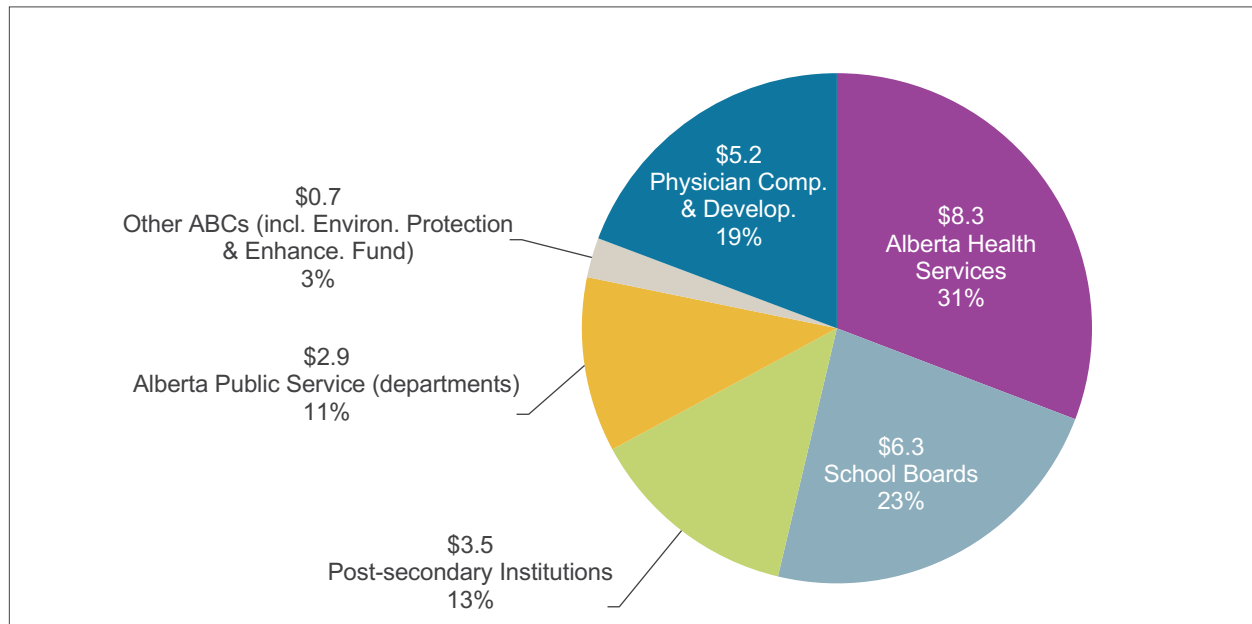
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Public Sector Compensation, Bargaining and Size

In 2018/19, Alberta spent \$26.9 billion on public sector compensation. This represents 55% of the Alberta government's operating budget and is the largest single expense in that budget. Hence, successful spending restraint has to involve restraint in the compensation and size of the public sector.

Figure 18 shows the employees included in Alberta public compensation, the total spent on each of those components and the percentage each grouping makes up of total spending on compensation in the public sector.

FIGURE 18: BREAKING DOWN ALBERTA'S PUBLIC SECTOR COMPENSATION (\$ BILLIONS)



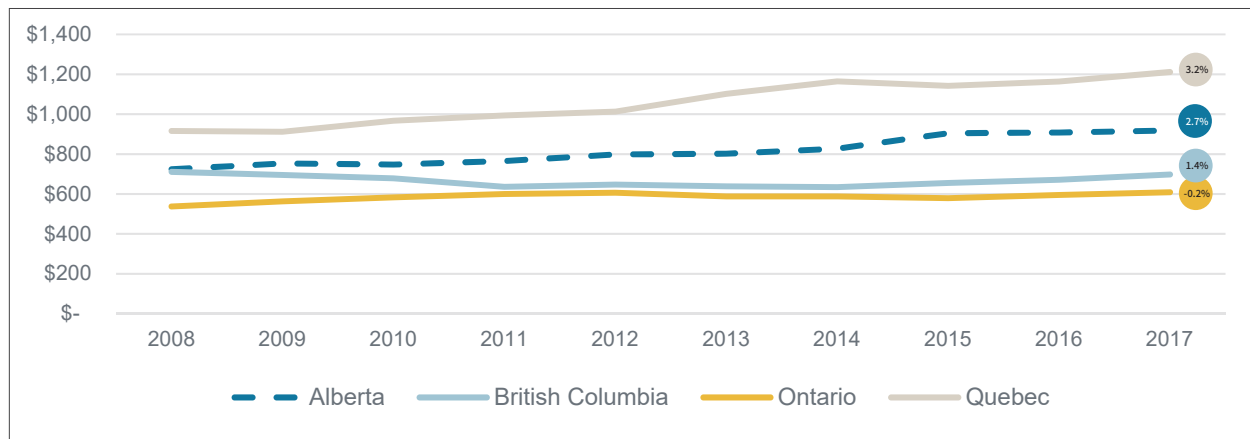
Source: Alberta Treasury Board and Finance

From 2008 to 2018, the total provincial core government employment (including only those employed in Alberta government ministries) grew by 14% (or 1.3% compounded annual growth rate (CAGR)), which was comparable to Ontario's growth but less than growth in British Columbia.

In total, the Alberta government has 680 employees per 100,000 population compared with 678 in British Columbia, 591 in Ontario and 935 in Quebec. In other words, per capita employment in Alberta and British Columbia is very similar, higher than in Ontario but much lower than in Quebec.

Relative to British Columbia and Ontario, Alberta has higher salaries and benefits. From 2008 to 2017, the total provincial core government compensation expenses grew by 49% (or 4.6% CAGR), which was the highest across all of the comparator provinces. Relative to other provinces, Alberta's total wage and salary expenses per capita (2018) were \$918 compared to \$698 in British Columbia, \$609 in Ontario and \$1,211 in Quebec.

FIGURE 19: COMPENSATION FOR ALBERTA GOVERNMENT EMPLOYEES HIGHER THAN ONTARIO AND BRITISH COLUMBIA BUT LOWER THAN QUEBEC



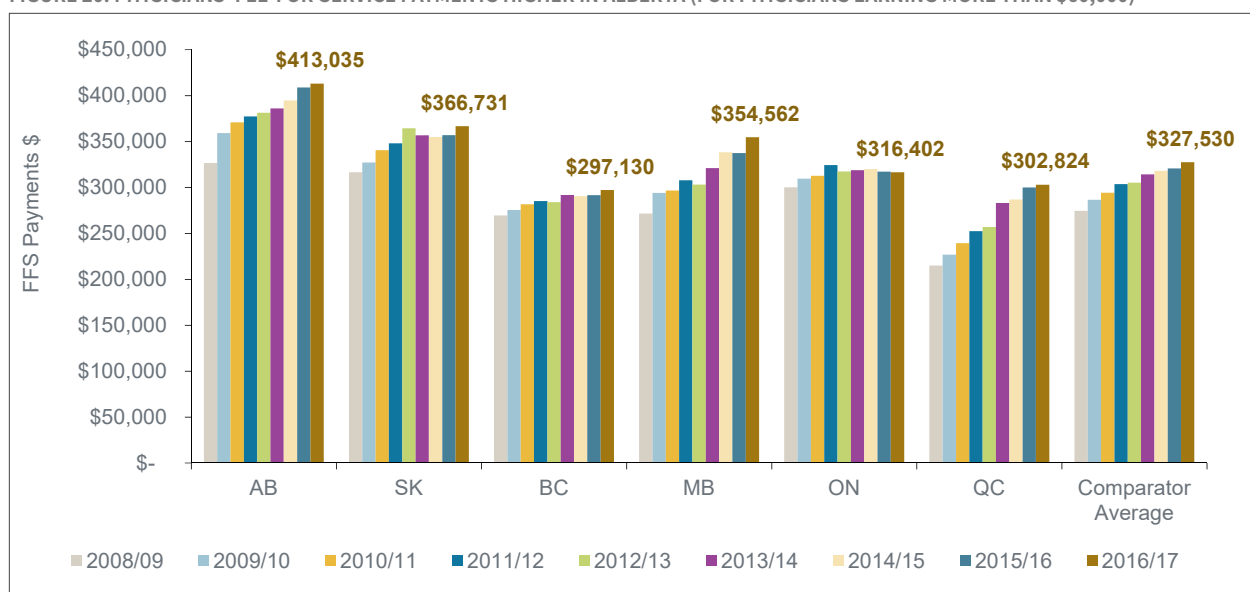
Note: This data includes employment expenses by the Departments; employment expenses for external agencies, boards and commissions are excluded from the analysis (e.g. AHS expenses are not included) due to limitations in comparable available data.

Source: Canadian government finance statistics for the provincial and territorial governments (x 1,000,000) data from Statistics Canada Table 10-10-0017-01.

The salaries and benefits of doctors, nurses and teachers illustrate the extent to which Alberta compensation rates and benefits are higher than comparator provinces.

Doctors' fee-for-service earnings are significantly higher than those in comparator provinces. The average fee-for-service earnings in Alberta are the highest among the comparator provinces. Over the past nine years, the average fee-for-service earnings for physicians in Alberta have grown faster than the average in the comparator provinces. Doctors also have other benefits that are described more fully in the section of the Panel's report on health care.

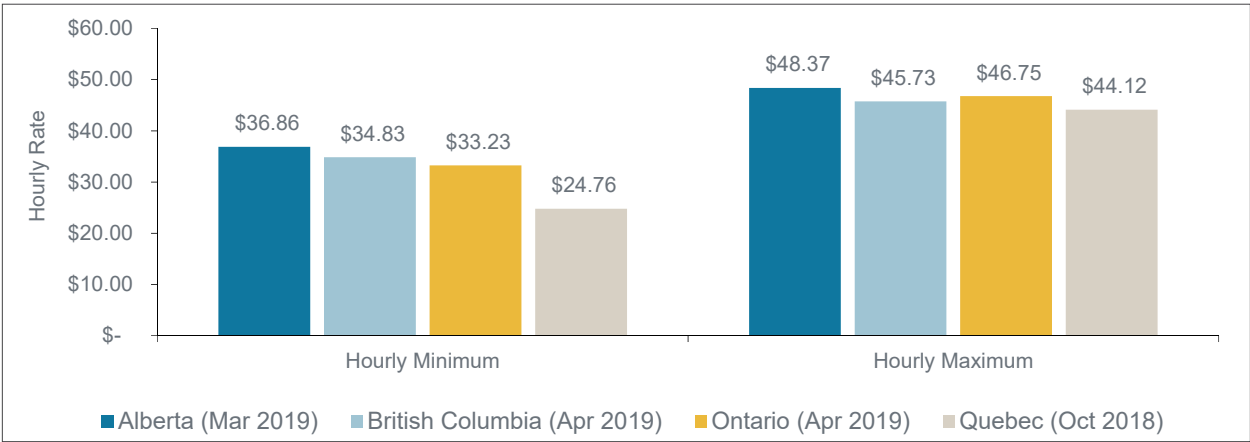
FIGURE 20: PHYSICIANS' FEE-FOR-SERVICE PAYMENTS HIGHER IN ALBERTA (FOR PHYSICIANS EARNING MORE THAN \$60,000)



Source: Alberta Health completed Analysis of CIHI National Health Expenditure Database.

Salaries for registered nurses are also higher than in comparator provinces.

FIGURE 21: REGISTERED NURSES’ HOURLY RATES HIGHER IN ALBERTA



Source: Alberta Health completed Analysis of CIHI National Health Expenditure Database.

Nurses also have provisions in their contract that are more generous than in comparator provinces. Full- and part-time nurses have Designated Days of Rest (DDOR) that are protected days that trigger payment at twice the basic hourly rate of pay (or applicable overtime), even if the part-time employee has not worked full-time hours. Registered nurses also have overtime provisions in their contracts that are more generous than in comparator provinces.

TABLE 15: OVERTIME RATES FOR REGISTERED NURSES IN ALBERTA

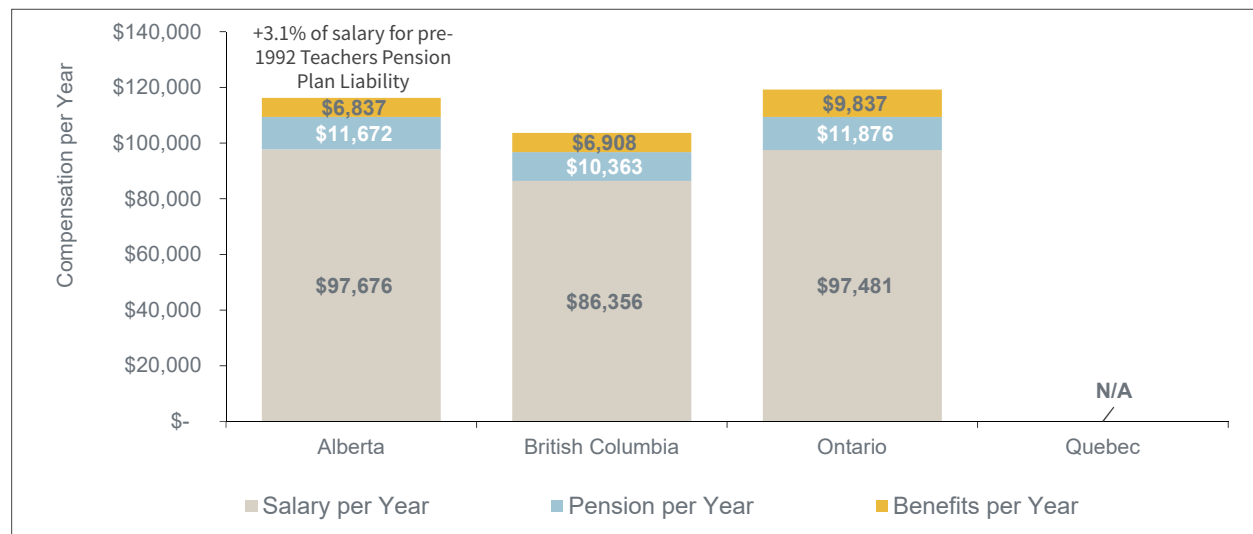
Contract Provisions		AB	BC	ON
Overtime Rate	Regular	2X	1.5X	1.5X
	Special (Stat, other)	2.5X named holidays; 3X August Civic & Christmas Day	2X named; 2.5X Christmas day, Labour Day, Good Friday	2X

Source: Alberta Health Services

Alberta teacher salary levels are higher than in British Columbia but lower than in Ontario; however, Alberta teachers have other special benefits and, when these are included, their compensation is the highest across the comparator provinces.

In 2008 the Government of Alberta and the Alberta Teachers Association struck the first provincial collective agreement. As part of this agreement the government assumed 100% of the pre-1992 Teachers Pension Plan liability, which was valued at \$7.7 billion in the 2018/19 Government of Alberta annual report. As a result of government taking on funding of the liability, teachers’ take-home pay was 3.1% higher.

FIGURE 22: TEACHERS' TOTAL MAXIMUM COMPENSATION HIGHER IN ALBERTA



Note: Figures are based on C5 maximum salary and the equivalents across the comparator provinces. The per teacher amount in Alberta for the pre-1992 teacher's pension liability is based on the 3.1% contribution of teacher's salary, or \$3,028 per teacher based on the C5 maximum salary in Alberta, that was assumed by Government, per the Ministry of Education.

Source: Teacher Maximum Total Compensation: Cross-Jurisdictional Analysis, 2017-18 from the Ministry of Education. Teacher Pension Plan liability history provided by Government of Alberta

Since 2015, despite the recession and growing deficits and debt, the size of the public sector has grown. Table 16 shows the increase in Full Time Equivalent Employees since 2014-15.

TABLE 16: GROWTH OF ALBERTA PUBLIC SECTOR FTES

	2014-15 Budget	2015-16 Budget	2016-17 Budget	2017-18 Budget	2018-19 Budget
Alberta Public Service (Departments)	27,180	27,240	27,525	27,637	27,808
<i>Change compared to previous year</i>		0.2%	1.0%	0.4%	0.6%
Other government Agencies:					
Alberta Health Services	76,101	76,798	77,950	79,450	80,570
School Boards	58,593	59,125	61,869	62,317	63,346
Post-secondary Institutions	33,517	33,517	33,588	33,588	33,588
Other Government Agencies	3,952	3,963	3,925	4,712	4,792
Sub-total Other Government Agencies	172,163	173,403	177,332	180,067	182,296
<i>Change compared to previous year</i>		0.7%	2.3%	1.5%	1.2%
Total Public Sector FTEs	199,343	200,643	204,857	207,704	210,104
<i>Change compared to previous year</i>		0.7%	2.1%	1.4%	1.2%

Source: Alberta Treasury Board and Finance

Public sector compensation has also increased.

TABLE 17: GROWTH IN ALBERTA PUBLIC SECTOR COMPENSATION FROM 2014-15 TO 2018-19

Billions of \$	2014-15	2015-16	2016-17	2017-18	2018-19	Average growth
Public Sector Compensation in Alberta	24.0	24.8	25.6	26.0	26.9	2.3%

Source: Alberta Treasury Board and Finance

Since 2017, unionized employees in the Alberta public service have experienced some salary restraint. In 2016/17, they had a salary increase of 2.5%, followed by no increase in their salary levels in 2017/18 and 2018/19. That agreement also included a guarantee that there would be no layoffs or job losses. However, overall compensation did not remain flat. Even when salary increases remain at zero, unionized employees are eligible to receive annual merit/in-range increases as they move through the grid, which means that they are eligible for increases as high as 16% over four years.

The situation is very different for non-bargaining employees who have experienced a complete freeze in their compensation since April 1, 2016. There are 6,600 non-bargaining employees, which represents 24% of the Alberta public service. Their ranks include managers and professionals but also some administrative support staff whose salary levels are at the lower end of the salary scale. A legislated freeze (through the Salary Restraint Regulation) on general increases, cost of living increases, merit increases, performance increases, and any kind of grid movement was applied to non-bargaining unit staff in public agencies. This freeze is set to expire on September 30, 2019.

The difference in treatment between bargaining and non-bargaining staff has led to equity issues and problems attracting and retaining talented managers. For some occupations, such as Administrative Support, some employees are in the bargaining unit while others are exempt. Those in the bargaining unit had a 2.5 % salary increase and potentially up to 14% increase in merit pay over four years, while those who were exempt had no increases in compensation. The salary freeze also disproportionately impacts non-bargaining unit employees who are younger and earlier in their careers. Lifting the freeze with respect to providing merit/in-range increases would ensure the equitable treatment of all Alberta public service employees (bargaining and non-bargaining). It would also support the attraction, engagement and retention of qualified staff.

Public servants work hard to provide services and deliver programs. At the same time, they have benefited from generous compensation and other benefits including during the recent recession and they need to participate in the government's restraint plan.

Supreme Court of Canada decisions on collective bargaining have limited the power of governments to set aside or impose collective agreements. Nonetheless, governments have legislated wage restraint where respect for employees' constitutional right to bargain has been shown.

.....

Public servants work hard to provide services and deliver programs. At the same time, they have benefited from generous compensation and other benefits including during the recent recession and they need to participate in the government's restraint plan.

.....

Legislative mandates can be used, not as an ongoing way to conduct collective bargaining, but as a tool to be used in exceptional circumstances, such as the current situation in Alberta where the government has committed to balance the budget by 2022/23.

Manitoba provides an example of how legislative mandates work. The government creates a framework for future increases to salaries for public sector employees and to fees for insured medical and health services that reflects the fiscal situation of the province. Manitoba established a salary mandate that was zero for year one, zero for year two, 0.75% for year three, and 1% for year four. The mandate applies to all third parties (e.g. universities), and although the government may not have the power to impose the mandate on third parties, grants or transfers to third parties will be based on the assumption that the third parties abided by the mandate in negotiations with their own employees. The mandate would apply to all negotiations and arbitrations and, in the event of a strike, the legislated salary mandate would form the basis for subsequent back to work legislation.

Legislative mandates can be flexible and accommodate the collective bargaining process. For instance, if salary increases were frozen at zero, the government could be open to negotiate other ways in which ongoing savings could be found to achieve the same end result. Also, collective bargaining would occur on other issues. And legislative mandates would be time limited; that is, they would cover a four-year period but not be continued into the future.

Looking to the future, the Alberta government should consider more strategic and creative ways to conduct public sector bargaining. For instance, salary increases could be tied to salary levels in comparator provinces. The Panel found that Alberta's bargaining is often out of sync with other provinces. Public sector bargaining in Alberta has been focused on comparing compensation of public sector employees to compensation paid in the private sector. A more appropriate comparison would be to look at what public sector employees, including nurses, doctors, teachers and government employees, are paid in other provinces. There's also a misconception that public sector salaries in Alberta should be higher because our cost of living is higher. That may have been true at different times in Alberta but is not the case today. Also, other provinces provide examples of strategic, innovative approaches to bargaining that achieve compensation restraint but also are flexible and enhance productivity. Alberta needs to consider an overall framework for public sector bargaining that balances the need for recruitment and retention but also achieves compensation levels that are comparable to other provinces.

Another issue is the size of the public service.

Governments across Canada have taken steps to reduce or constrain the growth of the public service; however, it is important to note that measures like hiring freezes or specific limits on the number of public servants are arbitrary measures that can limit the capacity of the government to manage effectively. For example, spending reviews can lead to reductions in full-time equivalents (FTEs) in some areas, but there will be other areas which require additional FTEs to meet growing demands for services.

There are more strategic and effective ways of reducing the size of the public service.

Within the Alberta government, attrition is almost 7% per year; that amounts to a turnover of some 1,800 permanent staff. Thus, not replacing all staff who leave is one way to reduce the size of the public sector.

Implementing a comprehensive program review (see the Panel's section on program review) is a strategic approach that will result in administrative efficiencies and the elimination of some lower priority services and programs, which, in turn, will result in a reduction of FTEs.

The government should also consider alternative delivery options for programs and services.

Recent Supreme Court decisions have resulted in litigation across Canada. The Alberta government has been taken to court by unions and the same is true of other provinces like Nova Scotia and Manitoba, and Saskatchewan has used the notwithstanding clause to overturn a court decision on labor relations.

Moreover, current collective agreements contain provisions that make it very difficult for the government to have the flexibility to manage program and service delivery efficiently and improve productivity. Also, the problematic provisions of these agreements can only be changed with the agreement of the beneficiaries.

The Alberta government's responsibility is to provide quality timely services at a reasonable cost to taxpayers. All options to meet this mandate should be considered, including not-for-profit or private sector delivery of programs and services.

Alternative service delivery should be approached cautiously with strict and transparent guidelines, such as the following:

- The programs or services should be appropriately regulated (as is the case in the public sector) and the standards and quality should be equal to or better than in the public sector.
- There should be a transparent, competitive process for choosing alternative service/program providers and measurable accountability for the outcomes.
- There should be quantifiable cost savings to taxpayers.
- The government needs experienced, highly qualified staff to oversee such a process since the success of alternative service delivery depends on having the right contract with service providers.

In conclusion, based on its review and findings, the Panel recommends that the following steps be taken.

- **Recommendation 10:** The Panel recommends that the government should establish a labour relations framework that creates long-term goals for compensation in line with other comparable provinces.
- **Recommendation 11:** The Panel recommends that the government end the freeze on non-bargaining staff with respect to providing merit/in range increases to ensure the equitable treatment of all Alberta public service employees (bargaining and non-bargaining) and support the attraction, engagement and retention of qualified staff.
- **Recommendation 12:** The Panel recommends that the government establish a legislative mandate that sets the salary levels for all public sector employees, including all fees and other compensation for insured medical and health services and all third parties, and applies to all negotiations and arbitrations. In the event of a strike, the mandate would form the basis for back to work legislation.

.....

The Alberta government's responsibility is to provide quality timely services at a reasonable cost to taxpayers. All options to meet this mandate should be considered, including not-for-profit or private sector delivery of programs and services.

.....

Capital Spending

Capital spending on infrastructure—the transportation, environmental, educational, health and recreational facilities that are provided by provincial and municipal governments—contributes to both the quality of life and the productive capacity of Albertans.

Capital spending on infrastructure in Alberta has averaged \$7 billion per year over the past decade and is projected to average \$6.6 billion per year over the next four years. With such a large annual spending commitment, it is critical to have a rigorous capital spending framework in place in order to manage costs and mitigate risks.

Putting Alberta's Capital Spending in Perspective

To provide perspective for a renewed framework to guide capital spending in the future, the Panel examined trends in capital spending and capital stock in Alberta versus other Canadian provinces over the past three decades, based on standardized data.⁹

Capital investment as a percentage of GDP is the conventional way of measuring capital spending trends in Canada and internationally. When Alberta's capital spending is calculated that way, our spending appears low in comparison with other provinces. However, this is misleading because Alberta's economy is much more capital intensive (over three and half times than that of Ontario) and has a much higher GDP per capita than comparator provinces of Ontario, British Columbia and Quebec.

The Panel believes a better approach is to compare Alberta's capital spending on a per capita basis, and that is the basis for the comparisons we've used in this report.¹⁰

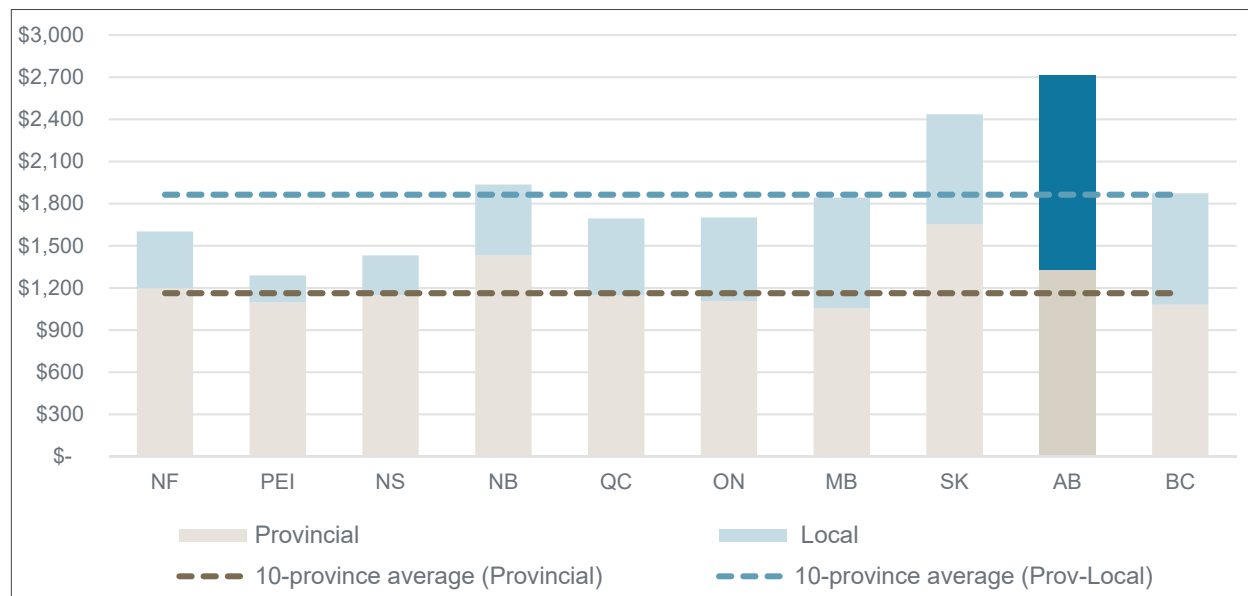
⁹ Statistics Canada Table 36-10-0096-01 and 36-10-0611-01

¹⁰ For contrasting opinions on this approach, see the Dodge Report (2005) and Dr. Melville McMillan (2019).

CAPITAL INVESTMENT

The Alberta government's capital investment per capita has been above average over the past 20 years.

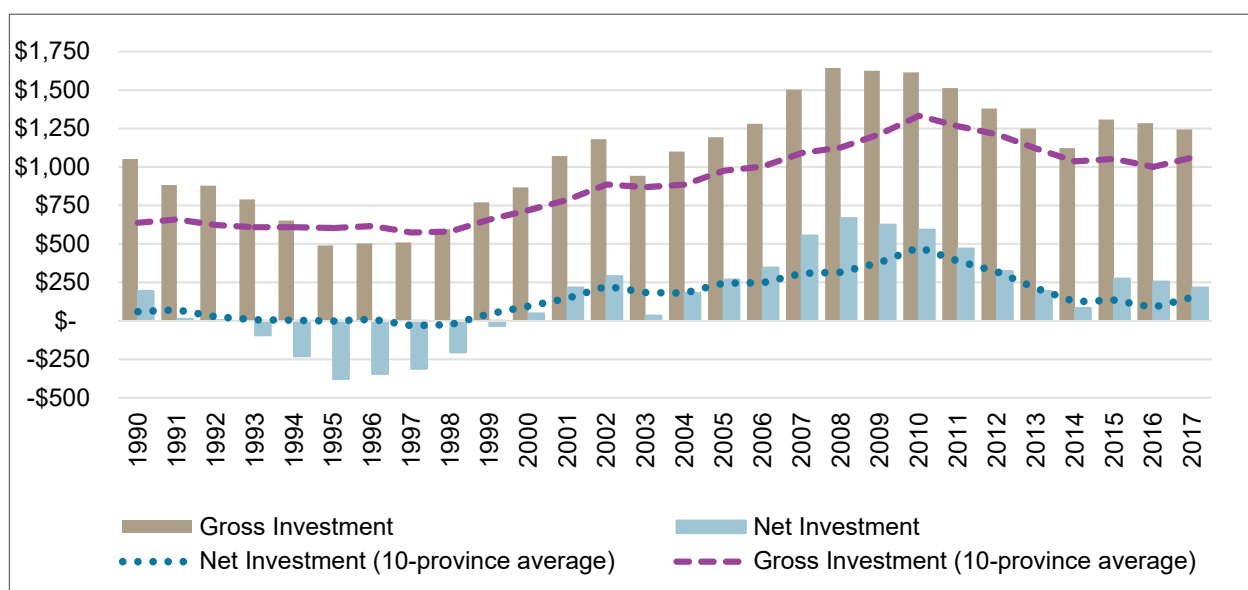
FIGURE 23: ALBERTA SPENDS MORE ON CAPITAL INVESTMENT THAN OTHER PROVINCES (\$ PER CAPITA, 2017)



Source: Statistics Canada (Table: 36-10-0096-01 used for capital investment), Calculations from Alberta Treasury Board and Finance.

Spending on capital in Alberta has fluctuated widely since 1990. The erratic capital spending pattern has resulted in a “roller coaster” pattern for the Alberta’s stock of public infrastructure. Real net capital stock per capita fell from over \$17,500 in 1990 to \$15,000 in 2000 before increasing to over \$22,500 per capita in 2017.

FIGURE 24: ALBERTA'S SPENDING ON CAPITAL HAS BEEN A ROLLER COASTER



Source: Statistics Canada (table 36-10-0096-01 was used for investment and depreciation).

What are the possible reasons for higher capital spending in Alberta?

Typically, higher spending could be justified on the basis of having older infrastructure in need of upgrading, repairs or replacement. However, Statistics Canada data indicates that the average age of infrastructure in Alberta is generally lower than in the other provinces.

Another common argument is that public spending on infrastructure should be counter-cyclical; governments should spend more during economic downturns in order to support the economy and take advantage of lower infrastructure costs during such periods. For example, between 2015 and 2018, high capital spending was justified as a fiscal stimulus measure to offset the decline in private sector investment which resulted from the collapse in oil prices in the fall of 2014.

In terms of providing a fiscal stimulus, the Panel found that spending on “shovel ready” projects may have provided some fiscal stimulus in the short term. However, much of the growth often cited to justify projects is short-term stimulus from the construction phase rather than providing longer-term productivity dividends.

Moreover, the Panel found that, since 1991, infrastructure spending in Alberta has generally tended not to operate in a counter-cyclical fashion. In fact, as we’ve noted in other parts of this report, when Alberta has high revenues, especially non-renewable resource revenues, spending on both operations and capital goes up. Conversely, when revenues drop, capital spending is cut.

Spending on infrastructure just “because the money is available” or borrowing to pay for capital because of low interest rates will inevitably result in poor public infrastructure choices that provide only minor benefits to Albertans over the medium to long term. And the resulting “boom and bust” cycles reflect a lack of fiscal discipline and contribute to poor infrastructure decisions.

For these reasons, the Panel strongly encourages the Government of Alberta to establish a stable and sustainable level of annual capital spending and put an end to the “boom and bust” cycles.

CAPITAL STOCK

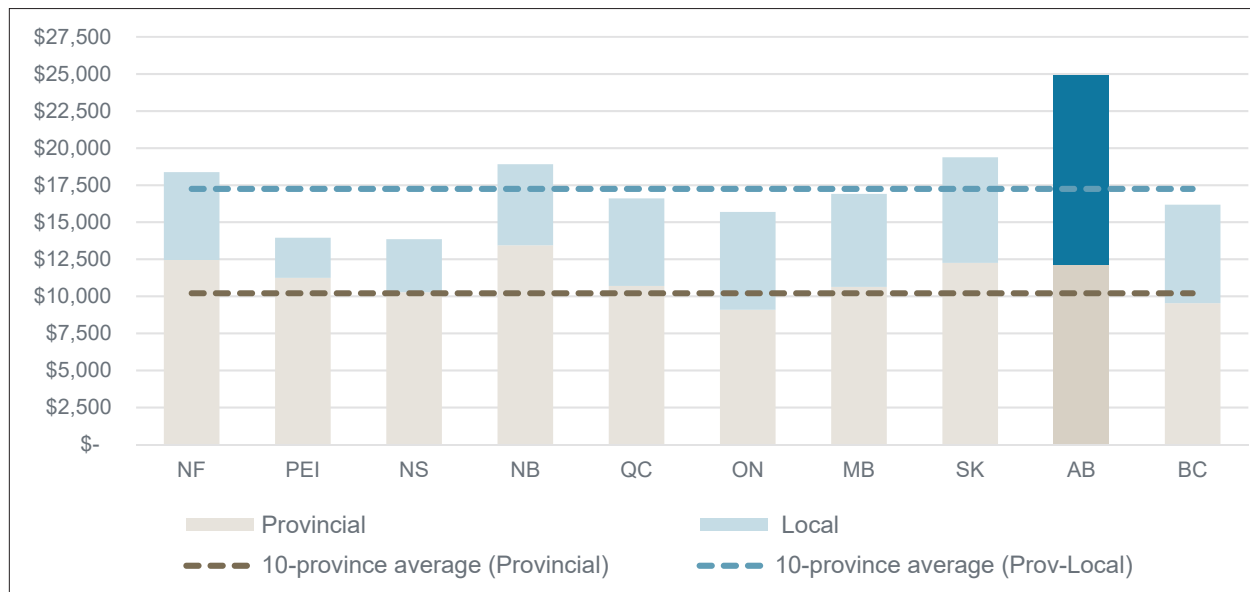
The Panel found that government net capital stock per capita, both provincial and municipal, has been consistently above the 10-province average, especially in the last decade. In 2017, the provincial government’s net capital stock per capita was 19% above the 10-province average and the municipal governments’ stock was 81% above the average, bringing the combined provincial-municipal measure to 44% above the national average.

.....

The Panel strongly encourages the Government of Alberta to establish a stable and sustainable level of annual capital spending and put an end to the “boom and bust” cycles.

.....

FIGURE 25: ALBERTA'S NET PER CAPITA STOCK SUBSTANTIALLY HIGHER THAN OTHER PROVINCES (2017, \$ PER CAPITA)



Source: Statistics Canada (Table: 36-10-0096-01 used for capital stock), Alberta Treasury Board and Finance calculations.

Given that the majority of capital spending by the Government of Alberta is now debt financed, maintaining a high level of public capital stock ultimately means higher taxes or lower spending on public services, or some combination of both.

Recommendation 13: The Government of Alberta should bring its net public capital stock in line with the average per capita capital stock in the other provinces over the next ten years as part of its balanced budget plans and long-term fiscal sustainability.

The Panel found that gradually reducing the province's net capital stock to the national average over the next ten years is a reasonable target. This would imply a reduction of \$15.6 billion, or 24%, on a ten-year Capital Plan of \$65 billion.

CAPITAL MAINTENANCE AND RENEWAL

Spending on Capital Maintenance and Renewal (CMR) extends a capital asset's useful life and reduces associated operating costs.

In the past, the Government of Alberta tended to favour spending on new capital projects at the expense of maintaining and renewing existing capital. Between 2011/12 and 2014/15, for example, annual CMR was approximately \$500 million, well below the historical average of \$700 million per year.

Since 2015, however, government has significantly accelerated CMR spending. Over the next four fiscal years, CMR is projected to average over \$1 billion per year, well above the historical average.

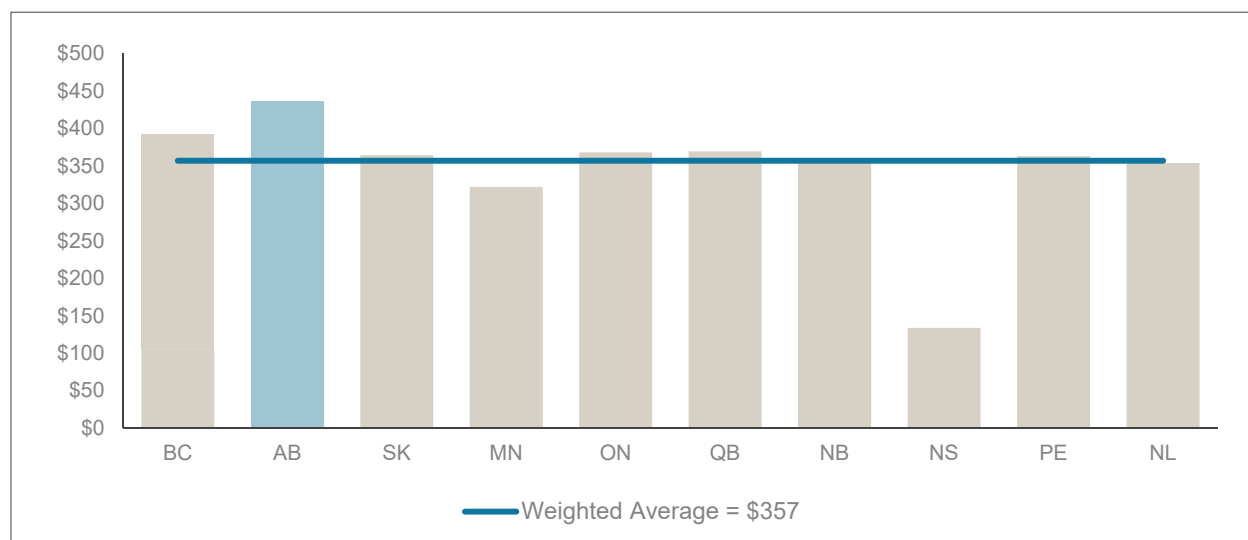
Recommendation 14: The Government of Alberta should stabilize and rationalize the allocation of Capital Maintenance and Renewal (CMR) spending and give priority to CMR in the areas of greatest need in future capital expenditure decisions.

Note: Appendix 4 provides additional comments and direction from the Panel in terms of improving capital planning and reporting.

Municipal Grants

Capital grants to municipalities make up a quarter of all provincial spending on capital. Alberta flows roughly \$440 per capita in municipal capital grants which is over 20% higher than the national average.

FIGURE 26: ALBERTA'S CAPITAL GRANTS TO MUNICIPALITIES HIGHER THAN OTHER PROVINCES (2018/19)¹¹



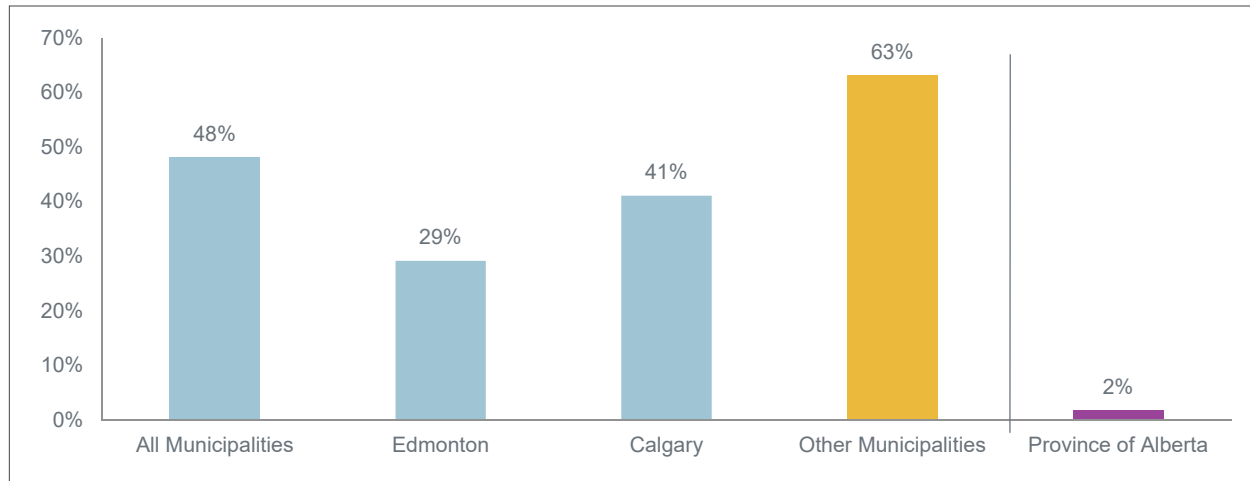
Source: Provincial Territorial (Municipal) Officials Committee, Alberta Treasury Board and Finance and Alberta Municipal Affairs Calculations.

Between 2007/08 and 2017/18, provincial revenues per capita have increased by 2%. Over the same time period, municipalities have experienced significant revenue growth of 48% per person, including 29% per person for Edmonton and 41% per person for Calgary, primarily driven by municipal property tax increases. Spending by municipalities also has increased over that same time period. In 2017/18, Alberta's municipal per capita expenses were the second highest among provinces (behind Ontario where municipalities also deliver a range of social services). Per capita capital spending in Calgary and Edmonton is among the highest for comparable cities across Canada.¹²

¹¹ Notes: Grants include discretionary and capital grants only. Given certain grants are discretionary it is not possible to determine if all of these funds were used for capital investments. BC's per capita amount have been adjusted to account for TransLink. Due to differences in funding systems, grants are not strictly comparable across jurisdictions

¹² Based on capital expenditures as reported in annual reports of Edmonton, Calgary, Toronto, Vancouver, Winnipeg, Ottawa and Montreal, and population figures from Statistics Canada. Due to differences in the services delivered, service delivery mechanisms and accounting standards, capital expenditures are not strictly comparable across provinces.

FIGURE 27: MUNICIPALITIES' REVENUE GROWTH EXCEEDS REVENUE GROWTH FOR THE PROVINCE (2007 TO 2017)



Note: 2007 (2017) refers to a calendar year for municipalities and to the 2007-08 (2017-18) fiscal year for the Province

Source: Alberta Municipal Affairs Population list, Municipal Financial & Statistical Data, Alberta's budget documents, Statistics Canada

While it's undeniable that municipalities face spending pressures, particularly in terms of transportation and facilities for their residents, at the end of the day, there is only one taxpayer, and the funding has to come out of one pocket or the other. The province can't afford to maintain existing levels of municipal capital support – levels that far exceed those of other provinces – and drive up provincial debt, while municipalities have tax room and yet rely on increasing provincial grants.

THE LEGISLATIVE FRAMEWORK

For the cities of Calgary and Edmonton, the new City Charters Fiscal Framework (CCFF) will replace the Municipal Sustainability Initiative (MSI) and Basic Municipal Transportation Grant (BMTG) Programs in 2022/23.

Starting in 2022/23, capital funding will be based on provincial revenues and fuel sales. The funding arrangement for other municipalities will need to be determined by the provincial government.

The Panel examined the new City Charter along with the complex allocation formulas included in the current MSI and BMTG grants and found that they do not allocate municipal capital grants in line with provincial goals and priorities plus they result in anomalies such as providing more funding to some municipalities with greater fiscal capacity.

Recommendation 15: The Government of Alberta should examine its legislative framework for capital funding to municipalities with the goals of:

- aligning funding to provincial goals and priorities and fiscal capacity, while further considering funding formulas that require municipalities to share more in the costs of major projects;
- adjusting its allocation formula for grants to municipalities in line with the policy of bringing Alberta's provincial and municipal per capita capital stock in line with the comparator provinces;
- establishing accountability mechanisms and performance measures to monitor the delivery of municipal programs and services and value for money spent, so citizens have the ability to constructively evaluate their local government and their use of tax dollars; and
- making better use of federal infrastructure funding, though the Investing in Canada Infrastructure Program (ICIP) as a means of more effectively managing the costs of the Capital Plan.

Management of Capital Assets

The Panel examined policies related to the inventory of provincially-owned assets and the disposal of surplus assets in government and the broader public sector.

Alberta Infrastructure typically sells between \$3 million and \$30 million of real estate per year. The sale of surplus properties provides both revenue to the province and cost savings from operations and maintenance. The Government of Alberta currently has 78 surplus properties in its inventory, with an appraised value of about \$133 million. This does not include surplus properties held by the broader public sector (e.g. health, education and advanced education).

- **Recommendation 16:** The Government of Alberta should redefine its inventory of land assets to include the broader public sector and create a definitive policy to clearly define surplus assets and a process for disposal of surplus assets. Providing an increased ability to core government and the broader public sector to dispose of surplus assets can act as an offset to the capital cost of new investments or provide revenue for the province.

Procurement

Over the past five years, the provincial government has spent an average of \$4.8 billion a year on purchasing goods and services and contracts and an additional \$2 billion a year in Alberta Health Services.

Concerns have been expressed (most recently by the Alberta Council of Technologies) that the Alberta government's current procurement processes are complex, lack transparency and include bias and unfairness in awarding contracts.

The Panel believes a well-managed procurement process can address these concerns, streamline processes, reduce prices and costs, and identify better sources of supply. It also helps control spending and contributes to the province's brand as an excellent place to do business.

The Panel also encourages the government to explore opportunities for using innovative partnerships and alternative financing models for all types of infrastructure. This could include partnerships with the private sector or other not-for-profit organizations. Alberta has successfully implemented P3 (public-private partnership) models in the past and should explore the positive results of this and other models being used successfully in other jurisdictions.

- **Recommendation 17:** The Government of Alberta should form a procurement council which would be a joint effort of government and business/industry to examine innovation and efficiency in the government's procurement methods. The intent would be to make it easier to do business with government, enable better access to procurement opportunities for small, medium and large Alberta businesses, and enhance the procurement capacity with government.
- **Recommendation 18:** The government should refresh its policy on major procurements to look at how to achieve the best value for money for taxpayers. This should include exploring innovative partnerships, examining emerging innovations in other provinces, and reviewing success factors and programs that have worked well in the past.

Undertaking comprehensive program reviews

The previous sections focused on identifying potential areas for reducing spending and recommended specific steps that could be taken. At the same time, the Panel believes it's time for government to take a deeper look at all the various programs and services it provides. The financial challenge the government faces can provide a positive impetus to assess priorities, focus resources and think more innovatively about the provision of public services.

While governments typically have internal checks and balances to ensure decisions about new budget expenditures are made in a systematic manner through the Treasury Board, Cabinet and a variety of budget development processes, in Canada and Alberta, more comprehensive reviews of existing expenditures have tended to be done on a more ad-hoc basis and with limited scope.

Generally, spending reviews can be described as a process to develop and adopt savings measures. On the other hand, program reviews can be described as a more systematic review of the structures and methods used by governments to deliver on defined mandates and budgets. Spending reviews may have success in finding efficiencies but cannot achieve comprehensive change unless departments are mandated to look for fundamental change.

The Panel's research into review exercises in Canada and abroad identified best practices and key lessons that could be applied within an Alberta context. That includes:

- Political leadership is key, as is accountability for the senior public service
- Successful implementation requires monitoring
- A systematic rather than a piecemeal approach works best
- Create a window for stakeholder and public engagement to build support for reforms
- Assign responsibility for the identification of program and service realignment options primarily to the public service, rather than outsourcing this role entirely or primarily to the private sector.
- Incremental changes create incremental savings; substantial/sustainable savings require transformation.

It is perhaps more important in a period of spending cuts and restraint to assure taxpayers that their dollars are being appropriately allocated to the most critical and current needs, in the most effective and efficient way possible.

Fundamental change, not incremental change, is needed to transform the Alberta government into one which is more responsive to Albertans and meets the challenges and opportunities of the future. The Panel's view is that the Alberta public service currently lacks a reform culture.

There are a number of things that can be done to increase the odds of a successful outcome.

First, the effort needs strong political leadership and the support of Cabinet.

Second, it needs to be grounded in principles that include a commitment to improving outcomes for Albertans, protecting services for the most vulnerable citizens except services that are not achieving intended results, ensuring the best possible use of government resources, respecting the interests of taxpayers, and careful consideration of intergenerational issues.

Third, any approach should be cross-cutting in that some major initiatives should apply to all ministries such as: efforts to improve shared services; reviews of all agencies, boards and commissions; examinations of staffing levels and management ratios; governance and administrative structures of commercial and other crown corporations. It may also provide a project structure for the examination of other Panel recommendations.

Fourth, government should have a mix of inside and outside perspectives by engaging Albertans and the Alberta public service in examining innovation and efficiency. The culture of the Alberta public service needs to have the right incentives and a high level of openness to new ideas as well as proactive engagement for new policy and program proposals.

Fifth, there is an overarching need to view this type of program review not simply as a one-time cost-saving measure, but as a service innovation and improvement exercise. Other jurisdictions will have examples of innovation Alberta can learn from. With overarching challenges such as those identified in the Panel's report, there is urgency to re-tool the public service to be focussed on innovation and a citizen-centric approach to service delivery and a commitment to linking funds allocated to measurable results. Because of the significance of reviews like this, the government should consider this approach on an ongoing basis and perhaps implement a periodic requirement for program reviews, particularly if government sees a repeating cycle of escalating costs and limited outcomes.

■ **Recommendation 19:** The Province needs to undertake a comprehensive approach to a program review that includes all departments; agencies, boards and commissions; and the wider public sector. This should provide a principled and thoughtful cross-government approach to looking at the effectiveness and efficiency of government service delivery in the public interest.

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Fundamental change, not incremental change, is needed to transform the Alberta government into one which is more responsive to Albertans and meets the challenges and opportunities of the future. The Panel's view is that the Alberta public service currently lacks a reform culture.

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Enhancing Alberta's competitiveness

While much of the focus of plans to balance Alberta's budget must, of necessity, be focused on the spending side, the province also needs to take a deliberate and proactive approach to increasing revenues through growth in Alberta's economy. Aside from government spending, that growth will only be achieved by Alberta being an attractive place to invest by investors inside and outside of Alberta. The Panel looked at various indicators of Alberta's competitiveness relative to other jurisdictions and also at approaches and ideas from other provinces, states and countries that have been proven to attract investment and spur economic growth.

What we learned

Alberta used to be known as the most entrepreneurial place in Canada. We used to believe that if there was a good place to invest, to start and grow a business, it was Alberta. Through its research and conversations, the Panel has learned that Alberta no longer has that reputation. Instead we're viewed as overly regulated, with contradictory regulations, lengthy processes and uncertain timelines – all things that make it difficult to attract and keep investment.

Although the data is somewhat dated, a 2016/17 report compared Alberta's competitiveness on eight benchmarks: sustained prosperity, productivity, innovation, taxes and fiscal policy, regulation, infrastructure and transportation, human capital and education, and access to capital markets. While there are a number of areas where Alberta was rated excellent, we were rated poor in key areas such as growth in non-resource exports per capita, total research and development (R&D) expenditures, graduate student rate and SME (small- and medium-sized enterprise) authorization of requested credit. Alberta received weak ratings for factors such as business investment in R&D, time required to start a new business, cost of production to start a new business, bachelor degree completion rate, venture capital investment and the number of venture capital deals. (See Appendix 3 for details)

In terms of investment, Alberta's investment growth lags the rest of Canada and Alberta's oil and gas recovery has not kept pace with the rest of the world.

FIGURE 28: ALBERTA'S INVESTMENT GROWTH LAGS THE REST OF CANADA

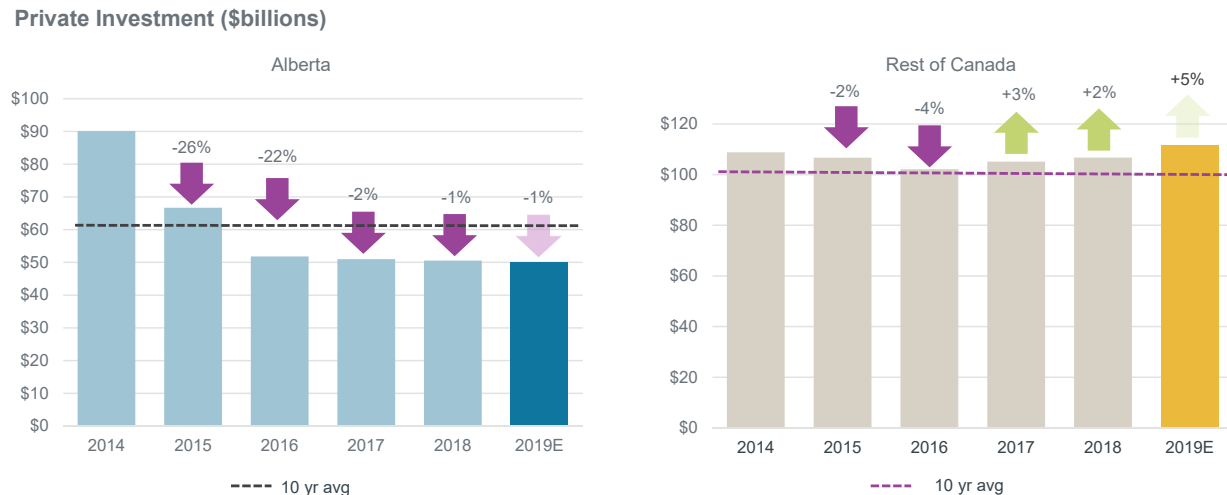
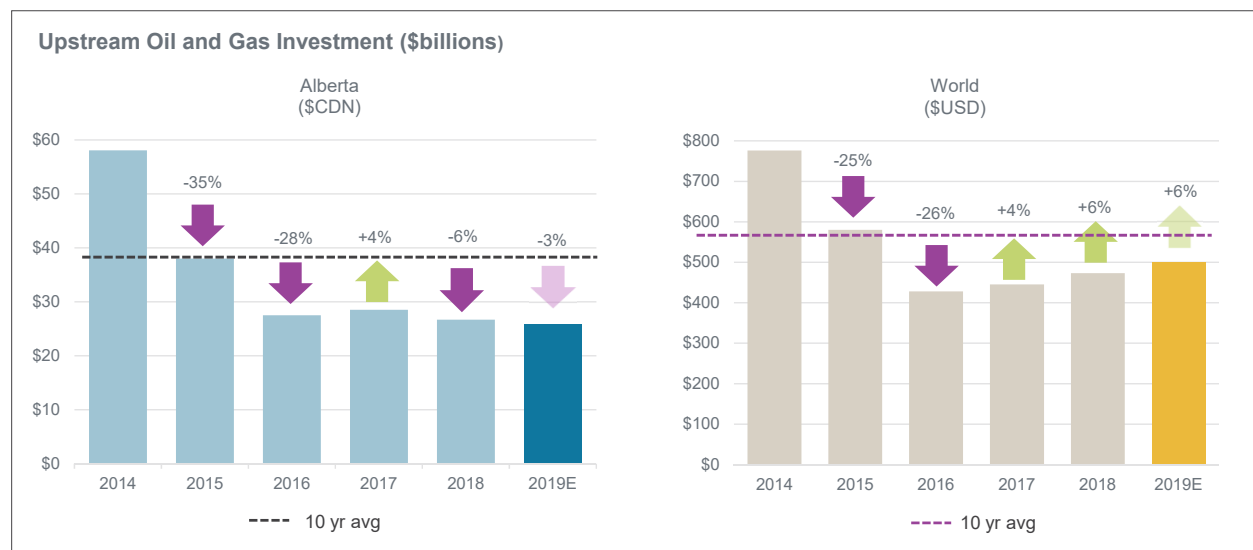


FIGURE 29: ALBERTA'S OIL AND GAS RECOVERY HAS NOT KEPT PACE WITH THE REST OF THE WORLD



These findings are echoed by anecdotal comments from those in the business sector who point to the need to streamline and reduce the complexity of Alberta's regulations and, just as significant, to improve the processes that go along with those regulations. We heard that one of the most critical concerns from business and industry was the uncertainty caused by lengthy timelines and processes that are changed or delayed during the approval process.

Alberta certainly is not alone in terms of a decline in competitiveness. Several reports indicate that Canada is viewed as less globally competitive than it was in the past. The 2019 edition of the IMD World Competitiveness Ranking places Canada 13th out of 63 countries, the worst performance in the survey's history, which goes back to 1997. Canada's challenges include: an aging population; limited ability to retain homegrown talent; limited attention to later career training and development; and lagging growth in high-value innovation and technology compared with other jurisdictions.¹³

¹³ Public Policy Forum. "A New North Star: Canada's Competitiveness in an Intangibles Economy". April 2019.

One positive factor is the recent step to reduce Alberta's corporate tax rate from 12% to 11% this year and to 8% by 2022 (combined with keeping the small business tax rate at 2%). This will certainly help improve Alberta's competitiveness. At 8%, Alberta will have the lowest corporate tax rate in Canada and among the lowest in North America. Corporate tax rates are an important factor in business decisions about where to locate and grow businesses, and Alberta competes not only with other provinces but with key states in the US. In terms of combined federal and state/provincial corporate income tax rates from lowest to highest, Alberta will move from a current rank of 36th in comparison with all provinces and US states in 2018 to a rank of 7th by 2022.

While that's good news, clearly there is still more work to be done.

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Alberta used to be known as the most entrepreneurial place in Canada. We used to believe that if there was a good place to invest, to start and grow a business, it was Alberta. Through its research and conversations, the Panel has learned that Alberta no longer has that reputation.

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What are other jurisdictions doing to improve competitiveness?

What makes a province attractive to expand a business that is already here or to investors looking for the best place to do business?

The Panel engaged Myers Norris Penney (MNP) to review strategies used in other jurisdictions not only in Canada but in selected states and countries. Their report identified the following as best practices for attracting business and investment:

- Existence of a clear and well-supported investment attraction strategy. That includes a long-term vision and direction for business attraction efforts, target markets (e.g. key industries) for investment and the intended approach to reach and secure investors. "To instill confidence in investors, the strategy should be supported at all levels of government in the jurisdiction, as well as by senior leadership from the local business community."¹⁴

Example: In 2012, the Governor of the State of Colorado launched the Making Colorado Initiative which involved development of a brand for the state that would help boost trade, tourism and economic development. The main purpose was to "unify Colorado – making its government more efficient while attracting talent and businesses and promoting tourism." To develop the brand for Colorado, the government recruited a Chief Marketing Officer and gathered input from a wide range of stakeholders including youth ambassadors from across the state and hundreds of thousands of residents to build awareness and support for the Initiative.

¹⁴ MNP. "Research and Analysis Support for the Blue Ribbon Panel on Alberta's Finances". July 2019.

- Provision of investor-centric service offerings. Service-oriented “soft-landing” efforts can help businesses establish or expand operations through positive interactions and access to professional and social networks. A variety of steps can also be taken to ensure investors can start operations as quickly and seamlessly as possible and then further grow their operations. Examples include facilitating a soft landing for investors through a one-stop shop experience, developing “after care” approaches for newly-formed companies, and developing industry clusters.

Example: In Utah, the Governor’s Office of Economic Development adopted a one-stop shop approach to working with investors as well as businesses wanting to become established in the State. Its one-stop shop approach is delivered through the collaboration of a surprisingly wide variety of stakeholder groups ranging from educational institutions, community players, environmental groups, and Indigenous tribal leaders to multiple levels of government and economic development agencies.

- Regulatory efficiency, transparency and predictability. These approaches balance the need for regulatory and compliance procedures with the cost, time and risk to investors. They also provide transparency and predictability.

Example: In 2011, the Saskatchewan Ministry of Environment (MOE) moved away from a “command and control” compliance structure towards a results-based regulatory framework, the Saskatchewan Environmental Code. In this new framework, the onus is on the applicant to remain in compliance with environmental protection standards. According to the MOE, this approach eliminates ineffective processes, especially for routine, well-understood and low-risk activities and allows governments to focus on activities deemed high-risk to the environment and public safety. The Saskatchewan Environmental Code aimed to consolidate and simplify environmental protection objectives while promoting efficiency and a uniform application of policies.

- Enhancement of the local labour force. Having access to skilled labour is a key factor in attracting new investments and growing businesses. This involves collaboration between government, industry and academic institutions.

Example: In British Columbia, attracting more skilled talent to the province was a key part of the government’s comprehensive 10-year B.C. Tech Strategy. The BC government provided a modest amount of funding for a partnership with major technology industry partners to study labour market needs in the technology sector. The program helps employers and educators understand labour market changes and ensure that education and training programs in BC are aligned with industry’s needs and priorities.

- Measurement of investment attraction. Measurement is important because it provides accountability and guides future decisions. This should include setting clear targets, systematic tracking and consistent use of metrics such as return on investment or economic impact.

An Alberta approach

Given what we've learned from other jurisdictions, what approach should Alberta take to improve its competitiveness and attract new investment and businesses to Alberta?

Convention tells us there is a typical set of financial tools used by governments: a competitive tax regime, incentives for innovation, and grants that reward targeted investment in growth sectors. These are important instruments, but they are ones that can be replicated by any province, state or country.

In an increasingly competitive world of investment, coupled with the ever-increasing complexity of markets and distribution for our products, financial tools are important but not sufficient to attract the high-calibre investment Alberta needs to grow and build its economy.

Alberta needs to send a clear signal to the world that it aspires to be a powerful engine of ingenuity, engagement and accountability, a place where people and businesses succeed. Alberta needs to put out the welcome mat to ethical, responsible wealth creators who will respect our province and who want to deploy Alberta's well-educated and entrepreneurial people to drive their success.

With a compelling vision in place and a clear signal that Alberta is open to business and investment, the government needs to turn to the public service and challenge them to work with industry partners to make that vision a reality. This is a significant challenge to a public service that may not always have had the direction, leadership or mandate to substantially change how the work of government gets done.

Case in point: we know that investors and business leaders, both big and small, place a value on efficient, predictable and time sensitive dealings with government and that far exceeds the value of financial incentives. Uncoordinated processes, layered regulations, undisciplined timelines and any number of inefficient and unwelcoming government experiences can undermine, to the point of ineffectiveness, even the most generous and luring financial incentives. The reverse, however, having highly efficient, predictable and time sensitive dealings with government (not to be confused with easy, lenient or cursory), can multiply the value of financial incentives and perhaps even reduce reliance on them.

With that context in mind, the Panel recommends that the following steps be taken.

■ **Recommendation 20:** The government should work with industry and Albertans to set a compelling vision for Alberta's economic future combined with a deliberate strategy to foster an economy that creates jobs and wealth while rebuilding Alberta's reputation as the best and most responsible place to do business. The strategy should include specific steps to:

- develop, transform and empower the public service so it has the culture and capability to deliver on the economic vision and strategy established for the province.
- make competitiveness and attraction a top priority and send an important signal to industry and investors that Alberta is putting out a "welcome mat" and tackling all the issues facing business, not just taxes.
- work with industry and post-secondary institutions to develop a long-term plan to ensure Alberta has one of the best and most highly skilled workforces in the world.
- set clear targets, measure results and report regularly on progress to improve competitiveness.

Articulating a clear vision then putting a deliberate strategy in place is key to Alberta's success going forward and builds on successful models used in other jurisdictions the Panel reviewed.

This is critical to differentiating Alberta as a place to invest and expand businesses. Every state and province the Panel looked at has some type of attraction strategy in play. If we look closely at factors we can control and that investment truly cares about, we can begin differentiating Alberta as a place that invites success. Of necessity, this includes an intensive review of Alberta's regulatory framework and the processes that go along with executing on those regulations. The Panel was particularly impressed with concepts like one-stop shops for potential investors or the Saskatchewan approach to environmental reviews. This approach creates the fast-track equivalent of a "Nexus Pass" for companies that have a proven track record, it rewards companies that consistently comply with regulatory requirements, and it focusses regulators' attention on the highest risk projects.

Alberta's public service has a critical role to play in executing on the vision and strategy. The public service can be and has to be the catalyst to deliver a differentiated Alberta experience and re-imagine work. They need to be challenged to develop ideas and approaches that are consistent with the vision and mission and common across all of government. Rather than considering all ministries and all agencies, boards and commissions the same, they should be challenged to up their game, focus on their unique strengths and be held accountable to deliver better results. Crown corporations like ATB Financial and AIMCo can and should play a key role in Alberta's competitiveness strategy and should be treated as commercial enterprises rather than traditional government agencies.

Having the right leadership is critical to engage and deliver the government's economic mission and vision. And they need to have a mandate to engage with industry and a wide range of Albertans – to learn from the best, get the best ideas and deliver results.

The Panel also understands that having a highly skilled workforce is critical to attracting industry and investment. Alberta's track record shows we are not competitive in developing the workforce Alberta will need in the future, especially with the growing emphasis on technology and innovation. New industries won't invest and locate in Alberta if we don't have the trained and highly skilled people they need to start and grow their business.

Once Alberta has built an investment attraction and economic development strategy it should develop a long-term labour market forecast to ensure the province has the skilled workforce available for the new jobs that are expected to be generated. This forecast should then influence coordinated investment and policy decisions across government, namely working with post-secondary institutions, technical and trade institutions and the K-12 system to ensure Alberta is well positioned for economic prosperity.

As noted in the Panel's comments on post-secondary education, we need to challenge all post-secondary institutions to engage with industry, do things differently and deliver the programs industry and businesses – and Albertans – need.

Finally, government should consult with stakeholders such as industry members, economic development organizations and research organizations on what the appropriate measures of competitiveness are, measure them often, publish them, analyze results, and act on areas that can be improved. Regular reports should be shared publicly, be the catalyst for ongoing consultations with industry stakeholders and economic development organizations, and provide the basis for potential policy changes or areas for prioritization.

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Alberta needs to send a clear signal to the world that it aspires to be a powerful engine of ingenuity, engagement and accountability, a place where people and businesses succeed.

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Once the budget is balanced, how do we keep it that way?

After the difficult challenges of balancing the budget by 2022/23, how does Alberta keep it that way and avoid slipping back into the boom and bust cycles we've experienced in the past?

Maintaining responsible balanced budgets is critical to Alberta's future. It's vital to maintaining Alberta's competitiveness and the well-being of today's and future generations of Albertans. A new fiscal framework is needed to encourage fiscal sustainability, manage revenue volatility, and provide stability to fiscal planning. This will enable the province to maintain competitive tax rates, build the necessary infrastructure, and provide the health, education and social services programs that are vital elements to the province's economic and social prosperity.

Maintaining Balanced Budgets after 2022/23

The Panel considered a number of different approaches for maintaining long-term fiscal discipline and concludes that the government should adopt and legislate a set of fiscal rules consistent with the new fiscal framework.

This is certainly not a new idea. Since 1992, the Government of Alberta has legislated seven different sets of fiscal rules. Frequent changes in fiscal rules in Alberta when they start to constrain governments have led some observers to question their usefulness.

Given that track record, it's not surprising that there is some healthy skepticism about how effective fiscal rules are at constraining the tendency of governments to eliminate or change the very rules they put in place when faced with difficult fiscal choices. At the same time, there are several studies which have shown that fiscal rules can work.¹⁵

The problem is often not with the rules themselves, but with the absence of political will to adhere to fiscal rules during difficult financial times. While the Panel understands there are good reasons to be skeptical about the effectiveness of fiscal rules, the Panel believes that legislating fiscal rules can help to ensure the province's long-term sustainability and avoid a return to structural deficits.

Introducing fiscal rules

The Panel examined a variety of fiscal rules that Canadian provinces and international jurisdictions have adopted over the past 25 years. Given that experience, the Panel thinks that any set of fiscal rules should have the following characteristics:

- The fiscal rule should apply only to fiscal variables that the government can control.
- When the fiscal rule is binding, the government should have reasonable options for addressing the fiscal situation.
- The fiscal rule should be simple, not readily subject to manipulation, and apply to broad budget components, rather than have a narrow application.

¹⁵ For further reference, see Tapp (2013), Farvaque, Foucault and Jonas (2015), Portes and Wren-Lewis (2014) and Parliamentary Budget Office (2014)

Based on Alberta's and other jurisdictions' experience, the Panel examined the pros and cons of three types of fiscal rules: rules that require balanced budgets and forbid deficits; rules that require saving a certain amount of non-renewable resource revenues and limit the amount of those revenues that can be spent; and rules that set limits on annual public expenditures. We found that:

- Balanced budget rules are good in theory, but in practice they don't take into account legitimate reasons why governments might need to run short-term deficits to deal with unanticipated circumstances. They also don't actually prohibit running deficits – they just prevent governments from budgeting for deficits.
- Alberta has had rules around saving a portion of resource revenues (putting a fixed percentage of resource revenues in the Heritage Fund instead of spending them) but those rules were relaxed and eventually eliminated entirely. The reality is that resource revenues account for about 11% of Alberta's annual revenues – they still are a significant source of funding. In addition to the ongoing temptation to spend those revenues when the government has them, there is nothing to prevent a government from funding programs through borrowing instead of using resource revenues. Saving resource revenues should be a long-term goal of the province, but in the short term, the Panel believes that a portion of these revenues is better used to help pay down Alberta's debt.
- Putting limits on total program spending (both operating and capital) appears to be the best approach, especially given Alberta's history of having how much it spends driven by the availability of revenues.

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How would limits on program spending work?

There are a number of different ways for setting appropriate limits on spending.

One option would be to limit the annual growth of total program expenditures to the combined annual increase in population and the rate of inflation. While this sounds simple enough, no provincial government has achieved this target over the last 10 years because of pressures from increasing costs of providing services that exceed the rate of inflation, population aging, and rising expectations about the quality of public services people expect as their own household incomes grow.

Another metric for limiting the annual increase in program spending is to tie it to increases in household income in Alberta.¹⁶

¹⁶ Dr. Melville McMillan, a fellow of the Institute of Public Economics at the University of Alberta, has argued that when examining spending policies there is a need to consider population growth, price changes, and real income changes.

Household incomes are a useful comparator for three main reasons. First, household income is a major determinant of Albertans' demand for goods and services, including those provided by governments. The amount of money they have in their household determines how much they can afford and are willing to spend. Second, household income is a measure of fiscal capacity; it reflects the ability of a province or country to finance public services. Finally, because wages and benefits are a major component of the costs of public services, and governments must be competitive in the wages and salaries they provide, average incomes reflect a significant cost component of government budgets.

■ **Recommendation 21:** The Panel recommends that the provincial government adopt a fiscal rule that limits the annual increase in total program spending to the projected rate of increase in total household incomes in Alberta.

This type of fiscal rule satisfies the criteria for fiscal rules noted earlier. It is based on a fiscal variable that the government can control—its program expenditures. It is a limitation on what the government can spend. The government always has the option of spending less than the permitted increase. It is a relatively simple rule that applies to a key fiscal variable, total program expenditures. And it would prevent Alberta from repeating its past history of ratcheting up spending when resource revenues are high. It also says to taxpayers that when their household incomes go up, it's reasonable and responsible for government spending to increase at about the same rate. If this rule had been adopted in 1998/99, program expenses would be nearly \$18 billion lower than they are today.

Limiting In-Year Spending Increases and Budgeting for Emergencies and Disasters

Once a budget is set, rules need to be in place to ensure that only essential increases in spending are allowed within the fiscal year. The current Fiscal Planning and Transparency Act (FPTA) limits in-year operating spending increases to 1% of total budgeted operating expense for a fiscal year. There are no such limitations in place to control in-year capital spending increases.

The Panel found that the 1% limit on in-year operating expenses contains various loopholes and exemptions such as funding for emergencies and disasters or commitments made in connection with collective bargaining that result in a need for government to increase its budget during the course of a fiscal year. This weakens fiscal discipline within government, as ministries are not required to stick with budget targets.

A recently released paper found that Alberta had the highest average difference between actual and budgeted expense, 3.7%, and the highest average percentage difference between actual and budgeted revenues, 7.9%, among the provinces. They also found that when revenues are higher than forecast in the budget, the government has increased spending within that same fiscal year.¹⁷

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Once a budget is set, rules need to be in place to ensure that only essential increases in spending are allowed within the fiscal year.

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¹⁷ Robson, W. and F. Omran. 2019. "Big Spenders: Canada's Senior Governments Have a Bad Budget Habit" Commentary, No. 548 C.D. Howe Institute, Toronto. https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_548.pdf

A special category of funding has been set up for emergencies and disaster assistance programs in order to provide some in-year flexibility to address agriculture assistance, flooding, wildfires, and insect infestations. These expenditures have become one of the largest components of in-year spending increases and are not subject to the 1% limit on in-year operating expense increases.

Over the past five years, spending on emergencies and disaster assistance has averaged over \$600 million per year, including a high of \$1.2 billion in 2016/17 and a low of \$212 million in 2014/15, but the amount budgeted for emergencies and disaster assistance has averaged about \$375 million.

■ **Recommendation 22:** The Panel recommends that the 1% rule on limits to in-year operating spending increases be repealed and replaced with a contingency amount voted by the legislature and allocated to the Treasury Board and Finance Ministry. A transfer of funds from the contingency to a ministry would only be allowed for a public emergency or disaster or for an unanticipated priority that is clearly in the public interest and cannot be delayed to the next budget.

The Panel suggests that, given historical numbers, a contingency fund should be in the order of \$500 - \$750 million, with \$400 - \$500 earmarked for emergencies and disasters. Any transfer from the contingency to a ministry would require an Order in Council approved by Cabinet. Since Orders in Council are public documents, this would also require governments to explain the reasons for the increased spending.

Providing a Revenue Forecast Allowance

Given our reliance on volatile sources of revenue, the Panel would normally conclude that some sort of buffer needs to be built in to revenue forecasts right away, not only to increase their reliability but, most importantly, to ensure that uncertain revenue forecasts do not drive spending targets. However, given the significant constraints that will be required on spending over the next four years, we recommend that a buffer be adopted on a go-forward basis after the budget is balanced.

The Panel examined a number of mechanisms that could be used to build in a buffer that takes into account economic and revenue forecasting risk and believes that a Revenue Forecast Allowance, set as percentage of Alberta's total revenues would be most appropriate.

The Revenue Forecast Allowance should act solely as a buffer or cushion to minimize revenue forecast risk and not be used to fund in-year spending initiatives. If the Revenue Forecast Allowance is not fully required at the end of the fiscal year, it should then be applied towards reducing Alberta's net financial debt.

■ **Recommendation 23:** After the budget is balanced, the government should build a formal buffer into its revenue forecasts through the use of a Revenue Forecast Allowance, initially set at 0.75% of revenue then increasing gradually to 1.25% over a three-year period.

Paying down Alberta's debt

The Panel was asked to provide advice on annual allocations towards retirement of the province's accumulated debt once the budget is balanced. As noted earlier in this report, under a Balanced Budget Scenario, net financial debt will increase to \$51.4 billion, and debt servicing costs will increase to \$3.2 billion, the fifth largest expense of government. Since 2016/17, the government has been borrowing to cover both operating expenses and capital expenditures.

The Panel examined some of the major the issues related to using debt to finance operating and capital spending. Most agree that debt should not be used to fund ongoing operating expenses – running deficits because the government is spending more than it can afford simply adds to a growing debt. On the other hand, there is debate about whether that same logic should apply to capital spending. As noted in the section on capital spending, the Panel believes that the government should put in place a rigorous long-term capital plan that provides annual spending amounts at predictable levels. With this type of plan in place, capital spending should be planned for and relatively constant from year-to-year. That would allow capital projects to be financed out of current revenues rather than incurring more debt and passing on the financial burden to future generations. For that reason, the Panel believes that both operating and capital spending should be paid for out of current revenues, not financed over time through debt.¹⁸

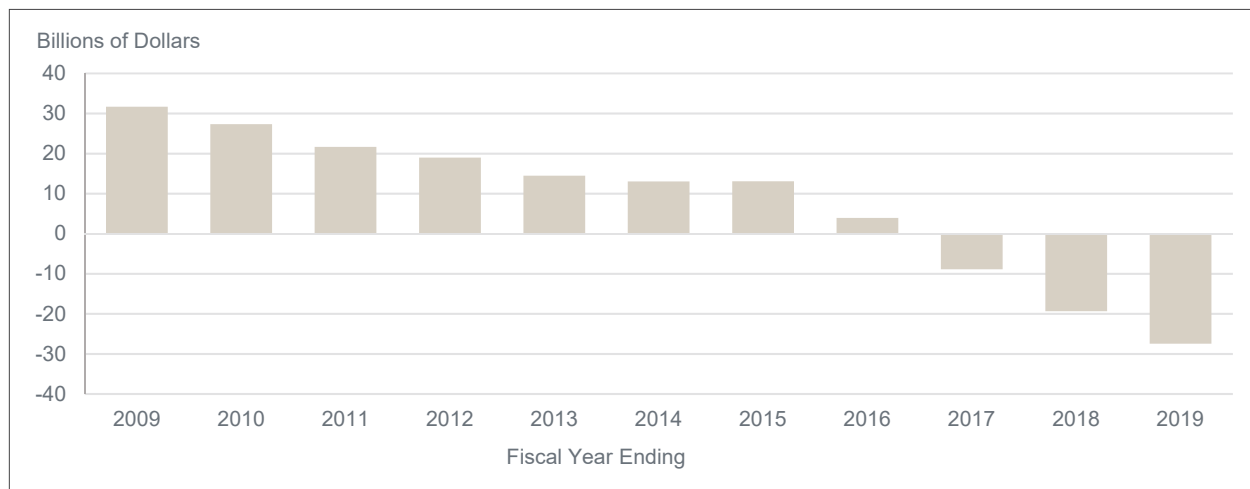
There are a number of different measures that could be used to describe Alberta's debt position, but the Panel focused on net financial debt (the difference between the province's assets and its liabilities) as the most appropriate measure for the province. Net debt not only is the most widely recognized measure of the debt burden, but also focusing on eliminating net debt would allow the province to use budget surpluses to create a fiscal stabilization fund or make contributions to the Heritage Fund – both of these approaches would also reduce Alberta's net debt.

Looking at net debt, this is where we stand today.

The Government of Alberta has gone from having \$31.7 billion in net financial assets at the end of the 2008-09 fiscal year to a net debt of \$27.5 billion at the end of the 2018-19 fiscal year. In the most recent fiscal year, 2018/19, the province's net debt increased by \$8.1 billion. Over the entire 10-year period, the financial asset position of the Government of Alberta declined by \$59.2 billion. Fifty -five percent of this decline is due to borrowing for capital projects, 43% is from borrowing to fund operating expenditures and interest payments on debt, and 2% is from other financial transactions.

¹⁸ For more information on this topic, see Mintz and Smart (2006), Dahlby and Smart (2015) and McMillan (2019).

FIGURE 30: ALBERTA'S FINANCES DROPPED FROM NET ASSETS TO NET DEBT



Source: Alberta Treasury Board and Finance

Recommendation 24: Once the budget is balanced in 2022/23, the Government of Alberta should introduce a legislated plan to eliminate Alberta's net debt by 2043/44.

A legislated plan is essential, otherwise the goal of eliminating Alberta's net debt is unlikely to be achieved.

The Panel suggests that annual debt reduction payments should be based on a set percentage of the province's total revenues rather than a pre-determined, fixed dollar amount.

In terms of setting a target date for eliminating the net debt, given the projected size of Alberta's net financial debt in 2022/23 (\$50.9 billion), the Panel believes that a reasonable target date for eliminating the net debt is 2043/44.

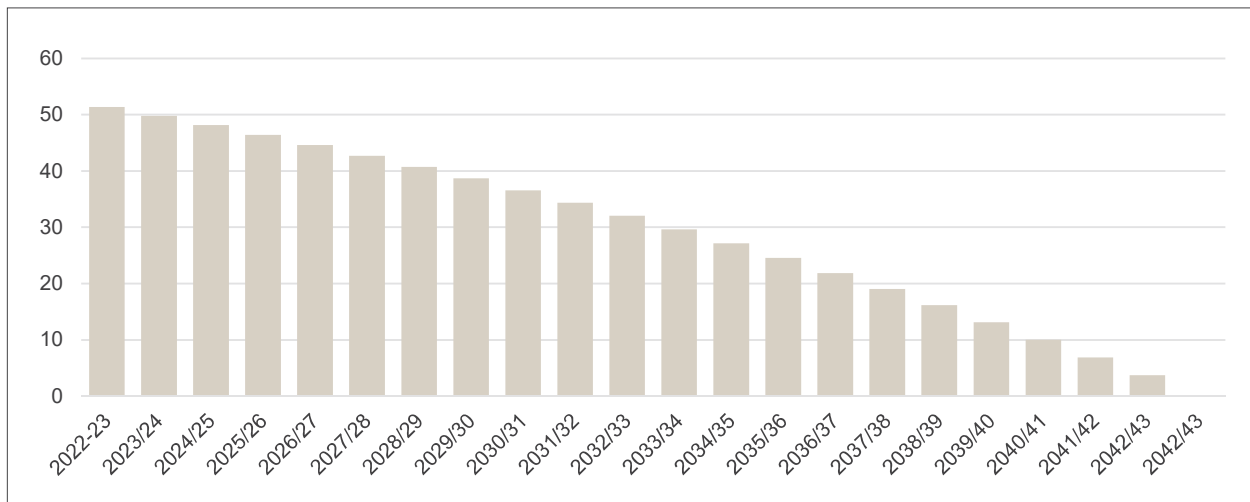
Based on a prudent assumption of average annual growth of total revenues of 4.1% per year, the Government of Alberta could eliminate its net debt by 2043/44 by running a surplus of 2.6% of its total revenues each year. In other words, the Government of Alberta would be saving 2.6% of its total revenues and using it to pay down its net debt. The Panel recognizes that it is impossible to forecast revenue growth over a 20-year period with a high degree of accuracy, and therefore every four years, the government should update its forecast of total revenues and revise the percentage of total revenues that will be used for paying down the remainder of its net debt by 2043/44.

.....

The Government of Alberta has gone from having \$31.7 billion in net financial assets at the end of the 2008-09 fiscal year to a net debt of \$27.5 billion at the end of the 2018-19 fiscal year.

.....

FIGURE 31: A PRUDENT PLAN FOR ELIMINATING ALBERTA'S NET DEBT BY 2043/44



Source: Alberta Treasury Board and Finance

Improvements in Fiscal Reporting and Transparency

Alberta is considered a leader in fiscal transparency¹⁹; however, the Panel feels there a number of additional steps that can be taken to improve the quality of financial reporting, improve financial discipline, and monitor long-term fiscal sustainability. Because many of these suggestions are detailed changes and additions to existing reports, we have included them in Appendix 4.

The Panel would like to single out one recommendation to improve fiscal transparency and provide more budget certainty.

■ **Recommendation 25:** The Panel recommends that Alberta establish a fixed budget date.

In its review of other provinces, the Panel learned that provincial budgets in British Columbia must be released on the third Tuesday of every February. Currently, there is no fixed budget date in Alberta and this can cause considerable uncertainty to organizations and entities which depend on provincial budgets to determine their own budget plans, particularly school boards and municipalities. Setting a fixed date would help entrench a tradition of timelier budgets.

¹⁹ CD Howe Institute
https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20545.pdf

Monitoring Compliance with Balanced Budget Rules

While legislated fiscal rules can exert some control over behavior, Alberta's experience with fiscal rules shows that they can be amended or repealed by a simple majority vote of the Legislative Assembly.

The Panel believes that there needs to be a balance between the ability of a democratically-elected government to adopt the fiscal policies that it deems appropriate and the need for independent oversight to keep government focused on adhering to the fiscal rules that it has adopted. The Panel considered alternative institutional arrangements to monitor and report on compliance with fiscal rules by independent budget offices (like the Parliamentary Budget Office of the federal government), fiscal councils (made up of individuals with financial expertise and mandated to report publicly), and international financial organizations (like the International Monetary Fund (IMF), the Organization of Economic Cooperation and Development (OECD) or the World Bank).

There are advantages and disadvantage of each model but, on balance, the Panel believes that using a reputable independent agency is the preferred approach. Alberta's former Auditor General, Merwan Saher, has argued that the Government of Alberta should provide public reports that evaluate the province's long-term fiscal future.²⁰ International financial agencies have considerable experience and expertise in assessing the long-term sustainability of a government's fiscal policies. They could also monitor adherence to fiscal rules and the government's debt reduction plan.

■ **Recommendation 26:** The Panel recommends that the government should contract with a reputable independent agency to provide an assessment every four years of Alberta's fiscal policies, particularly regarding adherence to its fiscal framework and the long-term fiscal sustainability of the province's fiscal policies. The report should be made public four months before a scheduled election.

SUMMARY OF THE KEY ELEMENTS OF THE NEW FISCAL FRAMEWORK:

- Legislate rules to limit program expenditure increases based on the rate of increase in household incomes
- Legislate restrictions on in-year spending increases
- Introduce a revenue forecast cushion
- Improve transparency and accountability with more relevant quarterly reports and fiscal plan documents, and an expanded mid-year fiscal update and economic statement
- Set fixed budget dates
- Legislate a plan to eliminate the province's net debt by 2043/44
- Review the province's fiscal policies every four years, conducted by a reputable independent agency

²⁰ Auditor General of Alberta. 2018. "Putting Alberta's Financial Future in Focus," A Commentary by the Auditor General, April. Available at https://www.oag.ab.ca/webfiles/reports/April2018_OAG_Commentary.pdf

Concluding comments

The Panel's intent with this report was not only to confirm the stark reality of Alberta's fiscal situation but to identify specific opportunities to reduce spending in line with other provinces and, at the same time, to achieve better results and put the province on a path to long-term fiscal sustainability.

The Panel believes this is an opportunity for the province to look beyond just short-term quick fixes to reduce spending and to use this as a time to explore new approaches and alternatives for delivering public services, improve Alberta's competitive position, and achieve a sustainable financial situation and long-term results for Albertans – all at a reasonable cost to taxpayers.

Overall, that is the conclusion of the Blue Ribbon Panel on Alberta's Finances.

We urge the government to take decisive action.

Appendices

Appendix 1: Panel Terms of Reference

Context - The Government of Alberta has committed to “appoint a Blue Ribbon Panel of experts to conduct a ‘deep dive’ into Alberta’s fiscal situation, recommend a path to balance, and propose a realistic plan to start paying down the debt.”

Mandate - The mandate of the Blue Ribbon Panel on Alberta’s Finances is as follows:

- Develop and provide an assessment of the Government of Alberta’s business-as usual fiscal outlook for current fiscal year, 2019-20, and the subsequent three fiscal years, 2020-21, 2021-22 and 2022-23, based on the most current economic and fiscal forecasts, assuming no policy changes, in order to establish a baseline for future fiscal planning.
- Develop and provide an assessment of alternative scenarios for the Government of Alberta’s fiscal outlook to establish a clear understanding of the risks associated with the province’s business-as-usual fiscal outlook between 2019-20 and 2022-23.
- Develop and provide an assessment of the material economic forecast assumptions, including assumptions about commodity prices that underlie the fiscal outlook, the main uncertainties associated with the economic forecast, and the sensitivity of the fiscal outlook to changes in the economic forecasts.
- Provide advice to the government on plans to balance the provincial budget by 2022-23, without raising taxes, based on the fiscal outlook.
- Provide an assessment by department and agency of program expenditure trends and cost drivers and the sensitivity to changes in the economic forecast.
- Provide advice and recommendations on a new fiscal framework, including requirements for presenting a four-year balanced budget plan, requirements for future balanced budgets, annual allocations towards retirement of the province’s accumulated debt once the budget is balanced, and requirements for ministry business plans, monthly, quarterly and mid-year budget updates, and annual reports.
- Examine current practices, processes and systems used to prepare the province’s budget, quarterly updates and economic statements and annual financial statements, report on ease of use, and recommendations for improvement with due regard to enhancing fiscal sustainability and transparency.
- Examine current processes and systems used in government for preparing, approving, and monitoring progress on the Government of Alberta’s Capital Plan, including processes and systems used to approve in-year capital spending, and provide recommendations for improving the province’s capital planning framework.
- Analyze the business investment climate in Canada and its impact on the Alberta economy.
- Provide advice on any other matter the Panel deems relevant to its mandate as a result of information coming to its attention during the course of the review.

Appendix 2: Key Economic and Price Assumptions for Revenue Scenarios

Base Case

ENERGY AND ECONOMIC METRICS - BUSINESS-AS-USUAL SCENARIO

Fiscal Year Assumptions	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Projection
Crude Oil Prices^a								
WTI (US\$/bbl)	45.00	47.93	53.69	62.77	60	61	65	66
Light-Heavy Differential (US\$/bbl)	13.4	13.9	14.4	23.3	18.4	23.2	23.6	18.4
Exchange Rate (US\$/Cdn\$)^a	76.4	76.2	78.0	76.3	75.0	76.8	78.8	80.0

Calendar Year Assumptions	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	Estimates	Forecast	Forecast	Forecast	Forecast	Projection
Gross Domestic Product									
Nominal (billions of dollars)	323.8	301.7	331.9	348.2	361.6	371.8	391.4	413.1	435.9
% change	-14.0	-6.8	10.0	4.9b	3.8	2.8	5.3	5.6	5.5
Real (billions of 2012 dollars)	336.8	322.7	336.8	344.1	347.7	356.6	366.8	378.4	390.3
% change	-3.7	-4.2	4.4	2.2b	1.0	2.6	2.8	3.2	3.1
Other Indicators^a									
Employment (thousands)	2,301	2,264	2,287	2,331	2,351	2,386	2,431	2,485	2,542
% change	1.2	-1.6	1.0	1.9	0.9	1.5	1.9	2.2	2.3
Unemployment Rate (%)	6.0	8.1	7.8	6.6	6.6	6.5	6.1	5.6	5.2
Alberta Consumer Price Index (% change)	1.2	1.1	1.5	2.4	1.9	1.7	1.8	2.0	2.0
Population	4,144.5	4,196.1	4,244.0	4307.1	4,377.5	4,449.5	4,524.9	4,612.6	4,706.0
% change	1.5	1.2	1.1	1.5	1.6	1.6	1.7	1.9	2.0

^a Actual

^b Forecast

Global Recession Scenario

ENERGY AND ECONOMIC METRICS - GLOBAL RECESSION SCENARIO

Fiscal Year Assumptions	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Projection
Crude Oil Prices^a								
WTI (US\$/bbl)	45.00	47.93	53.69	62.77	60	47	59	65
Light-Heavy Differential (US\$/bbl)	13.4	13.9	14.4	23.3	17.9	21.1	22.2	18.2
Exchange Rate (US\$/Cdn\$)^a	76.4	76.2	78.0	76.3	75.0	70.6	74.4	78.4

Calendar Year Assumptions	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	Estimates	Forecast	Forecast	Forecast	Forecast	Projection
Gross Domestic Product									
Nominal (billions of dollars)	323.8	301.7	331.9	348.2	361.4	347.7	360.1	398.4	430.0
% change	-14.0	-6.8	10.0	4.9b	3.8	-3.8	3.6	10.6	7.9
Real (billions of 2012 dollars)	336.8	322.7	336.8	344.1	347.6	347.8	348.4	365.0	382.6
% change	-3.7	-4.2	4.4	2.2b	1.0	0.1	0.2	4.8	4.8
Other Indicators^a									
Employment (thousands)	2,301	2,264	2,287	2,331	2,351	2,356	2,356	2,427	2,534
% change	1.2	-1.6	1.0	1.9	0.9	0.2	0.0	3.0	4.4
Unemployment Rate (%)	6.0	8.1	7.8	6.6	6.7	7.5	8.4	7.1	5.2
Alberta Consumer Price Index (% change)	1.2	1.1	1.5	2.4	1.8	1.1	1.0	2.0	2.3
Population	4,144.5	4,196.1	4,244.0	4307.1	4,377.5	4,449.5	4,522.8	4,601.3	4,692.4
% change	1.5	1.2	1.1	1.5	1.6	1.6	1.6	1.7	2.0

^a Actual

^b Forecast

Constrained Market Access Scenario

ENERGY AND ECONOMIC METRICS - CONSTRAINED MARKET ACCESS

Fiscal Year Assumptions	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Projection
Crude Oil Prices^a								
WTI (US\$/bbl)	45.00	47.93	53.69	62.77	60	61	65	66
Light-Heavy Differential (US\$/bbl)	13.4	13.9	14.4	23.31	18.4	23.2	23.6	25.6
Exchange Rate (US\$/Cdn\$)^a	76.4	76.2	78.0	76.3	75	76.8	78.8	78.8

Calendar Year Assumptions	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	Estimates	Forecast	Forecast	Forecast	Forecast	Projection
Gross Domestic Product									
Nominal (billions of dollars)	323.8	301.7	331.9	348.2	361.5	368.7	383.2	392.2	407.2
% change	-14	-6.8	10	4.9b	3.8	2.0	3.9	2.4	3.8
Real (billions of 2012 dollars)	336.8	322.7	336.8	344.1	347.6	353.8	360.4	367.9	374.7
% change	-3.7	-4.2	4.4	2.2b	1.0	1.8	1.9	2.1	1.8
Other Indicators^a									
Employment (thousands)	2,301.1	2,263.8	2,286.9	2,330.7	2,351.0	2,376.0	2,403.0	2,439.0	2,476.0
% change	1.2	-1.6	1.0	1.9	0.9	1.1	1.2	1.5	1.5
Unemployment Rate (%)	6.0	8.1	7.8	6.6	6.6	6.8	6.9	6.8	6.7
Alberta Consumer Price Index (% change)	1.2	1.1	1.5	2.4	1.9	1.6	1.5	1.5	1.4
Population	4,144.5	4,196.1	4,244.0	4,307.1	4,377.5	4,448.9	4,522.2	4,597.6	4,675.3
% change	1.5	1.2	1.1	1.5	1.6	1.6	1.6	1.7	1.7

^a Actual

^b Forecast

Appendix 3: Alberta's Competitive Position

Competitiveness benchmarking results for Alberta

Measure	Alberta's Rank ¹ & Rating ²	Change in Rating ³	Measure	Alberta's Rank ¹ & Rating ²	Change in Rating ³
Sustained Prosperity			Taxes & Fiscal Policy		
GDP per capita	2 / 15	→	Marginal effective tax rate on investment	3 / 10	→
Growth in real GDP per capita	8 / 15	↓	Business total tax index	1 / 13	→
Personal income per capita, after tax	7 / 15	→	Top personal income tax rate	11 / 15	↓↓↓
Growth in real personal disposable income	5 / 15	↓	Total tax burden	2 / 15	↑
Housing affordability	7 / 13	→	Government net financial assets	3 / 14	→
Unemployment rate, five-year average	6 / 15	→	Regulation		
Unemployment rate, latest year	15 / 15	↓↓↓	Time required to start a new business	8 / 10	→
Employment growth	6 / 15	↓↓↓	Cost of procedures to start a new business	7 / 10	→
Index of Economic Well-being	2 / 9	→	Property transfer costs	6 / 15	→
Human Development Index	3 / 10	→	Total business cost index	6 / 13	→
Greenhouse gas emissions	13 / 15	→	Infrastructure & Transportation		
Low-emission electricity production	15 / 15	→	Government investment in infrastructure	2 / 10	↓
Change in low-emission electricity production	5 / 15	↑	Net stock of public infrastructure assets	1 / 6	→
Productivity			Government spending on roads, bridges and transit	4 / 6	↓↓↓
GDP per hour worked	7 / 15	↓	Airport passengers per capita	6 / 15	→
Growth in real GDP per hour	8 / 15	↓	Households with broadband internet	4 / 15	→
Non-resource exports per capita	9 / 15	→	Wired broadband internet speed	9 / 14	↓
Growth in non-resource exports per capita	14 / 15	→	Mobile broadband internet speed	6 / 14	→
Innovation			Human Capital & Education		
Total R&D expenditures	12 / 15	→	High school math, reading and science skills	3 / 10	→
Growth in total R&D expenditures	4 / 15	↑	High school completion rate	6 / 15	→
Business R&D expenditures	11 / 15	→	Post-secondary education other than degrees	3 / 12	→
University patents received	8 / 13	→	Bachelor degree completion rate	10 / 15	→
Industrial share of research funding	1 / 13	→	Graduate student rate	14 / 15	→
Start-ups licensing university technology	5 / 12	↑	International graduate students	4 / 15	→
Investment in machinery and equipment	3 / 10	→	Apprenticeship completion rate	1 / 6	→
Investment in ICT equipment and software	2 / 7	→	Ongoing formal or informal education	1 / 10	→
Employment in natural and applied sciences	3 / 6	↓	Employment rate	2 / 15	→
Total early-stage entrepreneurial activity	2 / 8	↓	Change in employment rate	13 / 15	↓
New business start-ups	2 / 14	↑	Net migration rate	1 / 15	→
High-growth firms	1 / 6	→	Share of labour force aged 55+	2 / 15	→
Legend for ratings²			Share of labour force aged <25	9 / 15	→
Excellent (top quintile)	→	Average (middle quintile)	Access to Capital Markets		
Good (second quintile)	→	Weak (lower quintile)	SME authorization of requested credit	6 / 6	→
	→	Poor (bottom quintile)	SME financing as an obstacle to business growth	4 / 6	→
	→		Venture capital investment	9 / 15	→
	→		Number of venture capital deals	10 / 15	→
	→		Head office employment	1 / 6	→

1. The number of jurisdictions compared for each measure varies due to availability of data.
2. The ratings take into account both Alberta's ranking and Alberta's measured value relative to other jurisdictions.
3. The number of arrows indicates the number of ratings categories by which Alberta's rating has changed since the prior edition of this report.

Appendix 4: Improving planning, transparency and financial reporting

Improvements to Capital Planning and Reporting

The Panel examined the current framework for capital planning and reporting in Alberta relative to best practices in other Canadian provinces, and found significant improvements have been made in response to the 2017 Report of the Auditor General and the 2017 Ernst and Young (E&Y) report on best practices.

The capital planning process in Alberta is a detailed process where ministries identify and prepare submissions to be considered for Capital Plan funding. A Deputy Minister's Capital Planning Committee (DMCPC) reviews processes, and Treasury Board Committee (TBC) and Cabinet assess proposals and resource needs associated with capital planning.

- The Panel believes there are a number of additional steps that government should take to improve capital planning and reporting:
- The Deputy Minister's Capital Planning Committee (DMCPC) should have its role formalized and expanded to providing advice to the Ministers' Capital Committee on Capital and Treasury Board Committee (TBC).
- The government should discontinue publishing the list of unfunded projects with the Capital Plan. Publishing the list contributes to bias in favour of spending on new facilities rather than maintaining existing facilities. It also limits the degree of flexibility government has for future priorities and sets unreasonable expectations. No other province publishes an unfunded project list.
- The government should legislate a strong governance framework for capital planning in Alberta through the passage of an Alberta Infrastructure Act.
- The government should support long-term capital planning and reporting by preparing and publicly releasing a 20-year Strategic Capital Plan. This will promote greater transparency and help government stick to a medium- to long-term vision for capital.
- The government should ensure that capital approval processes and systems consider future operating impacts as a mandatory requirement for approval. The budgeted operating costs for capital projects should fully reflect the impact of proposed capital projects, including those that commence beyond the prevailing three-year operating plan and typically take a number of years to complete. The government should consider requiring certain capital projects to cover the operating costs of their capital requests as a starting position for approval. If ministries cannot accommodate operating costs within their existing budget, the project should be deemed not to have the requisite priority or value. This will create better discipline in the capital planning and approval system.

More Relevant Fiscal Reports

Fiscal and financial reporting is crucial for maintaining transparency, accountability and public confidence in the government's management of the public purse. Currently, the main public fiscal and financial documents are:

- Fiscal Plan, Government and Ministry Business Plans, Budget Estimates and Budget Address presented when the budget is introduced to the Legislature
- Quarterly Fiscal Updates and Economic Statements
- Government of Alberta and Ministry Annual Reports

All of these documents are available on the Alberta Treasury Board and Finance website. Excel files are provided for the Economic Outlook, Tax Plan and Other Fiscal Plan Tables.

The Panel reviewed these documents and, while the current documents meet an acceptable standard, the Panel feels that the Fiscal Plan documents would be improved if they contained:

- An appendix with a table or graph of the impact of changes in key economic variables, such as the price of WTI, on revenues, expense, deficits, and net financial debt over the three-year budget plan
- An appendix that shows the primary budget balance (total revenues minus operating expenditures and capital expenditures) and the fiscal balance (total revenues minus operating expenditures, capital expenditures, and interest payments on debt) over the three-year budget plan in order to report in a more understandable fashion the government's full fiscal position.
- An appendix that describes progress on the Government of Alberta's debt reduction strategy once the budget is balanced in 2022/23.

The requirement that the Government of Alberta produce Quarterly Fiscal Updates and Economic Statements was introduced in 1993. Prior to that, information on the Government of Alberta's fiscal situation was only provided many months after the end of the fiscal year. The Panel believes that the content of the Quarterly reports should be amended. Currently, given the high short-term volatility of Alberta's resource revenues, the public tends to focus on the revenue forecast and how it differs from the revenues in the budget. This short-term focus on revenue fluctuations and their implications for the current fiscal year's budget deficit takes public attention away from the more important fiscal variable that the government can control, namely its operating and capital expenditures. The Panel believes that the format of the Quarterly Reports should be revised, and the focus should be on how operating and capital expenditures are deviating from the budget numbers, with detailed explanations for these deviations. The Quarterly reports also contain updates on the Economic Outlook, which is a useful summary of the labour market, populations and other economic indicators that the Government releases on a weekly and monthly basis.

Missing from the suite of reports is a mid-year update of the fiscal outlook for the three years in the Fiscal Plan. Currently, Quarterly reports only deal with the current fiscal year and do not update the fiscal outlook for subsequent years. According to the OECD Best Practices for Budget Transparency, a fiscal update should provide the following basic information:

- Information on significant issues in the implementation of the budget including disclosure of the impact of government decisions, or other circumstances, that may have a material effect on the budget;
- A review of the economic assumptions underlying the budget and a disclosure of the impact of any changes on the budget;
- An updated budget forecast for the current fiscal year and subsequent years in line with the medium-term budget framework.

The Government of Alberta should prepare a comprehensive Mid-Year Fiscal and Economic Statement by November 30 of each fiscal year to serve as a full three-year update on the government's budget. Basic contents of the Mid-Year Fiscal Update and Economic Statement should include:

- an updated presentation of the Fiscal Plan tables presented in the same format, time-frame, and detail as the budget
- an update of the key fiscal and economic assumption underlying the budget and the impact of any changes; an explanation of the key factors underlying variances in the mid-year updated forecast relative to the original budget estimates
- detail on policy decisions taken since the presentation of the budget that have fiscal implications, with estimates on the magnitude of the impact
- disclosure of key fiscal and economic risks
- sensitivity of major revenues and expenses to changes in key economic and price indicators
- this would ensure that legislators and Albertans can assess progress made on the Fiscal Plan and hold the government to account for results achieved. It could also serve as an information guide to kick off pre-budget consultations with Albertans.



Research and Analysis Support for the Blue Ribbon Panel on Alberta's Finances

July 12, 2019

TABLE OF CONTENTS

1	Introduction.....	2
1.1	Study Purpose.....	2
1.2	Report Limitations	3
2	Scope 1: Review of Best Practices Related to Business Attraction and Capital Investment.....	4
2.1	Background	4
2.2	Themes of Best Practices	4
2.3	Following a Clear and Well-Supported Investment Attraction Strategy	6
2.4	Providing Investor-Centric Service Offerings	9
2.5	Supporting Regulatory Efficiency, Transparency and Predictability	12
2.6	Enhancing the Local Labour Force	14
2.7	Measuring Investment Attraction.....	15
3	Scope 2: Review of the Report on Competitiveness: Alberta 2016.....	16
3.1	Background	16
3.2	Overview of the MMK Report	16
3.3	Findings from Reviewing Competitiveness Reports from Other Jurisdictions	17
3.4	Recommendations	21
4	Scope 3: Competitiveness of Alberta's Oil and Gas Sector.....	22
4.1	Background	22
4.2	Alberta's Regulatory Environment.....	23
4.3	Infrastructure and Market Access	28
4.4	Cost Competitiveness of Alberta's Oil Sands	30
4.5	Royalty Structure and Other Fiscal Policy.....	30
5	Scope 4: Competitiveness Implications of Carbon Pricing and Climate Change Policies	32
5.1	Background	32
5.2	Jurisdictional Review.....	34
5.3	Competitiveness Implications.....	39
5.4	Other Climate Policies and Regulations.....	42
	Appendix A: Data Sources.....	45
	Appendix B: Assessment of Best Practices.....	47
	Appendix C: About MNP	50

1 INTRODUCTION

1.1 Study Purpose

Canada is considered to have become less globally competitive in recent years, which has affected the level of business attraction and capital investment in the country.¹ Competitiveness determines the level of productivity of a jurisdiction, and thus the potential for an economy to grow sustainably and inclusively.² Canada's challenges include: an aging population; limited ability to retain homegrown talent; limited attention to later career training and development; and lagging growth in high-value innovation and technology application compared with other jurisdictions.³ In light of this national context, opportunities exist for provinces that are able to improve their competitiveness and attract business investment.

On May 7, 2019 the Government of Alberta established "The Blue Ribbon Panel on Alberta's Finances" ("the Panel"), to conduct a "deep dive" into Alberta's fiscal situation, recommend a path to balance, and propose a realistic plan to start paying down the debt. The Panel is to conclude its work and deliver its final report and recommendations to the President of Treasury Board and Minister of Finance by August 15, 2019, together with any follow-up clarifications, explanations or other advice as may be requested by the Province. The final report and recommendations of the Panel will serve as input into the Province's 2019 Budget and future budgets.

The Panel commissioned MNP LLP ("MNP") to carry out research and analysis in support of its mandate. The scope of the research and analysis consisted of the following:

- **Scope One:** Identification of best practices from comparable jurisdictions believed to have successful business attraction and capital investment regimes.
- **Scope Two:** Review of the Report on Competitiveness: Alberta 2016 ("the MMK Report"),⁴ with a focus on identifying additional measures of competitiveness that were not included in the MMK Report.
- **Scope Three:** Analysis and advice on the competitiveness of Alberta's oil and gas sector, relative to key competing jurisdictions in Canada and the United States ("US").
- **Scope Four:** Review of the competitiveness implications of carbon pricing and climate change policies in Alberta relative to other key jurisdictions in Canada and the US.

Across the four research areas listed above, the following were considered comparison jurisdictions: BC; Saskatchewan; Ontario; Quebec; Colorado; Texas; Washington; North Dakota; and Australia.

¹ Public Policy Forum. "A New North Star: Canadian Competitiveness in an Intangibles Economy". April 2019.

² World Economic Forum. "What is competitiveness?". September 27, 2016. Available here: <https://www.weforum.org/agenda/2016/09/what-is-competitiveness/>

³ Public Policy Forum. "A New North Star: Canadian Competitiveness in an Intangibles Economy". April 2019.

⁴ MMK Consulting Inc. "Report on Competitiveness: Alberta 2016". August 2017.

1.2 Report Limitations

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from the Government of Alberta and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon the findings or opinions expressed in the report for personal or corporate business or investment decisions and disclaim any liability to any party who relies upon them as such.

2 SCOPE 1: REVIEW OF BEST PRACTICES RELATED TO BUSINESS ATTRACTION AND CAPITAL INVESTMENT

2.1 Background

Government authorities may pursue a number of strategies to attract businesses and capital investments to their respective jurisdictions. This section includes a summary of the key findings from MNP's identification of best practices from jurisdictions believed to have successful business attraction and capital investment regimes.

For Scope 1 MNP's approach consisted of:⁵

- Secondary research on best practices of business attraction and capital investment.⁶ A total of 10 reports on best practices for business attraction and capital investment were reviewed. For a detailed list of reports reviewed, please refer to Appendix A.
- Identification of common best practices across reports reviewed as part of the secondary research.
- Identification of examples of initiatives where best practices were demonstrated. Where possible, initiatives were identified in the jurisdictions believed to be of most relevance to Alberta (i.e., BC, Saskatchewan, Ontario, Quebec, Colorado, Texas, Washington, North Dakota, Norway, and Australia).
- Each best practice was assessed at a high-level by reviewing its alignment with the Alberta government's stated priorities; expected time frame to implement the best practice; and, expected level of government involvement, in terms of fiscal policy, legislation and co-ordination between various departments. For further details on MNP's assessment of the best practices, please refer to Appendix B.

2.2 Themes of Best Practices

The best practices for business and investment attraction identified in MNP's review can be classified into five broad themes:

- **Existence of a clear and well-supported investment attraction strategy.** A clear and focused investment attraction strategy is essential for successful attraction of investors to a jurisdiction. An effective strategy includes a long-term vision and direction for business attraction efforts, outlines the target market for investment (e.g., key industries) and describes the intended approach to reach and secure investors. To instil confidence in investors, the strategy should be supported by all levels of government in the jurisdiction, as well as by senior leadership from the local business community.^{7,8,9} Best practices associated with such an investment attraction strategy include:
 - Development of a well-crafted place branding strategy based on a clearly articulated vision.
 - Development of a compelling place value proposition for investors.
 - Collaboration with multiple stakeholder groups and different levels of government.

⁵ Please note that due to the short timeframe of the project, MNP's review did not include primary research through interviews.

⁶ Please note that the scope of the review did not include tax incentives for business attraction and capital investment.

⁷ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

⁸ Ivey, Lawrence National Centre for Policy and Management. "Investment Attraction: Learning from "Best Practice" Jurisdictions". 2016. Available here: <https://www.ivey.uwo.ca/cmsmedia/2758461/investment-attraction-learning-from-best-practice-jurisdictions.pdf>

⁹ Advisory Council on Economic Growth. "Bringing Foreign Investment into Canada". 2016. Available here: <https://www.budget.gc.ca/aceg-ccce/pdf/foreign-investment-investisseurs-etranagers-eng.pdf>

- Consultation with existing investors to identify gaps and opportunities.
- Leveraging existing networks to generate investment leads.
- **Provision of investor-centric service offerings.** Such service offerings are important to ensure that investors can start operations as quickly and seamlessly as possible, and further grow operations in the jurisdiction. To be effective, investor-centric service offerings should help guide investors through the investment process, remove obstacles, and provide access to assets and resources in the jurisdiction.¹⁰ Best practices associated with provision of investor-centric service offerings include:
 - Facilitation of a soft-landing for investors through a one-stop shop experience.
 - Development and delivery of a holistic after-care approach.
 - Development and support of industry clusters.
- **Regulatory efficiency, transparency and predictability.** These activities balance the need for regulatory and compliance procedures with the cost, time, and risk to investors.¹¹ As well, they provide transparency and predictability to investors regarding regulatory processes. Best practices associated with supporting regulatory efficiency, transparency and predictability include:
 - Reduction of the regulatory burden for investment.
 - Provision of transparency and predictability by sharing regulatory requirements, timelines and responsibilities with investors.
- **Enhancement of the local labour force.** Having access to skilled labour is a key factor in attracting new investments and in growing recent investments in a jurisdiction.¹² This should involve collaboration between government, industry and academic institutions in a jurisdiction. Best practices associated with enhancing the labour force include optimizing the local workforce and attracting talent.
- **Measurement of investment attraction.** Measurement of investment attraction efforts is important to provide accountability and to use past knowledge to improve future investment attraction activities and efforts.¹³ Measuring investment attraction should involve clear targets, systematic tracking, and consistent use of metrics such as return on investment or economic impact.¹⁴ Best practices associated with measuring investment attraction include monitoring and evaluation of investment attraction efforts.

It is important to note that these best practices for business and investment attraction require their effective implementation. Key to effective implementation is a government culture that prioritises business and investment attraction and ongoing consultation with investors and the business community. This may be demonstrated through involvement of senior government leadership in championing the importance and benefits of investment attraction, design and delivery of efficient and effective government services, and consideration of investors' needs with each decision related to government service strategy and execution.¹⁵

¹⁰ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

¹¹ OSCE. "Best Practices Guide for a Positive Business and Investment Climate". 2006. Available here: <https://www.osce.org/eea/19768?download=true>

¹² Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

¹³ Ibid.

¹⁴ Inter-American Development Bank. "Innovations in Foreign Direct Investment Attraction". November 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1

¹⁵ PWC. "The road ahead for public service delivery". 2007. Available here: https://www.pwc.com/gx/en/psrc/pdf/the_road_ahead_for_public_service_delivery.pdf

2.3 Following a Clear and Well-Supported Investment Attraction Strategy

Best practices associated with following a clear well-supported investment attraction strategy include the development of a well-crafted place branding strategy based on a clearly articulated vision, the development of a compelling place value proposition for investors, collaboration with multiple stakeholder groups and different levels of government, consultation with existing investors to identify gaps and opportunities, and leveraging existing networks to generate investment leads:

Development of a well-crafted place branding strategy based on a clearly articulated vision

Place branding is considered to be a cornerstone to targeting investment and has become an important strategy for jurisdictions to differentiate themselves. Place branding enables jurisdictions to manage their reputation and attain a unique position in the eyes of investors based on the jurisdiction's identity and strengths.¹⁶

To create a well-crafted place brand, it is important for it to be built based on a clear and compelling vision, leverage the jurisdiction's strengths, and ensure the brand is distinct and bold.¹⁷ Marketing of the brand by senior government officials helps enhance a jurisdiction's reputation for being investor friendly. An example of a successful place branding strategy is the Making Colorado initiative, described below.

In 2012, the Governor of the State of Colorado launched the Making Colorado initiative, which involved the development of a brand for the state that could help boost trade, tourism and economic development.¹⁸ The main purpose of the brand was to “unify Colorado – making its government more efficient while attracting talent and businesses and promoting tourism”.¹⁹ To develop the brand for Colorado, the government recruited a Chief Marketing Officer and gathered input from a wide range of stakeholders including a council of advisors, 64 youth ambassadors from across the state, and hundreds of thousands of residents. In 2019, the brand of the state was updated and is expected for the new brand to be rolled out over the next several years.²⁰

Development of a compelling place value proposition for investors

Place value proposition is defined as a “targeted investment offering that is based on the jurisdiction's competitive edge, culture or values in order to differentiate the offer in a highly competitive market”.²¹ Developing a strong place value proposition is considered a best practice for investment attraction, as most investors require an offering from the jurisdictions that highlights how their needs are going to be met by a location before they make an investment decision.²²

Important components in the development of a compelling place value proposition include addressing investor's needs and desires, aligning it with the jurisdiction's areas of specialization, considering market and technology trends, highlighting the jurisdiction's overall attraction and quality of life, and considering the offerings of

¹⁶ Nordic Place Academy. “Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities”. January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

¹⁷ Ibid.

¹⁸ Huffington Post. “Making Colorado Unveils First Logos for State Branding Initiative”. Available here: https://www.huffpost.com/entry/making-colorado-logos-state-branding-initiative_n_3618001

¹⁹ State of Colorado. “The Brand Guidelines”. 2019. Available here: <https://drive.google.com/file/d/1fmlGwQzKCpmHZvYDJQrW3kB9OqOo4gj/view>

²⁰ State of Colorado, Division of Central Agencies. “State Branding”. Available here: <https://www.colorado.gov/pacific/dcs/state-branding>

²¹ Nordic Place Academy. “Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities”. January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

²² Ibid.

competitor jurisdictions.²³ An example of a jurisdiction that focuses on developing compelling value propositions for investment attraction is Australia.

As part of a broader regional tourism infrastructure investment attraction strategy, Tourism Australia and Austrade developed value propositions for eight regions in Australia that were selected to attract investment into tourism infrastructure. The value proposition of each region includes information to assist investors in understanding the tourism infrastructure and investment landscape in such regions, including visitation trends, airport infrastructure, accommodation and investment trends.²⁴

Furthermore, in 2014/15, Australia undertook a review of its value proposition across three key priority sectors; advanced manufacturing, services and technology; resources and energy; and agribusiness and food. The purpose of the review was to better promote and attract investment into these sectors. The review entailed gathering views from global investors on their investment drivers and the role of Australia within these drivers. The review provided Australia with a better understanding of the country's value proposition for investors and the ability to refine that value proposition based on up-to-date investment drivers. The review also improved the ability of Australia's investment promotion team to articulate investment opportunities within Australia and bring in new investment into the country's sectors of priority.²⁵

Collaboration with multiple stakeholder groups and different levels of government

Business and capital attraction efforts require long-term co-ordination and collaboration between various stakeholder groups, including the private business sector; academic institutions; non-governmental organizations, and governments at the local; regional and national levels.²⁶ Since many different groups and levels of government are involved in responding to and servicing potential investors and existing businesses, a team approach is essential.²⁷ This allows investment and attraction activities to be conducted in parallel, effectively reducing lead times, an important consideration for businesses. These efforts may include dedicated local authorities, public-private partnerships and partner organizations. Support and involvement of senior government officials may help augment a culture in which collaboration for business and investment attraction is prioritised.

Consultation with existing investors to identify gaps and opportunities

Consulting with existing investors to understand their supply chain and workforce needs is considered a best practice for business attraction.²⁸ This requires identifying key sectors and conducting a needs assessment with major existing investors in the sectors.²⁹

Understanding the supply chain needs of existing investors, and then facilitating supply chain linkages with local businesses has several benefits: it helps embed investors to the local economy and reduces the risk of closure

²³ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf.

²⁴ Australian Government, Australia Trade and Investment and Australia Tourism. "Investment Opportunities in Regional Australia". 2019. Available here: <https://www.austrade.gov.au/Australian/Tourism/Policy-and-Strategy/Infrastructure-and-Investment/regional-tourism>

²⁵ Australian Trade Commission. "Annual Report: Part 02 Report on Performance, 2014/15". Available here: <https://www.austrade.gov.au/austrade-2015/part-02-report-performance/programme-11-promotion-australias-export-and-other-international-economic.html>

²⁶ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

²⁷ Ibid.

²⁸ OECD. "Policy Framework for Investment: A Review of Good Practices". 2006. Available here: <https://www.oecd.org/daf/inv/investmentfordevelopment/policyframeworkforinvestmentareviewofgoodpractices.htm>

²⁹ Inter-American Development Bank. "Innovations in Foreign Direct Investment Attraction". November, 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1

or relocation; it increases the indirect, multiplier impact of the investment; and it makes the jurisdiction an attractive location for investors that are seeking a strong supply chain.³⁰ The example below describes the use of industry consultation in developing the North Development Company's supply chain and investor development program in the UK, which has served as a model for other jurisdictions.

Understanding the workforce needs of investors and addressing these needs by providing skills and training programs also has several benefits: it attracts new investors, as the availability of a skilled workforce is among the top three determinants in the decision of where to invest; and it may influence an investor's decision to expand or upgrade operations in a jurisdiction.³¹ An example of the use of industry consultation to understand and address work force needs of investors is included under the theme Enhancing the Local Labour Force.

The North Development Company (now called Invest North East England) in the UK is considered to have developed the world's first comprehensive supply chain and investor development program in the 1990s. The investor development program identified 100 existing investors considered to be key accounts and assigned them a key account manager. This supply chain program entailed the recruitment of a team of eight supply chain managers with expertise in procurement and production engineering, to create a bridge between key investors and local small and medium-sized enterprises (SMEs). Each supply chain manager was responsible for reviewing the supply chains of 10 key investors and identifying 20 potential local suppliers and assess their competence. Weaknesses identified in the suppliers were shared with local training agencies for them to address with SMEs. The overarching objective of this initiative was to improve the capabilities of local SMEs to be able to supply key investors, as well as entrench key investors in the local economy to avoid future closure or relocation. As a result of this program, investment arising from its supply chain development efforts was approximately 50 percent of the value of inward investment. This program has served as a model for other jurisdictions, including leading investment promotion agencies such as CzechInvest in the Czech Republic.³²

Leveraging existing networks to generate investment leads

Leveraging existing networks to generate investment leads is considered a key best practice for business attraction. Members of such networks can provide introductions, speak at events, help develop investment propositions, and provide a "voice of experience" for potential investors.³³ Existing networks may include:

- Existing or on-going investors, that can be connected with other businesses to expand the existing investment or to maximize the ongoing investment.
- Advisors, professional service providers and brokers, that have wide networks and client bases (e.g. site selection consultants, major accounting and law firms).³⁴
- Business individuals with a connection to the jurisdiction and that have national and international outreach, that can act as formal or informal representatives for a jurisdiction.

³⁰ Inter-American Development Bank. "Innovations in Foreign Direct Investment Attraction". November, 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1.

³¹ Ibid.

³² Ibid.

³³ Adam Smith International. "Best Practices for Investment Promotion and Facilitation in ASEAN: General Paper". 2014. Available here: <http://aadcp2.org/wp-content/uploads/ASIInvestmentPromotion-ProjectGeneralPaper.pdf>

³⁴ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

Members of an overseas diaspora, who are often highly educated and highly skilled individuals from a jurisdiction that live and work overseas and may have established businesses in their adopted location. Diaspora members themselves are also a potential pool of investors.³⁵

Examples of jurisdictions that are considered to successfully leverage existing networks to generate leads are Hong Kong and Scotland.

In Hong Kong, InvestHK has successfully utilized “investment promotion ambassadors” to be advocates for business investment in Hong Kong. InvestHK identifies, selects and recruits prominent individuals in Hong Kong, both residents and foreigners, to communicate Hong Kong’s attractiveness as an investment location. They provide introductions, are key speakers at events organized by InvestHK, and share practical experience about conducting business in Hong Kong. These investment promotion ambassadors are considered an “invaluable resource to InvestHK and the business community in Hong Kong”.³⁶

In Scotland, Scottish Enterprise has successfully utilized a global ambassador network, GlobalScot, which is considered one of the leading and most extensive network. GlobalScot selectively recruits business leaders, entrepreneurs, and senior executives with ties to Scotland and Scottish businesses. There are over 600 “GlobalScots” across 50 countries, that are active in conducting introduction meetings abroad and in helping with investment propositions.³⁷

2.4 Providing Investor-Centric Service Offerings

Best practices associated with providing investor-centric service offerings include the facilitation of a soft-landing for investors through a one-stop shop experience, development and delivery of a holistic after-care approach, and the development and support of industry clusters:

Facilitation of a soft-landing for investors through a one-stop shop experience

Soft-landing efforts help businesses establish operations in the location through positive interactions and access to professional and social networks.³⁸ While many jurisdictions generally provide some soft-landing services, a comprehensive offering of administration and support services is considered a best practice in attracting business and investment.³⁹ Examples of soft-landing tools and services include assistance with securing office space, expedition of work permits, provision of legal or regulatory advice and supplier matching.⁴⁰

As investors generally prefer one point of contact in the host location, many jurisdictions are facilitating soft-landing services through a “one-stop shop” approach.⁴¹ By offering a sole entity through which all necessary information can be communicated, “one-stop shops” reduce delays and costs often associated with new

³⁵ Adam Smith International. “Best Practices for Investment Promotion and Facilitation in ASEAN: General Paper”. 2014. Available here: <http://aadcp2.org/wp-content/uploads/ASIInvestmentPromotion-ProjectGeneralPaper.pdf>

³⁶ Adam Smith International. “Best Practices for Investment Promotion and Facilitation in ASEAN: General Paper”. 2014. Available here: <http://aadcp2.org/wp-content/uploads/ASIInvestmentPromotion-ProjectGeneralPaper.pdf>

³⁷ Nordic Place Academy. “Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities”. January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ OECD. “Policy Framework for Investment: A Review of Good Practices”. 2006. Available here: <https://www.oecd.org/daf/inv/investmentfordevelopment/policyframeworkforinvestmentareviewofgoodpractices.htm>

⁴¹ Advisory Council on Economic Growth. “Bringing Foreign Investment into Canada”. 2016. Available here: <https://www.budget.gc.ca/aceg-ccce/pdf/foreign-investment-investisseurs-etranagers-eng.pdf>

investment ventures. “One-stop shops” aim to facilitate the investment process by providing soft-landing tools and services under one roof. Effective co-ordination with multiple stakeholders, including a variety of government agencies and departments is essential for a “one-stop shop”.

In 2008 Saskatchewan began delivering a one-stop-shop approach under Enterprise Saskatchewan^{42a} a coordinating agency and the main economic development agency for the Government of Saskatchewan at the time. The approach continues to be delivered up through the International Engagement Branch (the Branch) of the Ministry of Trade and Economic Development (the Ministry). Under the Branch, there are 11 Deputy Directors that focus on helping investors become established in the province. Each Deputy Director has a sector of focus and supports investors in a wide range of areas, including expediting their approvals and processes and making introductions to other government agencies within the province, ultimately becoming one point of contact for businesses.

According to the Branch Director, part of the success of this approach has been having Deputy Directors that have a strong track record working in their respective sectors of focus. For example, the Deputy Director responsible for supporting oil and gas investors, has many years of working experience and a strong network in the Saskatchewan oil and gas industry. Another factor of success cited by the Branch Director has been that “trade and investment” have identified as top priorities from higher levels of Government. This has helped the Ministry obtain the necessary support from other Ministries within the province to attract investors and help them become established in Saskatchewan.

In addition, the Branch works in conjunction with other areas within the Ministry to provide a rounded service approach to investors. The Ministry has 38 full time team members under four key areas including economic development planning, international relations and trade, marketing and communications and strategic policy and competitiveness.⁴³

In Utah, the Governor's Office of Economic Development adopted a one-stop shop approach to working with investors as well as businesses wanting to become established in the State. Its one-stop shop approach is delivered through the collaboration of various stakeholder groups including educational institutions, community players, environmental groups, and indigenous tribal leaders as well as multiple levels of government and economic development agencies.

Development and delivery of a holistic after-care approach

After-care refers to post-investment services and initiatives offered to businesses once they have made the decision to become established in a particular location.⁴⁴ A jurisdiction's approach to after-care is important in encouraging existing investors to expand operations in the location.⁴⁵ According to a survey of international investment promotion agencies, after-care services are the most effective technique for attracting foreign direct investment.⁴⁶ After-care initiatives generally focus on retaining and entrenching existing investment through ongoing improvements of the general business climate. This may include strategic development of the local

⁴² Senate of Canada. “Proceedings of the Standing Senate Committee on Energy, the Environment and Natural Resources”. 2011. Available here: <https://sencanada.ca/en/Content/Sen/committee/411/enev/13eva-49254-e>

⁴³ MNP's Interview Findings with David Conacher, Director of Saskatchewan's Ministry of Trade and Economic Development.

⁴⁴ Inter-American Development Bank. “Innovations in Foreign Direct Investment Attraction”. November, 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1

⁴⁵ Ibid.

⁴⁶ Ibid.

workforce and supply chain to meet investor needs,⁴⁷ regulatory reform to streamline approval processes, infrastructure development, and investment in research, development and innovation.⁴⁸ While after-care initiatives are typically undertaken by investment promotion agencies, government support and facilitation of such initiatives is likely to increase the benefit to investors, and enhance the reputation of the jurisdiction as being investor-centric.

As part of its after-care services, in 2008, Louisiana Economic Development launched “FastStart”, a workforce training program designed to help recruit and train workers in Louisiana.⁴⁹ The program provides customized employee recruitment, screening, training development and training delivery based on the current and future workforce needs of expanding and new companies.⁵⁰ FastStart services are designed specifically for each company with each project focused on the company's target performance measures. FastStart has also collaborated with the state's higher education system to coordinate facility and talent initiatives to help retain and attract global IT companies such as IBM, CenturyLink and GE Digital.⁵¹ FastStart is considered to be one of the best workforce development programs in the US and has been ranked as the top state workforce training program for nine years running by Business Facilities Magazine. Since 2008, FastStart has completed 233 projects and delivered 463,000 training hours to over 29,000 employees.⁵²

Development and support of industry clusters

Cluster development is considered an important strategy for attracting investment. Companies benefit from being physically close to other businesses operating in a similar industry in terms of exchange of knowledge, collaboration, access to a labour pool, market intelligence, participation in technology transfer, shared R&D services, and access to supplier networks.^{53,54} These collaborations can lead to innovation and can boost economic competitiveness in a region.⁵⁵ Government support and involvement is important to the development of industry clusters, in terms of identifying target industries and providing fiscal incentives to attract businesses to the cluster. An example of a jurisdiction that has developed and supported industry clusters effectively is Texas.

In 2005, the Texas Refining and Chemicals Industry Cluster was initiated as part of a broader mandate of the State of Texas to identify, bolster and exploit Texas' competitive advantage through the development of clusters on six key areas, one of which is petroleum refining and chemical products.⁵⁶ Today, Texas is known to have the largest petrochemical cluster in the world with approximately 32 companies on the Fortune 500 list and 100,000 workers employed in the industry.⁵⁷

⁴⁷ Adam Smith International. “Best Practices for Investment Promotion and Facilitation in ASEAN: General Paper”. 2014. Available here: <http://aadcp2.org/wp-content/uploads/ASIInvestmentPromotion-ProjectGeneralPaper.pdf>

⁴⁸ Ibid.

⁴⁹ Louisiana Economic Development. “Louisiana FastStart”. Available here: <https://www.opportunitylouisiana.com/faststart>

⁵⁰ Ibid.

⁵¹ Business Facilities Magazine. “Workforce Training & Talent Acquisition”. April 10, 2019. Available here: <https://businessfacilities.com/2019/04/workforce-training-talent-acquisition/>

⁵² Ibid.

⁵³ Harvard Business Review. “Clusters and the New Economies of Competition”. Available here: <https://hbr.org/1998/11/clusters-and-the-new-economies-of-competition>

⁵⁴ Nordic Place Academy. “Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities”. January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf

⁵⁵ Georgia Tech Enterprise Innovation Institute. “Best Practices in Foreign Direct Investment and Exporting Based on Regional Industry Clusters”. 2013. Available here: http://www.fdiibestpractice.org/pdf/Exporting_FDI%20Final%20Report.pdf

⁵⁶ Texas Workforce Commission. “Texas Industry Cluster Initiative”. Available here: <https://twc.texas.gov/partners/texas-industry-cluster-initiative>

⁵⁷ State of Texas, Office of the Governor, Economic Development and Tourism Division “Petroleum Refining and Chemical Products”. Available here: <https://businessintexas.com/sites/default/files/06/25/15/petroleum.pdf>

2.5 Supporting Regulatory Efficiency, Transparency and Predictability

Best practices associated with supporting regulatory efficiency, transparency and predictability include the reduction of the regulatory burden for investment and the provision of transparency and predictability by sharing regulatory requirements, timelines and responsibilities with investors:

Reduction of the regulatory burden for investment

Reducing the regulatory burden for investment is considered a best practice for investment attraction. Excessive regulations, lengthy and complicated permitting and licensing systems, and ad hoc regulatory changes impose costs and delays on investors. This may result in delayed timelines for potential new investments and increased cost of compliance or uncertainty for on-going investments.⁵⁸ As such, jurisdictions across the world have sought to reduce the cost, time and risk of investment by adopting initiatives to streamline or reduce regulations and assess the impacts and costs of regulations. Examples of jurisdictions that have carried out initiatives that aim to decrease the regulatory burden for businesses are Saskatchewan, Colorado, and BC.

The government of Saskatchewan has established a government-wide standard to ensure all regulations are relevant, needed and cost-effective for stakeholders. In 2017-18, the government recommended mandatory use of the Direct Cost Estimator for all regulatory proposals and amendments. This has made Saskatchewan one of the first jurisdictions in Canada to measure and track the net impact that changes to regulations have on stakeholders. The Canadian Federation of Independent Business' Red Tape Report Card for 2018 gave Saskatchewan an A- grade for its continuous efforts in decreasing red tape burden and being able to cost the impact of regulatory compliance.⁵⁹ BC was given an A grade, Ontario was given a C+ grade, and Alberta was given an F grade.⁶⁰

In 2011, the Saskatchewan Ministry of Environment (MOE) moved away from a "command and control" compliance structure towards a results-based regulatory framework, the Saskatchewan Environmental Code. In this new framework, the onus was put on the applicant to remain in compliance with environmental protection standards. According to MOE, this approach eliminates ineffective processes, especially for routine, well-understood and low-risk activities and allows governments to focus on activities deemed high-risk to the environment and public safety.⁶¹ The Saskatchewan Environmental Code aimed to consolidate and simplify environmental protection objectives while promoting efficiency and a uniform application of policies.⁶² To meet these goals, the MOE made use of qualified persons to facilitate regulatory transactions and deliver environmental protection as a regular business process.⁶³ Qualified persons are "those qualified to perform the tasks through a combination of education, experience, and certification" and include persons with professional designations such as engineers. According to the MOE, the use of qualified persons to sign-off on low-risk activities and review environmental assessments are believed to have led to improved submission quality and a reduction in regulatory delays.⁶⁴ Considerations associated with the new regulatory framework may include

⁵⁸ OSCE. "Best Practices Guide for a Positive Business and Investment Climate". 2006. Available here: <https://www.osce.org/eea/19768?download=true>

⁵⁹ Government of Saskatchewan. Ministry of the Economy. "Annual Regulatory Modernization Progress Report for 2017-18". Available here: https://pubsaskdev.blob.core.windows.net/pubsask-prod/107617/107617-2017-18Regulatory_Modernization_Progress_Report.pdf

⁶⁰ Canadian Federation of Independent Business. "Red Tape Report Card 2018". 2018. Available here: https://www.cfib-fcei.ca/sites/default/files/2018-01/2018-Red-Tape-Report-Card_0.pdf

⁶¹ Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Journal. "Saskatchewan Moves to Results-Based Regulation". Vol.3, No.2. 2012.

⁶² CIM Journal. "Saskatchewan Moves to Results-Based Regulation". Vol.3, No.2. 2012.

⁶³ Ibid.

⁶⁴ Ibid.

risks associated with reduced government oversight and increased dependence on the individual judgement of the qualified persons.

In Colorado, the “Cut the Burden” initiative directs each state department to review and reduce regulatory burden among businesses under their authority. By reducing compliance burden, businesses realize a direct impact of time and cost savings which encourages business expansion in the state.⁶⁵ In fiscal year 2017, the program resulted in cost savings of \$7.9 million and time saved totaled nearly 2.3 million hours⁶⁶

In BC, ministries count each instance where a business, citizen or the provincial government must take an action or step to access services, carry out business or meet legal responsibilities. The number of requirements in statutes, regulations, associated policies and forms is recorded and tracked in a database. The current baseline for the regulatory requirements count was set in 2004 to be below 197,242. The regulatory requirements count in 2018/19 was 15.5 percent below the 2004 baseline, at 166,727.⁶⁷

Provision of transparency and predictability by sharing regulatory requirements, timelines and responsibilities with investors

Providing transparency and predictability to investors by sharing regulatory requirements, timelines and responsibilities has been identified as a key best practice. Information about the environment in which they will have to operate enables investors to assess opportunities in an informed and timely manner. This may shorten the investment decision period as well as the period before which the investment becomes productive.⁶⁸ Mechanisms to increase transparency and predictability include use of well-designed government websites and plain language text to make regulations and legislation accessible to target audiences.⁶⁹

The BC government has recently developed the BC Mine Information website, in which, for the first time, mine-related information from three government agencies on the Province's oversight of major mines has been made available online in one place.⁷⁰

⁶⁵ State of Colorado. “Cut the Burden Of Government Regulations”. Available here: <https://www.colorado.gov/pacific/performance/cut-burden-government-regulations>

⁶⁶ Ibid.

⁶⁷ BC Ministry of Jobs, Trade and Technology. “Regulatory and Service Improvements for British Columbians: Annual Report 2017/18”. Available here: https://www2.gov.bc.ca/assets/gov/government/about-the-bc-government/regulatory-reform/pdfs/better_regulations_2019_annualreport_web.pdf

⁶⁸ OSCE. “Best Practices Guide for a Positive Business and Investment Climate”. 2006. Available here: <https://www.osce.org/eea/19768?download=true>

⁶⁹ OECD. “Policy Framework for Investment: A Review of Good Practices”. 2006. Available here: <https://www.oecd.org/daf/inv/investmentfordevelopment/policyframeworkforinvestmentareviewofgoodpractices.htm>

⁷⁰ <https://mines.nrs.gov.bc.ca/>

2.6 Enhancing the Local Labour Force

A best practice associated with enhancing the local labour force includes the optimization of the local workforce and talent attraction:

Optimization of the local workforce and talent attraction

The quantity and quality of education or training contributes to the skills, competencies and productivity of a workforce.⁷¹ Jurisdictions that can offer skilled workers at affordable rates are more likely to attract investments.⁷² As a result, many jurisdictions are making the development and attraction of a skilled local workforce a priority.

For a jurisdiction to remain globally competitive, its workforce must be able to accommodate changing technologies and supply chain structures.⁷³ This means that formal education programs should be regularly updated and adequately financed to stay in line with evolving demands for specific skills.⁷⁴ This may be achieved through government-facilitated collaboration between academic institutions and major employers, at regular intervals.

In BC, attracting more skilled talent to the province was a key part of the BC government's comprehensive 10-year BC Tech Strategy.⁷⁵ As such, the BC government provided about \$600,000 for a partnership with major technology industry partners to study labour market needs in the technology sector, through the Sector Labour Market Partnerships Program. The program helps employers understand labour market changes and ensures that education and training programs in BC are aligned with industry's needs and priorities. With this support from the BC government, the BC Technology Association and the Vancouver Economic Commission engaged with technology employers, educational stakeholders and the broader technology community to gain a better understanding of labour needs in the sector.⁷⁶ The findings of their study were reported in the 2016 TechTalentBC Report. Recommendations in the report included: increasing the capacity of higher education programs to produce more graduates per year in tech-relevant programs; increasing the supply of immigrants and foreign workers for mid, senior, and specialized roles; increasing investment in retraining initiatives for local non-tech workers to move into the tech sector; increasing investment to expand co-op and experiential learning opportunities; and increasing investment in skills development programs for foreign talent.⁷⁷

TalentScotland is a program created by the economic development agency for Scotland aimed to attract skilled workers to Scotland that will make the country more attractive to business and investment.⁷⁸ Since 2001, TalentScotland has been promoting Scotland as a place of choice to live, work and invest, as well as helping Scottish companies that want to expand their operations and employ foreign workers. Its website provides information on industries, employers and job opportunities in Scotland for skilled professionals in science, technology, engineering, mathematics, and business growth and leadership. TalentScotland also offers

⁷¹ World Economic Forum. "The Global Competitiveness Report 2018". 2018.

⁷² OSCE. "Best Practices Guide for a Positive Business and Investment Climate". 2006. Available here: <https://www.osce.org/eea/19768?download=true>

⁷³ OECD. "Policy Framework for Investment: A Review of Good Practices". 2006. Available here: <https://www.oecd.org/daf/inv/investmentfordevelopment/policyframeworkforinvestmentareviewofgoodpractices.htm>

⁷⁴ Ibid.

⁷⁵ Burnaby Board of Trade. "BC Announces \$100 Million BC Tech Fund and Tech Strategy — BBOT Applauds Initiative. January 2016. Available here: <http://bbot.ca/bc-announces-100-million-bc-tech-fund-tech-strategy-bbot-applauds-initiative/>

⁷⁶ Vancouver Economic Commission. "The Province and B.C.'s technology industry join forces to meet labour needs". July 2016.

⁷⁷ BC Tech Association. "2016 TechTalentBC Report". Available here: https://www.workbc.ca/getmedia/8d38ac6f-82d4-4db1-b0bf-40f77d78af5/2016_TechTalentBC_Report.pdf.aspx

⁷⁸ Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf.

opportunities to connect with Talent Ambassadors, i.e. international workers that have moved to Scotland and that can provide practical advice and answer questions based on their personal experience.⁷⁹

2.7 Measuring Investment Attraction

A best practice associated with measuring investment attraction includes the monitoring and evaluation of investment attraction methods:

Monitoring and evaluation of investment attraction efforts

Monitoring and evaluating the performance and impact of investment attraction efforts has been identified as a key best practice. Being able to report back on what a particular investment attraction effort has achieved as well as identify lessons learned to improve on future investment efforts are two of the main reasons why monitoring and evaluating performance and impact of investment attraction is imperative. Examples of jurisdictions that are considered to track and report back effectively on their investment attraction efforts are Hong Kong, the UK and Dubai.

InvestHongKong (InvestHK) is a governmental agency responsible for overseeing and managing the investment process for investing firms.⁸⁰ Through rigorous assessment and tracking of its efforts,⁸¹ InvestHK is able to report on which firms have invested as a result of engagement with their services.⁸² As part of this evaluation, InvestHK also seeks performance ratings from client firms.⁸³

UK Trade and Investment (UKTI) is known for effectively tracking and reporting back on its foreign investment efforts. UKTI publishes a report on an annual basis where it outlines its activities and results and provides weekly newswire service to update global investors on recent investments in the UK, which is used as a tool to promote the jurisdiction.⁸⁴

In 2015, Dubai decided to begin to systematically track its investment activities and results. To support these efforts, it created a public-private partnership to leverage the technology and expertise of private sector to implement a comprehensive investment attraction system. Through this system, it tracks investment attraction efforts daily and measures the economic impact of the investment attracted, including the technology intensiveness of the investment, which serves Dubai as an indicator for economic development.⁸⁵

⁷⁹ TalentScotland. Available here: <https://www.talentscotland.com/>

⁸⁰ Ivey, Lawrence National Centre for Policy and Management. "Investment Attraction: Learning from "Best Practice" Jurisdictions". 2016. Available here: <https://www.ivey.uwo.ca/cmsmedia/2758461/investment-attraction-learning-from-best-practice-jurisdictions.pdf>

⁸¹ Ibid.

⁸² Ivey, Lawrence National Centre for Policy and Management. "Investment Attraction: Learning from "Best Practice" Jurisdictions". 2016. Available here: <https://www.ivey.uwo.ca/cmsmedia/2758461/investment-attraction-learning-from-best-practice-jurisdictions.pdf>

⁸³ Ibid.

⁸⁴ Inter-American Development Bank. "Innovations in Foreign Direct Investment Attraction". November 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1

⁸⁵ Ibid.

3 SCOPE 2: REVIEW OF THE REPORT ON COMPETITIVENESS: ALBERTA 2016

3.1 Background

The Report on Competitiveness: Alberta 2016 ("the MMK Report")⁸⁶ benchmarks Alberta against a number of comparable jurisdictions, evaluating each jurisdiction's performance on a set of 63 measures. This section provides MNP's review of the MMK Report, with a focus on identifying additional measures of competitiveness that were not included in the MMK Report (Scope 2).

For Scope 2 MNP's approach consisted of:

- Participation in a call with Glenn Mair, Director of MMK to gather additional information regarding the approach taken by MMK to identify measures and any issues faced with collecting the data and/or reporting.
- Review of the MMK report "Report on Competitiveness: Alberta 2016" released in 2017, as well as previous reports completed by MMK on the competitiveness of Alberta. Based on direction received from the Panel, MNP focused on identifying potential uses of competitiveness reports rather than on identifying additional measures of competitiveness.
- Review of competitiveness reports from other jurisdictions to determine their use and effectiveness. The review included reports on competitiveness scorecards in Greater Vancouver, Ontario, Washington State (Washington), Texas, Ireland, and Sweden.
- Identification of common themes in similar reports in other jurisdictions.

3.2 Overview of the MMK Report

In 2010, the Alberta Competitive Council was established "to look at ways to improve Alberta's ability to compete in a global economy".⁸⁷ Later that year, the Council released the "Report on Competitiveness: Alberta 2010", which benchmarked Alberta's performance on 60 competitiveness-related measures against 14 other national and international jurisdictions.⁸⁸ Further editions of the report on competitiveness in Alberta were completed for 2013 and 2014, with the latest edition, "Report on Competitiveness: Alberta 2016", released in 2017.⁸⁹ The most recent edition benchmarks Alberta's performance on 63 measures. Depending on the measure, Alberta is compared against up to 14 national and international jurisdictions (MMK confirmed that the 2016 report contains the most recent information, no work on an updated report has commenced).⁹⁰

In 2011, building on the 2010 benchmarking report (i.e. "Report on Competitiveness: Alberta 2010"), the Alberta Competitive Council released a report titled "Moving Alberta Forward", which identified priority areas along with action items for government and industry.⁹¹ It is MNP's understanding that this was the only instance of such a

⁸⁶ MMK Consulting Inc. "Report on Competitiveness: Alberta 2016". August 2017.

⁸⁷ Government of Alberta. "Highlights of the Alberta Competitiveness Council's report on competitiveness: Alberta 2010". 2010. Available here: <https://open.alberta.ca/publications/9780778559009>

⁸⁸ Alberta Competitiveness Council. "Report on Competitiveness: Alberta 2010". 2010. Available here: <https://open.alberta.ca/dataset/a9f01452-5858-4023-949b-0383bde0cb3c/resource/f4aa6bb9-2f5c-403a-803d-37025f849a50/download/4993386-2010-report-on-competitiveness.pdf>

⁸⁹ MMK Consulting. "Report on Competitiveness: Alberta 2016". 2019. Internal to Government of Alberta.

⁹⁰ Ibid.

⁹¹ Alberta Competitiveness Council. "Moving Alberta Forward". 2011. Available here: <https://open.alberta.ca/dataset/befe8ac3-3aa6-4a9c-9f27-9ba3ac9fae29/resource/e195bbe6-953f-4271-9076-d414447f3e5d/download/2011-0518-report-competitiveness.pdf>

report with specific action items being developed by the Government of Alberta on the basis of a benchmarking report.

3.3 Findings from Reviewing Competitiveness Reports from Other Jurisdictions

To determine how the reports on Alberta's competitiveness can be used more effectively, research was conducted on the use of similar reports in other jurisdictions. The review included reports on competitiveness scorecards in Alberta, Greater Vancouver, Ontario, Washington State (Washington), Texas, Ireland, and Sweden.^{92,93,94,95,96,97,98,99,100} MNP's review focused on the following:

- The ways in which these reports are used.
- The stakeholders developing and funding the reports.
- The channels used for distribution.
- The measures used.
- The frequency of the reports.

The following sub-sections elaborate on each of the areas mentioned above.

Use of Competitiveness Scorecards

The following section outlines how jurisdictions make use of reporting on competitiveness. The different types of uses include:

- Use of the jurisdiction's performance on the scorecards to provide policy recommendations and action items.
- Use of the scorecards to measure progress towards formal policies and goals.
- Use of the jurisdiction's performance on the scorecards as an economic development tool.

Further details on each of these points are included below.

Use of the Jurisdiction's Performance on The Scorecards to Provide Policy Recommendations and Action Items

Five out of the seven jurisdictions' reports reviewed (i.e., Greater Vancouver, Ontario, Washington State, Ireland, and Sweden) contain specific policy recommendations and/or areas for prioritization for government and

⁹² MMK Consulting. "Report on Competitiveness: Alberta 2016". 2019. Internal to Government of Alberta.

⁹³ Greater Vancouver Board of Trade and The Conference Board of Canada. "Greater Vancouver Economic Scorecard". 2018. Available here: <https://www.boardoftrade.com/scorecard2018/assets/pdf/summary-report.pdf>

⁹⁴ Ontario's Panel of Economic Growth & Prosperity. "Unfinished Business: Ontario Since the Great Recession". 2018. Available here: https://www.competeprosper.ca/uploads/Annual_Report_17_Unfinished_Business_Ontario_since_the_Great_Recession_Dec_2018.pdf

⁹⁵ Opportunity Washington. "2017 Report: A Roadmap for Expanding Washington's Culture of Opportunity to Individuals, Families, Employers, and Communities". 2018. Available here: https://opportunitywa.org/wp-content/uploads/2017/04/OPWA_FoundationReport_2017.pdf

⁹⁶ Texas Comptroller of Public Accounts. "50-State Scorecard". 2019. Available here: <https://comptroller.texas.gov/economy/50state/>

⁹⁷ National Competitiveness Council. "Ireland's Competitiveness Scorecard 2018". 2018. Available here: <http://www.competitiveness.ie/Publications/2018/Ireland-s-Competitiveness-Scorecard-2018.pdf>

⁹⁸ National Competitiveness Council. "Ireland's Competitiveness Challenge 2018". 2018. Available here: <http://www.competitiveness.ie/Publications/2018/Competitiveness-Challenge-2018.pdf>

⁹⁹ Christian Ketels. "The Swedish Competitiveness Scorecard 2017". 2017. Available here: http://eng.entrepreneursforum.se/wp-content/uploads/2017/12/SEF_Ch2_Ketels.pdf

¹⁰⁰ In addition to these reports, several other national and international competitiveness reports were also reviewed. The jurisdictions listed were chosen because they were the most relevant for comparison with Alberta's reporting on competitiveness.

industry. For example, Ontario's annual report which measures and monitors the province's "productivity, competitiveness and economic progress", provided two sets of recommendations in the most recent 2017 report.

¹⁰¹ The first set of recommendations were on how to improve the province's "productivity and prosperity" (e.g. Increase international exports from the service sector) and the second set were around improving "the welfare and equity of Ontario" (e.g. Simplify regulations restricting the construction of new residential units). In addition to reporting on 170 measures, in a separate interpretational report, Ireland also considers "the latest research to outline the main challenges to Ireland's competitiveness and the policy responses required to meet them". ¹⁰²

In contrast to the five of the seven jurisdictions with recommendations, Alberta's 2016 competitiveness report does not provide specific direction. Instead, it concludes that while the report "identifies key measures where Alberta performs well" and "where Alberta trails comparator jurisdictions", the determination of "whether or not these represent areas for improvement is a strategic issue for consideration in potential policy changes and action plans".¹⁰³ In addition to Alberta, the other jurisdiction without specific recommendations or findings on areas for prioritization is the Texas "50-State Scorecard".¹⁰⁴ The purpose of this competitiveness scorecard, which is listed publicly on the Texas Comptroller's website, is to inform "Texans, our policymakers and taxpayer" how Texas "stacks up across the country".¹⁰⁵

Use of the Scorecards to Measure Progress Towards Formal Policies and Goals

Some jurisdictions use scorecards to measure progress towards meeting formal policies or different types of goals. For example, the measures included within Sweden's scorecard were based on the formal policy documents (e.g., "Europe 2020", the EU's agenda for growth and jobs for the current decade, and the "EU's Macroeconomic Imbalances Procedure", "a surveillance mechanism that aims to identify potential macroeconomic risks early on").^{106,107,108} As a result, Sweden's scorecard also demonstrates whether the country is making progress towards the formal policies it has agreed to implement. Another example is Washington's scorecard, which measures the state against all 50 states. Opportunity Washington, which oversees the development of the scorecard for Washington, has the goal of seeing the state in the top 10 states within each of the 16 indicators which are assigned to three priority areas: "achieve" (i.e., eight measures of education quality and outcomes), "connect" (i.e., three measures of transportation efficiency and reliability) and "employ" (i.e., five measures of economic vitality).¹⁰⁹

Use of the Jurisdiction's Performance on The Scorecards as an Economic Development Tool

The public nature of the competitiveness reports from the various jurisdictions allows for broader use of their contents. For example, the Greater Vancouver Board of Trade uses Vancouver's standings with the findings of the scorecard to promote the strengths of the region.¹¹⁰ In addition to this, local media have also shared the

¹⁰¹ National Competitiveness Council. "Ireland's Competitiveness Challenge 2018". 2018. Available here: <http://www.competitiveness.ie/Publications/2018/Competitiveness-Challenge-2018.pdf>

¹⁰² Ibid.

¹⁰³ MMK Consulting. "Report on Competitiveness: Alberta 2016". 2019. Internal to Government of Alberta.

¹⁰⁴ Texas Comptroller of Public Accounts. "50-State Scorecard". 2019. Available here: <https://comptroller.texas.gov/economy/50state/>

¹⁰⁵ Ibid.

¹⁰⁶ Christian Ketels. "The Swedish Competitiveness Scorecard 2017". 2017. Available here: http://eng.entrepreneursforum.se/wp-content/uploads/2017/12/SEF_Ch2_Ketels.pdf

¹⁰⁷ European Commission. "Europe 2020 strategy". 2019. Available here: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/framework/europe-2020-strategy_en

¹⁰⁸ Eurostat. "Macroeconomic Imbalance Procedure (MIP) - Overview". 2019. Available here: <https://ec.europa.eu/eurostat/web/macroeconomic-imbalances-procedure>

¹⁰⁹ Opportunity Washington. "The Scorecard Methodology & FAQ". 2018. Available here: https://opportunitywa.org/wp-content/uploads/2018/05/OppScorecard_FAQs_Spring2018.pdf

¹¹⁰ Greater Vancouver Board of Trade. "Sounding Board". 2018. Available here: <https://www.boardoftrade.com/files/sounding-board/2018/june-2018.pdf>

results of the findings within articles.¹¹¹ Similarly, Washington's scorecard is used by both industry and media to highlight the performance on the state within the variety of measures covered.^{112,113,114}

Development and Funding of Competitiveness Reporting

There are four main groups of stakeholders that contribute to the development of the scorecards for the various jurisdictions reviewed. These main stakeholder groups include:

- Governments (e.g., federal, provincial, state).
- Industry (e.g., private and publicly traded companies, industry associations).
- Economic Development Organizations (e.g., boards of trade, chambers of commerce).
- Research Organizations (e.g., research think tanks, universities).

The following graphic summarizes the different stakeholders involved in the development of the economic scorecards for the 6 jurisdictions reviewed along with Alberta.

Stakeholders	Jurisdictions						
	Alberta ¹¹⁵	Vancouver	Ontario	Washington	Texas	Ireland	Sweden
Government(s)	✓		✓		✓	✓	✓
Industry		✓	✓	✓	✓*	✓	✓
Economic Development Organization(s)		✓		✓	✓*	✓	✓
Research Organization(s)		✓	✓	✓	✓*	✓	✓

**The involvement of these stakeholders is through a survey that can be accessed through the webpage of the Texas Comptroller's website which publicly lists all the measures of the state's competitiveness scorecard. This survey acts as a feedback loop for the various stakeholders accessing the measures on the website.¹¹⁶*

The table above demonstrates that generally, there is a mix of stakeholders that drive the development of competitiveness reports. For example, Ontario's Panel on Economic Growth & Prosperity produces the

¹¹¹ Simon Little. "Greater Vancouver earns "B" grade on board of trade economic scorecard". 2018. Available here: <https://globalnews.ca/news/4200680/greater-vancouver-economic-score-card/>

¹¹² Association of Washington Business. "New Opportunity Washington Scorecard shows how state is faring against the rest of America". 2017. Available here: https://www.awb.org/newsletter/index.php?article_id=37056

¹¹³ Association of Washington Business. "Washington ranked No. 1 in Best States Rankings". Available here: https://www.awb.org/newsletter/index.php?article_id=66021

¹¹⁴ Mike Richards. Washington State Looks To Up Its Game On College Completion, And Job Training". 2016. Available here: <https://thelens.news/2016/09/29/washington-state-looks-to-up-its-game-on-college-completion-and-job-training/>

¹¹⁵ This column was developed based on Alberta's 2016 Report on Competitiveness. The participation of other stakeholder groups (e.g. industry, economic development organizations) is not listed.

¹¹⁶ Texas Comptroller of Public Accounts. "50-State Scorecard". 2019. Available here: <https://comptroller.texas.gov/economy/50state/>

province's report.¹¹⁷ The panel is an advisory body to the Institute for Competitiveness & Prosperity, which is funded by the Government of Ontario through the Ministry of Economic Development, Job Creation and Trade. The panel has representation from industry (e.g., eBay Canada, BMO Financial Group) and the Rotman School of Management within the University of Toronto. Another example is Ireland's report which is created by the National Competitiveness Council Members comprised of representatives from industry (e.g. CEO of Microsoft in Ireland), economic development organizations (e.g. Chambers Ireland), and research organizations (e.g. University College Dublin).¹¹⁸ There is also a set of Council Advisers representing 10 federal government ministries which support the work of the council.¹¹⁹

It is possible that the collaboration and involvement of the different stakeholders allows for greater relevance of the report to a wider audience.

Report Distribution Channels

All the jurisdictions reviewed provide their reports publicly.¹²⁰ In addition to this, the scorecards completed for Washington, Vancouver, and Texas each have a public website dedicated to summarizing the scorecards against the respective jurisdictions used in their comparison.^{121,122,123} Texas' "50-State-Scorecard" website also includes a survey that provides an opportunity for the users of the measures to share the categories of data they have found to be the most important, how they use the data, and any additional data not listed that they may find to be helpful.¹²⁴

Measures Used within Reporting

The number of measures used within the competitiveness reports of the different jurisdictions varies. The following chart summarizes the number of measures for each jurisdiction.

¹¹⁷ "Ontario's Panel on Economic Growth & Prosperity is an arms-length, independent body that reports directly to the public. Its purpose is to measure and monitor Ontario's productivity, competitiveness and economic progress, reporting its findings on a regular basis. The Panel is the advisory body to the Institute for Competitiveness & Prosperity. The Institute is an independent not-for-profit organization that deepens public understanding of macro and microeconomic factors behind Ontario's economic progress."

Ontario's Panel of Economic Growth & Prosperity. "Unfinished Business: Ontario Since the Great Recession". 2018. Available here: https://www.competeprosper.ca/uploads/Annual_Report_17_Unfinished_Business_Ontario_since_the_Great_Recession_Dec_2018.pdf

¹¹⁸ National Competitiveness Council. "Ireland's Competitiveness Challenge 2018". 2018. Available here:

<http://www.competitiveness.ie/Publications/2018/Competitiveness-Challenge-2018.pdf>

¹¹⁹ Ibid.

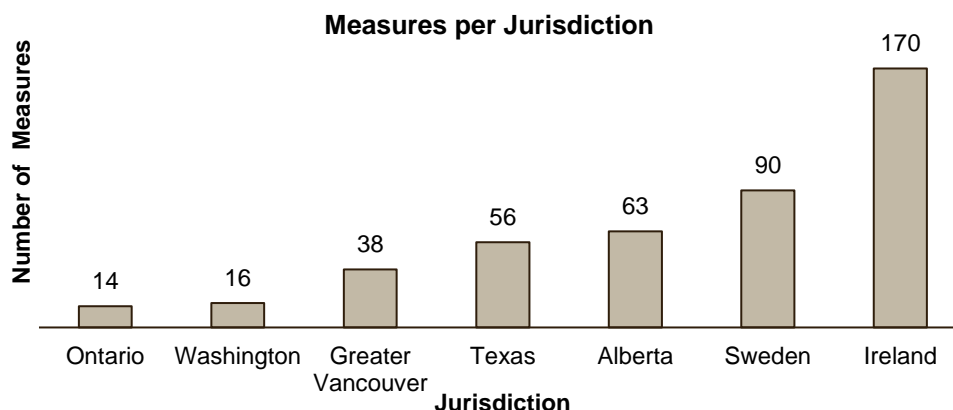
¹²⁰ While Alberta's competitiveness reports from previous years (i.e. 2010, 2013, 2014) are publicly available through the Government of Alberta's Open Government Publications (<https://open.alberta.ca/publications/1925-2137>), the most recent 2016 report is internal to the Government of Alberta.

¹²¹ Greater Vancouver Board of Trade and The Conference Board of Canada. "Greater Vancouver Economic Scorecard". 2018. Available here: <https://www.boardoftrade.com/scorecard2018/assets/pdf/summary-report.pdf>

¹²² Opportunity Washington. "2017 Report: A Roadmap for Expanding Washington's Culture of Opportunity to Individuals, Families, Employers, and Communities". 2018. Available here: https://opportunitywa.org/wp-content/uploads/2017/04/OPWA_FoundationReport_2017.pdf

¹²³ Texas Comptroller of Public Accounts. "50-State Scorecard". 2019. Available here: <https://comptroller.texas.gov/economy/50state/>

¹²⁴ Texas Comptroller of Public Accounts. "50-State Scorecard Survey". 2019. Available here: https://www.surveymonkey.com/r/50_State_Scorecard_Survey



The two scorecards with the greatest number of measures (i.e. 170 and 90) were that of the two countries included within this review, Ireland and Sweden. After the two countries reviewed and Alberta, the next largest number of measures (i.e. 56) was that of Texas which provides the scorecard as an information repository, without any substantial analysis. The remaining jurisdictions (i.e. Greater Vancouver, Washington, and Ontario) have fewer than 40 measures.

Frequency of Reporting

All jurisdictions reviewed produce reports at least biennially (i.e. once every two years). Please note that this does not include Sweden, which first released a report in 2017 and has not yet released further reports. There is no indication of when this may take place as the first report only notes that they intend “to refine the choice of specific indicators over time”.¹²⁵

3.4 Recommendations

Based on MNP's review, we suggest that future studies on Alberta's competitiveness would benefit from the following:

- Involving stakeholder groups, such as industry members, economic development organizations and research organizations, in developing the measures to be tracked and the ongoing analysis of results.
- Using the report to facilitate ongoing government consultations with industry members and economic development organizations.
- Using the ongoing analysis of the report to provide recommendations on policy considerations and/or areas for prioritization by the Government of Alberta.
- Sharing the report publicly to support economic development efforts.
- Reviewing the measures being tracked to determine those most relevant to the Government of Alberta.

¹²⁵ Christian Ketels. “The Swedish Competitiveness Scorecard 2017”. 2017. Available here: http://eng.entreprenorskapsforum.se/wp-content/uploads/2017/12/SEF_Ch2_Ketels.pdf

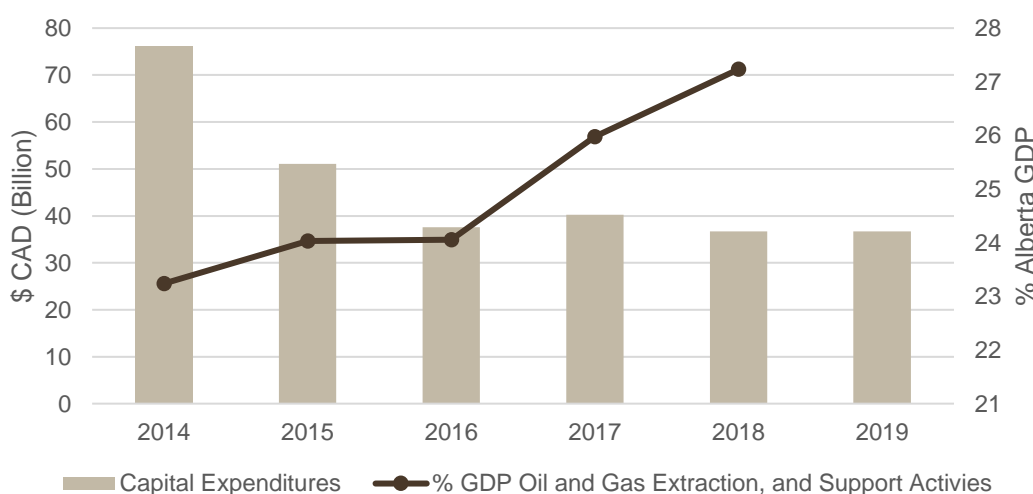
4 SCOPE 3: COMPETITIVENESS OF ALBERTA'S OIL AND GAS SECTOR

4.1 Background

Alberta's oil and gas industry is a major contributor to the provincial gross domestic product ("GDP") and economy. In 2018, Alberta's oil and gas extraction sector and supporting activities comprised 27 percent of the total provincial GDP.¹²⁶ While the contribution of Alberta's oil and gas sector as a share of GDP increased between 2014 and 2018, there was a 52 percent decrease in oil and gas sector annual capital expenditures over this timeframe, with total expenditures showing no growth since 2016 (Figure 1).¹²⁷

Although the 2014 oil price downturn had a significant impact on global investment and capital expenditures in the oil and gas industry, there has been a recent increase in investment in oil and gas extraction in other jurisdictions. In the US, investment in oil and gas extraction increased 40 percent between 2016 and 2017,¹²⁸ and other jurisdictions, such as South America, Africa, and the Middle East, are also expected to increase upstream investment in the next few years.¹²⁹ As international investment in the energy sector is increasing, upstream oil and gas capital spending in Alberta has been stagnant.

Figure 1: Alberta Oil and Gas Extraction (% GDP and Capital Expenditures)¹³⁰



To help address the investment climate in Alberta's oil and gas sector the following aspects of competitiveness were considered as part of our assessment:

- Regulatory environment, including application timelines and consultation requirements.
- Infrastructure, including transportation capacity and market access.
- Cost competitiveness.

¹²⁶ In 2018, Alberta's total GDP was \$335.1 billion (chained 2012 dollars). Alberta's oil and gas sector contributed \$80.5 billion to the provincial GDP, and support activities for oil and gas extraction contributed to \$10.7 billion. Source: Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories.

¹²⁷ Statistics Canada. Table 34-10-0035-01 Capital and repair expenditures, non-residential tangible assets, by industry and geography.

¹²⁸ U.S. Bureau of Economic Analysis. Table 3.7ESI Investment in Private Fixed Assets by Industry.

¹²⁹ International Energy Agency. "World Energy Investment 2019". 2019. Available here: <https://www.iea.org/wei2019/>

¹³⁰ Note that capital expenditures for 2018 and 2019 reflect preliminary actuals and intentions.

- Royalty structure and other fiscal policy.

The following sections summarize information gathered through discussions with Alberta provincial ministries and agencies and secondary research of public information. Although federal government regulations and policies have an overall impact on Canada's oil and gas sector, this section focuses on considerations that are specific to Alberta. Please note that due to the scope and timeframe for the study, our review and assessment of key competitiveness issues affecting the oil and gas sector did not include broad consultation with industry.

4.2 Alberta's Regulatory Environment

An effective regulatory system promotes economic growth, equity, innovation and competitiveness, and manages risk while considering the public interest. The regulatory process to explore for and develop Alberta's oil and gas resources is administered by the Alberta Energy Regulator ("AER").

Alberta's regulatory process has recently undergone significant change. In 2013, the *Responsible Energy Development Act*¹³¹ was enacted, streamlining the regulatory framework for oil and gas resource projects in Alberta by creating a single regulator (the AER) to jointly administer regulatory processes and conduct project authorizations. The AER's mandate is:

- To provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through its regulatory activities; and,
- In respect of energy resource activities, to regulate the disposition and management of public lands, the protection of the environment, and the conservation and management of water, including the wise allocation and use of water.¹³²

The AER works closely in partnership with the Alberta government, the Aboriginal Consultation Office ("ACO"), Indigenous peoples, and the oil and gas industry. Alberta Energy and Alberta Environment and Parks ("AEP") provide policy direction and govern the AER's statutory powers, mandates and functions. The ACO coordinates consultation with First Nations and Metis settlements across Alberta government departments, and directs project applicants to consult with First Nations and Metis settlements that may be impacted by the proponent's project. The AER works closely with the ACO to determine if consultation is required, the level of consultation needed, who should be consulted, and if consultation adequacy has been met. The ACO makes their recommendation to the AER, who makes the final decision on project approval.

Proponents must also work with AEP and the AER for greenhouse gas emissions management and reduction, public lands dispositions, conservation and reclamation activities, and if industrial activity falls under provincially approved caribou zones.

Key Themes, Challenges and Opportunities

As part of our assessment, MNP reviewed studies and secondary research regarding the regulatory environment as it applies to Alberta's oil and gas sector, and engaged with senior leadership at the AER, Alberta Energy, AEP, and the ACO. The focus of the discussions was on regulatory challenges in Alberta and what government can do (or is currently doing) to improve the regulatory process and, by extension, competitiveness. This section presents key themes, challenges and opportunities from these discussions and review of secondary research.

¹³¹ *Responsible Energy Development Act*, Statutes of Alberta 2012, c.R-17.3. <http://www.qp.alberta.ca/documents/Acts/r17p3.pdf>

¹³² *Responsible Energy Development Act*, s2(1).

Key Themes

- Alberta has stronger environmental protection compared with many of its key competing jurisdictions. Environmental policies are complex, as air, water, land, and biodiversity are interconnected. As such, environmental compliance requirements affect approval timelines and competitiveness.
- There are difficulties with comparing regulatory and consultation timelines to other jurisdictions. For example:
 - Alberta has large undeveloped oil and gas reserves compared with other jurisdictions (including BC, Saskatchewan, North Dakota, and Oklahoma). As such, Alberta has high volumes of applications based on the province's large reserve holdings and regulatory processes and timeline comparisons need to match reservoir geology, fuel properties and resource economics.
 - Alberta has a unique legal landscape as it relates to treaty rights, land claims, development, and governance. In Alberta, most of the land is covered by treaty agreements between First Nation groups and government. However, it is recognized that First Nations and the Crown have different perspectives on what was agreed to during the treaty negotiation process.¹³³ In addition, Alberta is the only province with recognized Metis land-based settlements.

Challenges

- Alberta's regulatory process to explore for and develop oil and gas resources is viewed by industry groups as complex, contributing to investor uncertainty in the oil and gas industry.¹³⁴
 - For example, in a 2018 Fraser Institute survey, the cost of regulatory compliance was viewed by 73 percent of respondents as a deterrent to investment in the oil and gas sector.¹³⁵ To drill a well in Alberta, a proponent generally requires exploration approval and permits, pre-assessment from the ACO, First Nations and Metis consultation, public notice, third party approvals, *Water Act* approvals, *Pipeline Act* approvals, land use applications, and licence applications for wells and their associated pipelines and facilities.
 - For in situ oil sands projects, the regulatory process is much more complex, where additional approvals under the *Environmental Protection and Enhancement Act*, the *Public Lands Act*, and the *Oil Sands Conservation Act* are required. For in situ oil sands project development, over 560 approvals, licences and permits are often required by the proponent.¹³⁶
 - The regulator is challenged by policies that have frameworks in place, but were never fully completed by previous governments (e.g., land use frameworks).¹³⁷ This creates a grey area in the implementation of policies and can lead to uncertainty in the application process.¹³⁸
- There are challenges with respect to public consultation that may cause unexpected and/or unnecessary delays in the project approval process. For example, according to the AER:
 - There is a mandatory 28-day public notice period that applies to each of the 40,000 applications received by the AER each year. The AER does not see this process as being particularly helpful for achieving the objectives of stakeholder engagement, nor does the process support the timely approval of projects for industry that may have minimal impact to stakeholders.

¹³³ Canada's First Peoples, "Treaties & Cultural Change: What are the Treaties? Two Different Views, " accessed June 26, 2019. http://firstpeoplesofcanada.com/fp_treaties/fp_treaties_two_views.html

¹³⁴ Canadian Association of Petroleum Producers. "Update: A Competitive Policy and Regulatory Framework for Alberta's Upstream Oil and Natural Gas Industry". 2019.

¹³⁵ Stedman, A. and K. Green. "Fraser Institute Global Petroleum Survey". 2018. Available here: <https://www.fraserinstitute.org/sites/default/files/global-petroleum-survey-2018.pdf>

¹³⁶ Canadian Association of Petroleum Producers. "Update: A Competitive Policy and Regulatory Framework for Alberta's Upstream Oil and Natural Gas Industry". 2019.

¹³⁷ MNP interview with AER.

¹³⁸ Ibid.

- Currently, stakeholder concerns with respect to cumulative effects in a particular area are addressed for each project in isolation (often leading to a Statement of Concern ("SOC") hearing resulting in project delays). The AER believes that establishing thresholds for industrial development through a stakeholder engagement process would be a more pro-active approach and would reduce project delays. As the SOC process often leaves stakeholders unsatisfied with the results, AER believes this would be beneficial to both parties (i.e. industry and the public).
- It is viewed by the ACO that there is a lack of understanding from industry, as well as First Nations and Metis settlements, on their respective roles and consultation responsibilities. The ACO acknowledges that the consultation process involving multiple stakeholders (i.e., industry, government, regulators, Indigenous groups and municipalities) is complex, and a better understanding of the roles of the involved stakeholders is needed. For example, according to the ACO:
 - Approximately 30 to 40 percent of applications received by the ACO are returned to the proponent because of incorrect or incomplete information.
 - Projects are often delayed as result of misunderstanding the legal duty to have meaningful consultation.
 - Some consultation delays are beyond the control of the ACO. This includes community evacuations due to wildfires, deaths in the community and traditional events.
 - For projects that require extensive consultation (i.e., Level 3, as determined by the ACO), project approval by the AER is required on a case-by-case basis. Level 3 consultation is typically required for in situ oil sands projects.
- While there appear to be strong working relationships across the various government ministries and agencies, the regulatory process could benefit from greater coordination. For example, according to the AER:
 - The AER should be closely involved with government in the development of new policies to ensure they can be implemented and regulated as intended.
 - It was noted by the AER that in some cases, feedback received through the ACO consultation process does not feed into the AER decision, as the role of the ACO is to determine whether the consultation was adequate, but not to inform the decision or mitigation of impacts.
- Federal regulatory policies and decisions impose additional challenges to the regulatory process and competitiveness in Alberta. For example:
 - Under the federal *Species at Risk Act*, woodland caribou in Alberta are listed as threatened, and the Central Mountain caribou population are listed as endangered. As a result, Alberta is currently drafting recovery plans to restore caribou herds and rangeland to meet federal guidelines.
 - Approval processes are further delayed by Joint Provincial-Federal Panel Reviews for large projects and Environmental Impact Assessment (EIA) reports, and the new federal power under Bill C-69 to regulate in situ oil sands development. The effects of the proposed regulatory scheme for major projects is unclear.
 - The June 2019 federal enactment of the *Oil Tanker Moratorium Act*¹³⁹ prohibits oil tankers that are carrying more than 12,500 tonnes of oil from stopping or unloading crude along BC's north coast, and is viewed as a hindrance to Canadian oil exports, and conversely as a benefit to the US energy market.¹⁴⁰

¹³⁹ Bill C-48, Oil Tanker Moratorium Act, 1st session, 42nd Parliament, 2019, c.26. <https://www.parl.ca/DocumentViewer/en/42-1/bill/C-48/third-reading>

¹⁴⁰ British Council of British Columbia. "Submission to the Standing Senate Committee on Transport and Communications on Bill C-48, An Act respecting the regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British

- Following the January 2019 Supreme Court of Canada decision on Redwater¹⁴¹, the estate of an insolvent company is deemed liable for the environmental abandonment, reclamation, and end-of-life obligations of its assets ahead of any payout to secure creditors. Although considered a win to liability management by the province and the AER, there are concerns that the decision may lead to uncertainty, reduced lending and a depressed investment environment for the energy industry.^{142, 143}

Opportunities

- The AER recommended that the list of red tape reduction initiatives be prioritized by assessing greatest benefit to the public, rather than having a long list of projects competing for scarce resources. Potential areas for red tape reduction and regulatory efficiency identified through MNP's engagement with stakeholders and secondary research include:
 - Revisiting policy frameworks that have been drafted but are currently incomplete, to allow for clear and transparent tools and guidelines for industry and regulators to follow.¹⁴⁴ According to the AER, the Government of Alberta should prioritize policy development including the setting of targets or thresholds on items such as land use, regional plans and cumulative effects to allow industry the choice on how to manage its activity and impacts under the set thresholds.
 - Conducting stakeholder engagement pro-actively when a policy or regulation threshold is set to avoid delays caused by issues that are raised on a project-by-project basis. For example, during the SOC process when the Hearing Commissioner makes a decision, a new policy is created based on the project decision. The AER would rather see a more open and proactive approach to policy development that is led by Government with input from a broad spectrum of affected stakeholders.
 - Modernizing regulations to reflect current technology and practices used by industry. For example, in CAPP's report "Update: A Competitive Policy and Regulatory Framework for Alberta's Upstream Oil and Natural Gas Industry", it was mentioned that many energy development applications are being submitted as technically non-routine, as current regulations may be technically outdated or obsolete. Non-routine applications have longer application processing times by the AER.
 - Expanding the practice of reporting and publishing of application timelines and achievement of targets. The AER currently reports publicly on application timelines and the percentage of applications that achieve set targets. This practice should be continued and expanded on with other regulatory bodies (e.g. AEP, ACO) to allow for greater certainty and transparency for proponents within the regulatory process.
 - Increasing knowledge (of both industry and community stakeholder groups) with respect to expectations surrounding consultation requirements.
- According to the AER, Government at senior levels and the regulator should work collaboratively as one team in support of an integrated approach to natural resource policy development and implementation. AER noted that it is important that it continues to be a valued partner in these discussions as this helps to ensure operational impacts to the energy sector are appropriately

Columbia's north coast" 2019. Available here: https://www.bcbc.com/dist/assets/submissions-and-presentations/submission-bill-c-48-oil-tanker-moratorium-act/20190411_BCBCComments_BillC-48.pdf

¹⁴¹ *Orphan Well Association v. Grant Thornton Ltd* [2019] SCC 5. <https://scc-csc.lexum.com/scc-csc/scc-csc/en/17474/1/document.do>

¹⁴² Borden Ladner Gervais Law Firm, *Redwater Decision*, February 4 2019, https://blg.com/en/News-And-Publications/Publication_5556?utm_source=Mondaq&utm_medium=syndication&utm_campaign=View-Original

¹⁴³ Dentons Global Law Firm, *Redwater – Impacts*, February 1 2019, <https://www.dentons.com/en/insights/alerts/2019/february/1/redwater>

¹⁴⁴ Examples provided by the AER include: Land use framework regional plans such as Environmental Management Frameworks that form the basis for cumulative effects management, Moose Lake Access Management Plan, Caribou Range Plans, Liability Management, Wetland Policy Implementation in the green area and clarity of processes, and Tailings management (e.g., mine water return).

considered and mitigated. Similarly, the AER would like to see continued support and proactive action from Government to address areas that require jurisdictional clarity, especially between AER and AEP.

Actions Taken to Date

The Alberta Energy Regulator

The AER receives approximately 40,000 applications per year for energy development projects or activities. If there are outstanding concerns as identified through implementation of participant involvement requirements, applications for wells, pipelines, facilities and oil sands recovery are considered non-routine.¹⁴⁵ As indicated by the AER's target timelines, non-routine applications with participant involvement take longer for the AER to reach a decision compared with routine or technical applications.¹⁴⁶ Additional delays occur if a statement of concern (SOC) is filed during the notice of application, and if a hearing is held to hear concerns.

In October 2018, the AER reduced all application timeline targets by 50 percent and met these targets in April 2019. To increase transparency, the AER published online estimated application processing times, and clarified the SOC and hearing process for stakeholders. The AER is also implementing an Integrated Decision Approach ("IDA") through an online application system called "OneStop" for proponents to submit one application based on the entire lifecycle of a project, rather than separate applications for project activities. IDA helps the AER prioritize where to allocate resources during the project review process, and helps mitigate challenges a proponent may face during the application review.

To date, the IDA model has been viewed positively by industry stakeholders with the benefit of "upfront approval for all project components, reduced regulatory burden for stakeholders and the company and reduced risk of regulatory delays".¹⁴⁷ The AER is currently applying the IDA approach with industry for the construction, operation and reclamation of an in situ oil sands project. CAPP has estimated that IDA has the potential to reduce approval timelines from 5 years to 15 months, and reduce capital expenditure by 3 percent.¹⁴⁸

The AER identified the following actions that it has initiated or is considering:

- Working to add additional applications to OneStop, with low-risk applications moving towards automatic approval.
 - Pipeline licence applications (2017) and Water Act approvals (2018) were implemented in OneStop and have seen significant improvement in application timelines.
 - The AER is adding *Public Lands Act* disposition renewals, amendments, and applications to OneStop in the near future.
 - A version of OneStop was jointly developed by the AER and AEP for AEP Water Approvals process (released in 2018).

¹⁴⁵ AER Directive 056: *Energy Development Applications and Schedules* and AER Directive 023: *Guidelines Respecting an Application for a Commercial Crude Bitumen Recovery and Upgrading Project* set the notification requirements for when participant involvement or a technical review are necessary.

¹⁴⁶ Alberta Energy Regulator, "Application Process Estimated Processing Times", accessed June 27, 2019.

<https://www.aer.ca/documents/applications/application-processes/AERTargetTimelines.xlsx>

¹⁴⁷ Alberta Oil Sands Industry. "Quarterly Update – Summer 2018". 2018. Available here: <https://open.alberta.ca/dataset/b70a79b3-387f-475a-be38-6fe4cd5bb007/resource/8f69b617-c3b8-4c67-a713-d7d55c864634/download/aosid-quarterlyupdate-summer2018.pdf>

¹⁴⁸ Canadian Association of Petroleum Producers. "Update: A Competitive Policy and Regulatory Framework for Alberta's Upstream Oil and Natural Gas Industry". 2018.

- Working with AEP and Service Alberta on the data sharing elements of the AER's Public Lands OneStop product. This is required to ensure all regulators are aware of what is happening on the shared land base to ensure informed decisions are being made.
- Working with AEP to pilot test a single application for a Project Area Disposition (PAD) for in situ oil sands development.
- Improving the participant involvement process, through the release of a draft Directive for Public Involvement on June 25, 2019.¹⁴⁹ The Directive sets requirements for engaging and informing the public throughout the life cycle an energy project.
- Providing more transparency when timelines are not met to show why there are delays. Application delays may be the result of risk to the environment and public safety, if the decision is held by a hearing, or if the project is delayed by the proponent.
- Building a better understanding of data trends within SOC's that can inform AER decision making activities.
- Advancing transparency by making more information regarding the SOC process available to stakeholders.

The Aboriginal Consultation Office

Below is a summary of actions being undertaken or considered by the ACO to improve regulatory efficiency in Alberta:

- Partnering with the Alberta Digital Innovation Office to develop new consultation software to collect consultation information, merge duplicative databases, reduce timelines and simplify the application process for proponents.
- Providing incentives to proponents for good performance in their efforts of completing accurate applications.
- Undertaking active measures to improve strategic relations, training, consultation guidelines for proponents, education guidelines for First Nations and Metis settlements, and public education.
- Implementation of 36 recommendations to improve internal processes by August 2019, based on the recommendations of a 2018/2019 internal audit.

4.3 Infrastructure and Market Access

One of the biggest challenges facing Canada's oil and gas industry has been cited as market access and the lack of pipelines.¹⁵⁰ Major pipeline projects such as Enbridge Inc.'s Northern Gateway and TransCanada Corp's Energy East were rejected by the federal Government, then subsequently cancelled by their proponents in 2017. The TransMountain expansion project approval has been subjected to lengthy delays since Kinder Morgan applied to the NEB to expand the pipeline in December 2013. Approval of the pipeline expansion occurred nearly 5 and a half years later in May 2019, after the federal government purchased the TransMountain pipeline and expansion project. TC Energy's Keystone XL and Enbridge's Line 3 replacement continue to undergo delays.

¹⁴⁹ Alberta Energy Regulator. "Draft Directive XXX: Public Involvement". 2019. Available here: <https://www.aer.ca/regulating-development/rules-and-directives/directives/directive-XXX-draft>

¹⁵⁰ Michaud, J. and Belzile, G. "The cumulative impact of harmful policies: The case of oil and gas in Alberta". 2019. Available here: https://www.iedm.org/sites/default/files/web/pub_files/cahier0119_en.pdf

It has been reported that the costs of delaying pipelines impose substantial economic costs on the Canadian economy and pose constraints to production.^{151, 152, 153} Western Canada's oil and gas resources are extracted onshore and need to be transported to other markets, at a cost of approximately \$10 to \$12 USD per barrel for pipeline transport to the US, or \$20 USD per barrel or more by rail.¹⁵⁴ Currently, nearly all of Canada's crude oil and natural gas are transported to the US.^{155,156} As a result of pipeline constraints in Canada, and accounting for transportation costs and crude quality differences, a 2019 report from the Fraser Institute found that the Canadian energy industry has lost \$20.62 billion CAD in revenue in 2018.¹⁵⁷

Similarly, a report by the C.D. Howe Institute concluded that pipeline constraints have greatly reduced the price that oil producers receive, which has had the largest effect on the cost competitiveness of energy producers of all policy-related issues examined in the study.¹⁵⁸ The lack of transport capacity has meant many producers in Alberta have had to accept much lower prices for their oil, with the Western Canada heavy oil differential averaging \$27 USD per barrel below the WTI price in 2018 (more than double what it was in 2017).¹⁵⁹ Furthermore, lack of market access resulting from capacity constraints for oil products is estimated by the Alberta Treasury Board and Finance to cost Alberta \$6.5 million CAD per day in government revenue.¹⁶⁰

It has been reported that the Alberta government curtailment on oil production in December 2018 has narrowed the discount that producers receive on their product.¹⁶¹ However, according to the Fraser Institute, substantial incremental revenue could result from allowing access to world crude oil prices through the export of Canadian crude from ocean ports.¹⁶² While the recent federal approval of the TransMountain pipeline is a positive sign for the Alberta oil and gas industry, it could be two to three years until the pipeline is built and results in expanded transportation capacity for Alberta's oil products.¹⁶³ Any action to expedite the construction timelines, or to improve interim measures including rail car capacity, would help improve the competitiveness of the sector including Alberta's ability to attract investment.

¹⁵¹ Scotiabank. "Pipeline Approval Delays: the Costs of Inaction". February 20, 2018. Available here :

https://www.gbm.scotiabank.com/content/dam/gbm/scotiaeconomics63/pipeline_approval_delays_2018-02-20.pdf

¹⁵² Canadian Association of Petroleum Producers. "Crude Oil Forecast, Markets, and Transportation". 2019. Available here:

<https://www.capp.ca/-/media/capp/customer-portal/documents/338843.pdf?modified=20190613133342&la=en&hash=B6BEA8D8B8E69ABA792289776D4C1FB2DF74BAE6>

¹⁵³ Aliakbari, E. and Stedman, A. "The Cost of Pipeline Constraints in Canada". 2019. Available here:

<https://www.fraserinstitute.org/sites/default/files/cost-of-pipeline-constraints-in-canada-2019.pdf>

¹⁵⁴ Scotiabank. "Pipeline Approval Delays: the Costs of Inaction". February 20, 2018. Available here :

https://www.gbm.scotiabank.com/content/dam/gbm/scotiaeconomics63/pipeline_approval_delays_2018-02-20.pdf

¹⁵⁵ Canadian Association of Petroleum Producers. "Crude Oil Forecast, Markets, and Transportation". 2019. Available here:

<https://www.capp.ca/-/media/capp/customer-portal/documents/338843.pdf?modified=20190613133342&la=en&hash=B6BEA8D8B8E69ABA792289776D4C1FB2DF74BAE6>

¹⁵⁶ National Energy Board, "Natural Gas Annual Trade Summary – 2018," updated March 15, 2019, accessed June 28, 2019.

<https://www.neb-one.gc.ca/nrg/sttsc/ntrlgs/rprt/ntrlgssmmr/ntrlgssmmr-eng.html>

¹⁵⁷ Aliakbari, E. and Stedman, A. "The Cost of Pipeline Constraints in Canada". 2019. Available here:

<https://www.fraserinstitute.org/sites/default/files/cost-of-pipeline-constraints-in-canada-2019.pdf>

¹⁵⁸ Dachis, B. "Death by a Thousand Cuts? Western Canada's Oil and Natural Gas Policy Competitiveness Scorecard". 2018.

¹⁵⁹ Business Wire. Costs of Canadian Oil Sands Projects Fell Dramatically in Recent Years; But Pipeline Constraints and other Factors Will Moderate Future Production Growth, IHS Markit Analysis Says. May 1, 2019.

¹⁶⁰ Alberta Oil Sands Industry. "Quarterly Update – Summer 2018". 2018.

¹⁶¹ Aliakbari, E. and Stedman, A. Fraser Research Bulletin. "The Costs of Pipeline Constraints in Canada". 2019. Available here:

<https://www.fraserinstitute.org/sites/default/files/cost-of-pipeline-constraints-in-canada-2019.pdf>

¹⁶² Angevine, G. and K. Green, *The Costs of Pipeline Obstructionism*, July 2016, 1. <https://www.fraserinstitute.org/sites/default/files/costs-of-pipeline-obstructionism.pdf>

¹⁶³ CBC. "Oilpatch feels 'crushed' as it moves one step forward, two steps back." 2019. Available here :

<https://www.cbc.ca/news/canada/calgary/oilsands-oil-gas-mood-transmountain-c48-c69-calgary-1.5188266>

4.4 Cost Competitiveness of Alberta's Oil Sands

Alberta's oil sands produce approximately 83 percent of all oil production in Alberta,¹⁶⁴ and account for 64 percent of oil production in Canada.¹⁶⁵ As of 2017, the capital investment in Western Canada's oil sands was approximately \$301 billion.¹⁶⁶ However, the costs to develop and operate oil sands projects are typically higher compared with crude oil production from drilling wells. In 2018, the estimated supply costs¹⁶⁷ for oil sands in situ and mining projects ranged from \$45 to \$55 per barrel (USD WTI).¹⁶⁸ While not a direct product substitute, for comparison purposes the cost of supply for drilling and operating unconventional shale plays in the US was approximately \$35 per barrel (USD WTI) in 2017.¹⁶⁹

A recent report by IHS Markit noted that the cost of building and operating oil sands projects has fallen dramatically in recent years with the costs associated with new oil sands projects being 25 percent to one-third lower than they were in 2014.¹⁷⁰ The report notes that it is external factors, such as price uncertainty caused by pipeline constraints, that is slowing production growth.

Other market-based factors that impact oil sands economics include: the price of natural gas to generate heat and steam for extraction, the price of condensate used to dilute bitumen, exchange rates between Canadian and US dollars, and the differential price between crude oil in Western Canada compared with the crude oil price in other jurisdictions.¹⁷¹ Since 2014, market variables such as a weakened Canadian dollar and the lower price of natural gas and condensate have benefited producers. However, volatility in oil price differentials have negatively impacted oil sands economics.¹⁷²

4.5 Royalty Structure and Other Fiscal Policy

In January 2016, Alberta's royalty review panel released a modernized royalty framework that is viewed as competitive against direct competitors such as British Columbia, Saskatchewan, North Dakota, Oklahoma, Pennsylvania, and Texas.¹⁷³ Notwithstanding the positive outcome of the review, the timing of it being undertaken, in a period when commodity prices were collapsing during a serious downturn, was viewed to have negatively impacted investor confidence in Alberta.¹⁷⁴ In an aim to restore long-term investor confidence, the Alberta government recently introduced *Bill 12: the Royalty Guarantee Act*¹⁷⁵, which amends the *Mines and Minerals Act*¹⁷⁶ to disallow any restructuring of the royalty framework for a period of at least ten years. In addition, any new and existing producing wells would be "under the same royalty structure for that period of time".¹⁷⁷

¹⁶⁴ Government of Alberta. "Economic Dashboard – Oil Production, April 2019". 2019. Available here: <https://economicdashboard.alberta.ca/OilProduction#type>

¹⁶⁵ Natural Resources Canada. "Crude Oil Facts". Available here: <https://www.nrcan.gc.ca/energy-facts/crude-oil-facts/20064>

¹⁶⁶ Ibid.

¹⁶⁷ Supply Costs are defined as "the minimum constant dollar price needed to recover all capital expenditures, operating costs, royalties, and taxes, as well as to earn a specified return on investment".

¹⁶⁸ Alberta Energy Regulator. "ST98 Crude Bitumen Supply Costs". Updated May 2019, accessed July 7, 2019. Available here: <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st98/crude-bitumen/supply-costs>

¹⁶⁹ ConocoPhillips. "Eagle Ford Investor Field Tour, 2017 November Investor Deck". 2018. Available here:

<https://static.conocophillips.com/files/resources/eagle-ford-investor-field-tour-final-040318.pdf>

¹⁷⁰ Birn, K. "Four Years of Change – Oil Sands Cost and Competitiveness in 2018". 2019.

¹⁷¹ Ibid.

¹⁷² Ibid..

¹⁷³ Wood MacKenzie. "Alberta at a Crossroads, Royalty Review Advisory Panel Report". 2016, 52.

¹⁷⁴ Van Wielingen, M. "Canada's Energy Leadership Opportunity". 2019.

¹⁷⁵ Bill 12, *The Royalty Guarantee Act*, 1st session, 30th legislature, 2019.

https://www.assembly.ab.ca/ISYS/LADDAR_files/docs/bills/bill/legislature_30/session_1/20190521_bill-012.pdf

¹⁷⁶ *Mines and Minerals Act, Revised Statutes of Alberta* 2000, c. M-17. <http://www.qp.alberta.ca/documents/Acts/m17.pdf>

¹⁷⁷ Government of Alberta. "Royalty Guarantee Act, Bills and Legislation". Available here: <https://www.alberta.ca/royalty-guarantee-act.aspx>

A 2018 study by the C.D. Howe Institute noted that recent tax reform in the US highlighted the need to re-examine the cost of taxation in Canadian provinces to maintain the competitiveness of the oil and gas sector.¹⁷⁸ The recently announced reductions in the corporate income tax rate in Alberta, as well as the accelerated capital cost allowances announced in the 2018 federal fall economic update, are steps in the right direction for improving Alberta's ability to attract oil and gas investment relative to competing jurisdictions in Canada and the US. With respect to carbon pricing that is applied to oil and gas production in Western Canada, the C.D. Howe Institute concludes that this is not currently a major driver of cost competitiveness.¹⁷⁹

¹⁷⁸ Dachis, B. "Death by a Thousand Cuts? Western Canada's Oil and Natural Gas Policy Competitiveness Scorecard". 2018.

¹⁷⁹ Ibid..

5 SCOPE 4: COMPETITIVENESS IMPLICATIONS OF CARBON PRICING AND CLIMATE CHANGE POLICIES

5.1 Background

Overview of Climate Policy Environment in Alberta

The following are a number of major pieces of carbon pricing or climate change legislation (current or planned) at the provincial level in Alberta:

- *Oil Sands Emissions Limit Act*, which establishes a GHG emissions limit for all of Alberta's oil sands sites at a combined 100 million tonnes of CO₂e per year.¹⁸⁰
- *Carbon Competitiveness Incentive Regulation* ("CCIR"), which sets a price on large industrial facilities' greenhouse gas ("GHG") emissions above a benchmark established on the basis of sector-wide performance.¹⁸¹
- *Renewable Fuel Standards*, which requires commercial fuel producers and importers to blend renewable products into their fuels.
- *Phasing Out Coal*, which called for the decommissioning of all coal-fired electric power plants in Alberta by 2030 (under review by current government).
- *Reducing Methane Emissions*, which calls for a 45 percent reduction in methane emissions in oil and gas operations by 2025.
- Proposed *Technology Innovation and Emissions Reduction* ("TIER") program, which partially replaces the CCIR, setting a price on the GHG emissions of large industrial facilities (aside from power plants) above a benchmark established on the basis of the facility's historical emissions.

At the federal level, there are a number of additional pieces of carbon pricing or climate change legislation (current or planned) that have implications for Alberta:

- *Greenhouse Gases Pollution Pricing Act*, which provides the legislative basis for the federal backstop in provinces that did not meet the federal benchmark for a sufficient carbon pricing policy. The federal backstop is expected to apply to fuel sales in Alberta, due to the provincial government's repeal of its carbon levy on fuel.
- Proposed *Clean Fuel Standard*, which will incent the use of renewable and low carbon fuels, and the switch from internal combustion to electric vehicles.

Carbon Levy

Alberta's repeal of its tax on fuel ("the carbon levy") has led to conclusions that the federal government will impose its own carbon levy on fuel, as part of the federal backstop.¹⁸² If the federal government proceeds as announced, it will also be responsible for distributing the revenue collected from the levy. The federal government estimates that 90 percent of carbon levy revenues would be distributed to Albertans in the form of rebates, while the remainder would be applied towards building energy efficiency programs. This stands in contrast to Alberta's existing policy for redistributing income from the carbon levy, prior to its repeal, in which

¹⁸⁰ Government of Alberta. "Capping oil sands emissions". Available here: <https://www.alberta.ca/climate-oilsands-emissions.aspx>

¹⁸¹ CCIR was retained only for electricity generation, and was replaced by the Technology Innovation and Emissions Reduction ("TIER") regulation for all other sectors.

¹⁸² The Star Edmonton. "Federal carbon tax set to take effect in Alberta on Jan. 1". 2019. Available here: <https://www.thestar.com/edmonton/2019/06/13/federal-carbon-tax-set-to-take-effect-in-alberta-on-jan-1.html>

approximately 60 percent of Albertans earn a partial or full rebate under the system.¹⁸³ The remaining carbon levy revenues funded a variety of programs, including economic diversification initiatives, public transportation infrastructure projects, and energy efficiency and research and development programs.¹⁸⁴

While the expected transition to a federally-administered system would entail Alberta's loss of control over the distribution of carbon levy revenues¹⁸⁵ and a decrease in funding for other programs, it is expected to result in increases in household rebates for consumers. In addition, the Government of Alberta expects that cutting the carbon levy will lead to lower costs for businesses and increased job creation.¹⁸⁶

Outside of businesses operating facilities that are regulated under Alberta's large emitter carbon pricing regulation and absent the federal backstop, a repeal of Alberta's carbon levy would be expected to result in lower costs for fuel, leading to lower production costs for businesses. While the federal government has announced its intention to apply the federal backstop in Alberta as of January 1, 2020, it is uncertain whether this will be the case given the upcoming federal election (scheduled for October 2019) as well as the Government of Alberta's legal challenge to the federal government's carbon tax.¹⁸⁷

Large Emitters

Alberta's Carbon Competitiveness Incentive Regulation ("CCIR") will be replaced by the Technology Innovation and Emissions Reduction ("TIER") program in January 2020. The new policy is expected to introduce substantial changes to Alberta's climate policy for large industrial emitters. This includes a lowering of the carbon price from \$30 to \$20 per tonne of CO₂e, and a move from industry-wide benchmarks to facility-specific benchmarks.

Under the CCIR, combined with the province's carbon levy on fuel, the coverage of Alberta's carbon pricing system came just short of meeting the benchmark set by the federal government to assess whether provincially-determined climate policies were sufficient in scope and stringency.¹⁸⁸ The shortfall is due to temporary exemptions on combustion and venting GHG emissions granted to conventional oil and gas producers, amounting to approximately 13 percent of Alberta's GHG emissions. Despite this, the federal government announced in October 2018 that the CCIR mechanism was sufficient.¹⁸⁹

Under the new TIER regulation, large industrial GHG emitters will be benchmarked against their facilities' historical performance, in terms of GHG emissions per unit of output. As a result, facilities will be faced with the same level of costs or benefits, depending on their performance, regardless of how they compare to other facilities in the same sector. This is expected to level the playing field amongst large industrial emitters. Based on discussions with AEP, the TIER program is expected to meet all requirements of the federal government with the exception of the carbon price (i.e. the proposed \$20/tonne of CO₂e, versus the minimum \$30/tonne of CO₂e that is required).

¹⁸³ CBC News. "A tale of 2 taxes: how carbon pricing and revenue rolls out in Alberta versus Sask.". 2019. Available here: <https://www.cbc.ca/news/canada/saskatchewan/alberta-saskatchewan-comparison-carbon-tax-1.5093864>

¹⁸⁴ Canada's Ecofiscal Commission. "Gear shift: Alberta's climate policies poised for big changes". 2019. Available here: <https://ecofiscal.ca/2019/05/22/gear-shift-alberta/>

¹⁸⁵ The Star Edmonton. "Alberta's carbon tax : What is it and what happens if it's scrapped?". 2019. Available here: <https://www.thestar.com/edmonton/2019/04/02/albertas-carbon-tax-what-is-it-and-what-happens-if-its-scrapped.html>

¹⁸⁶ CBC News. "Alberta's carbon tax brought in billions. See where it went". 2019. Available here: <https://www.cbc.ca/news/canada/calgary/carbon-tax-alberta-election-climate-leadership-plan-revenue-generated-1.5050438>

¹⁸⁷ Edmonton Journal. "See you in court: Alberta government launches federal carbon tax challenge". 2019. Available here: <https://edmontonjournal.com/news/local-news/see-you-in-court-alberta-government-launches-federal-carbon-tax-challenge>

¹⁸⁸ Dobson, S., Winter, J., Boyd, B. "The Greenhouse Gas Coverage of Carbon Pricing Instruments for Canadian Provinces". 2019. Available here: <https://www.policyschool.ca/wp-content/uploads/2019/02/Carbon-Pricing-Dobson-Winter-Boyd-final2.pdf>

¹⁸⁹ Ibid.

The TIER regulation earmarks the first \$100 million in annual revenues earned and 50 percent of revenues above the first \$100 million to support greenhouse gas reduction technologies.¹⁹⁰ The remaining 50 percent of revenues earned above the first \$100 million will be used, among others, to reduce the government deficit.¹⁹¹ In fiscal year 2019/20, the combined CCIR and TIER revenues are expected to amount to \$630 million while in 2020/21, revenues under the TIER program alone are expected to amount to \$570 million.¹⁹²

5.2 Jurisdictional Review

In Canada, the federal government has chosen to implement a carbon levy on fuels in provinces whose climate policies did not meet or exceed the federal benchmark, and as a result the governments of Saskatchewan, Ontario and Alberta have initiated legal proceedings to challenge the constitutionality of this decision.¹⁹³ Conversely, in the United States the federal government has moved away from emission reduction commitments made by the previous administration; and, in response, certain states, local governments and the democratically controlled Congress are initiating their own laws and resolutions to affect a reduction in GHG emissions.

The timeline on the following page highlights recent developments that have had a significant effect on today's carbon pricing and climate change policy environment in North America. As indicated in the timeline, the political landscape in both Canada and the US has resulted in shifts in policy direction over time, creating a level of uncertainty for both consumers and businesses.

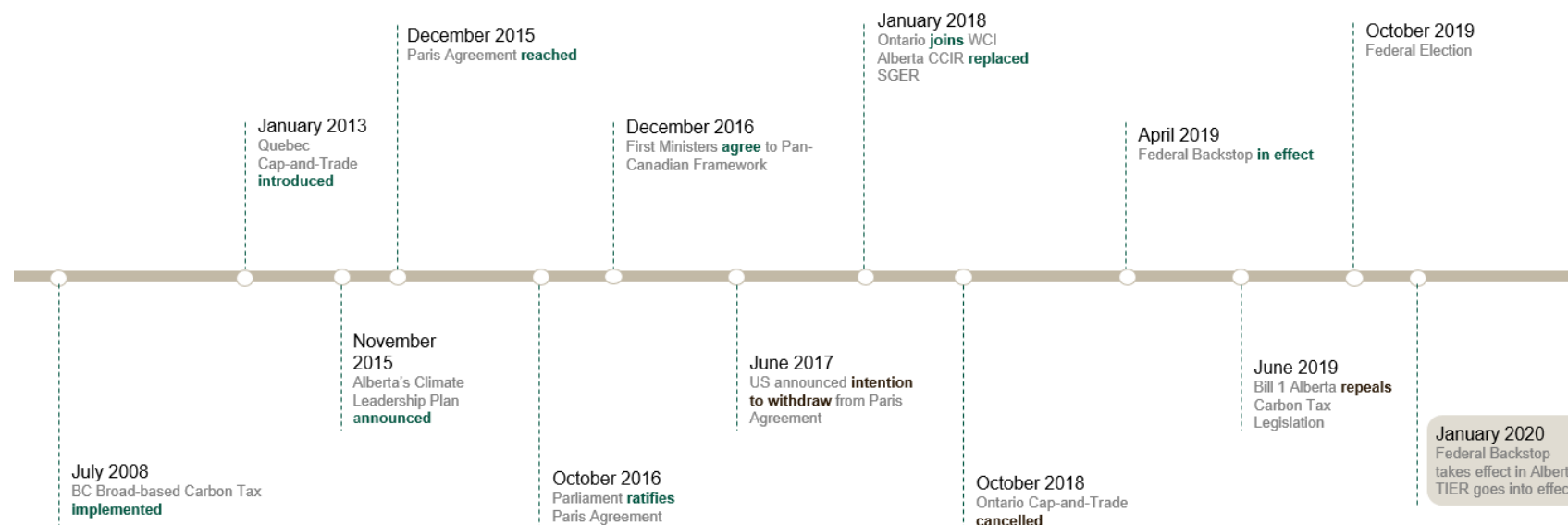
¹⁹⁰ United Conservatives, Alberta Strong & Free. "UCP Platform: Getting Alberta Back to Work". 2019. Available here: <https://www.albertastrongandfree.ca/policy/>

¹⁹¹ Ibid.

¹⁹² Ibid.

¹⁹³ The Provincial Court of Appeal in Saskatchewan and Ontario both ruled, in May and June 2019 respectively, that the federal government's carbon levy was constitutional. The Saskatchewan government has filed notice of its appeal to the Supreme Court of Canada, and the Ontario government has announced that it would appeal the provincial court's decision to the Supreme Court of Canada.

Figure 2: Recent Developments in the North American Carbon Mitigation Policy Environment



Given the shifting carbon pricing and climate change policy landscape in North America, as well as the upcoming Canadian federal election in the fall of 2019, it is difficult to fully assess the competitiveness implications of both existing and proposed carbon pricing and climate change policies across jurisdictions. Table 1 and Table 2, however, provide a high-level comparison of key features with respect to carbon pricing and climate change policies in select jurisdictions in Canada and the US.

Table 1: Comparison of Carbon Pricing and Climate Policies in Select Canadian Jurisdictions

	Alberta ¹⁹⁴	BC	Quebec	Federal Backstop (Ontario and Saskatchewan)	
Policy instrument	CCIR/TIER	Carbon Levy	Cap-and-Trade	Carbon Levy	Output-Based Pricing System ("OBPS")
Coverage	OBPS – 50% TIER: Industrial emitters (including oil and gas and electricity) - ~60% ¹⁹⁵	Covers approximately 70% of GHG emissions ¹⁹⁶	85% of emissions covered as of 2015 ¹⁹⁷	Applying to 62% of CO ₂ e emissions ¹⁹⁸	~21% (in addition to the 62% included under the levy) ¹⁹⁹ For SK: transmission of natural gas and electricity generation are the only covered industrial activities ²⁰⁰
Inclusion Thresholds	>100,000 tonnes CO ₂ /year ²⁰¹	>10,000 tonnes/year for reporting purposes ²⁰²	>25,000 tonnes CO ₂ /year ²⁰³	>50,000 tonnes CO ₂ /year	
Stringency	Reduction of emissions intensity by 10% (based on average performance 2016-2018), then decreasing 1% each year ²⁰⁴	Applies to all combustion emissions, excludes process emissions	Reduction of emission cap each year – government reduces Emission Units by 1% to 2% annually ²⁰⁵	70% to 90% protection for industry based on determined industry benchmarks	

¹⁹⁴ Note that Alberta has recently repealed its broad-based carbon levy and expects to implement a new decarbonization policy as of January 2020. At this same time, aspects of the federal backstop not met by provincial legislation will come into force in Alberta. The information contained in this section reflects the anticipated decarbonization policies to be effective January 2020.

¹⁹⁵ United Conservative Party. "Implementing the Technology Innovation and Emissions Reduction (TIER) Fund". 2019.

¹⁹⁶ The Conference Board of Canada. "It's Not Easy Being Green: The Challenge of Carbon Competitiveness". 2019.

¹⁹⁷ Woods, A. "Quebec's cap-and-trade system". 2015.

¹⁹⁸ Boyd, B., Dobson, S., Winter, J. "The Greenhouse Gas Emissions Coverage of Carbon Pricing Instruments For Canadian Provinces". 2019.

¹⁹⁹ Ibid.

²⁰⁰ Environment and Climate Change Canada. "Engagement Session on the Federal Output-Based Pricing System". 2019.

²⁰¹ United Conservative Party. "Implementing the Technology Innovation and Emissions Reduction (TIER) Fund". 2019.

²⁰² Government of British Columbia. "Greenhouse Gas Emission Reporting Regulation". 2014.

²⁰³ Government of Quebec. "A Brief Look at the Quebec Cap-and-Trade System for Emission Allowances". 2013.

²⁰⁴ Ibid.

²⁰⁵ Government of Quebec. "A Brief Look at the Quebec Cap-and-Trade System for Emission Allowances". 2013.

	Alberta ¹⁹⁴	BC	Quebec	Federal Backstop (Ontario and Saskatchewan)	
Compliance Costs	\$20/tonne CO ₂ ²⁰⁶	\$40/tonne CO ₂ e ²⁰⁷ , rising \$5/year until cost is \$50/tonne in 2021 ²⁰⁸	Based on emissions trading price	Carbon levy: \$30/tonne CO ₂ e, rising \$10/year to \$50/tonne CO ₂ / year by 2022 ²⁰⁹	
EITE Provisions	Facilities regulated under CCIR that are experiencing economic hardship due to compliance costs may be eligible for cost relief under the Cost Containment Program (CCP)	CleanBC Program "directs an amount equal to the incremental carbon tax paid by industry above \$30/tonne into rebates and incentives for cleaner operations" ²¹⁰	Free allocations of emissions credits make up approximately 30% of all EITEs (reducing 1% to 2% annually) ²¹¹	Exemption from broad-based levy	EITEs considered to be highest risk (cement, lime, nitrogen facilities, iron and steel manufacturing adjusted to 90% output standard; other industrial sectors 70 – 80% of the sector's average GHG emissions intensity) ²¹²
Primary Electricity Source	Coal, natural gas	Hydropower	Hydropower	Coal, natural gas (SK) Uranium, hydropower (ON)	

²⁰⁶ United Conservative Party. "Implementing the Technology Innovation and Emissions Reduction (TIER) Fund". 2019.

²⁰⁷ Government of British Columbia. "Climate Action Legislation". Available here: <https://www2.gov.bc.ca/gov/content/environment/climate-change/planning-and-action/legislation>

²⁰⁸ Ibid.

²⁰⁹ Pan-Canadian Approach to Pricing Carbon Pollution: Background. Environment and Climate Change Canada. Accessed June 24, 2019.

²¹⁰ Government of British Columbia. "British Columbia's Carbon Tax". Available here: <https://www2.gov.bc.ca/gov/content/environment/climate-change/planning-and-action/carbon-tax>

²¹¹ Boothe, P., Boudreault, F. A., Frankel, C. "Squaring the Circle: Canadian GHG Emissions". 2016.

²¹² Government of Canada. "Update on the output-based pricing system: technical background". 2018. Available here:

<https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/pricing-carbon-pollution/output-based-pricing-system-technical-background.html>

Table 2: Comparison of Carbon Pricing and Climate Policies in Select US Jurisdictions

	Colorado	Washington	North Dakota	Texas
Policy instrument	TBD: Law passed May 30, 2019 ²¹³	Cap-and-Trade ²¹⁴ (Pending)	N/A ²¹⁵	TBD: GHG Emission Levy in the House
Coverage	TBD	EITEs included under pending legislation until 2020, with reductions not required until 2023 ²¹⁶ Excluded from emission regulation: agriculture, jet fuel, exported petroleum products, and remaining coal plant in WA ²¹⁷	N/A	TBD
Inclusion Thresholds	TBD	>100,000 tonnes CO ₂ / year ²¹⁸ (Pending) Will increase to emitters >70,000 tonnes by 2035 ²¹⁹ (Pending)	N/A	TBD
Stringency Outlook	26% reduction of GHG emissions by 2030 and 50% by 2050 ²²⁰	Covered parties must achieve an annual reduction of 1.7% against their benchmark ²²¹	N/A	TBD
Compliance Costs	TBD	TBD	N/A	TBD
EITE Provisions	5% coverage of EITEs ²²² Emissions must match "best available emission control technologies" ²²³	Calculation of benchmarks (sector-specific) and stringency unique to EITEs ²²⁴	N/A	TBD
Primary Electricity Source	Coal, natural gas	Hydropower, coal	Coal ²²⁵	Solar, shale gas, wind

²¹³ Colorado General Assembly. "House Bill 19-1261: Climate Action Plan to Reduce Pollution". 2019.

²¹⁴ Washington State Legislature. "Senate Bill 5981 (Pending)". 2019.

²¹⁵ Climate Xchange. "State Carbon Pricing Network". 2019. Available here: <https://climate-xchange.org/network/>

²¹⁶ Wightman, S. "Washington Breaks New Ground with Greenhouse Gas Regulation". 2016.

²¹⁷ Melton, M. "Willing to Face Legal Obstacles, Washington State Persists in Climate Policy Efforts". 2019.

²¹⁸ Washington State Legislature. "Washington Administrative Code 173-442-070: GHG emission reduction pathway and emission reduction requirement for EITE parties". 2016.

²¹⁹ Melton, M. "Willing to Face Legal Obstacles, Washington State Persists in Climate Policy Efforts". 2019.

²²⁰ Colorado General Assembly. "House Bill 19-1261: Climate Action Plan to Reduce Pollution". 2019.

²²¹ Wightman, S. "Washington Breaks New Ground with Greenhouse Gas Regulation". 2016.

²²² Where EITEs are considered by the State of Colorado HB19-1261 to be as follows: "means an entity that principally manufactures iron, steel, aluminum, pulp, paper, or cement and that is engaged in the manufacture of goods through one or more emissions-intensive, trade-exposed processes, as determined by the commission."

²²³ Colorado General Assembly. "House Bill 19-1261: Climate Action Plan to Reduce Pollution". 2019.

²²⁴ Washington State Legislature. "Washington Administrative Code 173-442-070: GHG emission reduction pathway and emission reduction requirement for EITE parties". 2016.

²²⁵ North Dakota State Profile and Energy Estimates: North Dakota Net Electricity Generation by Source. U.S. Energy Information Administrator, 2019.

5.3 Competitiveness Implications

There are a number of key considerations with respect to the competitiveness implications of carbon pricing and climate change policies in Alberta:

- Alberta is home to the largest share of emissions-intensive and trade-exposed (“EITE”) industries in Canada:
 - The oil and gas sector comprises the largest share of federal emissions (27% of total domestic GHG emissions in 2017).²²⁶
 - As previously noted, the oil and gas sector, and its support activities, comprise the largest share of Alberta’s provincial GDP (approximately 27%).²²⁷
 - Fertilizer, chemical manufacturing and petrochemical manufacturing are considered to be the most vulnerable sectors in Alberta. Although they contribute a smaller share to Alberta’s GDP, they are considered key industries in the context of the diversification of Alberta’s economy.
- Electricity generation in Alberta is primarily coal-fired (unlike other provinces, including BC and Quebec, where electricity generation comes predominantly from hydropower).
- Mature projects and facilities employing older and less efficient technologies are at a greater risk of being uncompetitive.

As a result, relative to other jurisdictions in Canada and the US, carbon pricing and climate regulations may disproportionately affect Alberta’s economy, unless measures are taken to mitigate competitiveness impacts.

While economists widely agree that the most cost-effective solution for reducing GHG emissions is via a carbon pricing system^{228,229,230,231,232,233}, there is also agreement that one way to minimize competitiveness issues and to further grow the economy is through the recycling of carbon tax revenues. According to Murray and Rivers, “economists often favor revenue-neutral carbon taxation because it has the potential to enhance economic growth by lowering distortions from the current tax system”.²³⁴

Table 3 demonstrates ways in which governments can mitigate the competitiveness impacts of carbon pricing through various forms of revenue recycling.²³⁵

Table 3: Summary of Revenue Recycling Options²³⁶

Revenue Recycling Option	Description of Option	Economic Impact	Environmental Effectiveness
Household Transfers	Provision of rebates directly to households	<ul style="list-style-type: none"> • Closest “net neutral” option for a broad-based carbon pricing model 	<ul style="list-style-type: none"> • Effective (not introducing significant

²²⁶ Macklem, T. et al. “Final Report of the Expert Panel on Sustainable Finance: Mobilizing Finance for Sustainable Growth”. 2019.

²²⁷ In 2018, Alberta’s total GDP was \$335.1B (chained \$2012). Alberta’s oil and gas sector contributed \$80.5B to the provincial GDP, and support activities for oil and gas extraction contributed to \$10.7B. Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories.

²²⁸ Beale, E. et al. “Provincial Carbon Pricing and Competitiveness Pressures”. 2015.

²²⁹ Beugin, D. et al. “Supporting Carbon Pricing: How to identify policies that genuinely complement an economy-wide carbon price”. 2017

²³⁰ Eisen, B., Green, K. G., Merkley, E. “The Economic, Environmental, and Political Consequences of Carbon Pricing”. 2012.

²³¹ McKittrick, R. “A Practical Guide to the Economics of Carbon Pricing”. 2016.

²³² Dobson, S., Fellows, K. G., Tombe, T., Winter, J. “The Ground Rules for Effective OBAs: Principles for Addressing Carbon-Pricing Competitiveness Concerns Through the Use of Output-Based Allocation”. 2017.

²³³ Marsh, K. and Henry, A. “A Competitive Transition: How smarter climate policy can help Canada lead the way to a low carbon economy.”

²³⁴ Murray, B., Rivers, N., “British Columbia’s Revenue-Neutral Carbon Tax: A Review of the Latest “Grand Experiment” in Environmental Policy”. 2015.

²³⁵ Revenue recycling is the process by which revenues collected through carbon pricing strategies are returned to the economy from which they were taxed.

²³⁶ Canada’s Ecofiscal Commission. “Choose Wisely: Options and Trade-offs in Recycling Carbon Pricing Revenues”. 2016.

Revenue Recycling Option		Description of Option	Economic Impact	Environmental Effectiveness
			<ul style="list-style-type: none"> Highest economic cost (lowest GDP growth), does not reduce distortion in the economy i.e. does not mitigate competitiveness challenges for EITEs 	distortions or adverse incentives)
Income Tax Cuts	Personal	Broad-based reduction of income tax rates for personal and/or corporate	<ul style="list-style-type: none"> Can be a regressive model, given already-low income tax rates for low income earners Can cause behaviour change shift toward "greater work effort and greater saving" 	<ul style="list-style-type: none"> Stimulation of economic growth results in net new emissions Carbon price (as opposed to revenue recycling option) would be driver of emissions reductions
	Corporate		<ul style="list-style-type: none"> Can incentivize general investment in Alberta that may offset impacts of carbon pricing Effective in stimulating economic growth and productivity Generalized nature ineffective against competitiveness challenges for EITEs 	
Infrastructure Investments		Government investment in public infrastructure	<ul style="list-style-type: none"> Generalized economic growth (i.e. jobs, support for long-term and ongoing projects) Reduce the cost of economic activity, depending on the user group (i.e. low-income earners might have access to lower cost public transportation, industry may experience productivity gains through roadway development) 	<ul style="list-style-type: none"> Emissions reductions dependent on type of infrastructure (e.g. light rail transit systems reduce vehicle emissions, retrofitting public buildings reduces energy use,)
Clean Technology Investments		Government-supported investment and research into low-carbon technologies	<ul style="list-style-type: none"> Improve competitiveness of industry long-term by decreasing carbon emissions, and therefore carbon-related costs, of industry Balance between the cost of the carbon-reduction technology and the cost of emitting 	<ul style="list-style-type: none"> Can reduce emissions in low-stringency policy environments – this allows for more stringent policy to follow in the long-term, at a lower cost to industry (i.e. emitters ease themselves into a low-emission model)

Revenue Recycling Option	Description of Option	Economic Impact	Environmental Effectiveness
Transitional Support to Industry	Direction of revenues toward EITEs to ease impact on industries most impacted by carbon pricing and associated costs (either through free permits in a cap and trade model, or through rebates / subsidies in a hybrid or broad-based model)	<ul style="list-style-type: none"> • Mitigates competitiveness challenges for EITE heavy emitters • Reduces the average cost of compliance with carbon pricing policy • Distorts free market competition, leading to potential inefficiencies 	<ul style="list-style-type: none"> • Firms continue to pay a marginal price under carbon pricing and are therefore incentivized to reduce emissions • Incentive to industry to reduce emissions in slowed due to cost compensation •
Reduction of Government Debt	Repayment of the government's creditors	<ul style="list-style-type: none"> • No impact on competitiveness pressures of carbon pricing • Indirect positive economic impact through perceived government stability – investment attraction • Tax rates typically lower with a less leveraged government 	<ul style="list-style-type: none"> • N/A

Considerations for TIER Program

The impacts of moving from CCIR to TIER on the competitiveness of Alberta's economy depend not only on the design of the policy, but on the choices made with respect to redistributing the revenue generated through carbon taxes. The following are some of the main options for recycling carbon tax revenues from the TIER program, and their applicability to Alberta:

- Corporate Income tax cuts:
 - In general, a lowered corporate tax rate will stimulate economic growth and attract business to Alberta.²³⁷
- Infrastructure and clean technology investments:
 - Strategic infrastructure investments could improve competitiveness through reduced costs or improved market access.
 - Innovations and technological advancements targeted at the oil and gas sector could help to simultaneously reduce GHG emissions while improving efficiency/performance.²³⁸
 - Shifting to “cleaner” oil extraction and refining could re-position Alberta's oil and gas exports for longer term competitiveness against lower-emitting jurisdictions.²³⁹
- Transitional support to industry:

²³⁷ Canada's Ecofiscal Commission. “Choose Wisely: Options and Trade-offs in Recycling Carbon Pricing Revenues”. 2016.

²³⁸ Ibid.

²³⁹ Chan, G., Reily, J. M., & Chen Y. H. H. “The Canadian oil sands industry under carbon constraints”. 2012.

- Given that 18% of Alberta's economy is generated by EITEs (compared with the 5% Canadian average) that produce approximately 50% of Alberta's emissions, it is very likely that carbon pricing would significantly impact heavy emitters in Alberta and affect their competitiveness against other jurisdictions; therefore, transitional support to industry would likely be a priority for revenue recycling.²⁴⁰
- An output-based pricing system would help to ease the transition to new carbon pricing policies for heavy emitters.²⁴¹
- Reduction of government debt:
 - Alberta's budget surpluses have meant the province was debt-free for much of the past 20 years²⁴². The province has since seen steadily growing budget deficits, mainly due to a downturn in the oil and gas industry.
 - While Alberta's government debt is still small relative to other provinces²⁴³, reducing it could help signal that the province's economy is stable, thereby attracting investment.

5.4 Other Climate Policies and Regulations

Clean Fuel Standard

The federal Clean Fuel Standard ("CFS") is intended to reduce GHG emissions by 30 million tonnes by 2030²⁴⁴ through "use of lower carbon fuels, energy sources, and technologies".²⁴⁵ While still in development, this regulation is specifically targeting liquid, gaseous, and solid fossil fuel producers, importers, and distributors.²⁴⁶ The regulation is intended to give compliance flexibility to regulated parties through either adding renewable and low carbon fuels (e.g. ethanol to gasoline, biodiesel to diesel), switching fossil fuels to clean fuels (e.g. electric vehicles), or by investing in technology that is more fuel efficient, hence producing less.²⁴⁷

The regulation is expected to be rolled out in two phases, first implemented for liquid fuels in 2022, then for gaseous and solid fuels in 2023.²⁴⁸ Expected cost implications of CFS compliance include:

- "Extra costs that may result from the need to switch fuels in operations leading to significant capital investments and/or initial capital costs and equipment upgrades.
- Increase in demand for low-carbon fuels could lead to an increase in cost for industrial and transportation fuels, which could hurt industries.
- Costs associated with switching to electricity to reduce carbon emissions might not be financially sustainable.
- Limited fuel-switching options in certain regions, especially in isolated regions, or those without required infrastructure.

²⁴⁰ Canada's Ecofiscal Commission. "Choose Wisely: Options and Trade-offs in Recycling Carbon Pricing Revenues". 2016.

²⁴¹ Leach, A., Adams, A., Cairns, S., Coady, L., & Lambert, G. "Climate leadership: Report to the Minister". 2015.

²⁴² BOE Report. "The History of Alberta's Debt Position in Charts". 2016. Available here: <https://boereport.com/2016/01/21/the-history-of-albertas-debt-position/>

²⁴³ RBC. "Canadian Federal and Provincial Fiscal Tables". 2019. Available here: http://www.rbc.com/economics/economic-reports/pdf/canadian-fiscal/prov_fiscal.pdf

²⁴⁴ Government of Canada. "Clean Fuel Standard." 2019. Available here: <https://www.canada.ca/en/environment-climate-change/services/managing-pollution/energy-production/fuel-regulations/clean-fuel-standard.html>

²⁴⁵ Ibid.

²⁴⁶ Government of Canada, Department of the Environment. "Notice to interested parties — Clean Fuel Standard regulatory framework". 2017. Available here: <http://gazette.gc.ca/rp-pr/p1/2017/2017-12-23/html/notice-avis-eng.html>

²⁴⁷ Ibid.

²⁴⁸ Government of Canada. "Clean Fuel Standard: Timelines, Approach, and Next Steps". 2018.

- Increased demand for feedstock as a fuel could result in price increases, putting operations of some users in Canada at risk.²⁴⁹
- Additional transport-specific conversion and investment costs.²⁵⁰

Under the CFS system, there are methods for generating compliance credits (known as “voluntary credits”):

1. “Actions that reduce the carbon intensity of the fossil fuel throughout its lifecycle;
2. The supply of renewable and other low-carbon intensity fuels; and,
3. Some end-use fuel switching.”²⁵¹

Under the CFS system, compliance credits can be purchased in lieu of reducing emissions or credit generation (above). These credits vary by sector: the price of transportation credits range between \$150 to \$180/tonne and stationary credits are estimated to be \$40/tonne.²⁵² What differentiates the CFS from a straight carbon levy is that it is based on carbon intensity, rather than GHG emissions; though compliance credits essentially function as a “levy”, the revenue generated from the credits is returned to industry when credits are “granted” back to industry for alternative fuel use.²⁵³

Cost estimates for alternative fuel sources (provided by industry stakeholders) to achieve emissions targets under the CFS were estimated to be up to \$185/tonne for ethanol alternatives and \$130 to \$165/tonne for biofuel alternatives. However, these costs are highly dependant on the finalized design of the CFS framework, and would vary significantly between industries, jurisdictions, revenue recycling, and incentive policies.²⁵⁴

Due to competitiveness concerns, transitional support, credits, incentives and funding for clean technology alternatives have been recommended to accompany CFS implementation.²⁵⁵

Reducing Methane Emissions

Alberta is the second largest contributor to Canada's GHG emissions, with 70 percent of provincial methane emissions coming from the oil and gas sector through venting and leaks. Given that the oil and gas sector is the largest emitter of methane gas in Alberta, regulation has been targeted at industrial emitters within this sector. As only 10 percent of methane emissions are covered under CCIR²⁵⁶, the regulatory requirements for methane emissions are included in *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*, as well as *Directive 017: Measurement Requirements for Oil and Gas Operations*.²⁵⁷ Both requirements are centred around fugitive emissions and venting (the “primary sources of methane emissions” for upstream oil and gas

²⁴⁹ International Institute for Sustainable Development. “Clean Fuel Standard: Summary of stakeholder written comments on the Discussion Paper”. 2017. Available here: <https://www.iisd.org/library/clean-fuel-standard-summary-stakeholder-written-comments-discussion-paper>

²⁵⁰ Ibid.

²⁵¹ Government of Canada. “Clean Fuel Standard Regulatory Design Paper”. 2018. Available here: <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/clean-fuel-standard-regulatory-design-paper-2018-en-1.pdf>

²⁵² International Institute for Sustainable Development. “Clean Fuel Standard: Summary of stakeholder written comments on the Discussion Paper”. 2017. Available here: <https://www.iisd.org/library/clean-fuel-standard-summary-stakeholder-written-comments-discussion-paper>

²⁵³ Government of Canada. “Clean Fuel Standard Regulatory Design Paper”. 2018. Available here: <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/clean-fuel-standard-regulatory-design-paper-2018-en-1.pdf>

²⁵⁴ Ibid.

²⁵⁵ International Institute for Sustainable Development. “Clean Fuel Standard: Summary of stakeholder written comments on the Discussion Paper”. 2017. Available here: <https://www.iisd.org/library/clean-fuel-standard-summary-stakeholder-written-comments-discussion-paper>

²⁵⁶ Gorski J., Kenyon, D. “Policy Briefing: Achieving methane reductions through carbon pricing in Alberta”. 2018.

²⁵⁷ Alberta Energy Regulator. “Methane Reduction”. Available here: <https://www.aer.ca/providing-information/by-topic/methane-reduction>

operations) using technological improvement, maintenance and monitoring of methane equipment, and reporting requirements.²⁵⁸

Directive 060 has recently been revised in light of upcoming Federal legislation as the Government of Canada announced that effective January 1, 2020, *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds*²⁵⁹ will come into effect with the goal of reducing Canada's methane emissions by between 40 and 45 percent below 2012 levels by 2025.²⁶⁰ As such, the revised *Directive 060* will also come into effect January 2020 and will be based on meeting equivalency with the federal regulation.²⁶¹

While there is economic value in reducing methane that is "wasted" through venting and leaks, Environment and Climate Change Canada estimates that there will be a net compliance cost to industry to comply with the methane regulations of approximately \$17/tonne of CO₂e reduction.²⁶²

²⁵⁸ Alberta Energy Regulator. "Methane Reduction". Available here: <https://www.aer.ca/providing-information/by-topic/methane-reduction>

²⁵⁹ Government of Canada. "About methane emissions". Available here: <https://www.canada.ca/en/environment-climate-change/services/climate-change/global-methane-initiative/about-methane-emissions.html>

²⁶⁰ Issawi, H. Alberta, Ottawa and industry at odds over how to regulate methane emissions. The Star, 2018.

²⁶¹ Alberta Energy Regulator. "Methane Reduction". Available here: <https://www.aer.ca/providing-information/by-topic/methane-reduction>

²⁶² Environment and Climate Change Canada. "Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector). Regulatory Impact Analysis Statement." Available here: <http://gazette.gc.ca/rp-pr/p2/2018/2018-04-26-x1/html/sor-dors66-eng.html>

APPENDIX A: DATA SOURCES

SCOPE 1

Reports on Best Practices of Business Attraction and Capital Investment

- Nordic Place Academy. "Business Attraction Management for Cities and Regions – Handbook of Strategies, Tools and Activities". January 2016. Available here: https://futureplaceleadership.com/wp-content/uploads/2017/05/BAM-handbook_final.pdf
- Inter-American Development Bank. "Innovations in Foreign Direct Investment Attraction". November 2018. Available here: https://publications.iadb.org/en/bitstream/handle/11319/9361/Innovation_FDI_Attraction_FINALconvergence.pdf?sequence=1
- Ivey, Lawrence National Centre for Policy and Management. "Investment Attraction: Learning from "Best Practice" Jurisdictions". 2016. Available here: <https://www.ivey.uwo.ca/cmsmedia/2758461/investment-attraction-learning-from-best-practice-jurisdictions.pdf>
- OECD. "Policy Framework for Investment: A Review of Good Practices". 2006. Available here: <https://www.oecd.org/daf/inv/investmentfordevelopment/policyframeworkforinvestmentareviewofgoodpractices.htm>
- Adam Smith International. "Best Practices for Investment Promotion and Facilitation in ASEAN: General Paper". 2014. Available here: <http://aadcp2.org/wp-content/uploads/ASIInvestmentPromotion-ProjectGeneralPaper.pdf>
- Georgia Tech Enterprise Innovation Institute. "Best Practices in Foreign Direct Investment and Exporting Based on Regional Industry Clusters". 2013. Available here: http://www.fdiestpractice.org/pdf/Exporting_FDI%20Final%20Report.pdf
- OSCE. "Best Practices Guide for a Positive Business and Investment Climate". 2006. Available here: <https://www.osce.org/eea/19768?download=true>
- Advisory Council on Economic Growth. "Bringing Foreign Investment into Canada". 2016. Available here: <https://www.budget.gc.ca/aceg-ccce/pdf/foreign-investment-investisseurs-etranagers-eng.pdf>
- World Bank. "Global Investment Promotion Best Practices". 2012. Available here: <https://openknowledge.worldbank.org/bitstream/handle/10986/20423/907580WP0v20Bo0n0Best0Practices0web.pdf?sequence=1&isAllowed=y>
- Asia-Pacific Economic Cooperation and United Nations. "Best Practices in Investment for Development". 2010. Available here: https://unctad.org/en/Docs/diaepcb20091_en.pdf

Other Reports

- Standing Senate Committee on Banking, Trade and Commerce. "Canada Still Open for Business?". 2018. Available here: https://sencanada.ca/content/sen/committee/421/BANC/reports/BANCReportImportersExporters_E.pdf
- PWC. "The road ahead for public service delivery". 2007. Available here: https://www.pwc.com/gx/en/psrc/pdf/the_road_ahead_for_public_service_delivery.pdf

SCOPE 2

- MMK Consulting. "Report on Competitiveness: Alberta 2016". 2019. Internal to Government of Alberta.
- Greater Vancouver Board of Trade and The Conference Board of Canada. "Greater Vancouver Economic Scorecard". 2018. Available here:
<https://www.boardoftrade.com/scorecard2018/assets/pdf/summary-report.pdf>
- Ontario's Panel of Economic Growth & Prosperity. "Unfinished Business: Ontario Since the Great Recession". 2018. Available here:
https://www.competeprosper.ca/uploads/Annual_Report_17_Unfinished_Business_Ontario_since_the_Great_Recession_Dec_2018.pdf
- Opportunity Washington. "2017 Report: A Roadmap for Expanding Washington's Culture of Opportunity to Individuals, Families, Employers, and Communities". 2018. Available here:
https://opportunitywa.org/wp-content/uploads/2017/04/OPWA_FoundationReport_2017.pdf
- Texas Comptroller of Public Accounts. "50-State Scorecard". 2019. Available here:
<https://comptroller.texas.gov/economy/50state/>
- National Competitiveness Council. "Ireland's Competitiveness Scorecard 2018". 2018. Available here:
<http://www.competitiveness.ie/Publications/2018/Ireland-s-Competitiveness-Scorecard-2018.pdf>
- National Competitiveness Council. "Ireland's Competitiveness Challenge 2018". 2018. Available here:
<http://www.competitiveness.ie/Publications/2018/Competitiveness-Challenge-2018.pdf>
- Christian Ketels. "The Swedish Competitiveness Scorecard 2017". 2017. Available here:
http://eng.entreprenorskapsforum.se/wp-content/uploads/2017/12/SEF_Ch2_Ketels.pdf

APPENDIX B: ASSESSMENT OF BEST PRACTICES

For the purpose of this report, best practices for business attraction and capital investment were taken to be those practices reported in multiple studies that had been used by several jurisdictions to attract businesses and foreign investment successfully.

A total of 12 best practices were identified by MNP. These 12 best practices were assessed at a high-level by considering:

- Alignment with the Alberta government’s priorities in the following six areas:²⁶³
 1. Restoring investor confidence.
 2. Reducing red tape.
 3. Re-energizing the oil and gas industry.
 4. Bill 2: The Open for Business Act.
 5. Attracting skilled immigrants.
 6. Innovation for investment in new technologies.
- The expected time frame to implement the best practice (i.e., “short term”; “short-to-medium term”; “medium term”; and “long term”).
- The expected level of government involvement, in terms of fiscal policy, legislation and co-ordination between various departments (i.e., “low involvement”; “medium involvement”; and “high involvement”).

The following table outlines MNP’s high level assessment.

²⁶³ United Conservatives, Alberta Strong & Free. “UCP Platform: Getting Alberta Back to Work”. 2019. Available here: <https://www.albertastrongandfree.ca/policy/>

Table 4: Assessment of Identified Best Practices

Best Practice	Alberta Government Priorities						Expected Time Frame to Implement	Expected Level of Government Involvement
	Restoring investor confidence	Red Tape Reduction	Re-energize the Oil and Gas Industry	Bill 2: The Open for Business Act	Attracting Skilled Immigrants	Innovation for Investment in New Technologies		
1. Development of a place branding strategy based on a clearly articulated vision.		✓		✓			Short-to-Medium Term	Medium Involvement
2. Development of a compelling value proposition for investors.	✓	✓	✓		✓	✓	Medium Term	Low Involvement
3. Collaboration with multiple stakeholder groups and different levels of government.			✓		✓	✓	Medium Term	Low Involvement
4. Consultation with existing businesses to identify gaps and opportunities.	✓	✓	✓		✓	✓	Short Term	Medium Involvement
5. Leveraging existing networks to generate investment leads.					✓		Medium Term	Low Involvement
6. Facilitation of a soft-landing for investors through a one-stop shop experience.	✓	✓	✓		✓	✓	Short-to-Medium Term	Medium Involvement
7. Development and delivery of a holistic after-care approach.	✓		✓		✓	✓	Short Term	Medium Involvement
8. Development and support of industry clusters.	✓		✓		✓	✓	Long Term	High Involvement
9. Reduction of the regulatory burden for investment.	✓	✓	✓			✓	Short-to-Medium Term	High Involvement

Best Practice	Alberta Government Priorities						Expected Time Frame to Implement	Expected Level of Government Involvement
	Restoring investor confidence	Red Tape Reduction	Re-energize the Oil and Gas Industry	Bill 2: The Open for Business Act	Attracting Skilled Immigrants	Innovation for Investment in New Technologies		
10. Provision of transparency and predictability by sharing regulatory requirements, timelines and responsibilities with investors.	✓	✓	✓			✓	Medium Term	High Involvement
11. Establishment and support of a skilled local workforce to meet investor's needs.				✓	✓	✓	Long Term	Medium Involvement
12. Monitoring and evaluation of investment attraction efforts.	✓						Medium Term	Low Involvement

APPENDIX C: ABOUT MNP

MNP is the fastest growing major chartered accountancy and business advisory firm in Canada. Founded in 1958, MNP has grown to more than 70 offices and 4,000 team members across Canada. The map below shows our office locations.

MNP provides a wide range of accounting, finance and business advisory services to clients. These include:

- Assurance
- Taxation
- Corporate Finance
- Mergers and Acquisitions
- Enterprise Risk Services
- Forensic Accounting
- Consulting
- Insolvency and Corporate Recovery
- Succession
- Valuations and Litigation Support



The table below outlines our Alberta office locations.

Full-time Alberta Office Locations:

- | | |
|------------------|----------------|
| ▪ Airdrie | ▪ Lacombe |
| ▪ Calgary | ▪ Leduc |
| ▪ Drumheller | ▪ Lethbridge |
| ▪ Edmonton | ▪ Medicine Hat |
| ▪ Fort McMurray | ▪ Peace River |
| ▪ Grande Prairie | ▪ Red Deer |
| ▪ High Prairie | ▪ Rimbey |

Part-time Alberta Office Locations:

- | | |
|-----------------|-----------------|
| ▪ Brooks | ▪ Sherwood Park |
| ▪ North Calgary | ▪ Stettler |
| ▪ West Edmonton | ▪ Taber |

About MNP’s Economics and Research Practice

Economic and industry studies are carried out by MNP’s Economics and Research practice. Based in Vancouver, the Economics and Research practice consists of a team of professionals that has a successful track record of assisting clients with a wide variety of financial and economic impact studies. Our work has encompassed a wide range of programs, industries, company operations and policy initiatives, and has helped clients with decision-making, communication of economic and financial contributions, documentation of the value of initiatives and activities, and development of public policy.



Research & Analysis for use of the Blue Ribbon Panel on Alberta's Finances

—
August 15, 2019



Notice to Reader

This document (the “Document”) by KPMG LLP (“KPMG”) is provided to the Government of Alberta Treasury Board and Finance (“Alberta”) pursuant to the contractor service agreement dated June 3, 2019 to conduct provide professional services for the Blue Ribbon Panel on Alberta’s Finances (the “Panel”).

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Our scope was limited to research and analysis over a very short timeframe. The procedures we performed were limited in nature and extent, and those procedures will not necessarily disclose all matters about finances, functions, policies and operations of a provincial ministry or functional area, or reveal errors in the underlying information. Our role was to provide research, analysis and approaches used in Alberta in comparison primarily to B.C., Ontario and Quebec to manage operating expenditures, and other operating metrics as input for the Panel; KPMG was not contracted for and provides no opinions, conclusions or recommendations on the information included herein.

Our procedures primarily consisted of research, comparison and analysis of Government of Alberta-provided information and data, as well as data and information on other provinces from publically-available sources, which was not exhaustive. Readers are cautioned that, in some cases, estimates are provided based on available information and assumptions for order of magnitude only.

The procedures we performed do not constitute an audit, examination or review in accordance with standards established by the Chartered Professional Accountants of Canada, and we have not otherwise verified the information we obtained or presented in this Document. We express no opinion or any form of assurance on the information presented in the Document, and make no representations concerning its accuracy or completeness.



This research and analysis was completed at the request of the Panel. KPMG’s role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel’s report, and the Government of Alberta is responsible for all decisions arising from the Panel’s report.

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Table of Contents

	Page
Summary of Research and Analysis	4
Introduction	10
10 Year Overall Comparisons	14
Public Sector Workforce & Collective Bargaining	20
Health	56
Community and Social Services (incl. Seniors)	90
Advanced Education	105
Education	128



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Summary of Research and Analysis (1 of 6)

Introduction

As outlined in the direction provided in the letter from the President of Treasury Board and Minister of Finance to Janice MacKinnon, Chair of the Blue Ribbon Panel on Alberta's Finances, a robust fiscal management system is critical in responding to the wide array of challenges that Alberta will face over the next decade.

To this end, KPMG was engaged to conduct a comparative spend analysis and identify practices that have been used towards managing provincial expenditures to inform the Panel's review and considerations. The Panel directed the areas for KPMG to research and analyze and used the information as one of many inputs in their final report.

This included the following three scope areas:

- Scope 1: A comparison of expense trends for the past decade between Alberta, BC, Ontario and Quebec for spending on health, social services, education, and advanced education
- Scope 2: A review, update and analysis of CIHI data based on the Physician Services Analysis information (completed in February 2016), and
- Scope 3: A high-level review of collective bargaining processes and practices across the western Canadian jurisdictions (British Columbia, Alberta, Saskatchewan, and Manitoba).

This document presents the results from this work that was completed between June 3 and July 31, 2019. Data sources have been noted throughout the body of the document. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions.

As such, the Panel is responsible for making any recommendations (where this document is one of many inputs into its work), and the Government of Alberta is responsible for all decisions arising from the Panel's report.

10 Year Summary

Alberta had the highest per capita total expenditure for Health, Education and Social Services in 2018 at \$10,848, and the highest 10-year compounded annual growth rate (CAGR) at 4% compared to British Columbia, Ontario and Quebec. Alberta's per capital total expenditure for Health, Education and Social Services was \$1,840 higher than Ontario, which had the lowest per capita total expenditure in 2018 of \$9,008.

Alberta's total population (and its older and younger populations) grew faster than any of British Columbia, Ontario or Quebec over the past 10 years. The population under 65 years grew by 1.5% CAGR and the population over 65 years grew by 4% CAGR. Alberta is the youngest of the provinces with a median age of 36.9 years, and the smallest share of individuals over the age of 60 among other provinces.

Source: Analysis of Parliamentary Budget Office Fiscal Sustainability Report source data tables (September 30, 2018). Population data from Statistics Canada Table 17-10-0005-01.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Summary of Research and Analysis (2 of 6)

Public Sector Workforce

One of the primary cost drivers for provincial governments is compensation. In 2018/19, the consolidated compensation expenditures of the Government of Alberta and its related entities represented 38% of the total expenditures by Government.

Alberta's compensation for its core government departments grew by 4.6% CAGR since 2008/09. By comparison, British Columbia's core government department compensation grew by 1.2% CAGR, Ontario's grew by 2.4% CAGR and Quebec's by 3.9% CAGR.

From 2008 to 2018, the core government department employment (headcount) in Alberta grew by 1.3% CAGR, which was comparable to Ontario's growth (1.4% CAGR), but less than British Columbia's (2.8% CAGR) and more than Quebec's (1.1% CAGR).

Alberta deals with a workforce that covers 128 collective agreements for teachers, physicians, nurses, other medical professionals, support professionals, public agencies, and post-secondary institutions.

Health

In 2018, Alberta had the highest health and physician services per capita expenditures compared to other provinces. Alberta spends \$997 more per capita on health services than Ontario, which spends the least at \$4,080 per capita. This equates to more than \$4 billion in additional spending on the health system.

There are inherent differences in Alberta, British Columbia, Ontario and Quebec's business models for health.

Alberta has a single health authority, while British Columbia has a single shared service authority and five regional health authorities. Ontario is the most distributed model with 14 Local Health Integration Networks that deliver health services across that province.

There are several areas where the health outcomes / system performance for Albertans are worse than other provinces. In comparison to British Columbia, Ontario, and Quebec, Alberta has:

- The lowest life expectancy at age 0
- The highest infant mortality rates per 1,000 population
- The highest number of deaths from major cardiovascular disease and suicide per 100,000 population
- The second highest number of hospitalized heart attacks per 100,000 population
- The highest percentage of persons being cared for in hospitals that could be provided in a more appropriate setting
- The highest Ambulatory Care Sensitive Condition hospitalization rates, per 100,000 population, and
- The highest median wait (number of weeks) from referral by a GP to treatment.

Source: Government of Alberta Annual Reports 2009-10 to 2018-19. Canadian government finance statistics for the provincial and territorial governments (x 1,000,000) data from Statistics Canada Table 10-10-0017-01. Employment by industry, annual (Provincial and territorial public administration) data from Statistics Canada Table 14-10-0202-01. Based on information from the Government of Alberta Provincial Bargaining Coordination Office. CIHI National Health Expenditure Database. Business Plans (Service Plans), Annual Reports and Ministry websites. CIHI data (2017 - hospitalized heart attacks, and Statistics Canada (Tables 13-10-0713-01, 13-10-0114-01, 13-10-0800-01) and Alberta population data.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Summary of Research and Analysis (3 of 6)

Health (continued)

An overview of key health system indicators is outlined below for Alberta, British Columbia, Ontario and Quebec.

Health Indicators	AB	BC	ON	QC
Life expectancy at age 0	81.5	82.5	82.5	82.4
Infant (under 1 year old) mortality rates per 1,000 population	4.9	3.1	4.7	4.0
General mortality rates per 1,000 population	6.0	8.0	7.3	7.7
Deaths from major cardiovascular diseases per 100,000 population	195.2	174.5	163.0	150.1
Deaths from intentional self-harm (suicide) per 100,000 population	15.2	9.7	10.0	10.4
Prevalence of high blood pressure	15.4	16.8	18.4	16.7
Prevalence of diabetes	6.9	5.9	8.0	6.6
Prevalence of COPD	3.8	4	4.1	4.6
Access to primary care – percentage of persons reporting they have a regular doctor	84	83	92	75

Alberta ranks highest in terms of the supply of technical specialists, 2nd highest in terms of total physicians, family medicine physicians, and medical specialists, and 4th highest in terms of surgical specialists, when compared to British Columbia, Ontario and Quebec.

Growth in Alberta's physician service expenditure has averaged 7.6% per year since 2009/10. Alberta's physicians operate under a fee for service model, that is governed by an agreement with Government and the Alberta Medical Association.

Alberta ranks 2nd highest in fee for service payment rates per service with an average rate of \$64. By comparison, Alberta has the lowest percentage of payments for physicians through Alternative Payment Programs in Canada.

Legend: **Red** – higher than average for negative indicator and lower than average for positive indicator.

Yellow – middle value(s) for indicator.

Green – lower than average for negative indicator and higher than average for positive indicator.

Source: CIHI data (2017 - number of physicians, in-hospital sepsis, hospitalized heart attacks, and Statistics Canada (Tables 13-10-0713-01, 13-10-0114-01, 13-10-0800-01) and Alberta population data. Fraser Institute. CIHI Scott's Medical Database 2017: Table 3.0, Table 4.0. Alberta Health completed analysis of actual spending on physicians. CIHI National Physician Database, Historical Payments and HEF Calculations.

Summary of Research and Analysis (4 of 6)

Community and Social Services (including Seniors)

There are several social service programs in British Columbia and Ontario whose costs were not included in this analysis as they proved difficult to find.

Alberta's social services expenditures grew by 2.9% CAGR, which was comparable to Ontario's expenditure growth (2.8% CAGR), higher than Quebec's (2.3% CAGR), and lower than British Columbia's (3.3% CAGR).

Alberta's per capita spending on social services in 2018 was \$13,914, when adjusted for low income, and was the highest when compared to British Columbia and Ontario, while Alberta has the lowest incidence of low income persons (6.8%). Comparable data for Quebec was not available.

Caseloads for the AISH, FSCD and PDD programs have increased year-over-year in Alberta. Alberta notes that this trend is expected to continue for the foreseeable future. Alberta's Income Support programs have also been growing over the past 10 years in terms of caseloads and costs per case. The enrolment in the Expected to Work or Working program has grown by 8.4% CAGR, while the Barrier to Full Employment program has grown by 6.4%, while the costs per case of these programs have grown by 1.5% CAGR and 2.2% CAGR, respectively.

Alberta began indexing its AISH, Income Supports and Alberta Seniors Benefit programs in January 2019. Of the comparator provinces, Quebec and Alberta index financial assistance rates.

In 2017, in Alberta, seniors who were low income represented 2.3% of the total population, as compared to British Columbia at 6.3%, Ontario at 3.8% and Quebec at 3.5%.

Advanced Education

Alberta's funding to post-secondary institutions has grown over the past 10 years by 4% CAGR. By comparison, the population of post-secondary aged persons (15 to 39 years) has grown by 1.3% CAGR. Alberta spends more per student than British Columbia, Ontario or Quebec on advanced education; it spends almost \$5,000 more per student than British Columbia, which is its closest comparator.

There are four Comprehensive Academic and Research Universities in Alberta that represent the greatest number of students across the sector. These institutions also receive the greatest share of operational funding from the Government on a per student fully loaded equivalent (FLE) basis.

Source: Analysis of Parliamentary Budget Office Fiscal Sustainability Report source data tables (September 30, 2018). Population data from Statistics Canada Table 17-10-0005-01. Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia and Ontario; Low income persons data from Statistics Canada Table 11-10-0135-01 (based on Market Basket Measure). Analysis of Alberta Community and Social Services information on caseload and cost data. Analysis of information collected from government websites. Low income statistics by age, sex and economic family type data from Statistics Canada, Table 11-10-0135-01.

Summary of Research and Analysis (5 of 6)

Advanced Education (continued)

Within Alberta, the average salary and benefit per FTE across all of Alberta's institution types and staffing is highest within the Polytechnical Institutions at \$116K; while the average salaries for Academic / Instructional staff at Polytechnic Institutions and Comprehensive Academic and Research Universities are the highest at \$142K and \$136K respectively.

From a completion rate perspective, there were 9 institutions (out of 26) that fell below an average completion rate of 60%. One institution, Portage College (in Lac La Biche), had the lowest completion rate (below 40%) of all of Alberta's post-secondary institutions.

Alberta's institutions appear comparable to British Columbia, Ontario and Quebec's research-intensive universities in terms of own source revenue; indicating that they are not solely reliant on tuition fees and operating grants from government.

The following table compares the department sizes for advanced education on a per student FTE expenditure basis:

	AB	BC	ON	QC
Departmental Expenses per Student FTE ^(a)	\$417	\$608	\$344	\$286

(a) This excludes operating Grants to post-secondary institutions, other transfers to post-secondary institutions (e.g. Community Education), foundational learning, and Student Aid Grants and administration costs. As well due to data availability constraints, Department costs for administering apprenticeship training in Ontario and Quebec have not been captured.

Education

Alberta's funding to school boards (early childhood to grade 12) has grown over the past 10 years by 3.5% CAGR. By comparison, the population of school aged children (0 to 19 years) has grown by 1.5% CAGR. Alberta spends more per student on Education (\$11,121) than British Columbia (\$9,681). Ontario and Quebec spend more per student than Alberta.

Since 2007/08, student enrolment growth has been higher in Alberta as compared to the other provinces. Alberta's enrolment growth was 16.7% in 2016/17 while the other provinces declined: -1.2% in Quebec, -1.6% in British Columbia, and -3.9% in Ontario.

Alberta's schools are geographically disbursed. Rural-Distant school boards spend the most on their operations across all areas but have the least number of student enrolments per school board. Metro and Rural-Urban school boards saw their expenditures grow the most by 4.4% CAGR and 4.7% CAGR, respectively over the past 10 years.

Alberta measures School Board performance using 16 measures. There are several school boards who scored lower than 50% (as very high / high) on these measure and one that scored below 20% with a cost in excess of \$40,000 per student.

Source: Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta and Consolidated Actuals. Analysis of Budget Estimates for British Columbia and Ontario; Student enrolment data to inform per student FTE expenditures from Statistics Canada for 2016-17. FLE counts, operational funding, post-secondary salary costs, staff FTE count, and completion rates from the Ministry of Advanced Education. 2016-17 Revenue from Canadian Association of University Business Officers FIUC database. Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta and Consolidated Actuals for School Board Expenditures 2008-09 to 2017-18. Analysis of Budget Estimates for 2018-19 for British Columbia, Ontario and Quebec.

Summary of Research and Analysis (6 of 6)

Education (continued)

Many school boards in Alberta and across Canada have operating reserves that represent government funding not expended in the year it was provided.

The accumulated surpluses from operations in Alberta (on a per student basis) are comparable to Quebec, less than Ontario and higher than British Columbia.

Ontario's teachers receive the most compensation (salary, benefits and pension) of the three comparator provinces at \$119K. By comparison, Alberta's teachers receive \$116K and British Columbia's teachers receive \$104K. Similar information was not available for Quebec.

However, when Alberta's total pre-1992 Teachers Pension Plan liability is considered as part of this, the total teacher compensation increases to \$119K and is comparable to Ontario but higher than British Columbia.

In 2008, the Government of Alberta and the Alberta Teachers Association struck the first provincial collective agreement, which included a number of items. One of which was that Government assumed 100% of the pre-1992 Teachers Pension Plan liability, which was valued at \$7.7 billion million in the 2018/19 Government of Alberta Annual report. Prior to this there was a shared contribution rate of 3.1% of salary for teachers and 6.3% for Government.

Source: Per student expenditures based on student data for 2017-18. Provincial enrolments from Statistics Canada Table 37-10-0007-01. School Authorities Audited Financial Statements; School Board Enrolment from the Ministry of Education. 2017-18 Audited Financial Statements per School Board for comparator provinces; 2017-18 Accumulated Surplus from Operations for Alberta from the Ministry of Education. Teacher Maximum Total Compensation: Cross-Jurisdictional Analysis, 2017-18 from the Ministry of Education. Teacher Pension Plan liability history provided by Government of Alberta. Accountability Pillar Results for Annual Education Results Report (AERR) from the Ministry of Education.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Introduction



Introduction

As outlined in the direction provided in the letter from the President of Treasury Board and Minister of Finance to Janice MacKinnon, Chair of the Blue Ribbon Panel on Alberta's Finances, a robust fiscal management system is critical in responding to the wide array of challenges that Alberta will face over the next decade.

To this end, KPMG was engaged to conduct a comparative spend analysis and identify practices that have been used towards managing provincial expenditures to inform the Panel's review and considerations. The Panel directed the areas for KPMG to research and analyze and used the information as one of many inputs in their final report.

This included the following three scope areas:

- **Scope 1:** A comparison of expense trends for the past decade between Alberta, BC, Ontario and Quebec (where possible) for spending on health, social services, education, and advanced education. The scope was limited to comparing Alberta to BC, Ontario and Quebec. Specific data limitations by province are provided on page 12.
- **Scope 2:** A review, update and analysis of CIHI data based on the Physician Services Analysis information (completed in February 2016), and
- **Scope 3:** A high-level review of collective bargaining processes and practices across the western Canadian jurisdictions (BC, Alberta, Saskatchewan, and Manitoba).

This document presents the results from this work that was completed between June 3 and July 31, 2019. Data sources have been noted throughout the body of the document.

KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for making any recommendations (where this document is one of many inputs into its work), and the Government of Alberta is responsible for all decisions arising from the Panel's report.

The information included herein is based on publically available information, as well as data and information provided from the Ministries of Treasury Board and Finance, Health, Education, Advanced Education, Community and Social Services, Seniors & Housing, the Public Service Commission, and Alberta Health Services.

KPMG appreciates and acknowledges the work of these Ministries of Treasury Board and Finance, Health, Education, Advanced Education, Community and Social Services, Seniors & Housing, the Public Service Commission, and Alberta Health Services for the data information provided to KPMG to assist in the completion of this work.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Data Limitations



- The level of detail reported over the 10 years has changed; for example, many programs in Community and Social Services (including Seniors) were transferred between multiple Ministries; as a result, assumptions were made to normalize the information over the period.
- Consolidated estimates were used; however where there was an insufficient level of detail for entities outside of the Department, actuals from 2017-18 were used as a proxy.
- Some comparative information on health was not available (e.g. community care, home care, continuing care) across the comparator provinces.



- There are limitations in how British Columbia consolidates its expenditure data (e.g. unclear how some entities such as school boards and health authorities, are included within the budget estimates).
- Limited details on expenditures by program exist within the budget estimates; details from the 2017-18 public account actual expenditures were used as a proxy.
- Program expenditures for seniors and homelessness program were not readily available and therefore not included within the Community and Social Services (including Seniors) sector analysis.



- Several Ministries provide programs similar to Alberta's Community and Social Services (including Seniors) which required assumptions to be made in order to identify and report comparable costs.
- Ontario consolidates expenditures of its colleges but does not do so for its universities, as a result, additional expenditure details for universities were found through alternative sources.
- Local Health Integration Networks report using different financial expenditure classifications adding complexity and requiring the use of assumptions to be made in order to complete the comparative analysis.



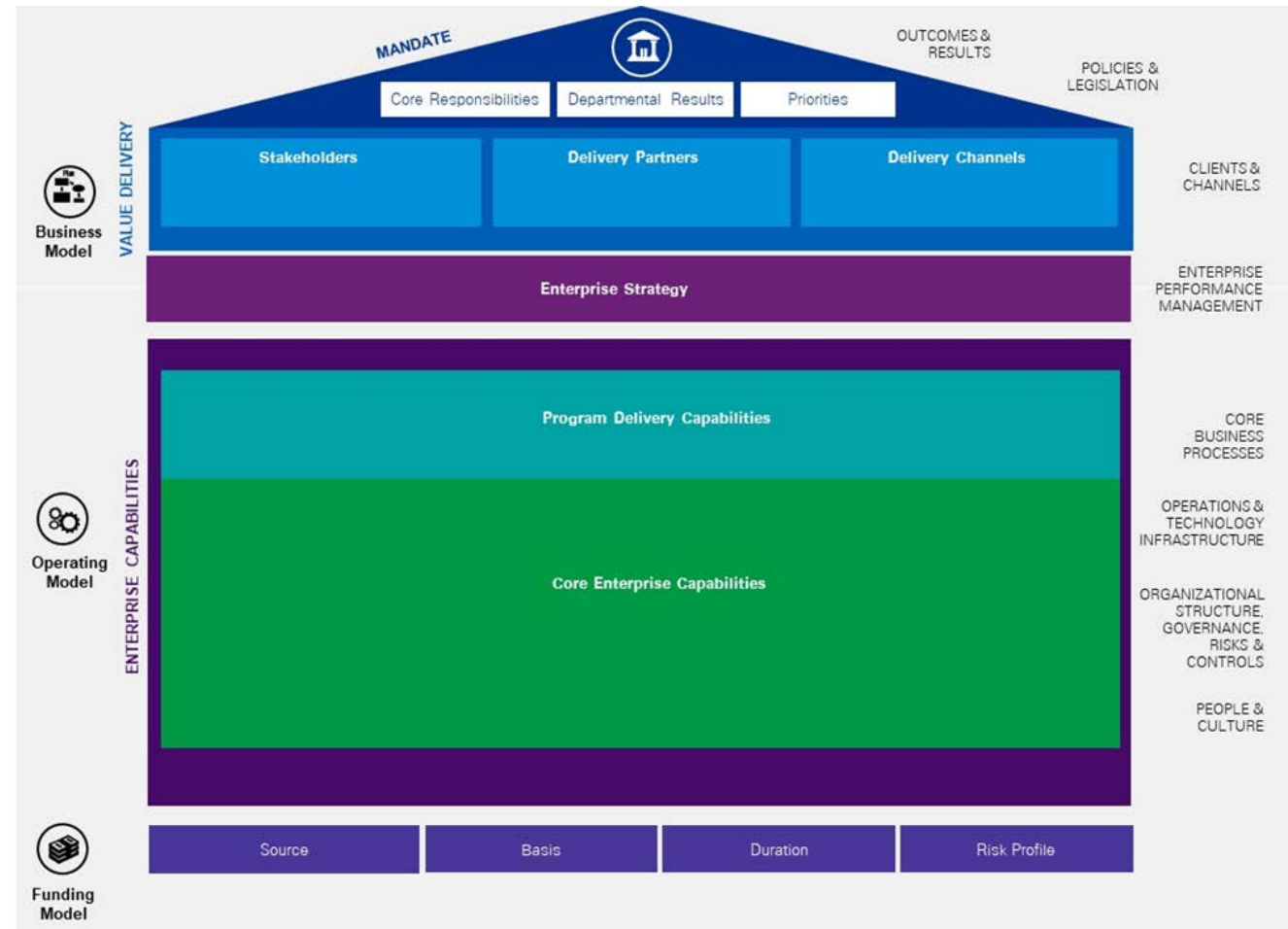
- Quebec does not consolidate its entities which makes comparisons difficult.
- Difference in its departmental structures limited the availability of comparable information for this jurisdiction.
- Where it was available for Quebec, comparative information was included in the research and analysis of health, advanced education, education and social services.

Connected Enterprise

KPMG's **Connected Enterprise** framework was applied to collate core program delivery costs, and enabling enterprise costs (corporate and other administrative requirements needed to sustain and support an organization). The framework provides visibility and understanding to the relationship between supporting corporate and administrative functions and core program requirements. It provides a foundation to understand the relationship of key cost drivers to the full cost of delivering the functional areas of health, education, and community and social services.

The framework provides a **holistic view of the total enterprise** (business model, operating model and funding model) in order to understand key cost differences and related business and operating model variables between jurisdictions.

Applying a Connected Enterprise approach also recognizes that administration costs (i.e. the cost of administering a program) are often embedded within the core program operations and can be hidden depending on the delivery channels and methods used to deliver programs.





10 Year Overall Comparisons



10 Year Total Expenditure Comparisons (1 of 2)

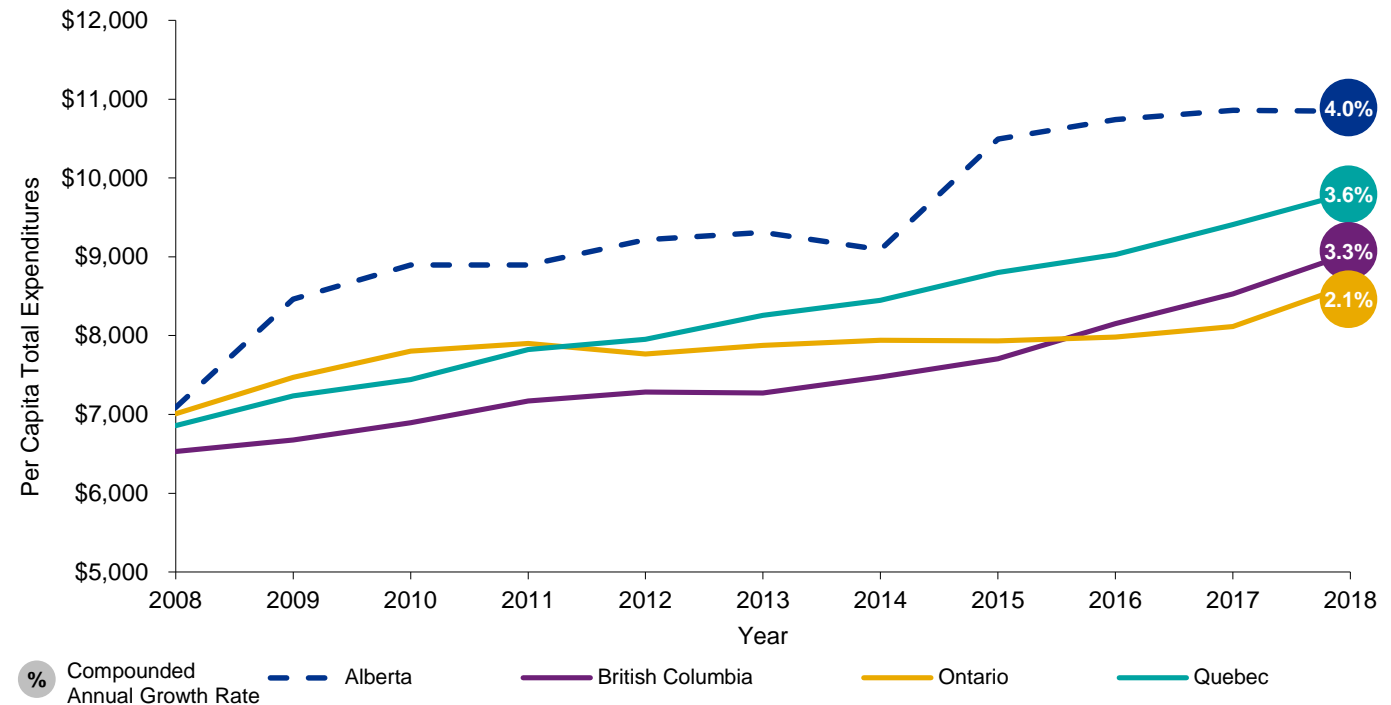
Alberta had the highest per capita total expenditure for Health, Education and Social Services in 2018 and the highest 10-year compounded annual growth rate (CAGR) across the comparator provinces.

Alberta's per capita total expenditure in 2018 was \$10,848. From 2008 to 2018, Alberta's expenditures grew by 4.0% CAGR (or 53% over 10 years).

By comparison over the same period of time:

- British Columbia's CAGR was 3.3% (or 39% in total) and its per capita total expenditure in 2018 was \$9,044.
- Ontario's CAGR was 2.1% (or 23% in total) and its per capita total expenditure in 2018 was \$8,644.
- Quebec's CAGR was 3.6% (or 43% in total) and its per capita total expenditure in 2018 was \$9,814.

Figure 1: Per Capita 10 Year Total Expenditures (Health, Education and Social Services) in Real 2007 Dollars



Note: Due to differences in accounting and reporting, data may not be strictly comparable between the Provinces. Total expenditures include the sum of health, education and social services expenditures reported by provinces; note social services will include more expenditures than represented by the programs that are delivered through Alberta's Ministry of Community and Social Services and the seniors programs that are delivered through Alberta's Ministry of Seniors & Housing.

Source: Analysis of Parliamentary Budget Office Fiscal Sustainability Report source data tables (September 30, 2018).

10 Year Population Comparison (1 of 2)

Alberta's total population (and its older and younger populations) grew faster than any comparator province over the past 10 years.

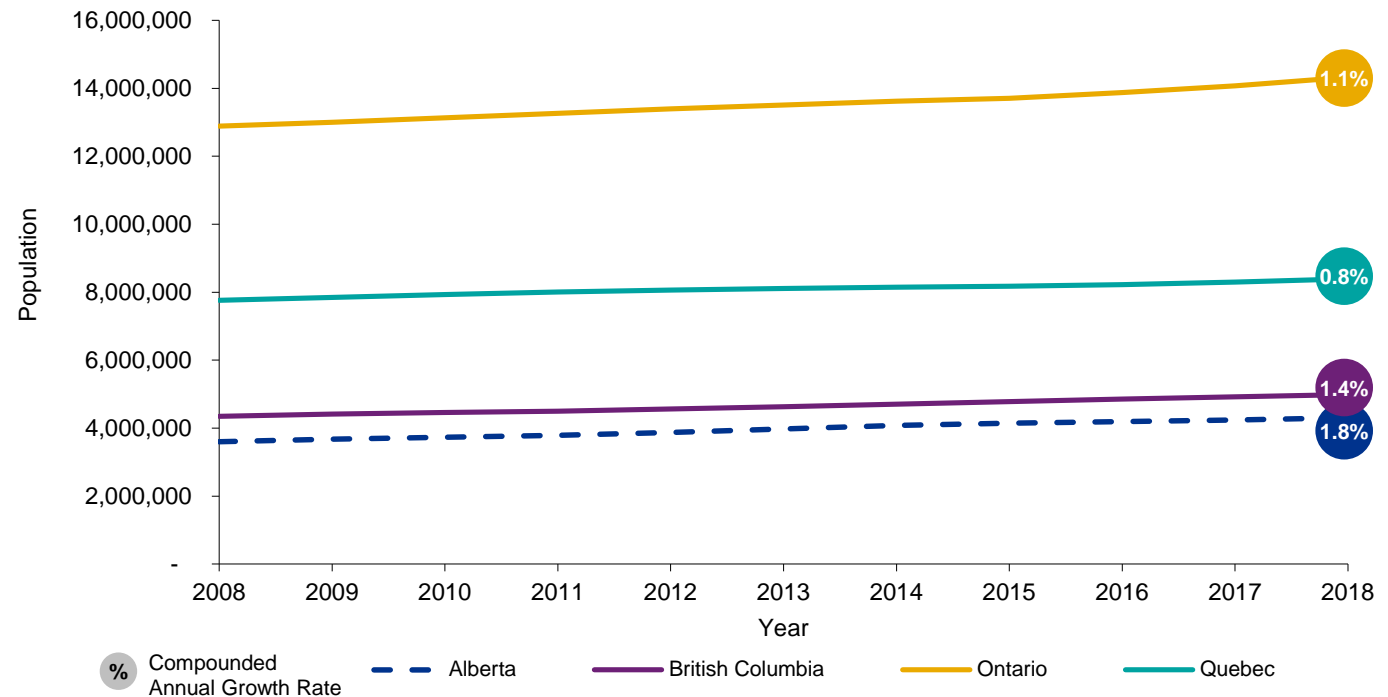
Alberta's total population grew by 1.8% CAGR or 20% over the past 10 years. 87% of the population was under 65 years in 2018.

Alberta's population under 65 years grew by 1.5% CAGR or 17% over 10 years (see Figure 3) and the population over 65 years grew by 4% CAGR or 48% over 10 years (see Figure 4).

By comparison over the past 10 years:

- British Columbia's total population grew by 15%, or 1.4% CAGR. 82% of the population was under 65 years in 2018.
- Ontario's total population grew by 11% or 1.1% CAGR. 83% of the population was under 65 years in 2018.
- Quebec's total population grew by 8% or 0.8% CAGR. 81% of the population was under 65 years in 2018.

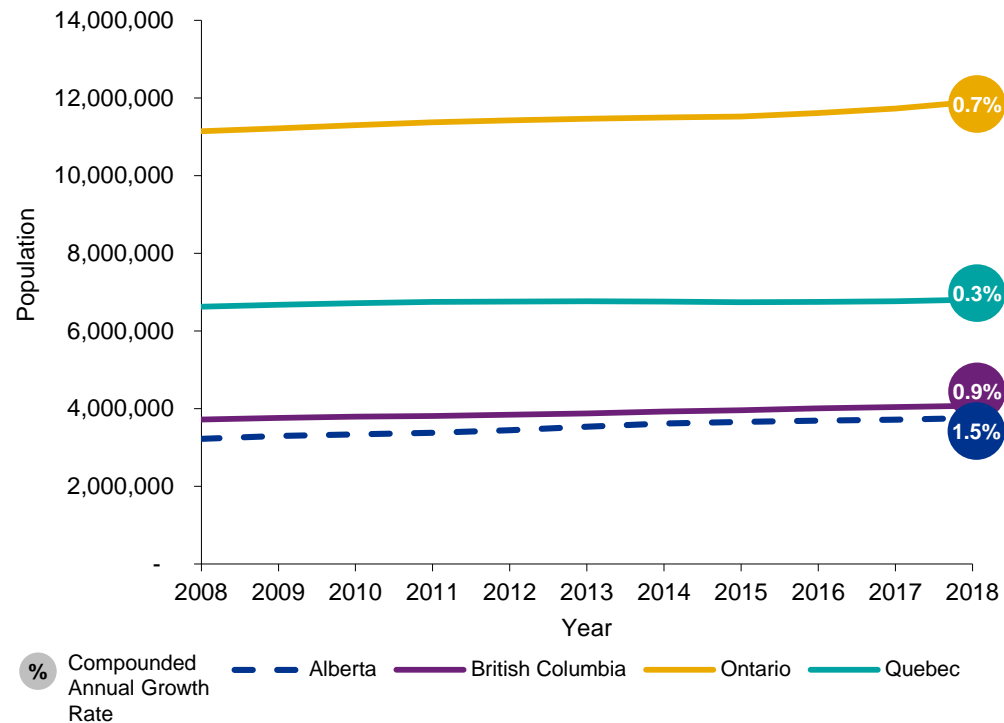
Figure 2: 10 Year Trend in Total Population



Source: Population data from Statistics Canada Table 17-10-0005-01

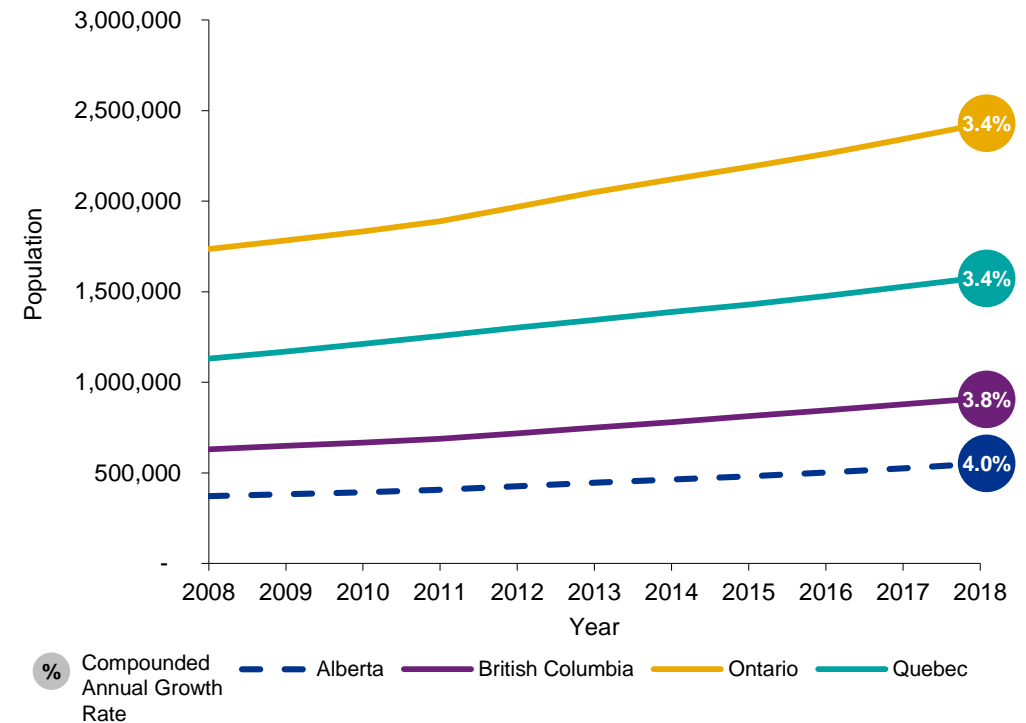
10 Year Population Comparison (2 of 2)

Figure 3: 10 Year Trend in Total Population Under 65 Years



Source: Population data from Statistics Canada Table 17-10-0005-01

Figure 4: 10 Year Trend in Total Population 65 Years and Older



Source: Population data from Statistics Canada Table 17-10-0005-01

Average Weekly Earnings Comparison

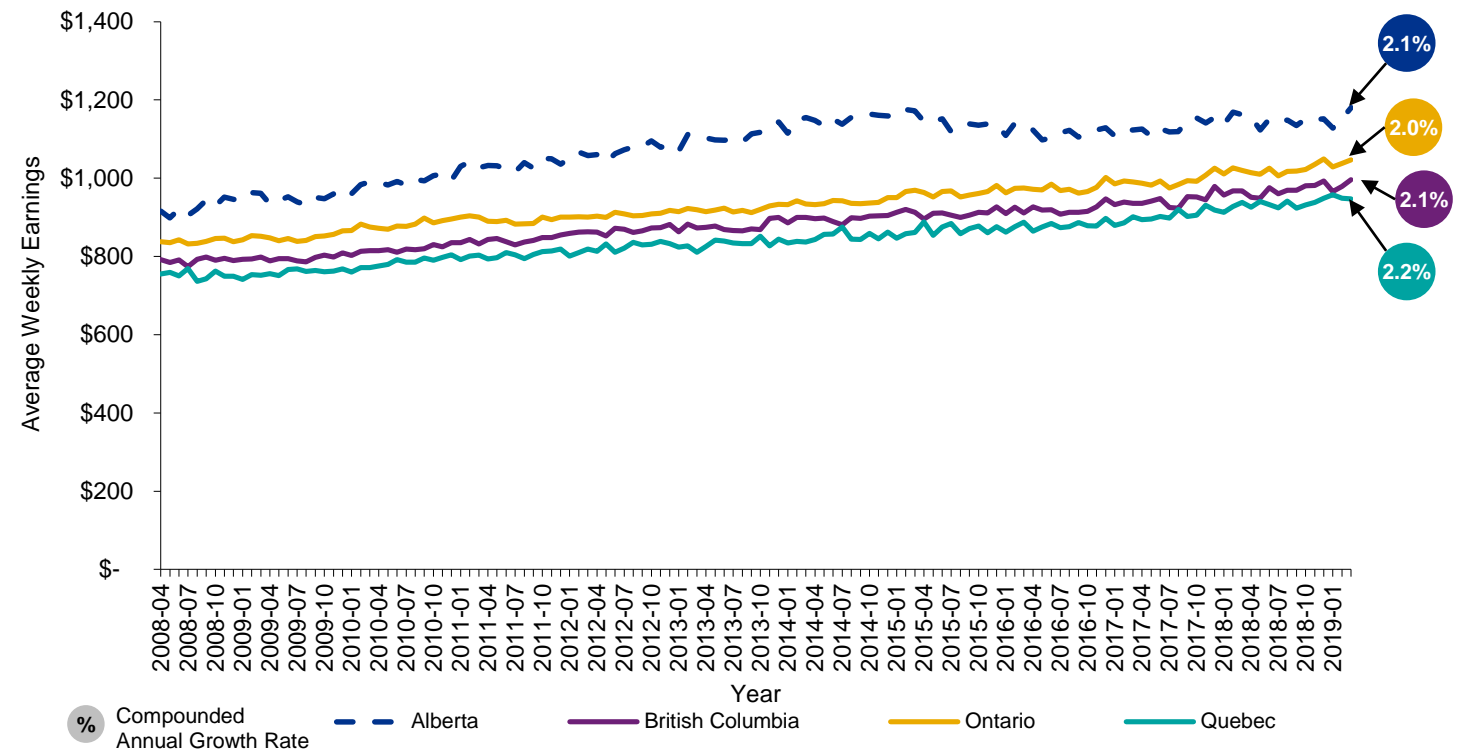
Alberta has the highest average weekly earnings of the comparator provinces; the pattern of growth in this indicator was consistent across all provinces.

In 2019, Alberta's average weekly earnings were \$1,180. This had grown by 29% since 2008, or 2.1% CAGR.

By comparison over the past 10 years:

- British Columbia's average weekly earnings were \$996 in 2019, and had grown by 26% or 2.1% CAGR.
- Ontario's average weekly earnings were \$1,047 in 2019, and had grown by 25% or 2% CAGR.
- Quebec's average weekly earnings were \$947 in 2019, and had grown by 25% or 2.2% CAGR since 2008.

Figure 5: Trend in Average Weekly Earnings (All Industries)



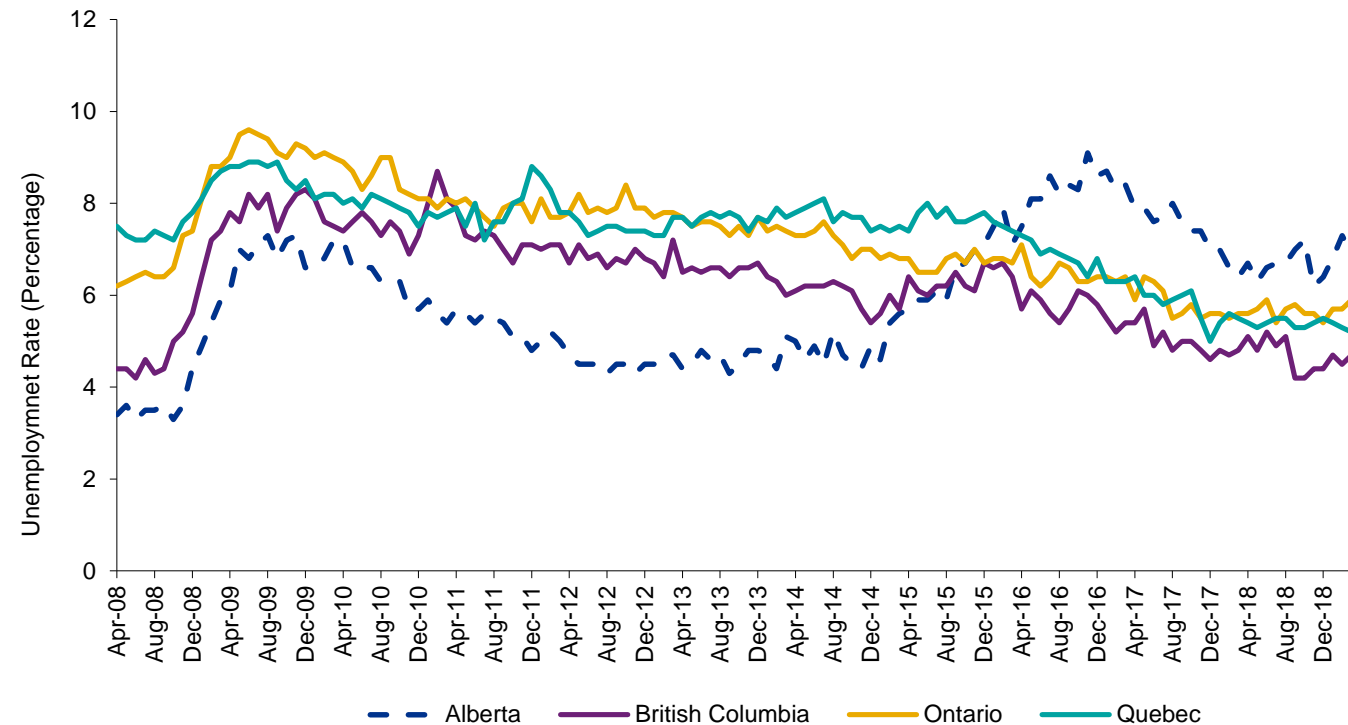
Source: Average weekly earnings by industry, monthly, unadjusted for seasonality data from Statistics Canada Table 14-10-0203-01 (All Industries).

10 Year Unemployment Rates

Prior to 2015, Alberta had the lowest unemployment rate of the comparator provinces, while from 2016 to 2018 Alberta had the highest unemployment rate of the comparator provinces.

From 2014 to 2016, Alberta's unemployment rate grew by 40%. By comparison, British Columbia's rate grew by 10%, Ontario's fell by 10% and Quebec's rate remained flat.

Figure 6: 10 Year Trend in Unemployment Rates



Source: Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months data from Statistics Canada Table 14-10-0287-01.

Public Sector Workforce & Collective Bargaining



Public Sector Workforce Context

Based on public reports for the past decade, Alberta's deficit and debt levels, particularly the past five years, have experienced a rapid pace of growth. As approximately 38% of the Government of Alberta's expenditures (capital and operating) are spent on salaries and benefits, workforce adjustment and strategy was identified by the Panel as one of the areas requiring research and analysis.

Government of Alberta information shows that overall compensation (salaries and benefits) is approximately \$22 billion for the consolidated entities of government (i.e., core government, school boards, AHS, post-secondary institutions, etc.).

The majority of Alberta's public sector workforce is employed by government agencies such as Alberta Health Services, school boards, post-secondary institutions, and other Crown corporations and agencies.

However, this does not include government business enterprises like ATB or AGLC, social service agencies that are contracted by government to deliver services, or physicians (who represent approximately \$5 billion in spending).

10 Year Provincial Government Employment

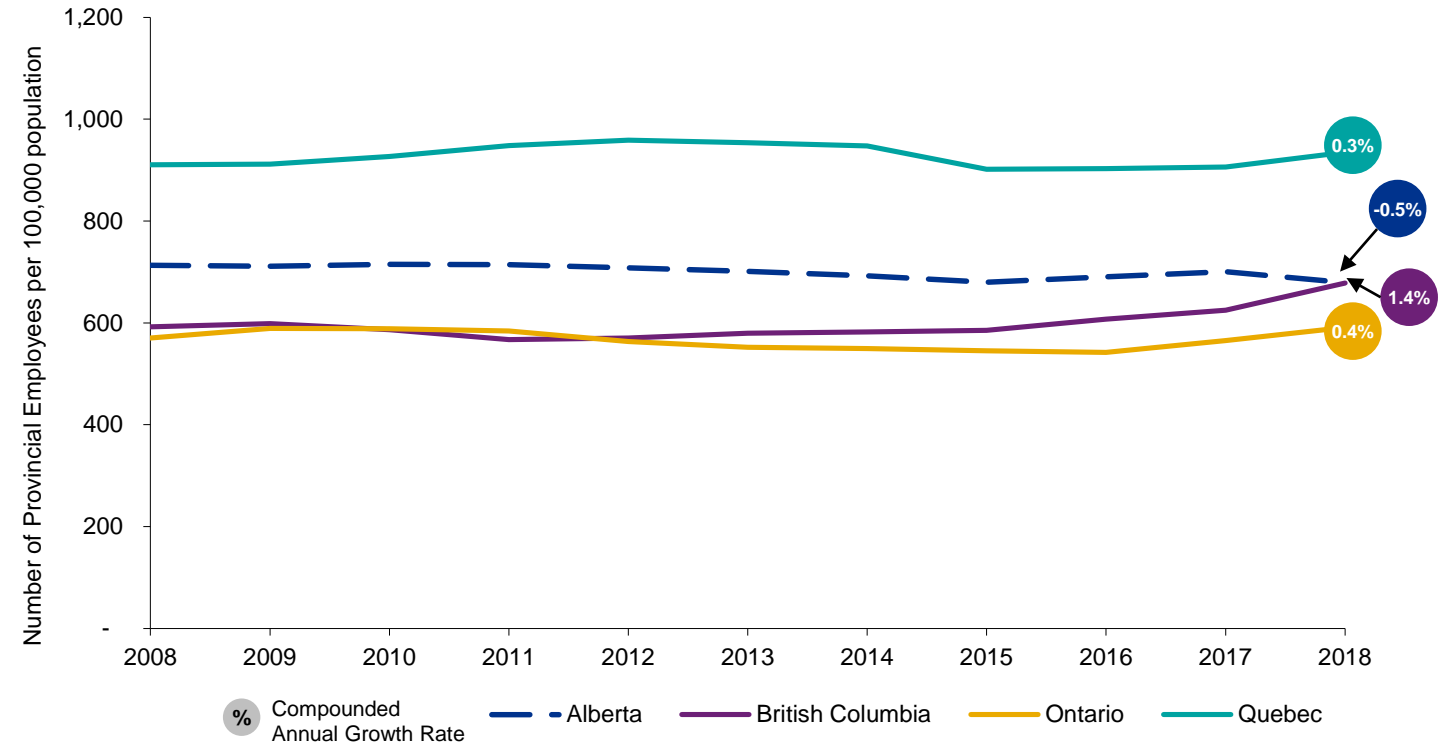
From 2008 to 2018, the total core government employment in Alberta grew by 14% (or 1.3% CAGR), which was comparable to Ontario's growth, but less than British Columbia's.

On a per capita basis (per 100,000 population), Alberta's core government employment decreased by 5% over the past 10 years or 0.5% CAGR. All other comparator provinces showed increases in their core government employment levels over the same period.

Table 1: 2018 Core Government Employment (Headcount, Departments only)

	AB	BC	ON	QC
Total number of employees (2018)	29,425	34,024	85,149	78,758
<i>CAGR (from 2008)</i>	<i>1.3%</i>	<i>2.8%</i>	<i>1.4%</i>	<i>1.1%</i>
Total number of employees per 100,000 pop. (2018)	680	678	591	935
<i>CAGR (from 2008)</i>	<i>-0.5%</i>	<i>1.4%</i>	<i>0.4%</i>	<i>0.3%</i>

Figure 7: 10 Year Trend in Per Capita (100,000 population) Core Government Employment Levels



Note: This data includes employment by the Departments only; employment numbers for external agencies, boards or commissions are excluded from the analysis (e.g. AHS employment levels are not included) due to limitations in available comparable data.

Source: Employment by industry, annual (Provincial and territorial public administration) data from Statistics Canada Table 14-10-0202-01.

Provincial Government Compensation Expense

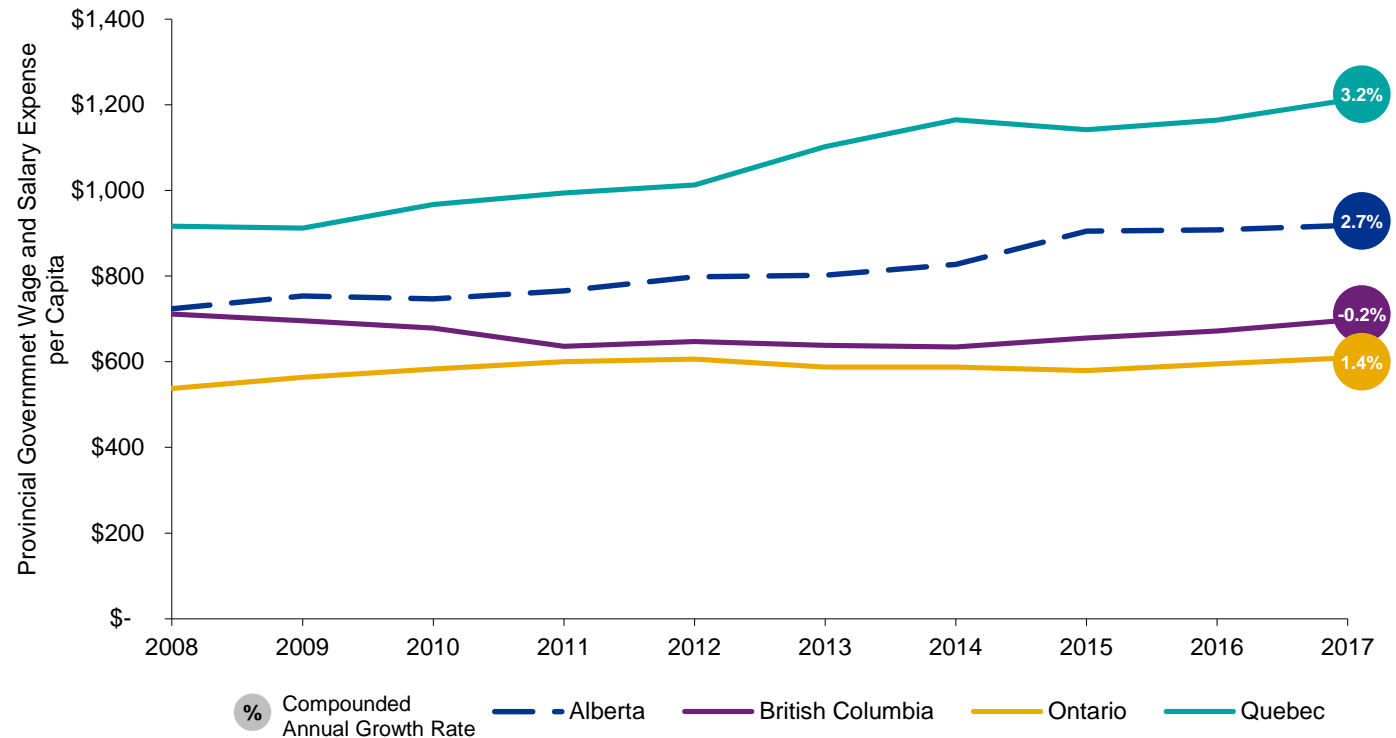
From 2008 to 2017, the total core government compensation expenses in Alberta grew by 49% (or 4.6% CAGR), which was the highest across all of the comparator provinces.

On a per capita basis (per 100,000 population), Alberta's core government compensation increased by 27% or 2.7% CAGR from 2008 to 2017. Quebec had higher expense growth over the same period, while British Columbia saw its expenses fall by 2% or -0.2% CAGR.

Table 2: 2017 Core Government Compensation (Departments)

	AB	BC	ON	QC
Total expense (2017) in billions	\$3.91	\$3.45	\$8.62	\$10.09
<i>CAGR (from 2008)</i>	<i>4.6%</i>	<i>1.2%</i>	<i>2.4%</i>	<i>3.9%</i>
Total expense per capita (2017)	\$918	\$698	\$609	\$1,211
<i>CAGR (from 2008)</i>	<i>2.7%</i>	<i>-0.2%</i>	<i>1.4%</i>	<i>3.2%</i>

Figure 8: Trend in Per Capita Core Government Compensation for Employees



Note: This data includes employment expenses by the Departments; employment expenses for external agencies, boards or commissions are excluded from the analysis (e.g. AHS expenses are not included) due to limitations in comparable available data.

Source: Canadian government finance statistics for the provincial and territorial governments (x 1,000,000) data from Statistics Canada Table 10-10-0017-01.

Government of Alberta Compensation Expense

From 2009/10 to 2018/19 the total consolidated expense for compensation for the Government of Alberta (and its related entities) grew by 43% or 4% CAGR.

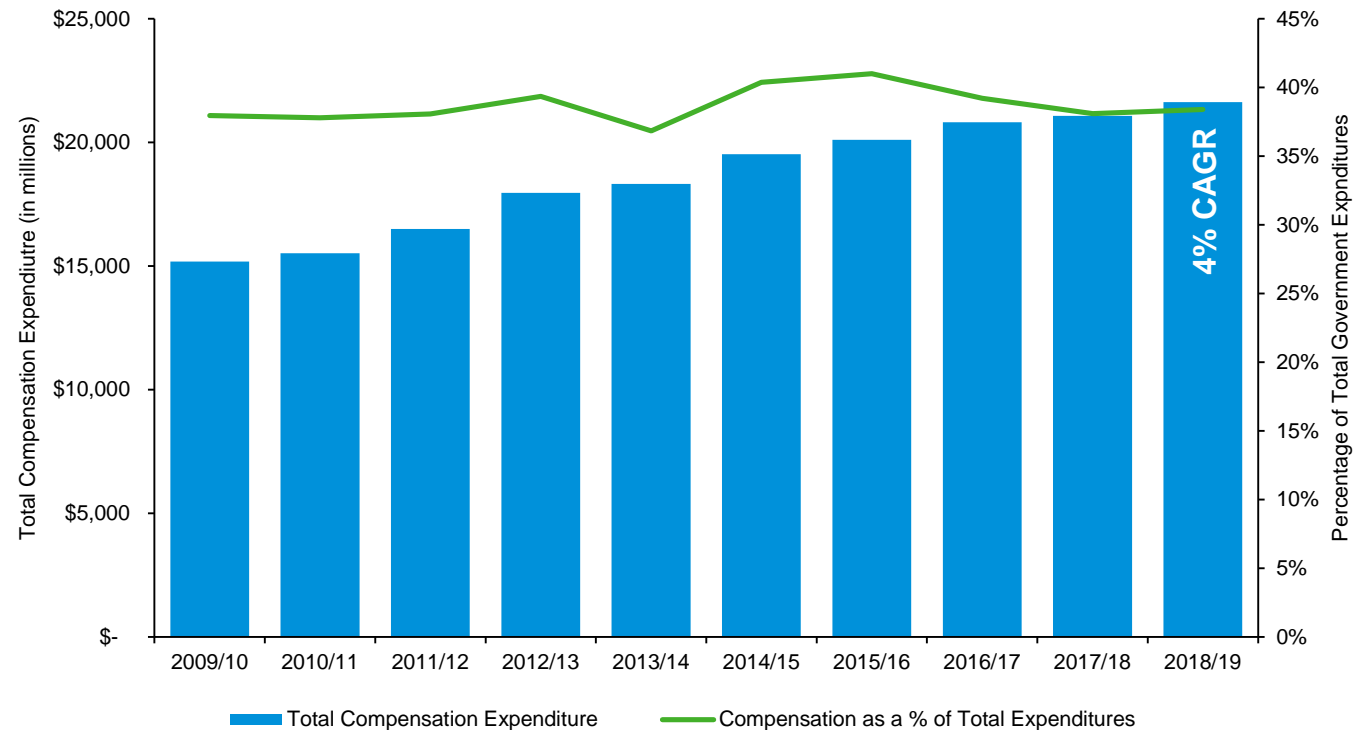
In 2018/19, compensation expenditures for the Government of Alberta and its related entities, totaled over \$22 billion and represented 38% of the total expenditures.

In 2018/19, per capita spending on compensation was \$4,996. The large majority of compensation is for related government entities.

However this compensation expenditure does not include:

- Government business enterprises like ATB or AGLC
- Social service agencies that are contracted by government to deliver services, or
- Physicians (who represent approximately \$5 billion in spending).

Figure 9: Government of Alberta Total Consolidated Expense for Compensation



Note: The consolidated expenditure information (operating and capital) includes AHS, school boards, post-secondary institutions and other related entities of the Government of Alberta. Data for 2008/09 was not available on a consolidated basis.

Source: Government of Alberta Annual Reports 2009-10 to 2018-19.

Public Service Commission information on historical salary adjustments within Alberta Public Service.

10 Year Average Weekly Earnings for Provincial Government

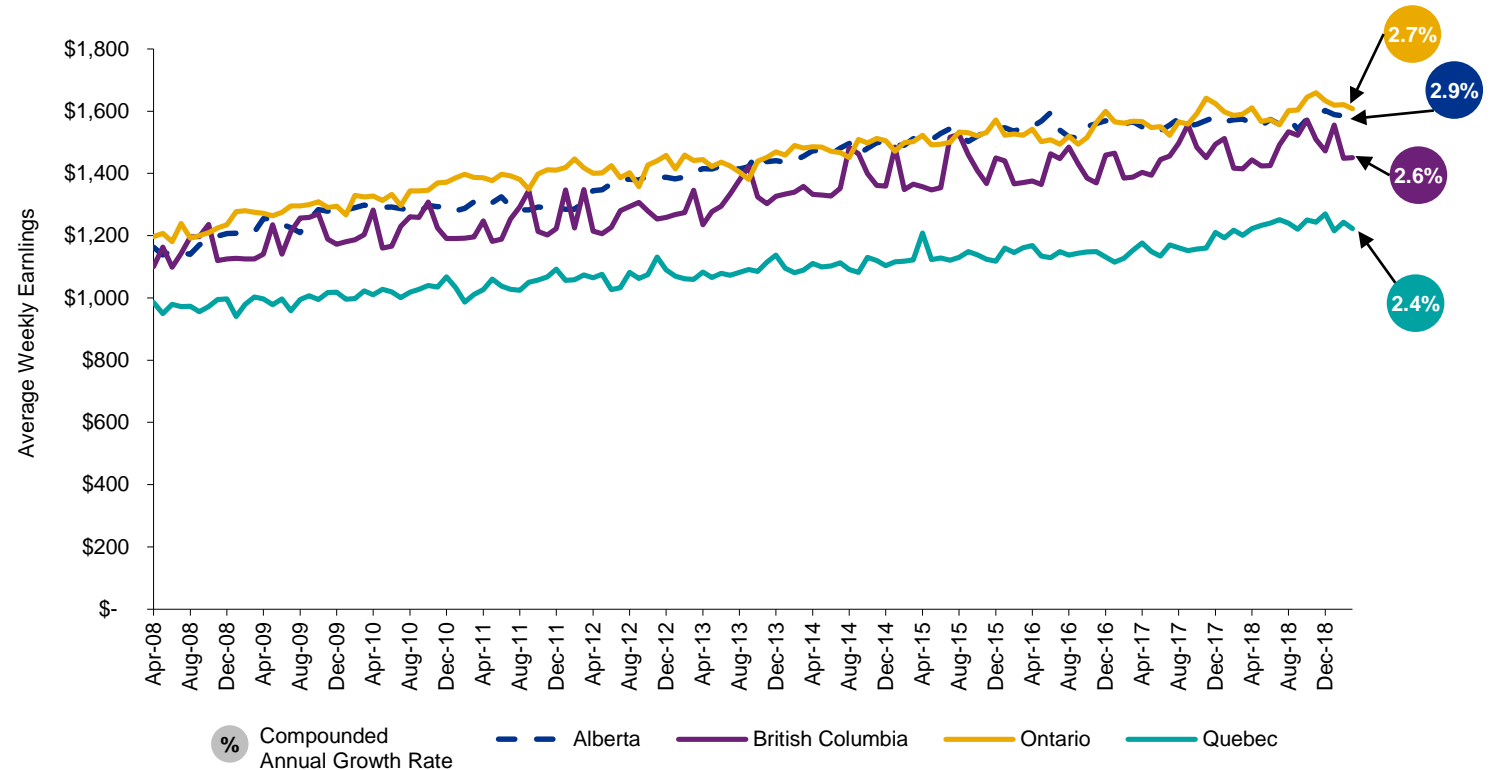
Alberta and Ontario have the highest average weekly earnings for core government earners across the comparator provinces. Alberta saw the highest growth at 2.9% CAGR.

In 2018, Alberta's average weekly earnings for core government earners were \$1,574. This has grown by 37% since 2008.

By comparison over the same period:

- British Columbia's average weekly earnings for core government earners were \$1,487 in 2018, and has grown by 32% or 2.6% CAGR over the past 10 years.
- Ontario's average weekly earnings for core government earners were \$1,608 in 2018, and has grown by 34% or 2.7% CAGR over the past 10 years.
- Quebec's average weekly earnings for core government earners were \$1,238 in 2018, and has grown by 24% or 2.4% CAGR over the past 10 years.

Figure 10: 10 Year Trend in Average Weekly Earnings for Core Government Earners (Provincial and Territorial Public Administration)



Source: Average weekly earnings by industry, monthly, unadjusted for seasonality data from Statistics Canada Table 14-10-0203-01 (Provincial and Territorial Public Administration).

Attrition and Retirements

As of June 20, 2019, there were 26,718 permanent employees that worked for the core departments within the Government of Alberta.

The overall attrition rate for core departments was 7%.

Voluntary departures represented 4% and retirements 3%.

As of June 20, 2019, more than 3,600 employees in the core departments were eligible to retire with an unreduced pension. Over the next four years an additional 2,500 (average of 625 per year) employees will also be eligible.

Alberta Health Services represents the largest employer of the Government of Alberta's agencies, board and commissions, with 102,000 employees (more than 55% of the agencies, board and commissions employment estimates). AHS had an attrition rate of 4%⁴, and more than 5,000 eligible for retirement over the next four years.

Table 3: Attrition and Eligibility for Unreduced Pension, GoA Departments

Department	Total Headcount	Attrition Rate (1)	Elig. for Unreduced Pension (2)
Advanced Education	549	6%	13%
Agriculture and Forestry	1,375	5%	16%
Children's Services	2,999	7%	8%
Communications & Public Engagement	306	4%	10%
Community and Social Services	3,369	6%	16%
Culture and Tourism	519	8%	13%
Economic Development & Trade	329	6%	8%
Education	574	10%	16%
Energy	540	7%	16%
Environment and Parks	2,021	6%	15%
Executive Council	70	3%	9%
Health	867	10%	16%
Indigenous Relations	209	5%	6%
Infrastructure	911	8%	16%
Justice & Solicitor General	6,764	7%	10%
Labour	742	6%	8%
Municipal Affairs	556	7%	10%
Public Service Commission	345	10%	10%
Seniors and Housing	245	6%	18%
Service Alberta	2,143	8%	17%
Status of Women	33	15%	18%
Transportation	766	8%	13%
Treasury Board and Finance	484	8%	13%
Total (3)	26,718	7%	13%

Note: Only data for the Departments and AHS has been shown. Similar information for other related entities of the Government of Alberta was not available.

(1) Attrition Rates are calculated by taking the number of departures divided by the annual average employee size (all departmental employees, both active and on leave). This includes voluntary departures, transfers out, retirements, completed employment and other.

(2) Eligibility for Unreduced Pension is based on the employees who are at least 55 years of age with a combined age and years of service equal to 80 (management) or 85 (non-management).

(3) Totals are based on Departmental figures only.

(4) AHS attrition rate based on terminations both voluntary and involuntary. There may be measurement differences with how the Government of Alberta tracks and reports on attrition.

Source: Alberta Public Service Workforce Data as of 2019-06-21.

High-Level Collective Bargaining Context & Comparison

Key terms

Decentralized bargaining takes place on a workplace-by-workplace basis, e.g., much of children and youth services. University bargaining can also be decentralized (e.g. when multiple separate collective agreements cover university staff in different institutions).

Centralized bargaining often takes place among health care staff (e.g. in Ontario, 140 hospitals participate in voluntary centralized bargaining with the nursing association, led by the Ontario Hospital Association).

Bargaining mandate is a funding or conditions envelope within which bargaining units are able to negotiate.

Background

Much of the Government of Alberta information in this section is from the Provincial Bargaining Coordination Office (PBCO).

PBCO notes there are 128 collective agreements with 227,800 employees, with an estimated cost of \$22.7 billion.

- The “direct sector”, where the Government has legal standing in the governance relationship to dictate bargaining outcomes cover 162,700 employees and an estimated \$12.7 billion. This direct sector includes: core government and staff in some agencies, boards and commissions (e.g. teachers, and nurses)
- The “indirect sector”, where government has no legal standing and relies on voluntary participation and compliance with mandates, cover approximately 53,000 employees and an estimated cost of \$5.2 billion. This indirect sector includes: post-secondary institutions (faculty and support services), education support, and some of the agencies, boards and commissions.
- Physicians represent the remaining \$4.7 billion.

The Alberta Public Service (representing the core government departments) has had a hiring restraint and salary freezes (at 2015/16 staffing levels until 2018/19) for non-union staff. The salary freeze applied to non-union staff, while the hiring restraint applied to the whole Alberta Public Service (i.e. all core departmental staff). Other agencies, board and commissions, voluntarily adopted the same salary freeze for non-union staff and then were required to do so through regulation.

This has resulted in core government compensation growing at a slower rate compared to the broader Government of Alberta entity, which includes Alberta Health Service, school boards, post-secondary institutions, and other agencies, boards and commissions.



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Current Profile of Alberta's Collective Agreements

The following table outlines Alberta's key collective agreements, expiry, number of employees and estimated compensation costs:

Table 4: Alberta's Collective Agreements

Workforce Covered	Agreements	Expiry	Number of Employees	Estimated Cost
Teachers	1 Central, 62 Local Agreements, TEBA-ATA	August 2018	45,900	\$4.3 Billion (2018/19)
Physicians	GoA-AMA	March 2020	10,400	\$4.7 Billion (2018/19)
Resident Physicians	AHS/UoA/UoC-PARA	June 2020	1,600	\$0.1 Billion (2017/18)
Direct Nursing	AHS-UNA	March 2020	28,600	\$2.4 Billion (2018/19)
Auxiliary Nursing	AHS-AUPE ANC	March 2020	16,400	\$0.7 Billion (2018/19)
Paramedical-Professional-Technical	AHS-HSAA	March 2020	20,000	\$1.8 Billion (2018/19)
Healthcare Support Services	AHS-AUPE GSS	March 2020	30,400	\$1.5 Billion (2018/19)
Alberta Public Service	GoA-AUPE	March 2020	21,400	\$2.0 Billion (2018/19)
Public Agencies	6 Agreements		1,600	\$0.4 Billion (2017/18)
Independent Commissions	JCC/JPCC		200	\$0.03 Billion (2018/19)
PSI Faculty	20 Agreements		14,000	\$2.0 Billion (2018/19)
PSI Support Services	23 Agreements		18,800	\$1.2 Billion (2018/19)
Education Support Services	69 Agreements		18,500	\$1.6 Billion (2017/18)
TOTAL	128 Agreements		227,800	\$22.7 Billion

Source: Based on information from the PBCO



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A Closer Look at Health

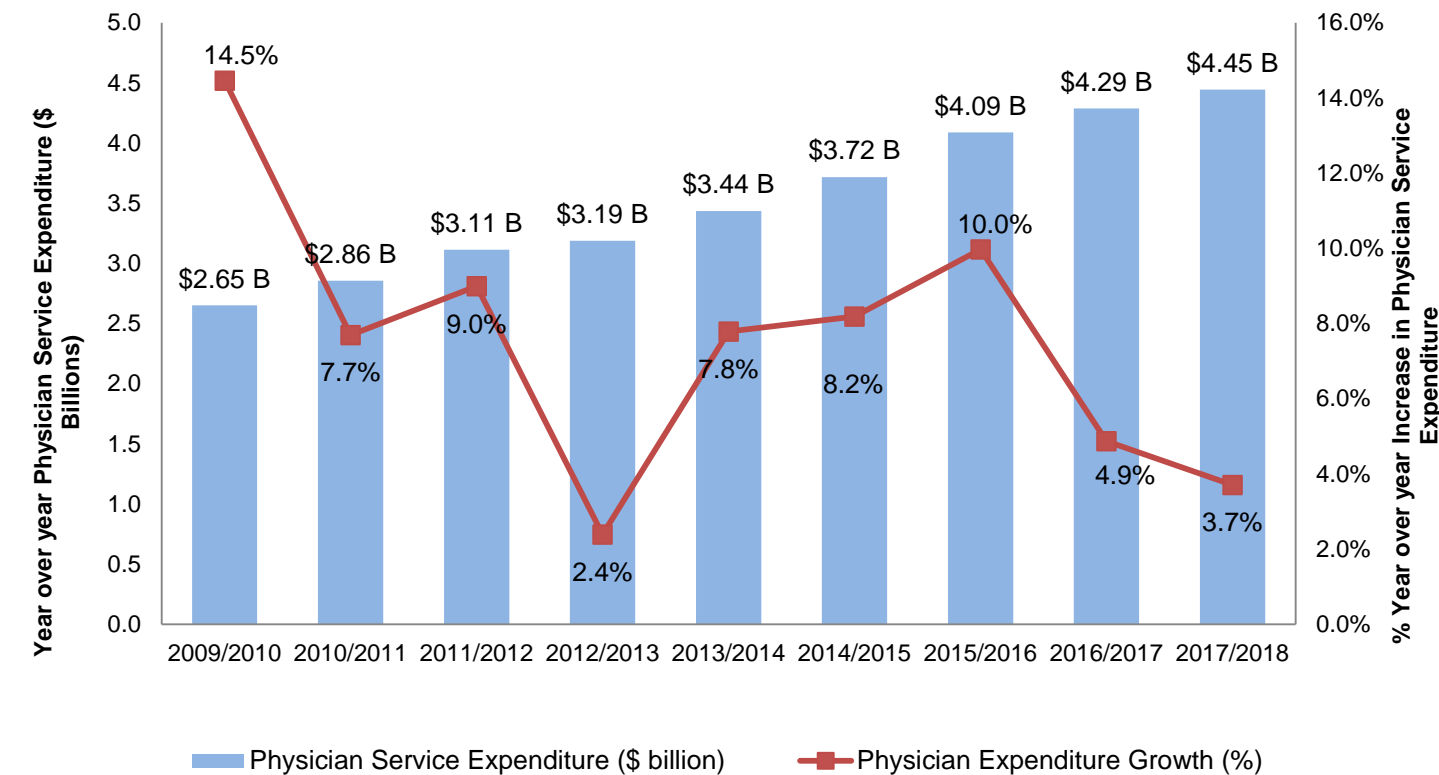
The following pages are based on information from Alberta Health, the PBCO, and the Canadian Federation of Nurses Unions, including:

- Comparison of provincial health expenditure growth and physician expenditure growth.
- An outline of how physician fees are determined in Alberta.
- Recent proposals by Alberta Health with the Alberta Medical Association (AMA) on physician compensation.
- Comparisons to what other provinces are doing for physicians.
- Comparison of Alberta wages for nurses, which are higher than comparator provinces.
- Comparison of full-time versus part-time nursing workforces.
- Comparison of key nursing contract provisions.
- Provisions in Alberta's agreement with nurses.

Growth in Physician Expenditure

Growth in Alberta’s physician service expenditure has averaged 7.6% per year since 2009/10.

Figure 11: Growth in Alberta’s Physician Service Expenditure



Note: This includes FFS, ARP, physician benefits and other programs (such as RRNP, BCP, and PMO).
Source: Alberta Health completed analysis of actual spending on physicians.

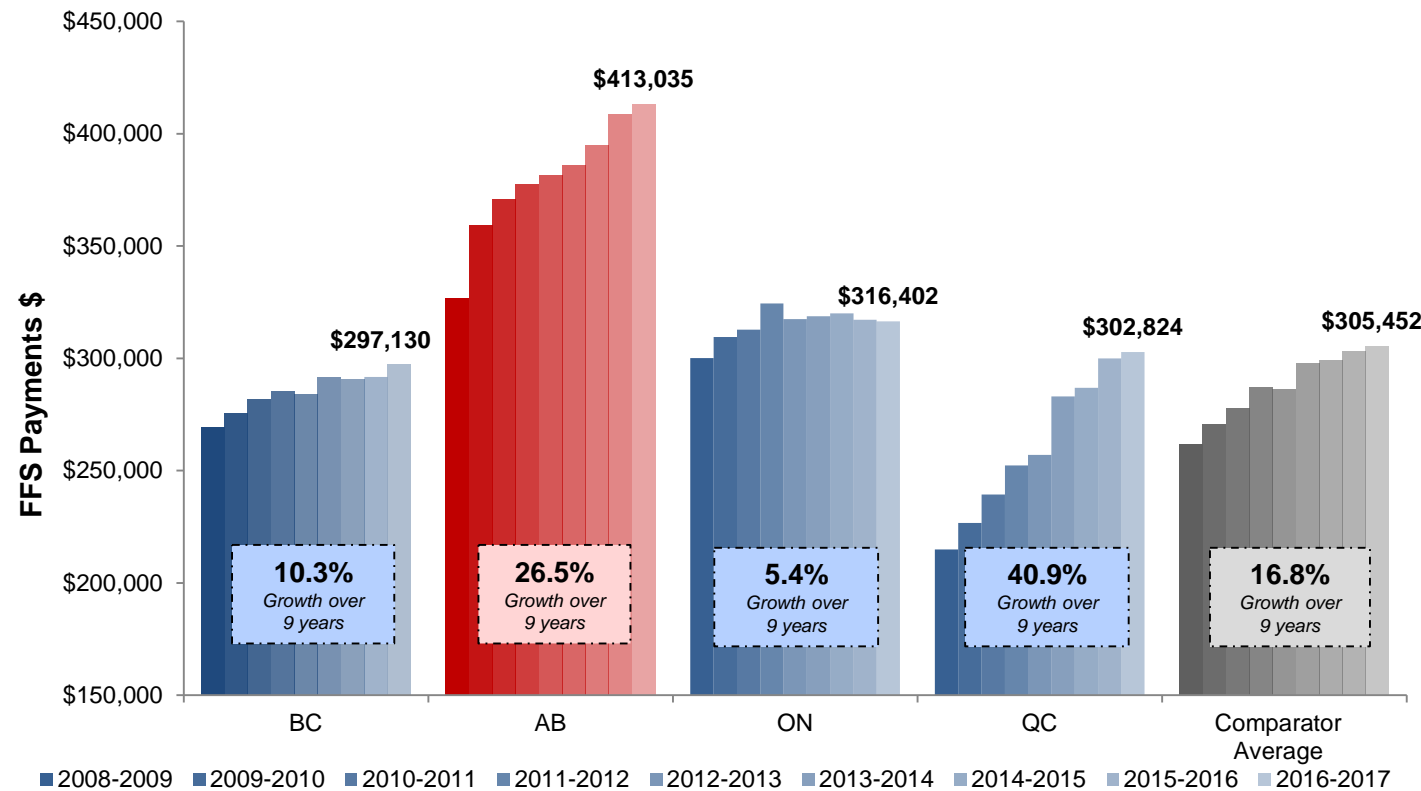
Physician Fee for Service Earnings

In 2016/2017, the average fee for service (FFS) earnings for all physicians in Alberta was \$413K; \$107K (35%) higher than the average observed in comparator provinces.

The average FFS earnings in Alberta are the highest among comparator provinces.

Over the past 9 years, the average FFS physician earnings in Alberta have grown faster than the comparator average.

Figure 12: Average Fee For Service Payment for All Physicians Earning More than \$60,000



Source: Alberta Health completed analysis of CIHI National Health Expenditure Database.



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How Changes to Alberta Physician Fees are Determined

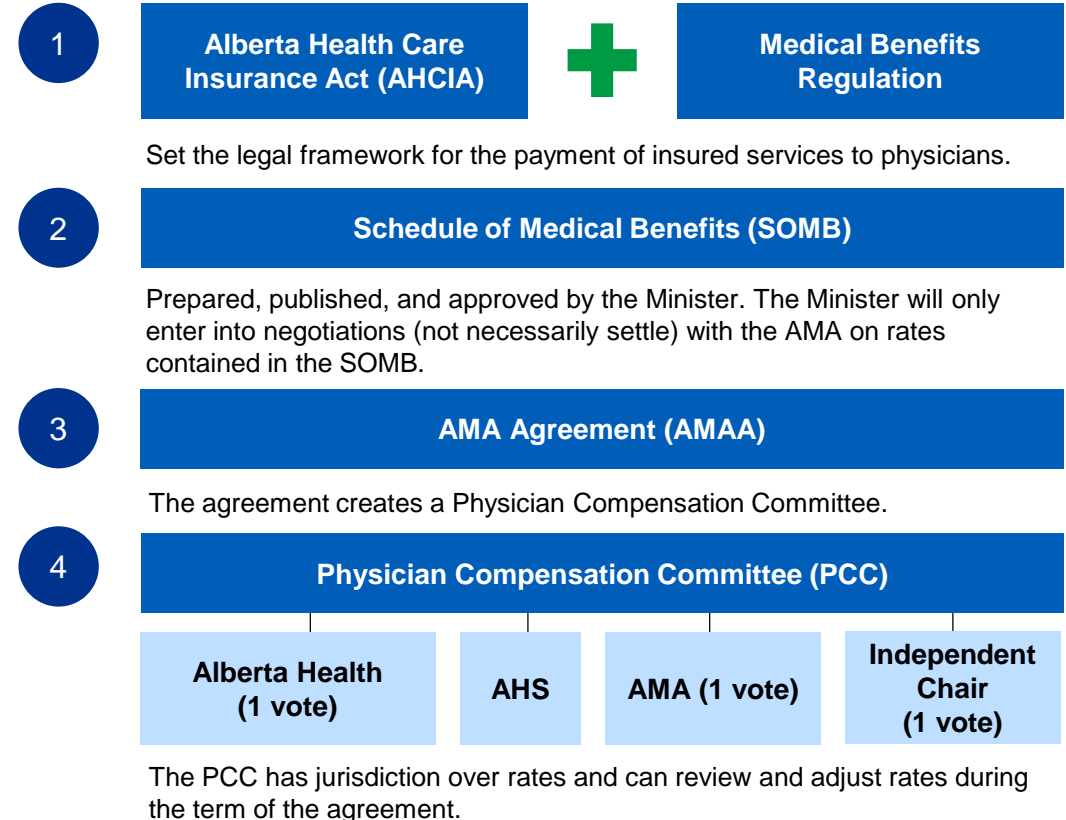
The diagram to the right sets out the governance for physician fees in Alberta; this is largely driven through the Schedule of Medical Benefits, the Agreement with the Alberta Medical Association (AMA), and the Physician Compensation Committee (PCC).

In 2016, a Schedule of Medical Benefits Savings Working Group dealt with rule changes, not rate reductions in order to achieve savings.

Alberta Health reported that within this governance structure the AMA's position is that the PCC can only decrease rates if savings are redistributed within the physician services budget.

For example, a \$5M reduction in one code would lead to a \$5M increase in another set of codes.

Alberta Health noted that it has considered bringing rate changes forward to decrease significant outliers in Alberta's fee schedule or to bring spending down to remain within budget targets, but has deferred these proposals.



Source: Based on information from Alberta Health.



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Examples of Physician Fees Requiring Change

Alberta Health provided KPMG the following information on proposed changes that were presented to the AMA:

1

Separate overhead from hospital based services

\$79M in full year savings | Certain Health Service Codes (HSCs) listed in the SOMB can be provided in either the community or the hospital setting. Fees associated with these HSCs incorporate an overhead cost component. Physicians have their overhead costs covered in a hospital setting. *The Ministry's position is that under the current rules physicians get paid twice for overhead when services are provided in hospitals.*

2

Implement a daily cap on physician visits

\$26M in full year savings | There are no limits on the number of visits that a physician can claim in one day. A lack of limits can lead to large patient loads and may compromise patient safety / quality of care. *A daily cap on visits would encourage physicians to practice within reasonable timeframes and provide appropriate standard of care.* The Ministry tabled this proposal to respond to AMA concerns about the growth of walk-in clinics, which can lead to episodic care. Billings for volumes of daily visits in excess of 50 per day would be discounted as follows:

- Between 51-65 daily visits: 50% discount
- More than 65 daily visits: 100% discount

3

Increase time requirements for complex patient modifiers

\$169M in full year savings | Physicians receive extra funding when a patient presents with one or more conditions (e.g. diabetic, overweight, hypertension). This funding reflects that these patients may need extra time from the physician or their team. Alberta's fee schedule consists of more than 300 time based codes and modifiers. One highly used modifier (Complex Patient General Practice) outpaces the growth of expenditures on eligible codes. Audits have shown that time reporting for the use of time-based codes and modifiers is insufficient to provide support for the time requested. *The Ministry has proposed increasing the threshold of time before a physician can claim for this modifier.*

Other Province's Actions on Physician Fees

The following outlines relevant actions, as identified by Alberta Health, that governments in British Columbia, Ontario and Manitoba have taken with regards to physician fees:

British Columbia	<ul style="list-style-type: none"> The Medical Services Panel, established by statute, is responsible for overseeing the provision, verification and payment of medical and health services on behalf of the Government of British Columbia. This is governed by a Committee with three representatives each from the Government, the public and Doctors of BC; it has a mandate similar (with more rigour than Alberta's PCC) to review and adjust fees, and does so on an annual basis. 		
Ontario	<table border="1"> <tr> <td data-bbox="453 559 907 1041"> <ul style="list-style-type: none"> Ontario has been without an agreement since 2014. They are currently in arbitration on individual fee schedule changes as agreed to in the arbitration framework between the government and the medical association. Arbitration on these matters has been underway for over two years. </td><td data-bbox="907 559 2339 1041"> <p>After a protracted period of negotiations for a new agreement with physicians, in 2015 the Government imposed a unilateral, non-legislative 2.65% reduction in fees and imposed specific changes including:</p> <ul style="list-style-type: none"> Eliminated funding for doctors to take continuing medical education courses; Reduced the fee for walk-in clinic visits by \$1.70 to bring it in line with the fee paid for visits to a patients' regular family doctor; Eliminated a premium for doctors to accept new patients who are healthy; and Limited the number of family doctors in well-served areas. <p>In 2019, an arbitrator awarded the Ontario Medical Association (OMA) a 4% fee increase in a four-year term ending March 31, 2021. Government and the OMA remain in arbitration on specific changes to the fee schedule.</p> </td></tr> </table>	<ul style="list-style-type: none"> Ontario has been without an agreement since 2014. They are currently in arbitration on individual fee schedule changes as agreed to in the arbitration framework between the government and the medical association. Arbitration on these matters has been underway for over two years. 	<p>After a protracted period of negotiations for a new agreement with physicians, in 2015 the Government imposed a unilateral, non-legislative 2.65% reduction in fees and imposed specific changes including:</p> <ul style="list-style-type: none"> Eliminated funding for doctors to take continuing medical education courses; Reduced the fee for walk-in clinic visits by \$1.70 to bring it in line with the fee paid for visits to a patients' regular family doctor; Eliminated a premium for doctors to accept new patients who are healthy; and Limited the number of family doctors in well-served areas. <p>In 2019, an arbitrator awarded the Ontario Medical Association (OMA) a 4% fee increase in a four-year term ending March 31, 2021. Government and the OMA remain in arbitration on specific changes to the fee schedule.</p>
<ul style="list-style-type: none"> Ontario has been without an agreement since 2014. They are currently in arbitration on individual fee schedule changes as agreed to in the arbitration framework between the government and the medical association. Arbitration on these matters has been underway for over two years. 	<p>After a protracted period of negotiations for a new agreement with physicians, in 2015 the Government imposed a unilateral, non-legislative 2.65% reduction in fees and imposed specific changes including:</p> <ul style="list-style-type: none"> Eliminated funding for doctors to take continuing medical education courses; Reduced the fee for walk-in clinic visits by \$1.70 to bring it in line with the fee paid for visits to a patients' regular family doctor; Eliminated a premium for doctors to accept new patients who are healthy; and Limited the number of family doctors in well-served areas. <p>In 2019, an arbitrator awarded the Ontario Medical Association (OMA) a 4% fee increase in a four-year term ending March 31, 2021. Government and the OMA remain in arbitration on specific changes to the fee schedule.</p>		
Manitoba	<ul style="list-style-type: none"> Manitoba's recent labour relation legislation has imposed the same rules on physician bargaining as other public sector bargaining. Bill 28 (awaiting proclamation and facing legal challenges) in Manitoba imposed a freeze on physician fee increases for two years and allowed increases to grow by a maximum of 0.75% and 1% respectively in the two years after. 		

Nursing Workforce Comparison (1 of 2)

In 2018, Alberta had the largest proportion of part-time nurses compared to the comparator provinces at 43% of their total nursing workforce.

By comparison, Ontario had the largest proportion of full-time nurses at 63% of their total nursing workforce.

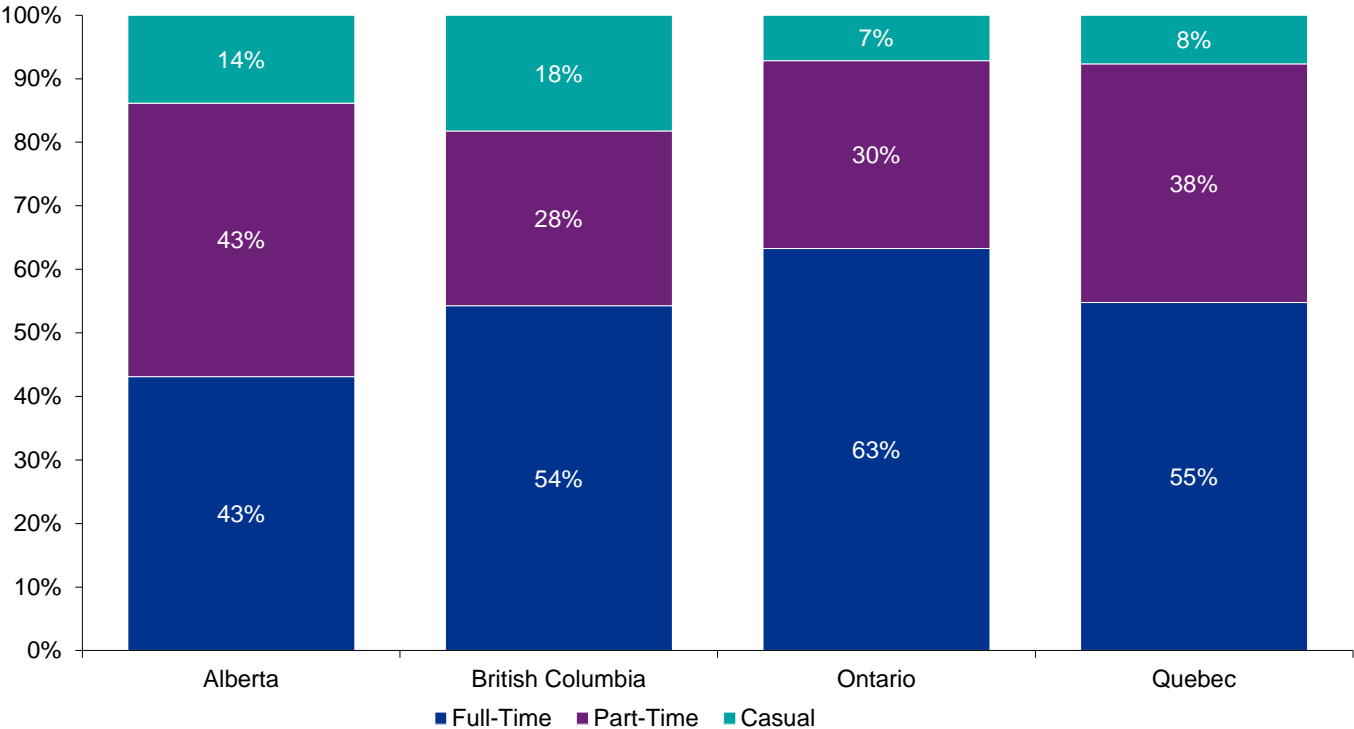
Alberta had the largest proportion of part-time Registered Nurses at 31% of its total nursing workforce compared to Quebec, who had the second-highest with 25%.

From 2009 to 2018 the total nursing workforce in Alberta grew by 30%, or 3% CAGR, as shown in Figure 15 on the following page.

Licensed Practical Nurses saw an 85% growth, or 7.1% CAGR, in their total workforce numbers over this period and Registered Nurses experienced an 18% growth, or 1.8% CAGR.

Figure 14 on the following page shows the ratio of Full-Time, Part-Time and Casual Nurses in Alberta over the last 10 years.

Figure 13: 2018 Comparison of the Ratio of Full-Time, Part-Time and Casual Nurses

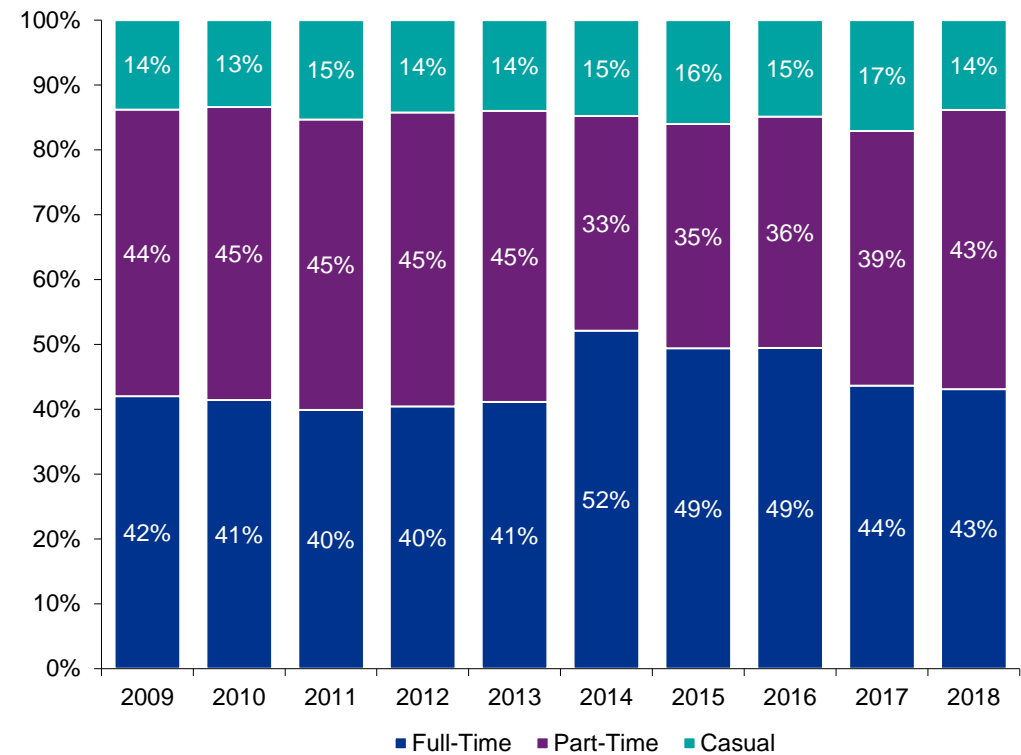


Note: Due to limited availability of data for comparators, RPNs have been excluded from this analysis. Nurse Practitioner totals are included with Registered Nurse Totals.

Source: Nursing in Canada, 2018 Data Tables from CIHI.

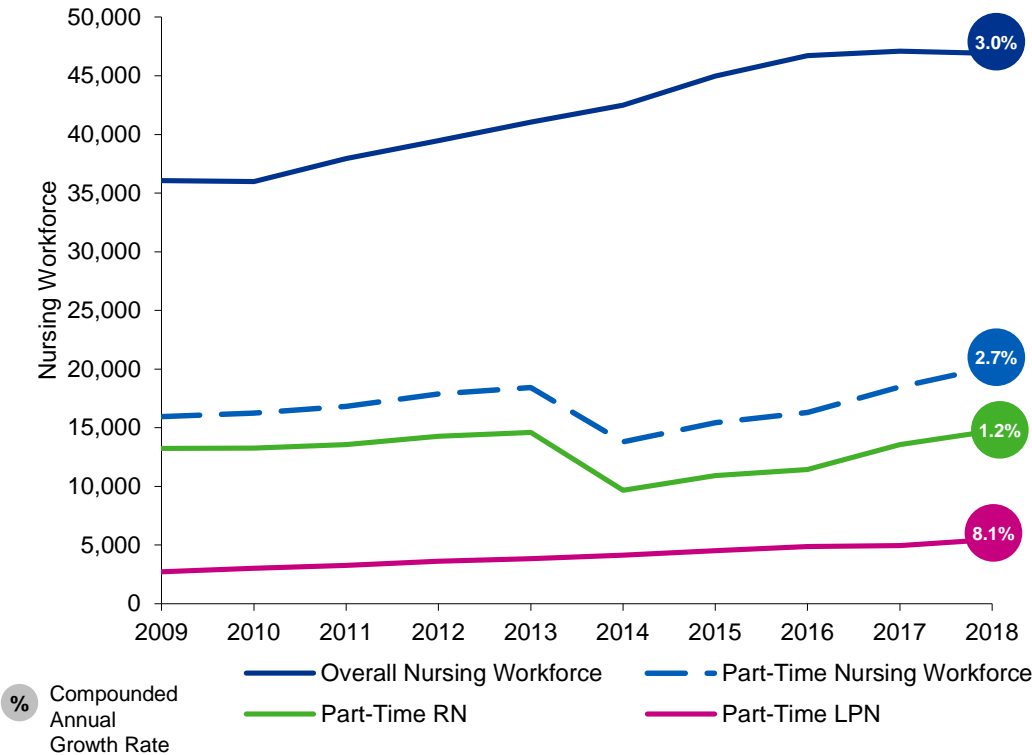
Nursing Workforce Comparison (2 of 2)

Figure 14: Comparison of the Split between Full-Time, Part-Time and Casual Nurses in Alberta



Note: Due to limited availability of data for comparators, RPNs have been excluded from this analysis.
Source: Nursing in Canada, 2018 Data Tables from CIHI.

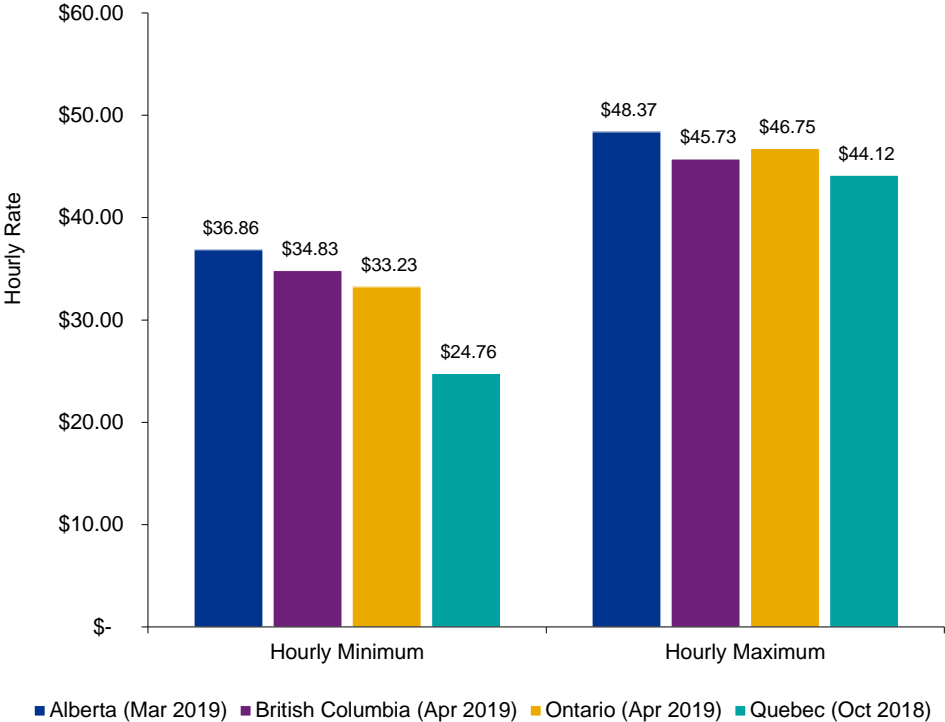
Figure 15: Comparison of Part-Time Nursing versus Total Nursing Workforce in Alberta



Note: Due to limited availability of data for comparators, RPNs have been excluded from this analysis.
Source: Nursing in Canada, 2018 Data Tables from CIHI

Comparison of Nursing Wages

Figure 16: Comparison of Registered Nurse Hourly Minimum and Maximum Rates by Effective Date



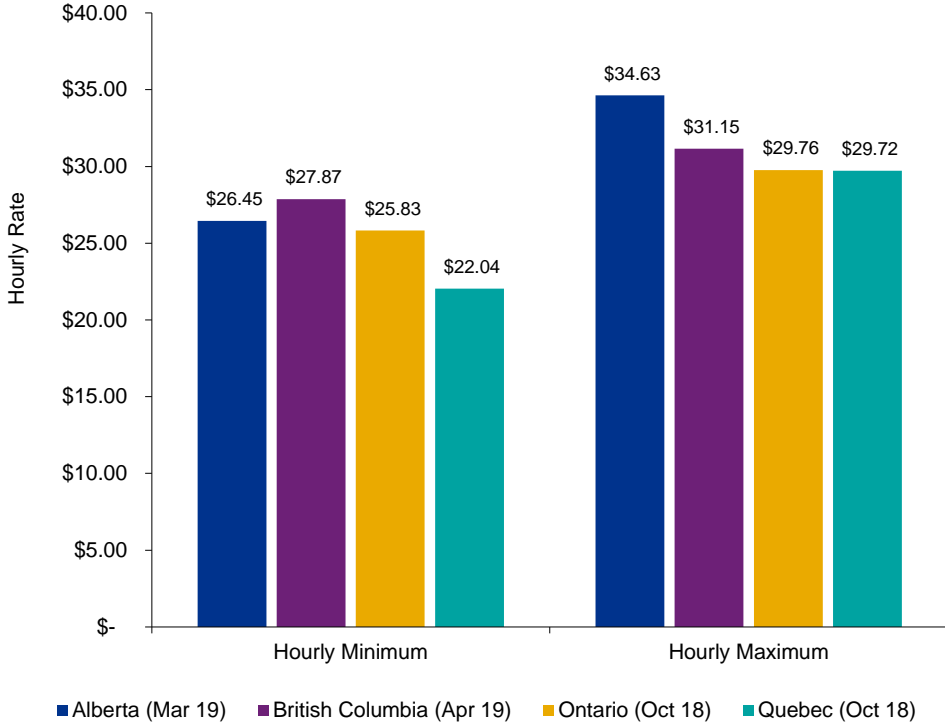
Source: Information provided by Alberta Health Services.



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Figure 17: Comparison of Licensed Practical Nurse Hourly Minimum and Maximum Rates by Effective Date



Source: Information provided by Alberta Health Services.

Comparison of Nursing Key Provisions (1 of 2)

Table 5 outlines the key contract provisions for nurses in Alberta, British Columbia, Ontario and Quebec, based on a comparison document prepared by the Canadian Federation of Nurses Unions in 2018. Limited information was available for British Columbia.

- Alberta has the highest hourly salary range for RNs, Head Nurses / Supervisors and Graduate Nurses. For example Alberta's starting hourly salary rates for Registered Nurses is 33% higher than Quebec, and 11% and 9% for Ontario and British Columbia, respectively.
- Compared to Quebec, Alberta has a higher hourly minimum and maximum range for all types of nursing, while Ontario exceeds Alberta's range in two instances.
- For LPNs, Alberta has a comparable starting rate and its maximum rate is higher by 14% or more relative to the comparator provinces.
- Alberta has higher hourly premium rates compared to Ontario and Quebec.
- Alberta has a lower standby / on call rate compared to Ontario, a higher call back rate compared to Ontario, and a higher travel allowance compared to Ontario and Quebec.
- Alberta uses double time for overtime, while Ontario and Quebec offer 1.5 times for most events / scenarios.
- Quebec does not pay overtime for shift change without sufficient notice or after 7 consecutive shifts, while Ontario and Alberta do.

Table 5: Key Contract Provisions for Nurses

	AB	BC	ON	QC
Hourly Salary Rates (Min - Max)				
RN	\$37 - \$48	\$34 - \$44	\$33 - \$46	\$25 - \$44
LPN	\$25 - \$35	\$27 - \$30	\$26 - \$29	\$22 - \$30
Head Nurse / Supervisor	\$38 - \$51	N/A	\$34 - \$48	\$29 - \$42
Clinical Nurse Specialist	\$42 - \$57	N/A	\$47 - \$54	\$26 - \$49
Graduate Nurse	\$34 - \$41	N/A	\$31 - \$43	\$22 - \$22
Premiums – Time of Work				
Nights per hour	\$5.00	N/A	\$2.65	Varies ¹
Evenings per hour	\$2.75	N/A	\$2.25	4% of salary
Weekends per hour	\$3.25	N/A	\$2.80	4% of salary
Standby / On Call per hour	\$3.30	N/A	\$3.45	1 hr straight time per 8 hrs
Call Back	2x rate, min. 3 hrs	N/A	1.5x rate, min 4 hours	2 hrs at 1.5x rate, 1 hr travel at 1x rate
Travel	\$0.505 per km and \$130 / allowance	N/A	\$0.22 per km or hospital policy	\$0.44 per km first 8,000 km
Overtime Rate	2x	N/A	1.5x	1.5x

Note: Limited information was included in the source noted below for British Columbia.

UNA (Alberta), BCNU (British Columbia), ONA (Ontario), FIQ (Quebec).

¹ 0-5 years - 11% of basic rate, 5-10 years - 12% of basic rate, 10+ years - 14% of basic rate.

Source: Canadian Federations of Nurses Unions. October 31, 2018. Overview of Key Nursing Contract Provisions.

Comparison of Nursing Key Provisions (2 of 2)

- For RNs, Head Nurses / Supervisors, and Graduate Nurses, Alberta has lower annual hours compared to Ontario and Quebec.
- Alberta has higher annual hours for LPNs compared to all other jurisdictions and for Clinical Nurse Specialists, Alberta has higher hours compared to Quebec.
- Alberta provides fewer vacation days compared to Ontario and has a higher maximum cap than Quebec.
- Alberta and Ontario provide the same rate of holiday pay (1.5x for a statutory holiday), except for Christmas and New Year's Eve, where Alberta provides higher compensation (2x basic rate). Quebec provides a lower rate of compensation for statutory holidays (1x basic rate), except for Christmas and New Years, where the rates (1.5x) are still lower compared to Alberta.
- Alberta provides a higher overtime rate (2.5x basic rate) for statutory holidays compared to Ontario and Quebec's rate (2x basic rate).
- Alberta provides higher premiums for responsibility pay (\$2 vs. \$1 per hour) and preceptor positions (\$0.65 vs. \$0.60 per hour) compared to Ontario.
- Alberta has a comparable employer contribution for benefits as Ontario, but pays more than Quebec.
- Alberta provides more sick days than other provinces at the basic rate.

Table 5 (continued): Key Contract Provisions for Nurses

	AB	BC	ON	QC
Annual Hours				
RN	1,921	1,950	1,950	1,950
LPN	2,023	1,950	1,950	1,885
Head Nurse / Supervisor	1,921	N/A	1,950	1,950
Clinical Nurse Specialist	1,921	N/A	1,950	1,885
Graduate Nurse	1,921	N/A	1,950	1,950
Vacation (Min – Max)	15 -30	N/A	20 - 35	20 – 25 \$5.97 or \$13.24 per 14-day pay period
Benefits - Employer Contribution	75%	N/A	75%	
Sick Leave				
Sick days per month	1.5	N/A	Covered by HOOPDIP (STD)	0.8
Maximum	120 days	N/A	75 days at a % of salary	104 weeks at 80%

Note: Limited information was included in the source noted below for British Columbia. UNA (Alberta), BCNU (British Columbia), ONA (Ontario), FIQ (Quebec).

Source: Canadian Federations of Nurses Unions. October 31, 2018. Overview of Key Nursing Contract Provisions.

Alberta Nursing Contract Provisions (1 of 2)

The following outlines the key contract provisions for nurses in Alberta that are considered to be advantageous by Alberta Health and Alberta Health services:

Contract Issue	Impacts	Date Provisions Introduced	Jurisdictional Comparison
Lump Sum Payments	\$34.8 million, impacting 28,569 employees	UNA - 2007	These provisions are not in other Canadian nursing agreements.
Restrictions on the Use of Vacancies	\$3.4 million, impacting 1,852 employees	UNA – 2001 HSA – 2008 AUPE GSS – 2009 AUPE Auxiliary Nursing – 2001	These provisions are not common in other Canadian nursing agreements. The SK nurses agreement restricts the use of vacancies.
Job Security: <ul style="list-style-type: none"> Operational Best Practice (OBP) Contracting Out No Reduction in Nursing Hours 	Indirect costs associated with reduced efficiency and effectiveness in implementing workforce changes.	<i>OBP LOUs:</i> UNA – 2016; HSA – 2016; AUPE GSS – 2016; AUPE Auxiliary Nursing – 2016 <i>Contracting Out:</i> AUPE GSS – 2018 <i>No reduction in Nursing Hours:</i> UNA – 2010	The reduction in nursing hours are not common in nursing agreements across Canada. The SK nurses agreement contains a provision that guarantees the number of full-time nurses. The BC nurses agreement contains a provision to increase nursing hours by an additional 2 million hours by December 2019.
Designated Days of Rest (DDOR)	\$7 million, impacting 12,089 employees.	UNA - 1982 – (Forsyth Tribunal binding arbitration)	These provisions are not in other Canadian nursing agreements
Displacement Process for Small Changes to Positions and Schedules	Indirect costs associated with reduced efficiency and effectiveness in daily operations.	UNA – 1988 (Series of arbitration awards in the following years lead to current interpretation)	These provisions are not common in other Canadian nursing agreements.

Source: Information provided by Alberta Health / AHS.



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Alberta Nursing Contract Provisions (2 of 2)

Contract Issue	Impacts	Date Provisions Introduced	Jurisdictional Comparison
Professional Responsibility Committee (PRC) Workload Review Committees	Indirect costs associated with reduced efficiency and effectiveness in daily operations. NOTE: HSAA does not have PRC or workload review provisions.	<i>PRC</i> : UNA - 1982 -(Forsyth Tribunal (binding arbitration) Language was amended in 2017 <i>Workload Review Committees</i> : AUPE GSS – 2018; AUPE Auxiliary Nursing - 2018	Many nursing agreements across Canada have varied processes related to workload review and professional responsibility
Unit Definition and In-Charge Designation	Costs are difficult to estimate due to the many variations of units and unique local circumstances. Currently, AHS spends \$8.3 million on in-charge pay for RNs. Those costs could be reduced if RNs could be in charge of multiple units, or other clinicians could be in charge.	UNA - 1990	Most Canadian healthcare agreements provide for payment of a premium for employees designated to be in-charge. The requirement to have an RN in charge is not common in nursing agreements across Canada. The SK nurses agreement requires an RN to be in charge. The BC nurses agreement requires an RN to be in charge but in certain circumstances an LPN can be in charge.
Benefits for employees working less than 15 hours per week	\$0.2 million, impacting 60 employees.	UNA - 1984	These provisions are not common in nursing agreements across Canada. The BC and MB nursing agreements provide some health care benefits for employees working less than 0.4 FTE.

Source: Information provided by Alberta Health / AHS.



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A Closer Look at Education

The following pages are based on information from Alberta Education and the PBCO, including:

- Maximum teacher compensation, including the pre-1992 Teachers Pension Plan liability.
- Summary of the 2008 provincial collective agreement with the Alberta Teacher's Association.
- Summary of assignable hour provisions in Alberta's teachers agreement.



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Comparison of Maximum Teacher Compensation

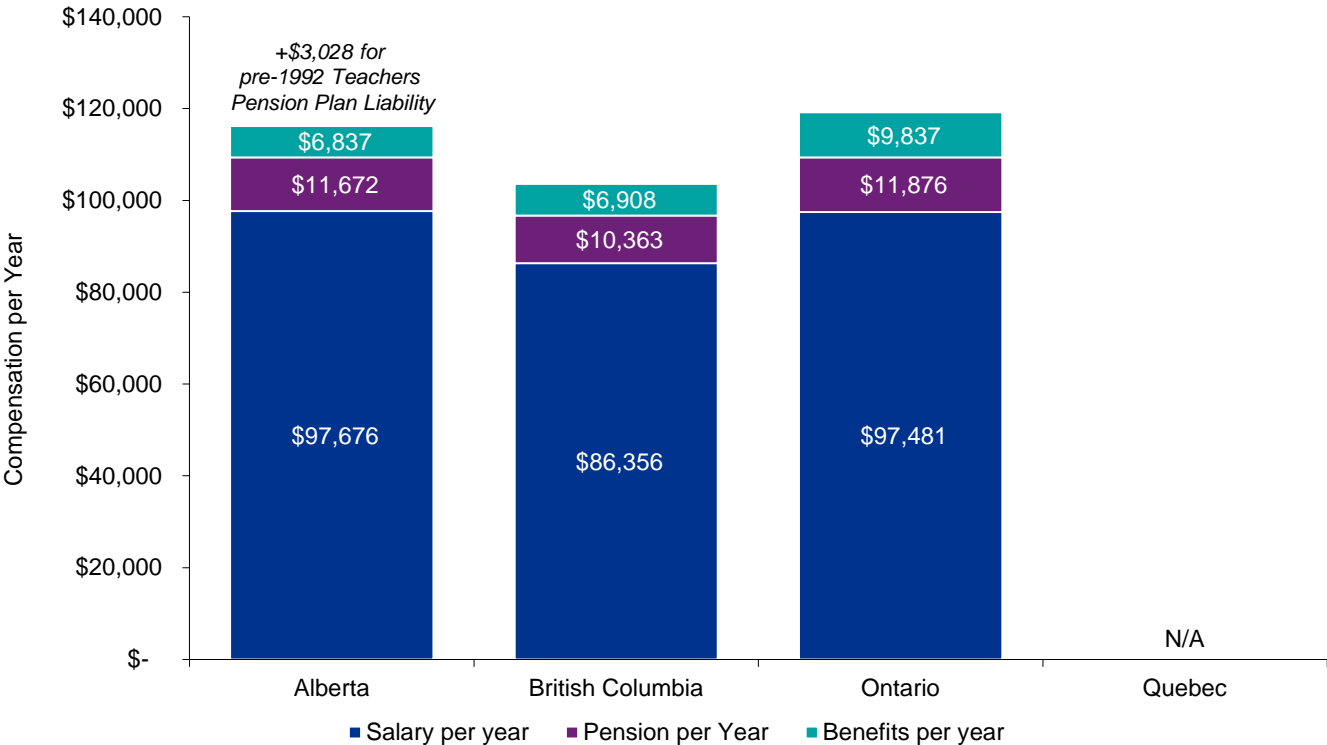
Ontario’s teachers receive the most compensation (salary, benefits and pension) of the three comparator provinces at \$119K.

By comparison, Alberta’s teachers receive \$116K and British Columbia’s teachers receive \$104K.

When Alberta’s total pre-1992 Teachers Pension Plan liability is considered as part of this, the total teacher compensation increases to \$119K and is comparable to Ontario and higher than British Columbia.

Further information on the 2008 Provincial Collective Agreement that resulted in Government assuming the teacher’s contributions of this pension liability is provided on the following page.

Figure 18: Teacher Maximum Compensation



Note: Figures are based on C5 maximum salary and the equivalents across the comparator provinces. The per teacher amount in Alberta for the pre-1992 teacher’s pension liability is based on the 3.1% contribution of teacher’s salary that was assumed by Government, per the Ministry of Education.

Source: Teacher Maximum Total Compensation: Cross-Jurisdictional Analysis, 2017-18 from the Ministry of Education.
Teacher Pension Plan liability history provided by Government of Alberta

2008 Provincial Collective Agreement with the ATA

In 2008, the Government of Alberta and the Alberta Teachers Association struck the first provincial collective agreement. As part of this agreement, Government assumed 100% of the pre-1992 Teachers Pension Plan liability, which was valued at \$7.7 billion in the 2018/19 Government of Alberta Annual report. Prior to this, there was a shared contribution rate of 3.1% of salary for teachers and 6.3% for Government.

This 5 year agreement (September 1, 2007 to August 31, 2012) included:

- An assumption of the full pre-1992 unfunded pension liability contribution (effective January 1, 2008).
- A wage increase of 3% in the first year, with subsequent annual wage increases based on the year-over-year change in the Statistics Canada table of Alberta's Average Weekly Earnings (4.52%, 5.99%, 2.92% and 4.54% in each subsequent year).
- A \$1,500 lump sum payment per teacher.
- A commitment to no-strikes or lock-outs.
- A letter from the Premier to the Alberta Teacher's Association President stating that no changes would be made to the class size initiative and that Government had no intention of making changes to legislation, regulation or policy that affects teacher's employment conditions.
- A letter from the Minister of Education to the Alberta Teacher's Association President assuring the establishment of a Consultation Committee, approval for the Practice Review Bylaw, and that Principals would remain members of the Alberta Teacher's Association.
- A commitment that hours of work / minutes of instruction would not be bargained for in any collective agreements that do not already have those provisions; in agreements that do have provisions, they would not be altered, except for sunsets which would be extended to 2012.

Over the duration of this agreement, teacher wages increased by an average of 4.2% per year (or 22.3% cumulatively). By comparison, the Consumer Price Index increased by 2.3% per year over that same time period. Since the agreement has expired in 2012, teacher wages have not been increased, except for a 2% increase in 2015/16 (this equates to a 0.3% increase per year from 2012/13 to 2017/18), while the Consumer Price Index increased by 1.5% per year over that same time period.

Note: Statistics Canada revised their methodology for calculating the Average Weekly Earnings in 2009, which resulted in higher than expected wage increases for teacher. The matter went to arbitration, which ruled in favour of the ATA. The agreement referred specifically to a Statistics Canada table, rather than to a specific methodology.

Source: Notes on 2007-12 Memorandum of Agreement with the Alberta Teacher's Association provided by the Ministry of Education; CPI Inflation provided by Alberta Treasury Board and Finance.



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Assignable Hours in Teachers Agreement

As per analysis completed by the Government of Alberta, there are a number of assignable hour provisions for teachers that have been trialed or implemented, as described below. The Government of Alberta has indicated that these provisions are not out of line with other jurisdictions; however, it is unclear if some jurisdictions include assignable hours in their regulation rather than their collective agreements.

Contract Provision	Impacts to Productivity / Operations
Instructional and Assignable Time Limits (907 hours and 1,200 hours respectively)	<ul style="list-style-type: none"> Instructional time includes instruction, examinations / testing and other student activities where direct student–teacher interaction and supervision are maintained. Assignable time includes instruction, supervision, parent-teacher conferences, teachers' convention, staff meetings, etc. Caps on instructional and assignable time pre-existed in some agreements covering the majority of teachers in Alberta. Remaining agreements without time caps included a standard provision with a max of 1200 hours assignable time and 907 instructional hours. There was a minor productivity loss as the majority of teachers were already assigned less than set maximums. An environmental scan from Ontario and western Canada identified limited commonalities or trends. Jurisdictions have uniquely addressed this matter with varying definitions and thresholds.
LOU: Time off for compression trial program review	<ul style="list-style-type: none"> A one-time trial program (by 9 school boards) to offset compressed instructional calendars by providing teachers with time-off in relation to the additional time worked. This expired on August 31, 2018.
LOU: Impact of assignable time on smaller schools review	<ul style="list-style-type: none"> Tracking hours became a task of teachers and leaders in schools that required additional time. Teachers were neutral to positive on the change and Principals indicated that this affected their workload. This expired on August 31, 2018.
LOU: Pilot Project on Right to Disconnect	<ul style="list-style-type: none"> The pilot was intended to clarify when it is appropriate for staff to send and review electronic communications; this was done through voluntary participation by individual school boards and their ATA Locals in the pilot project for the 2019-20 school year; only 1 school board volunteered. This expires on August 31, 2020.
Lieu Days for Principals (framework agreement 2012-2016)	<ul style="list-style-type: none"> Principals were granted a minimum of 2 paid leave days per school year. This expired on August 31, 2016, however, administrators' lieu days was part of local negotiations in the 2016-18 round of bargaining with 35 school boards or more extending lieu days to their Principals.

Research on Collective Bargaining

The following pages are based on information from the PBCO, and publically available information, including:

- Historical practices and outcomes in Alberta.
- A high-level jurisdictional comparison of Alberta, BC, Saskatchewan and Manitoba.
- Recent use of legislated mandates across Canada (NOTE: the Panel requested that a broader scan of the use of legislated mandates be included).
- Public sector bargaining mandates in British Columbia.
- Considerations for a legislative model in Alberta.
- Practices for potential in Alberta.



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Historical Practices and Outcomes in Alberta

Alberta's public sector has more than 120 agreements, which were historically negotiated at an employer / enterprise level. From the fall of 2014, following strong growth during the period of the oil boom, Alberta sought to gain control of wage prices.

Influenced by the British Columbia model, in 2016, Alberta issued its first mandates. In 2017, the Provincial Bargaining Coordination Office (PBCO) was formed to oversee and support the process, and mandates were issued for all tables. The fiscal mandates represent bargaining limits for all 120+ agreements. They are set by government, and administered by the PBCO. For the 2017 round, the mandate specified a two-year term with no wage increases.

The main mechanism chosen by bargaining parties to achieve the mandates was to set limits on across the board on total compensation, including salary, benefits and pension. The focus of the negotiating parties was on trading off job security (i.e. no layoffs) for wage increases. As such, the mandates resulted in wage freezes for two years.

Wage reopeners – current state

The United Nurses of Alberta current three year agreement, which expires in 2020, includes a 'wage reopener' for the third year – meaning determination of the wages for the year April 2019 to 2020 are still to be negotiated.

When the decision was made to include this provision in the nurses agreement, government amended all other agreements to include wage reopeners in the third year.

Four of the six big tables (Alberta Public Service, Alberta Union of Provincial Employees, AHS Auxiliary Nursing Care, and AHS General Support Services) have wage reopeners for 2019-20 that were to be concluded by June 2019, according to the contractual agreement.

The other two tables (Health Sciences Association of Alberta and the Alberta Teachers' Association) are scheduled on or after September 2019.

Unions have already rejected a 0% increase in negotiations.

Note: This information does not represent KPMG's advice or opinion.

Source: Information above summarized from Provincial Bargaining State of Play; Labour Relations Advice to Executive Council



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High-level Jurisdictional Comparison (1 of 3)

	Alberta	B.C.	Manitoba	Saskatchewan
Use of mandates (specifically legislative mandates)	<ul style="list-style-type: none"> Mandates used to establish fiscal limits from 2016 (modelled on BC mandates). Government has control (through mandates) of AHS, central agreement with Teachers, Physician's Agreement, and the direct government employee agreements (79% of compensation). Government does not have direct control over PSIs and ES (21% of compensation), although PSIs have almost unilaterally complied with mandates. 	<ul style="list-style-type: none"> Highly legislated model, with most bargaining requirements in legislation. Employers required to participate in Employer Associations (EAs) (bargaining agents on behalf of employers). Government issues mandates to EAs, which prescribe limits for compensation. Mandates are developed provincially; variances for sectors or employers are possible but not common. Legislation requires EAs to have tentative agreements approved prior to ratification. 	<ul style="list-style-type: none"> In 2016/17, introduced legislation, Bill 28 – <i>The Public Services Sustainability Act</i>. Establishes a framework and mandate that specifies public sector salary increases for next four years – (0%, 0%, 0.75%, 1%). Enables collective bargaining in other areas, as well as authorization of a portion of “negotiated sustainability savings” in a collective agreement that reduce or avoid costs to fund an increase to the compensation payable to employees during the last 24 months of the sustainability period. The Act also covers restricts fee increases for insured and health services for the 4-year period to same levels as salary increases. Note: legislation has been introduced but not proclaimed and acts as an signal of a ‘bargaining cap’ mandate. 	<ul style="list-style-type: none"> Legislated EAs for health care (SAHO) and teacher bargaining. Saskatchewan recently consolidated its 12 Regional Health Authorities into a single province-wide body, and as part of that process, SAHO is being incorporated into the structure of the new province-wide health authority. Teacher bargaining is for a single provincial agreement between the Saskatchewan Teachers Federation and the EA of which Government and the Saskatchewan School Boards Association are members. Voluntary compliance in other sectors.

Note: EA - Employer Association PSI - Post-Secondary Institution ES - Education Support (staff) PS - public sector

This high-level jurisdictional comparison information does not represent KPMG's advice or opinion.

Source: Summarized from Provincial Bargaining State of Play; Labour Relations Advice to Executive Council; and Wage Reopeners – Options and Risk Analysis supplied by PBCO and Treasury Board and Finance.



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High-level Jurisdictional Comparison (2 of 3)

	Alberta	B.C.	Manitoba	Saskatchewan
Scope	<ul style="list-style-type: none"> Limited to union and “association” bargaining (unlike BC, doesn’t include executive, opted out and excluded compensation) 	<ul style="list-style-type: none"> Includes executive, opted out and excluded compensation, as well as union and “association” bargaining 	<ul style="list-style-type: none"> Legislative mandate applies to all provincial employees, including Government and Government agencies, health and social services organizations, school districts, PSIs, other provincial agencies 	<ul style="list-style-type: none"> N/A
Degree of centralization	<ul style="list-style-type: none"> 128 collective agreements covered by mandates. 	<ul style="list-style-type: none"> Relatively centralized. Agreements typically cover large numbers of employees, but are not always provincial in scope. 	<ul style="list-style-type: none"> Decentralized. Education bargaining is decentralized (done by individual school boards). Government has sought system reform, including more centralized and consolidated labour relations framework. 	<ul style="list-style-type: none"> Relatively centralized – 38 collective agreements covering most PS unionized employees. Teachers covered by a single agreement between the SK Teachers’ Federation and the EA. Bargaining for health care carried out through a legislated EA, bargained provincially. PSI employers and school support staff more decentralized and have greater autonomy.

Note: EA - Employer Association PSI - Post-Secondary Institution ES - Education Support (staff) PS - public sector

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High-level Jurisdictional Comparison (3 of 3)

	Alberta	B.C.	Manitoba	Saskatchewan
Governance arrangements	<ul style="list-style-type: none"> PBCO established in 2014, drawing heavily on the BC model. Core responsibilities are to prepare, approve and assure bargaining mandates (establishing fiscal limits for bargaining, based on economic, labour market and compensation research) for partner employers. 	<ul style="list-style-type: none"> PSEC Secretariat (joint Government-EA governance body) coordinates bargaining. EAs prepare bargaining plans in accordance with the mandate (approved by PSEC Secretariat). Employers are expected to work through EAs for labour relations goals. 	<ul style="list-style-type: none"> Government (Cabinet), approves mandates. Two 'secretariat' offices are coordinated under Treasury Board. Purpose-built secretariats or dedicated business areas provide strategic research and advice, and support Government and affected employer partners. 	<ul style="list-style-type: none"> Sub-committee of Cabinet oversees public sector labour relationships. Sub-committee approves mandates, monitors collective bargaining, and directs or facilitates solutions.
Legal challenges	<ul style="list-style-type: none"> The Charter of Rights and Freedoms provides for the right to collectively bargain. Unions have brought legal challenges against legislation that has been seen to limit these rights. However, Governments have been able to legislate wage restraint, where respect for employees' constitutional rights to bargain has been shown. According to a Supreme Court of Canada decision in 2007, employees are guaranteed freedom of association, and have the right to undertake collective bargaining right (SCC, 2007, 27). (Section 2(d) of the Charter of Rights refers). Canadian governments can establish and impose salary settlements on unionized employees, but they have to show respect for the collective bargaining process. 			

Note: EA - Employer Association PSI - Post-Secondary Institution ES - Education Support (staff) PS - public sector

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Legislated Models

Government Roles are More Active in the Process

There has been a move towards more active and strategic models of government engagement in public sector collective bargaining. These models have motivated by practical concerns for cost control, more consistency across the broad public sector, fiscal and public policy objectives, and stable labour relations.

All provinces have made efforts to establish coordination at a public policy and operational level with respect to labour relations by the government and by government's funded employer partners.

Each jurisdiction has a sub-Committee of Cabinet for key decisions with respect to mandate and contract approval. Such Committees are supported by secretariats or labour relations business units to provide advice, research, analysis, negotiations, and other support to Government and related entities or funded employer partners.

While there is commonality in approaches among provinces, a key distinction is the extent to which coordination and control is achieved through legislated mandate, directed mandate, or on a voluntary basis.

Legislated Mandate

The Panel requested that a broad scan of the use of legislated mandates across Canada be included.

In recent years, the Government of Canada, Government of Nova Scotia, and Government of Manitoba have established maximum compensation increases through legislation.

Note: This information does not represent KPMG's advice or opinion.

Source: Summarized from Provincial Bargaining State of Play; Labour Relations Advice to Executive Council; and Wage Reopeners – Options and Risk Analysis supplied by PBCO and Treasury Board and Finance. The Public Services Sustainability Act (Bill 28 in Manitoba).

In 2019, The Government of Ontario introduced legislation to set limits in public sector compensation increases for the next three years.

These have each been met with legal challenges from unions.

The *Public Services Sustainability Act* (2017) in Manitoba

The purposes of this *Act* are stated as:

- To create a framework respecting future increases to compensation for public sector employees and to fees for insured medical and health services that reflects the fiscal situation of the province, is consistent with the principles of responsible fiscal management and protects the sustainability of public services;
- To authorize a portion of sustainability savings identified through collective bargaining to fund increases in compensation or other employee benefits;
- To support meaningful collective bargaining within the context of fiscal sustainability.

Section 3 states that subject to the other provisions of the *Act*, there is still a right to bargain collectively and Section 4 states that nothing in the *Act* affects the right to strike.

Section 6 states that nothing in the *Act* affects entitlement to increases as a result of promotion or reclassification or to periodic or performance-based increases within established pay ranges based on a collective agreement or terms of employment.

Section 12 specifies that the maximum increases in pay over the sustainability period (0% in each of the first two years, 0.75% in the third year, 1.0% in the fourth year).



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Public Sector Bargaining Mandates in British Columbia (1 of 2)

The governance arrangements operating in Alberta are similar to those in British Columbia, upon which they are modelled. The key difference is the extent to which mandates are legislated – noting that Alberta, to date, has been able to achieve similar wage outcomes to that of British Columbia, without legislation.

British Columbia legislated large statutory bargaining units that have corresponding employer associations. The mandates are issued to these associations, who in turn are required by legislation to have their tentative agreements approved prior to ratification.

Overall, British Columbia's legislative mandates have contained elements that set expectations around both wage restraint, and productivity improvement.

2010 Net Zero Mandate

- A two-year term, with no net increases in total compensation costs.
- Compensation trade-offs: savings found through (mutually-agreed) changes in collective agreements may be used to fund compensation increases.

2012 Cooperative Gains Mandate

- The Province will not provide additional funding for increases to compensation negotiated in collective bargaining.
- Employers to work with responsible ministries and employer bargaining agents to develop Savings Plans to free up funding from within existing budgets to provide modest compensation increases.

- Employers must not reduce service levels to the public in order to fund compensation increases, nor transfer the costs of existing services to the public to pay for compensation increases.
- Savings Plans can include savings resulting from operational cost reductions, increased efficiency, service redesign, business gains and other initiatives, so they can propose much broader savings than under the previous Net Zero Mandate.
- Identified savings are to be used to fund compensation increases that will facilitate negotiated settlements with unions through collective bargaining.
- Identified savings must be real, measurable and incremental to savings identified by public service employers to meet Provincial Budget and deficit reduction targets.

Settlements under the Cooperative Gains Mandate were unique and differentiated between sectors and between employers in some sectors as each depended on a number of factors, particularly the ability to generate savings to fund modest compensation improvements.

2014 Economic Stability Mandate

- Employers have the ability to negotiate longer-term agreements within a fixed fiscal envelope.

Note: This information does not represent KPMG's advice or opinion.

Source: BC Government, Public Sector Bargaining Mandates and Agreements. <https://www2.gov.bc.ca/gov/content/employment-business/employers/public-sector-employers/public-sector-bargaining/mandates-and-agreements>.

BC Health Authority Shared Service Organization. Transforming Healthcare Supply Chains: An update on progress in BC. Managing Transformation. A Modernization Action Plan for Ontario (2018).



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Public Sector Bargaining Mandates in British Columbia (2 of 2)

2014 Economic Stability Mandate (continued)

- Public sector employees have an opportunity to participate in the Province's economic growth through the Economic Stability Dividend – e.g. if actual real GDP growth is 1 percentage point above forecast, a 0.5% wage increase would result, beyond whatever wage increase had been negotiated in the contract.

2019 Sustainable Services Negotiating Mandate

- Three-year term, with general wage increases of 2% in each year.
- Ability to negotiate conditional and modest funding that can be used to drive tangible service improvements for British Columbians, e.g. targeted funds to address existing, chronic labour market challenges where employers need to meet service delivery commitments, or changes that achieve service innovations, modernization or efficiencies.

Legislation (or other bargaining approaches) that only contemplate wage restraint, and do not set aspirational goals for productivity improvements or service innovations, may limit wage growth, but at the cost of lower levels or quality of community services.

British Columbia moved to a more consolidated, broader public sector shared services model to reduce administrative spend, with British Columbia's implementation of a broader public Shared Services Organization (for example) realizing efficiencies of approximately \$100 million on spending of \$1 billion (see Transforming Healthcare Supply Chains).

While the relationship between these outcomes and the collective bargaining approach taken in British Columbia is not direct, by incorporating the productivity-inducing elements of its collective bargaining strategy, along the lines of a gains sharing model, it was able to share the 'problem' of the fiscal situation with employees and employers, and achieve collective and collaborative solutions.

Note: This information does not represent KPMG's advice or opinion.

Source: BC Government, Public Sector Bargaining Mandates and Agreements. <https://www2.gov.bc.ca/gov/content/employment-business/employers/public-sector-employers/public-sector-bargaining/mandates-and-agreements>.

BC Health Authority Shared Service Organization. Transforming Healthcare Supply Chains: An update on progress in BC. Managing Transformation. A Modernization Action Plan for Ontario (2018).



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Considering a Legislated Model for Alberta

Legislating for wage restraint

The Panel requested that a broad scan of the use of legislated mandates across Canada be included. Based on this review Nova Scotia, Manitoba and British Columbia are the only jurisdictions that appear to have used legislated arrangements (Ontario introduced its legislation in 2019).

Where legislation has been introduced to effect wage restraint in the public service elsewhere in Canada, it has not always been to impose a legislative cap, but sometimes to set the expectations within which bargaining will occur.

- In Nova Scotia, for example, legislation was proclaimed two years after Royal Assent. In effect, the legislation acted as a mandate prior to Assent, and capped remaining open negotiations on proclamation.
- Manitoba has recently introduced legislation that has not been proclaimed and is facing legal challenges.
- British Columbia's model relies on legislated arrangements, as outlined on page 52.

Introducing a more legislated model in Alberta – the process

According to the PBCO, a legislated approach for Alberta would involve:

- Legislation to ensure mandatory participation of all affected employer partners in statutory employer associations, with formal authority to bargain on employers' behalf (at a practical level, this would only be required with respect to education support staff, agencies boards and commission and post-secondary institutions – due to existing legal mandate over remaining agreements), and

- Legislation to formally establish a compulsory mandate system to guide or set limits for all affected public sector bargaining.

The relevance of a more legislated model for Alberta

According to Alberta's PBCO:

- The current 4 statutory bargaining units (Alberta Health Services, the central agreement with Teachers, physician agreements, and the direct Government employees' agreement) represent 79% of all public sector compensation. This has enabled achievement of 2 years of zero wage increases without the need for legislation.
- The remaining public sector compensation where government does not have direct control, is the post-secondary institutions and educational supports – representing 21% of all public sector compensation, or \$4.8 billion. Within these two sectors, in the absence of a legislative requirement to comply, post-secondary institutions have almost unilaterally complied voluntarily.
- While legislation will allow government to restrain wages, it is unlikely to be able to be used consecutively for multiple rounds of bargaining.
- Enhancing Alberta's current model by controlling the remaining 21% of all public sector compensation, through employer associations and legislating a backstop (per British Columbia's model) to mandate compliance may provide the government similar wage restraint as a legislative approach and may be more effective in the long term.

Note: This information does not represent KPMG's advice or opinion.

Source: Janice MacKinnon and Jack Mintz, Putting the Alberta budget on a new trajectory, University of Calgary, October 2017.



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Innovative Models in Public Sector Bargaining

Other jurisdictions going through similar fiscal challenges have developed strategies that involve workforce adjustment without impacting public-facing, front-line workers. Other provinces such as Manitoba and Saskatchewan established multi-year targets, primarily through attrition, to moderately reduce the level of workforce and associated compensation.

When faced with a sharp reduction in its revenues driven by low commodity prices, along with controlling its operating expenditures, the Government of Saskatchewan reduced the size of its core civil services by 15% over a four-year period.

In 2016, the Government of Manitoba introduced a more moderate 8% target phased-in over four years to reduce the size of its core civil service, primarily through attrition, along with a reduction in management layers which had experienced a relatively high growth trends in previous years. Span of control analysis was undertaken in each department, after the Government reduced the number of departments from 18 to 12.

Other service-oriented sectors have tended to focus on efficiencies and workforce reductions in back office functions and / or normalization of management positions.

Analysis of common functions across the Government of Alberta such as administration, policies, research procurement, information technology, HR, etc., to identify opportunities to reduce any duplication and overlap, and to centralize common back-office functions and to digitize certain back-office functions is a common practice of service-based sectors. This includes the public sector, in efforts to improve efficiencies, and enables limited resources to be allocated to more frontline services.

Note: This information does not represent KPMG's advice or opinion.

Source: Information derived from Government of Manitoba and Government of Saskatchewan.

Other related practices include: rationalization or amalgamation of departments and related government agencies, consolidation of the number of job classifications, reducing overtime, and reducing the level of vacancies across departments and agencies.

Various jurisdictions also encourage innovation within the Public Service and fund select innovation initiatives from within the Public Sector to improve efficiencies.

For example, in 2018, The Province of Manitoba created a new \$50-million Transformation Capital Fund to support innovative initiatives within government. All public servants have been invited to contribute ideas and all departments have been invited to submit funding proposals. Applications will be evaluated based on risk adjusted return on investment and in order to access funding, departments must demonstrate measurable savings that ensure the up-front investment pays for itself in less than four years. (Source: Government of Manitoba News Release, May 9, 2018).

Experiences from other provinces identify a requirement for central coordination, clear upfront communications, transparency, advance notification as required, appropriate and timely dialogue with all parties involved, and progress reporting when dealing with workforce and compensation matters.



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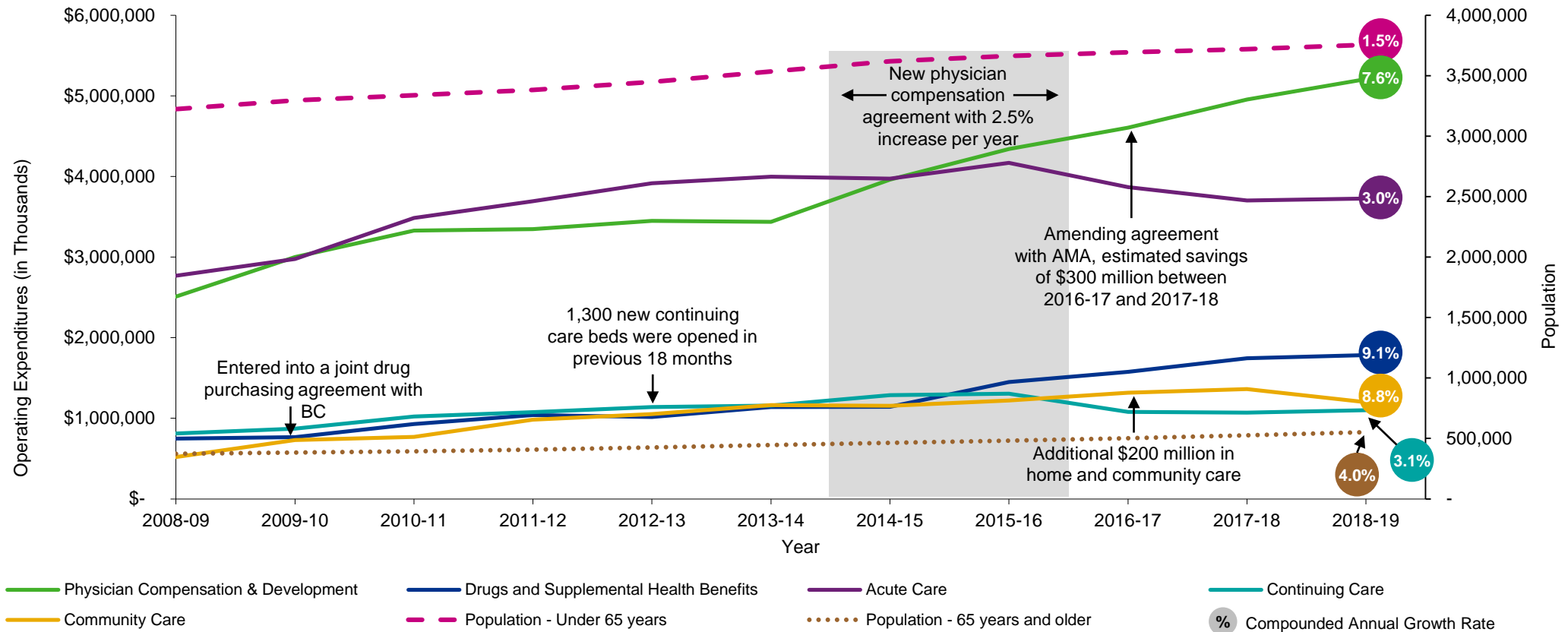
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Health



Key Trends for Health in Alberta

Figure 19: 10 Year Trend for Alberta's Major Expenditures in Health



Note: Health benefits associated with Income Supports and AISH were transferred to Alberta Health in 2014-15; these amounts were removed from the above data to provide a comparable 10 year trend line.

Source: Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta, Annual Report for Health Authority Consolidation 2008-09, and Annual Reports for Alberta Health Services from 2009-10 to 2017-18; Population data from Statistics Canada Table 17-10-0005-01.

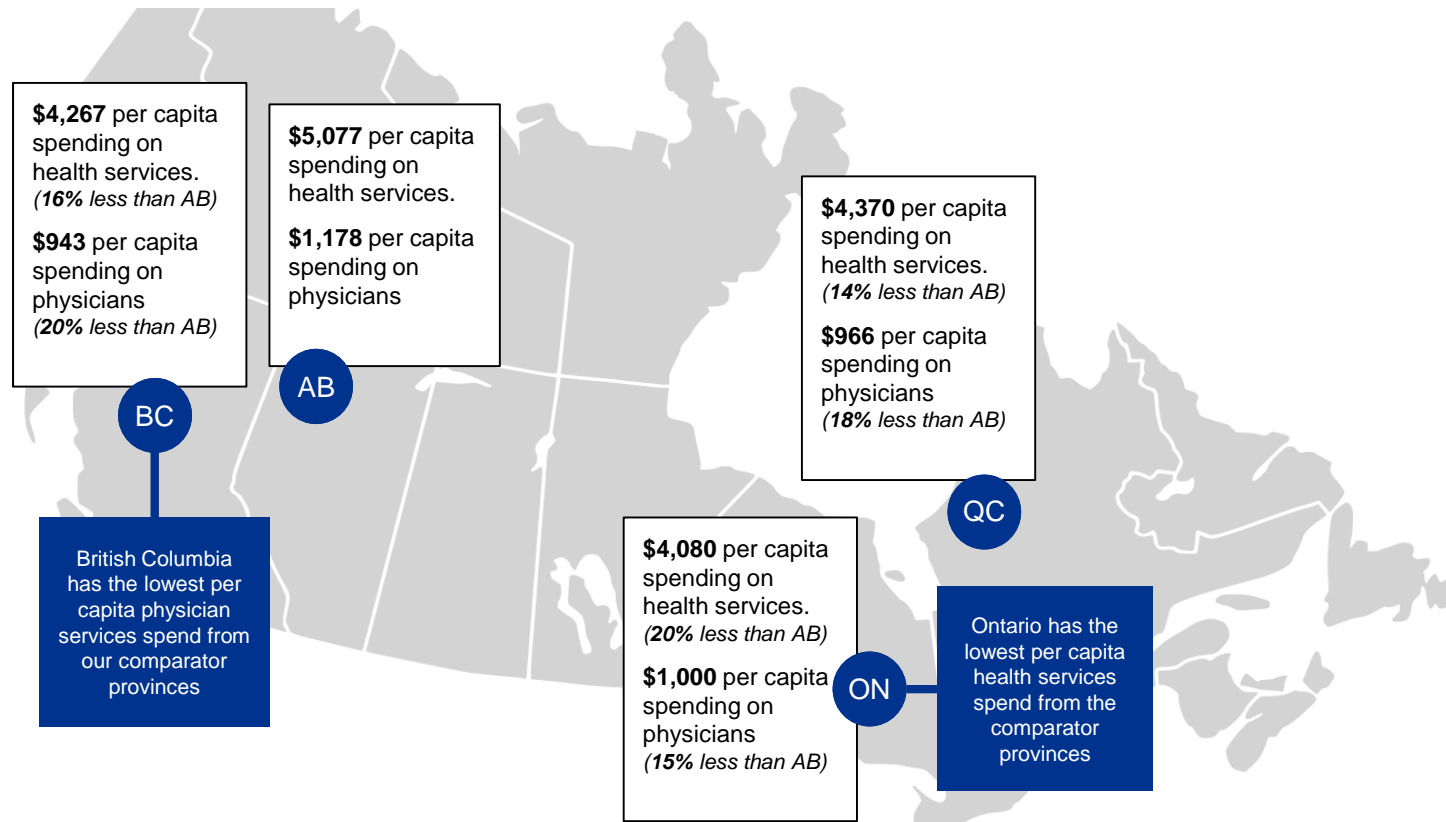
Per Capita Health Expenditures

In 2018, Alberta had the highest health and physician services per capita provincial government expenditures relative to the comparator provinces.

According to CIHI, Alberta spends \$997 more per capita on health services than Ontario, which spends the least at \$4,080 per capita.

Alberta spends \$235 more per capita on physician services than British Columbia, which spends the least at \$943 per capita.

Figure 20: Per Capita Spending on Health Services and Physicians in 2018



Note: Based on data for 2018-19 forecast.

Source: Alberta Health completed analysis of the CIHI National Health Expenditure Database.

Comparison of Provincial Demographics

In 2018, Alberta has the smallest share of individuals over the age of 60 among comparator provinces.

Alberta had a median age of 36.9 years, the youngest of the provinces.

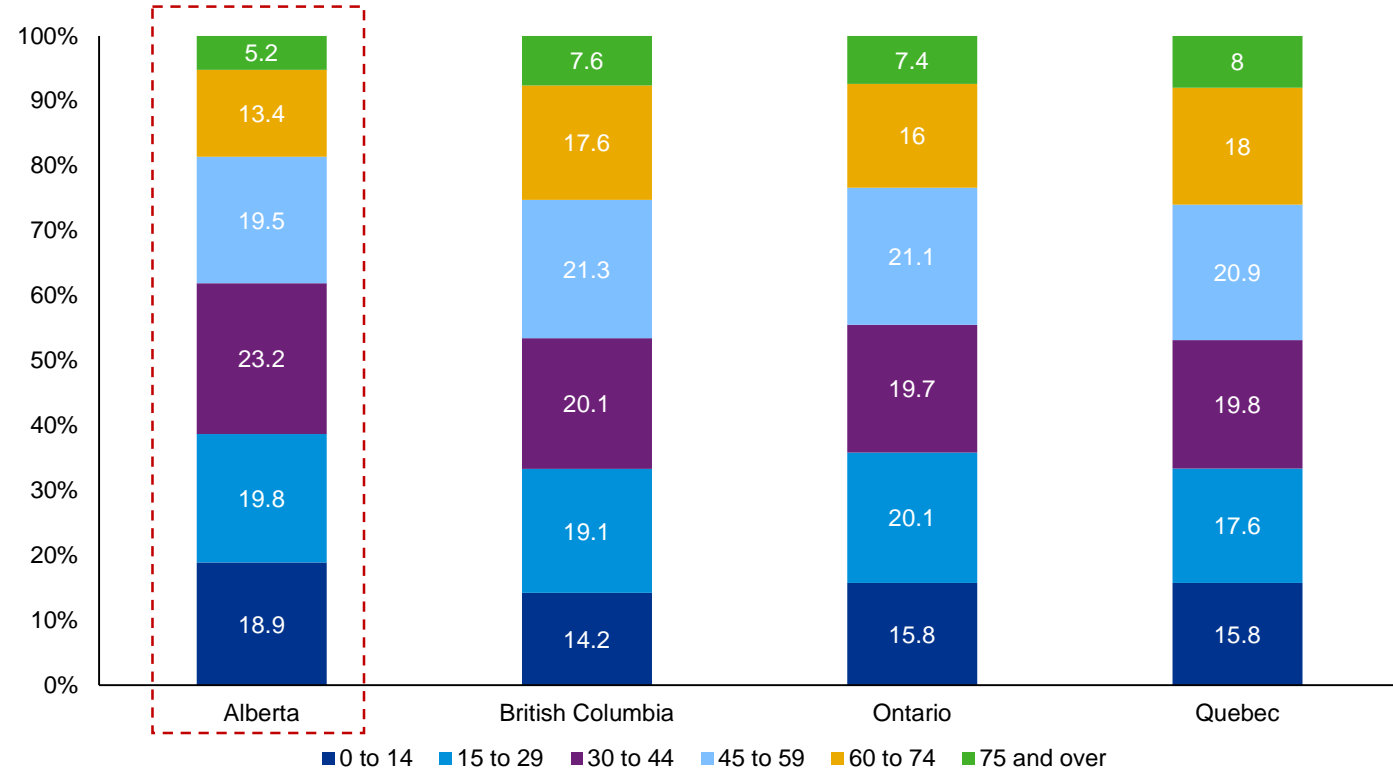
62% of Albertans were under the age of 45 compared to:

- 56% in Ontario
- 53% in British Columbia
- 53% in Quebec

19% of Albertans were 60 years and older compared to:

- 26% in Quebec
- 25% in British Columbia
- 23% in Ontario

Figure 21: 2018 Provincial Demographics by Age Category

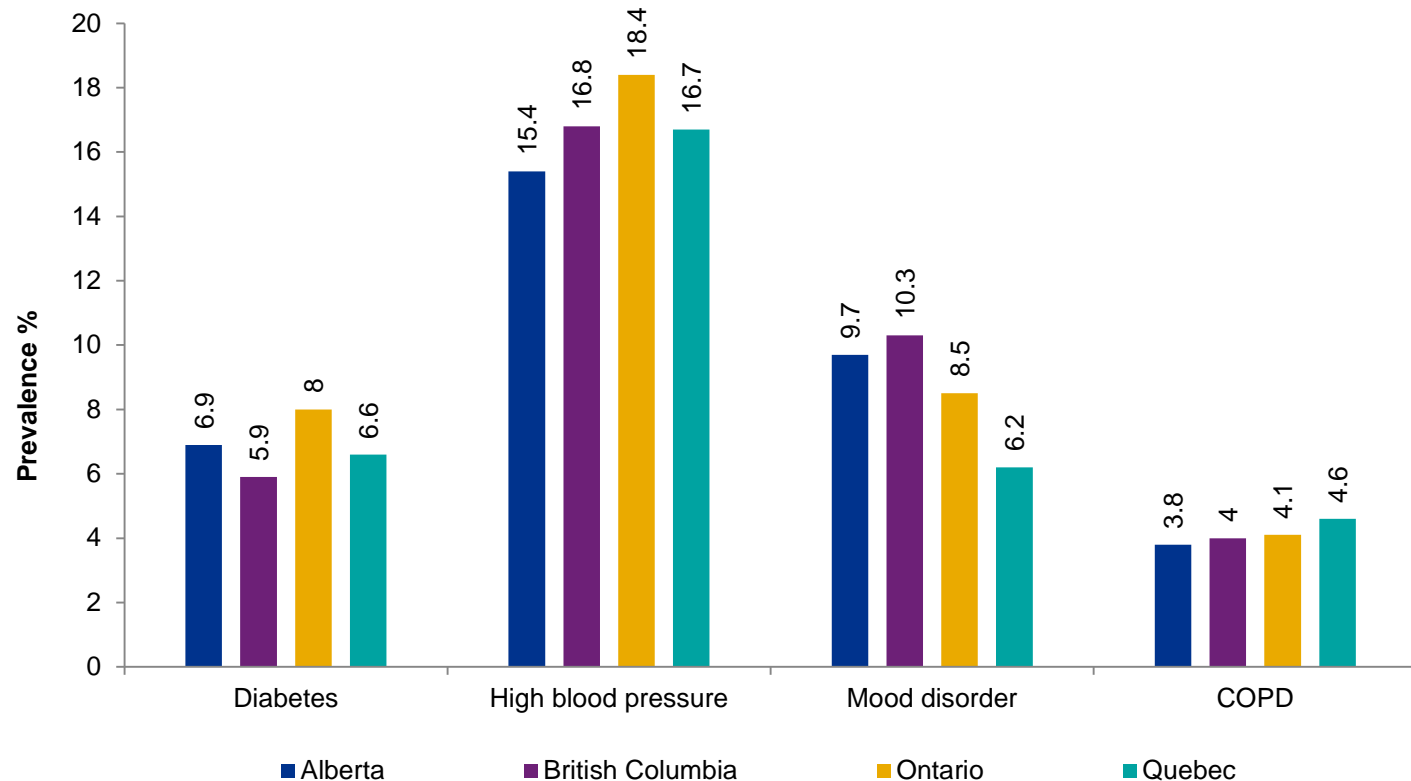


Source: Population Estimates on July 1st by Age and Sex data from Statistics Canada, 2018, Table 17-10-0005-01.

Prevalence of Chronic Illnesses

In 2017, Alberta had the lowest prevalence rate of Chronic Obstructive Pulmonary Disease (COPD) and high blood pressure, and a higher prevalence rate of Diabetes than British Columbia and Quebec, and a higher prevalence rate of Mood Disorders compared to Ontario and Quebec.

Figure 22: 2017 Chronic Illness Prevalence



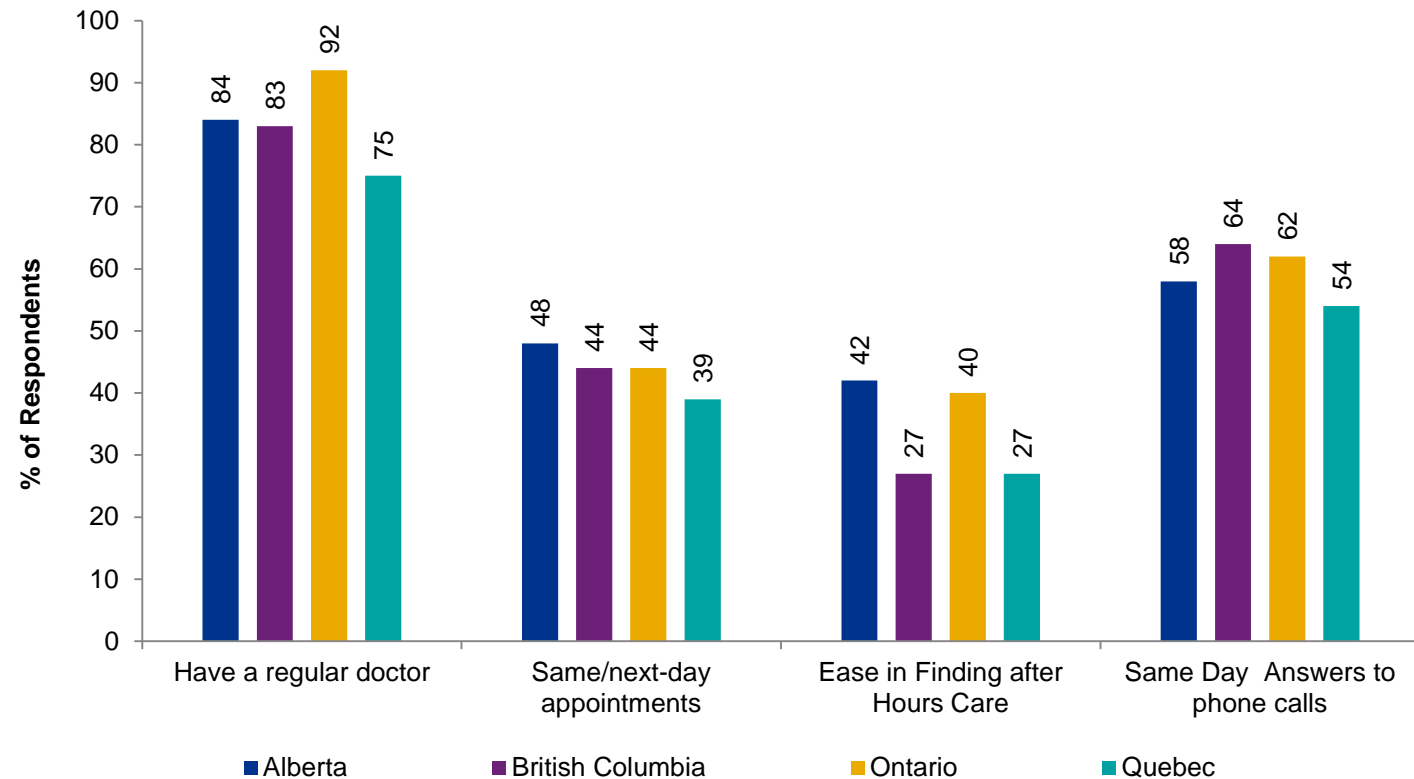
Source: Alberta Health completed analysis of Statistics Canada, 2017. CANSIM Table 13-10-0096-01.

Access to Primary Care

Relative to the comparator provinces, Alberta ranks:

- Highest in same / next day appointments, and
- Highest in ease in finding after hours care.

Figure 23: Access to Primary Care



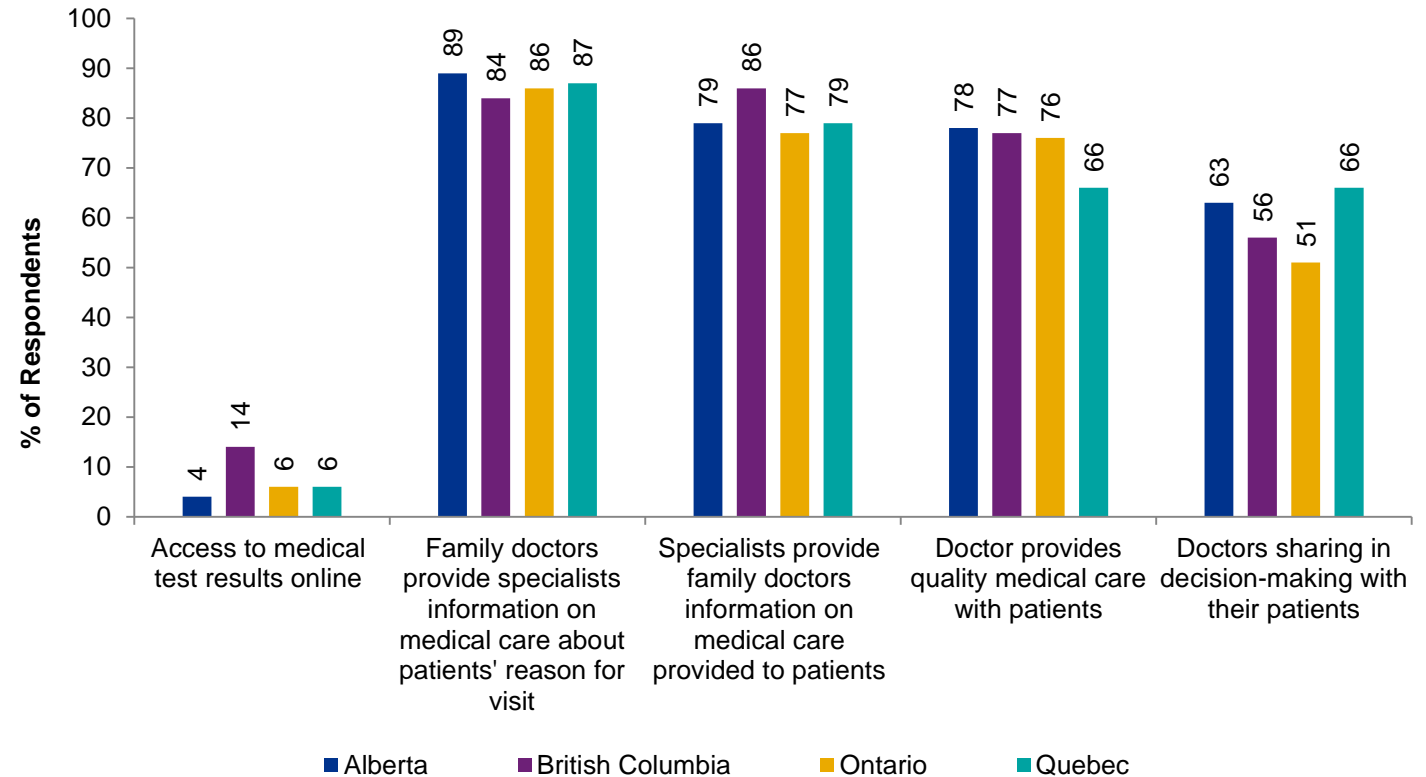
Note: The Commonwealth Fund's International Health Policy Survey of Adults was last carried out in Canada from March through June 2016.
Source: Alberta Health completed analysis of Canadian Institute for Health Information; How Canada Compares: Results From the Commonwealth Funds 2016 International Health Policy Survey of Adults in 11 Countries Accessible Report. Ottawa, ON: CIHI; 2017.

Care Coordination

Relative to the comparator provinces, Alberta ranks:

- Lowest in access to medical tests online
- Highest in family doctors providing specialist information, and
- Highest on doctor providing quality medical care.

Figure 24: Care Coordination Metrics



Note: The Commonwealth Fund's International Health Policy Survey of Adults was last carried out in Canada from March through June 2016.
Source: Alberta Health completed analysis of Canadian Institute for Health Information; How Canada Compares: Results From the Commonwealth Funds 2016 International Health Policy Survey of Adults in 11 Countries Accessible Report. Ottawa, ON: CIHI; 2017.

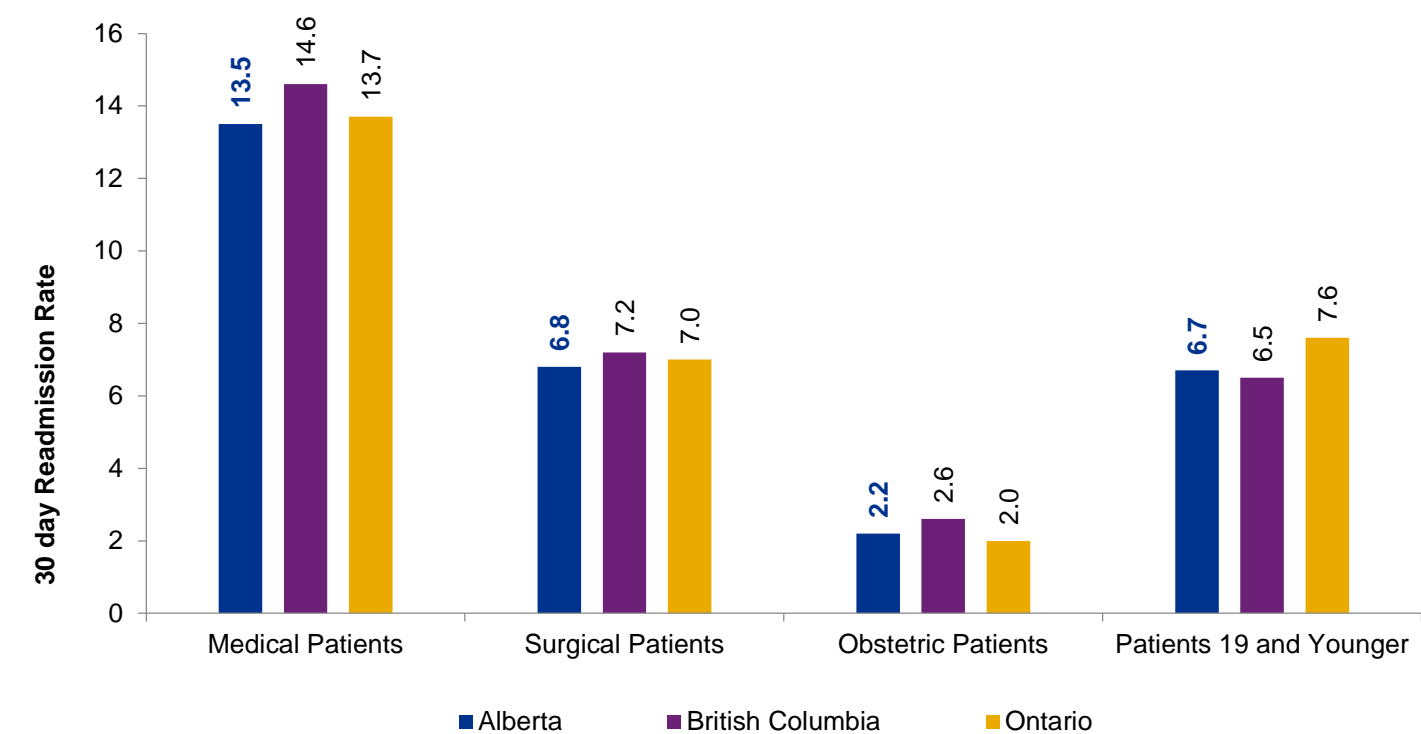
Readmissions to Hospitals & Length of Stay

Alberta has lower readmission rates for medical and surgical patients, and ranks in the middle in terms of its readmission rates for obstetric and younger patients, relative to the comparator provinces.

The Age-Standardized average length of stay for acute inpatient hospitalization in days (2016/17) in Alberta was 7.7 days. By comparison it was:

- 7.1 days in British Columbia
- 6.2 days in Ontario, and
- 7.1 days in Quebec.

Figure 25: Readmissions to Hospitals within 30 Days



Note: 30 day readmission rates are not available for Quebec.
Source: Alberta Health completed analysis of CIHI National Health Expenditure Database, yourhealthsystem.ca

Wait Times (1 of 2)

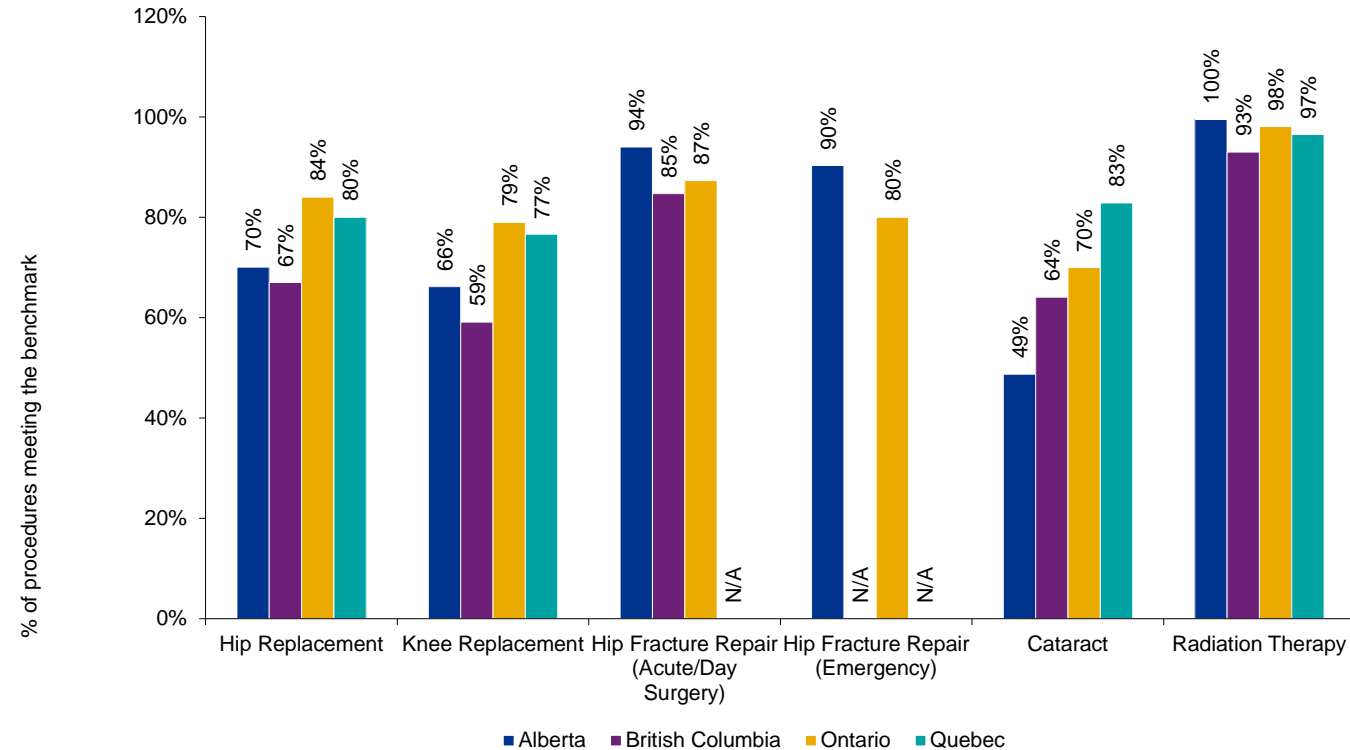
There are six key wait time indicators with an established benchmark.

Of these indicators, Alberta has a higher percentage of meeting the benchmark for Hip Fracture Repair (Acute/Day Surgery), Hip Fracture Repair (Emergency), and Radiation Therapy and a lower percentage of meeting the benchmark for Hip Replacement, Knee Replacement and Cataracts, relative to the comparator provinces.

Over the past 10 years, Alberta has improved wait times for Hip Fracture Repair (Acute/Day Surgery), Hip Fracture Repair (Emergency), and Radiation Therapy, while other indicators show a decline in the achievement of the benchmark (see Figure 27).

In terms of Emergency Department wait times, Albertans spend more time than their counterparts in British Columbia for a Physician assessment, and less time being admitted relative to the comparator provinces (see Table 6 on following page).

Figure 26: Comparison of Waiting Times by Province as a Percentage of Meeting the Benchmark



Note: The metrics is the percentage of times the province met with benchmark time for the procedures listed. British Columbia and Quebec had no values recorded for Hip Fracture Repair (Emergency). Quebec also had no values recorded for Hip Fracture Repair (Acute/Day Surgery).

Source: CIHI data for wait time for procedures in Canada 2018

Wait Times (2 of 2)

Table 6: Emergency Department Wait Times (2017/18)

	AB	BC	ON	QC
Physician Assessment (90% spent less, in hours)	3.1	3.0	3.2	N/A
<i>Percentage change from 2013/14</i>	<i>3%</i>	<i>20%</i>	<i>7%</i>	<i>N/A</i>
Admitted Patients (90% spent less, in hours)	31	39	33	N/A
<i>Percentage change from 2013/14</i>	<i>34%</i>	<i>17%</i>	<i>15%</i>	<i>N/A</i>

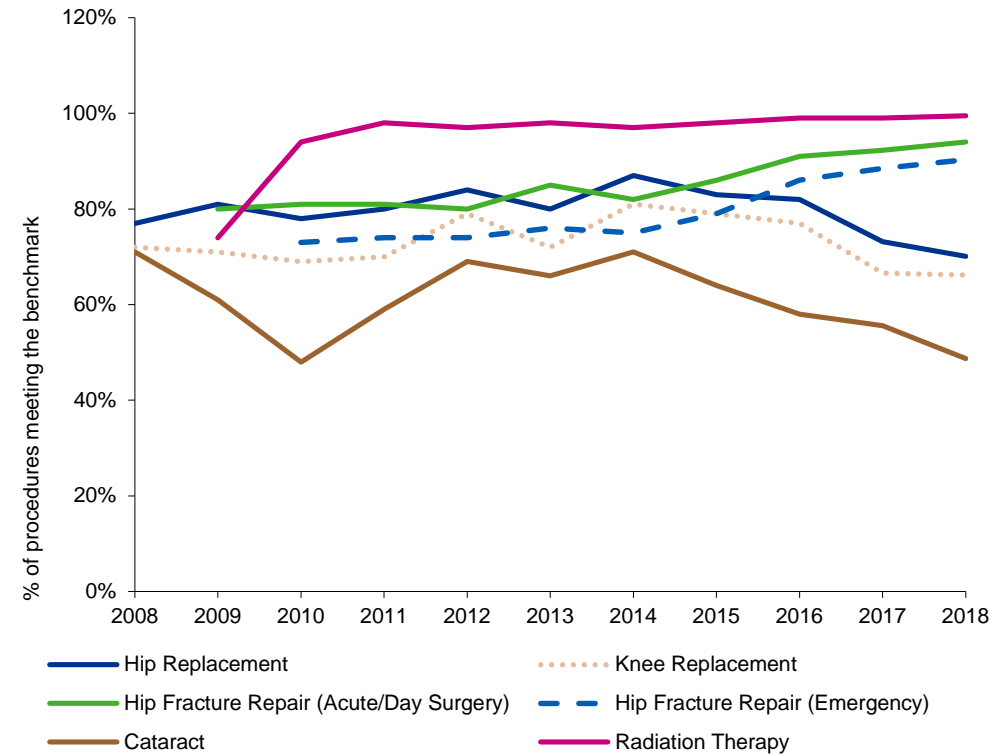
The top surgery in each of the comparator provinces and Alberta in 2017/18 was caesarean section delivery. It represented 8.2% of the total inpatient surgeries completed. Alberta had the highest per capita number of these surgeries and the second shortest length of stay.

Table 7: Caesarean Section Surgeries (2017/18)

	AB	BC	ON	QC
Number of caesarean section delivery surgeries per 100,000 population	359	314	282	232
Average acute length of stay (in days) for caesarean section delivery surgery	3.0	3.2	2.8	3.3

Source: CIHI data on Emergency Department Wait Times and number, percentage and average acute length of stay for top 10 high-volume inpatient surgeries by province/territory, HMDB, 2017–2018

Figure 27: 10 Year Trend for Alberta's Waiting Times as a Percentage of Meeting the Benchmark



Note: The metrics is the percentage of times the province met with benchmark time for the procedures listed. Hip Fracture Repair (Acute/Day Surgery) and Radiation Therapy were measured beginning in 2009 Hip Fracture Repair (Emergency) was measured beginning in 2010.

Source: CIHI data for wait time for procedures in Canada 2008 to 2018

Health System Indicators (1 of 2)

In terms of the health system indicators, relative to the comparator provinces, Alberta has:

- One of the highest number of family medicine physicians and an average number of specialist physicians
- The lowest life expectancy at age 0
- The highest infant mortality rates and the lowest general mortality rates per 1,000 population
- The highest number of deaths from major cardiovascular disease and suicide per 100,000 population
- The lowest incidence of end-stage renal disease
- An average percentage of patients being readmitted to the hospital within 30 days
- An average rate of in hospital sepsis per 1,000 population
- The second highest number of hospitalized heart attacks per 100,000 population.

Table 8: Health System Indicators

	AB	BC	ON	QC
Number of family medicine physicians per 100,000 population	128	131	112	122
Number of specialist physicians per 100,000 population	119	112	112	127
Life expectancy at age 0	81.5	82.5	82.5	82.4
Infant (under 1 year old) mortality rates per 1,000 population	4.9	3.1	4.7	4.0
General mortality rates per 1,000 population	6.0	8.0	7.3	7.7
Deaths from major cardiovascular diseases per 100,000 population	195.2	174.5	163.0	150.1
Deaths from intentional self-harm (suicide) per 100,000 population	15.2	9.7	10.0	10.4
Incidence of end-stage renal disease patients per 1,000,000 population	136	207	218	N/A
Patients readmitted to hospital (percentage) within 30 days	9.0	9.7	9.2	8.9
In hospital sepsis per 1,000 population	3.8	3.2	4.3	3.2
Hospitalized heart attacks per 100,000 population	227	197	217	309

Legend: **Red** – higher than average for negative indicator and lower than average for positive indicator.

Yellow – middle value(s) for indicator.

Green – lower than average for negative indicator and higher than average for positive indicator.

Source: Analysis based on CIHI data (2017 - number of physicians, hospital patient readmission, in-hospital sepsis, hospitalized heart attacks, end-stage renal disease, CIHI 'yourhealthsystem' data - In Depth, Incident End-Stage Renal Disease (ESRD), Patients by Primary Diagnosis, Report ID: PROC17) and Statistics Canada (Tables 13-10-0713-01, 13-10-0114-01, 13-10-0800-01) and Alberta population data.

Health System Indicators (2 of 2)

The Panel requested that Alberta Health and Alberta Health Services identify a set of key indicators that could be used to benchmark and guide improvements in Alberta's health system. Table 9 reflects the set of indicators which Alberta Health and Alberta Health Services have developed for this purpose.

Table 9: Key indicators for Alberta Health and Alberta Health Services

	AB	BC	ON	QC
Provincial Per Capita Spending on Health Care				
Total – Nominal	\$ 5,077	\$ 4,267	\$ 4,080	\$ 4,370
Hospital	\$ 1,964	\$ 1,941	\$ 1,471	\$ 1,547
Physician	\$ 1,178	\$ 943	\$ 1,000	\$ 966
Drugs	\$ 382	\$ 221	\$ 400	\$ 297
Total – Age / Gender Standardized ¹	\$ 5,312	\$ 3,836	\$ 3,706	\$ 3,643
Physicians				
APP payments as a % of total physician payments	13%	20%	36%	20%
Acute Care				
Patients readmitted to Hospital	9.0%	9.7%	9.2%	8.9%
Percentage of care in hospitals that could be provided in a more appropriate care setting (% of hospitalization days)	18.3%	13.0%	14.6%	N/A
Median number of days hospital stay extended until home care services or supports ready	11	7	7	N/A
Ambulatory Care Sensitive Condition Hospitalization Rates, per 100,000	338	294	314	332
Cost of a Standard Hospital Day	\$ 7,983	\$ 6,539	\$ 5,460	\$ 5,839

	AB	BC	ON	QC
System Performance				
Percentage with access to a regular healthcare provider	83.7%	82.2%	90.3%	79.4%
Percentage of LPNs relative to RNs	38%	30%	47%	39%
Percentage of NPs relative to Family Medicine Physicians ²	9%	7%	19%	4%
Percentage of facility based beds in a community setting ³	78%	N/A	N/A	N/A
Median wait (number of weeks) from referral by GP to treatment ⁴	26.1	23.2	15.7	15.8

Note:

- (1) Age / gender-standardized rates are used to account for the differences in the age and gender structure of the populations being compared. The population is mathematically adjusted to have the same age and gender structure as the comparator populations.
- (2) Family Medicine includes the specialties of general practice, emergency family medicine and family medicine
- (3) Mental Health and Addictions, Continuing Care (LTC & SL) and Sub-Acute beds are considered community based care; there is no interjurisdictional data accessible for this
- (4) The 'median wait (number of weeks) from a referral by a GP to treatment' is based on a 2018 Fraser Institute report. In discussions with AH / AHS this measure may not be readily available in the future as the data source is based on a survey administered by the Fraser Institute.

Source: Alberta Health and Alberta Health Services Analysis based on CIHI data, Statistics Canada and the Fraser Institute.

Comparison of Total to Physician Expenditure Growth (1 of 2)

Since 2002, Alberta has seen higher growth in both its overall health expenditure and its physician expenditures relative to comparator provinces, as depicted in the table on right and the figures on the following page.

Table 10: Provincial Health Expenditure Growth

	2002 (\$B)	2018 f (\$B)	% Growth
Alberta	\$7.70	\$22.30	190%
British Columbia	\$10.80	\$20.80	93%
Ontario	\$27.30	\$58.20	113%
Quebec	\$16.30	\$36.70	125%
Comparator Average	\$18.13	\$38.57	113%

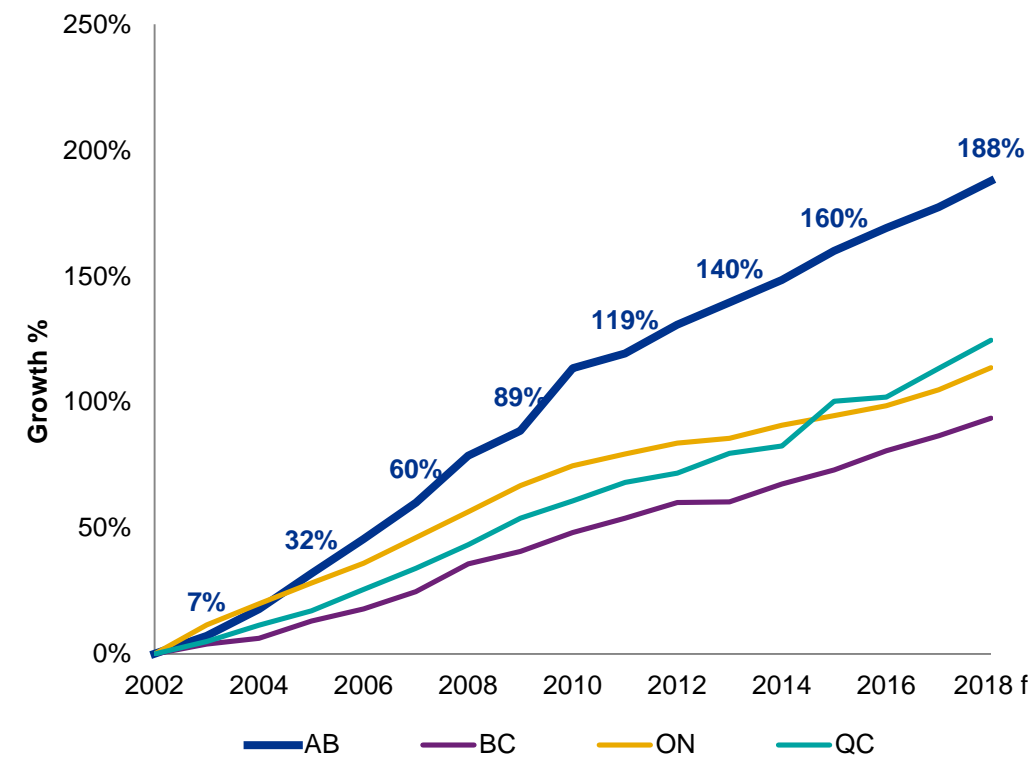
Table 11: Provincial Physician Expenditure Growth

	2002 (\$B)	2018 f (\$B)	% Growth
Alberta	\$1.30	\$5.20	300%
British Columbia	\$2.40	\$4.60	92%
Ontario	\$6.10	\$14.30	134%
Quebec	\$2.90	\$8.10	179%
Comparator Average	\$3.00	\$9.00	200%

Note: Values used for 2017 & 2018 are forecasts. Comparator Average excludes Alberta.
Source: Alberta Health completed analysis of the CIHI National Health Expenditure Database.

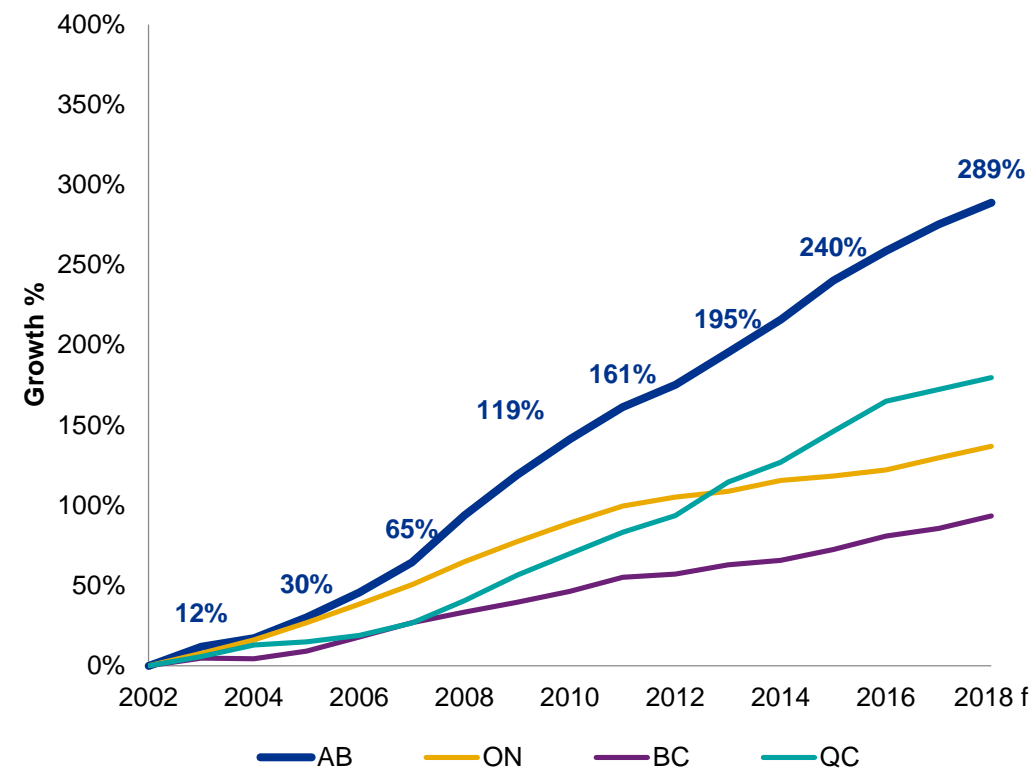
Comparison of Total to Physician Expenditure Growth (2 of 2)

Figure 28: Provincial Health Expenditure Growth



Note: Values used for 2017 & 2018 are forecasts.
Source: Alberta Health completed analysis of the CIHI National Health Expenditure Database.

Figure 29: Provincial Physician Expenditure Growth



Note: Values used for 2017 & 2018 are forecasts.
Source: Alberta Health completed analysis of the CIHI National Health Expenditure Database.

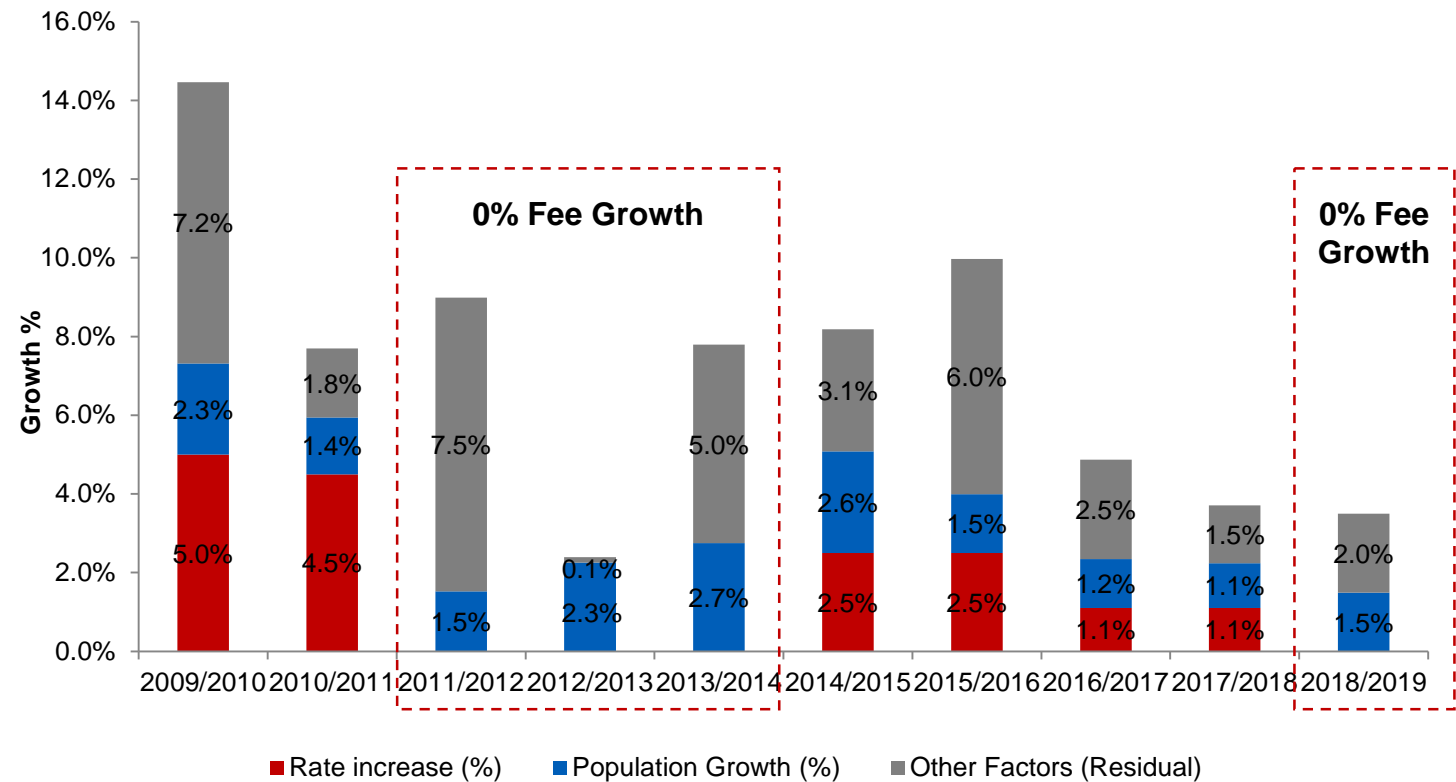


Physician Service Expenditures

Rate increases, population, and utilization growth are key drivers of the total growth in the physician services expenditure.

In 2018/19, physician services costs grew by 3.5% driven primarily by utilization as measured by population growth, and other factors (e.g., grant reallocations); physician rates were unchanged.

Figure 30: Component's of Alberta's Physician Service Expenditures



Note: Includes only comparable items to the existing AMA agreement such as FFS, AARPS, CARPS, Physician Benefit Pool, Rural Remote North Primary Physician (RRNP), Alt Relationship Plan PMO and Physician on Call Program. In 2018/2019, the Alt Relationship Plan PMO grant was rolled into the Physician Benefit Pool Grant. Some of the numbers may not add up to the totals.

Source: Alberta Health completed analysis of Alberta Health Physician Compensation, Benefits, and Other Initiatives (actual spending), OSI-Statistics Canada Population Estimates.

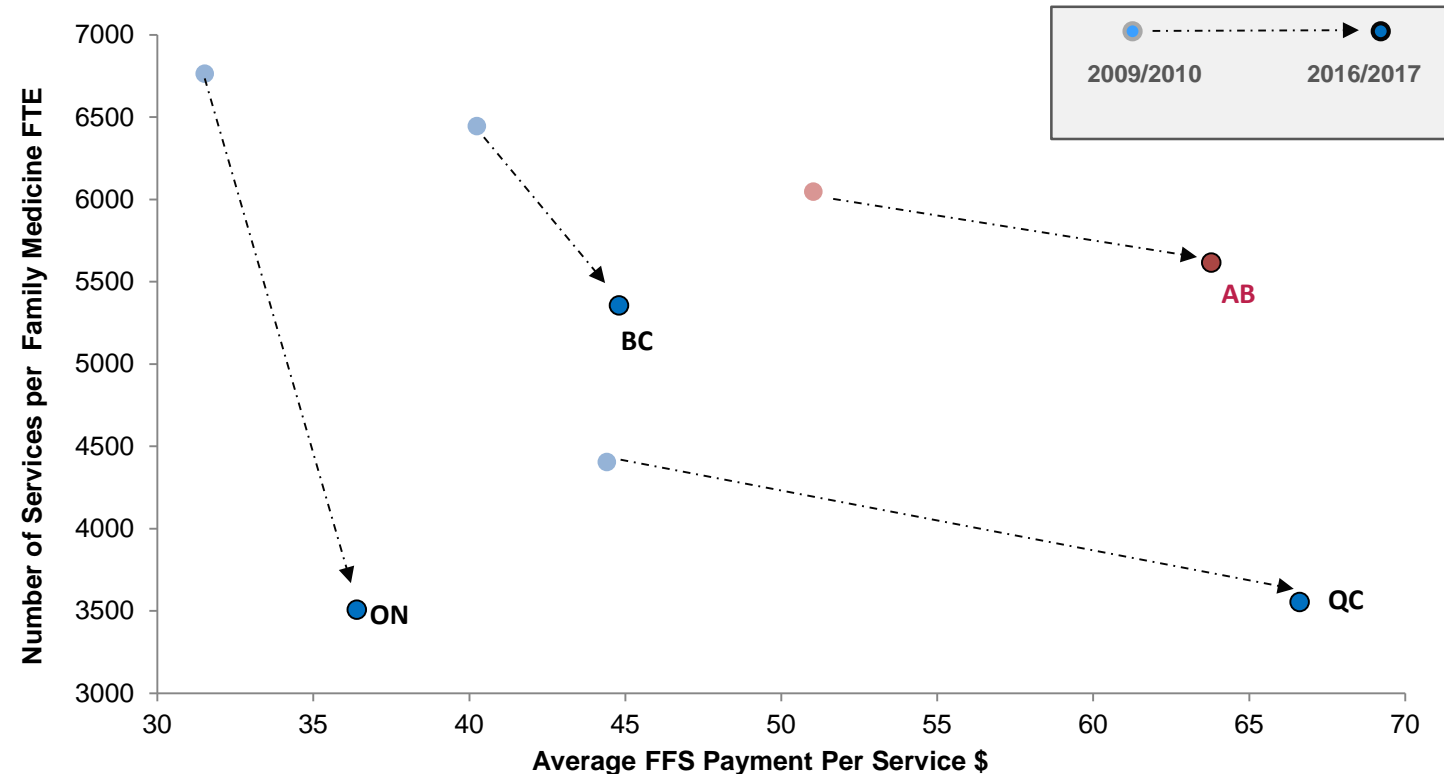
Family Medicine Physician Service Payments

Since 2009/10, Family Medicine Physician average service volumes have declined in all comparator provinces, despite fee increases.

From 2009/10 to 2016/17, the average service volume provided by an Albertan family medicine physician FTE fell by 7% while the average cost per service increased by 37%.

Alberta ranks 2nd highest in fee for service payment rates per service with an average rate of \$64.

Figure 31: Comparison of Fee for Service Payments and Number of Services per FTE Family Medicine Practitioner



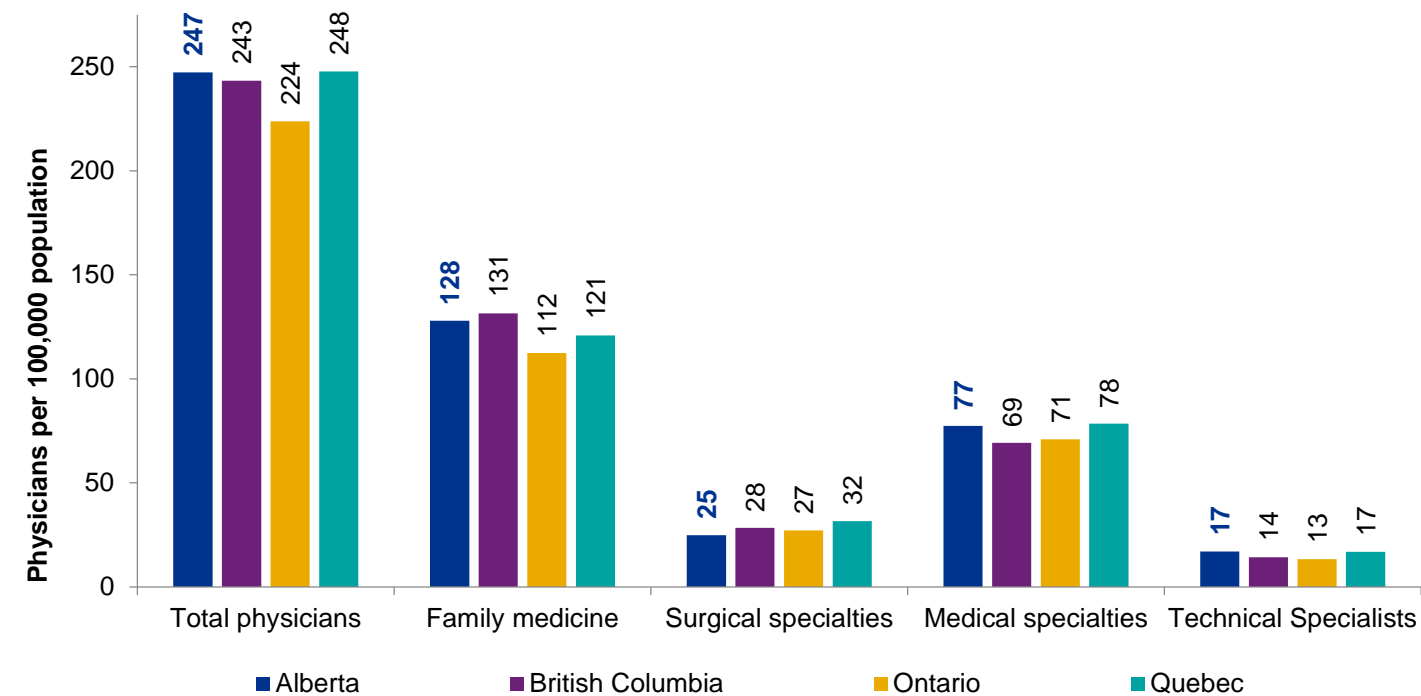
Note: In 2016/17, CIHI's methodology for physicians' Full-Time Equivalent (FTE) for AB and SK was based on FFS payments only, while in other provinces total clinical payments were used.

Source: Alberta Health completed analysis of CIHI National Physician Database.

Number of Physicians

Alberta ranks highest in terms of the supply of technical specialists, 2nd highest in terms of total physicians, family medicine physicians, and medical specialists, and 4th highest in terms of surgical specialists, relative to the comparator provinces.

Figure 32: Physicians per 100,000 Population by Specialty



Note: Technical Specialists include Nuclear medicine, Diagnostic Radiology, Radiation Oncology and Laboratory Specialists. Medical Specialists exclude Nuclear medicine, Diagnostic Radiology, Radiation Oncology.

Source: Alberta Health completed analysis of CIHI Scott's Medical Database 2017, Table 3.0.

Physician Migration

Of all the provinces, Alberta is ranked 2nd highest in terms of interprovincial net in-migration and 4th highest in terms of the physician retention rate.

Table 12: Physicians Migrating Between Canadian Provinces

Province	Total Physicians Residing in 2016	Total Physicians Residing in 2017	Physician Retention Rate	Retention Rate Rank	Net In-migration	Net In-migration Rank
Ontario	30,664	30,733	99.7%	2	69	1
Alberta	10,241	10,293	99.6%	4	52	2
N.B.	1,731	1,737	99.2%	5	6	3
P.E.I.	278	275	98.6%	7	-3	4
Quebec	20,207	20,203	99.8%	1	-4	5
Manitoba	2,731	2,724	99.1%	6	-7	6
Sask.	2,261	2,243	98.4%	8	-18	7
B.C.	11,522	11,492	99.6%	3	-30	8
N.L.	1,301	1,269	96.8%	10	-32	9
N.S.	2,449	2,413	98.2%	9	-36	10

Note: Physician retention rate refers to the percentage of residing physicians in 2016 who continue to practice in the same province in 2017.

Source: Alberta Health completed analysis of CIHI Scott's Medical Database 2017, Table 4.0.

Alternative Payment Programs

Alternative payments programs (APP) in Canada have been on the rise since 2001/02.

Alberta has the lowest percentage of payments for APP in Canada.

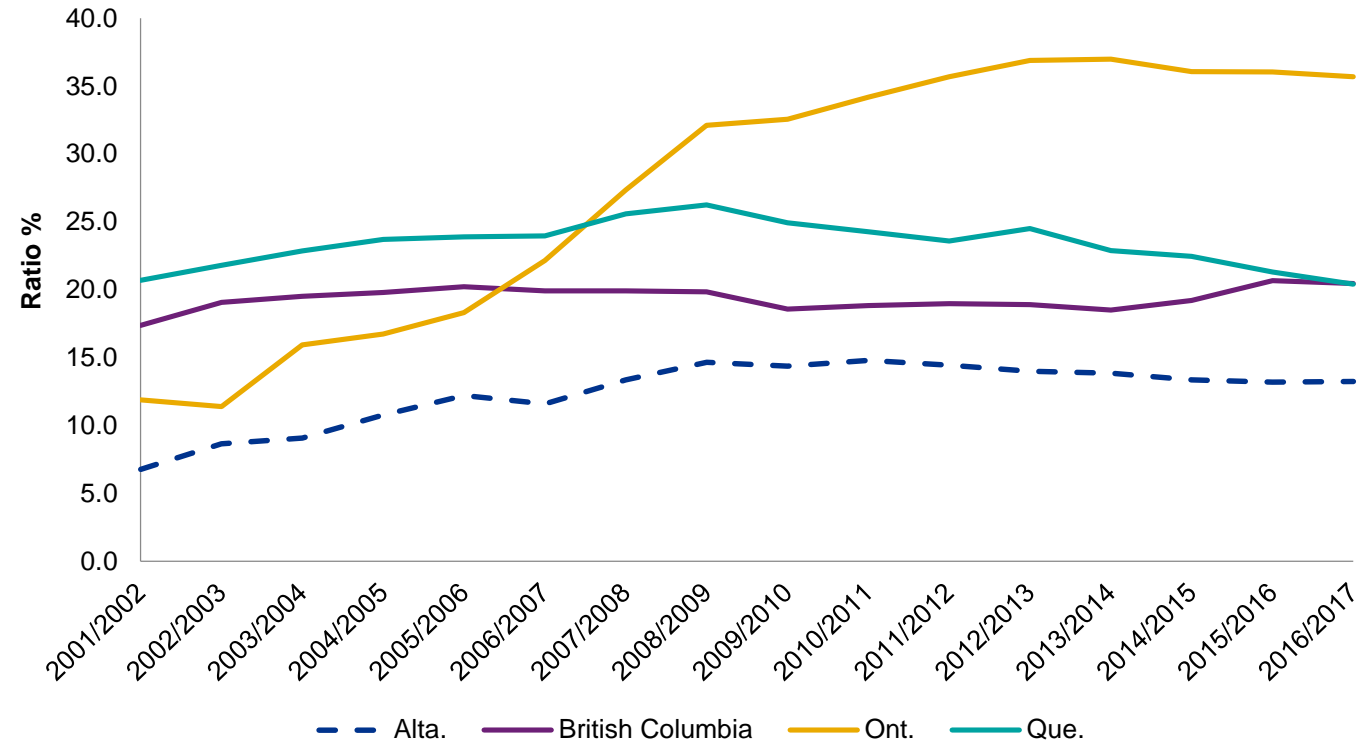
Alberta's total APP payments as a percentage of total clinical payments grew by a modest 1.6% between 2006/07 and 2016/17.

Recent trends show downward pressure on APP payment usage (14.4% in 2011/12 to 13.5% in 2016/17).

Table 13: Annual Alternative Payment Program as a % of All Clinical Payments

Change across 10 years (2006/2007 to 2016/2017)			
Year	2006/2007	2016/2017	Difference
Alberta	11.6%	13.2%	1.6%
British Columbia	19.9%	20.5%	0.6%
Ontario	22.2%	35.7%	13.5%
Quebec	24.0%	20.4%	-3.6%
Comparator Average	22.0%	25.5%	3.5%

Figure 33: Annual Alternative Payment Program as a Percentage of All Clinical Payments

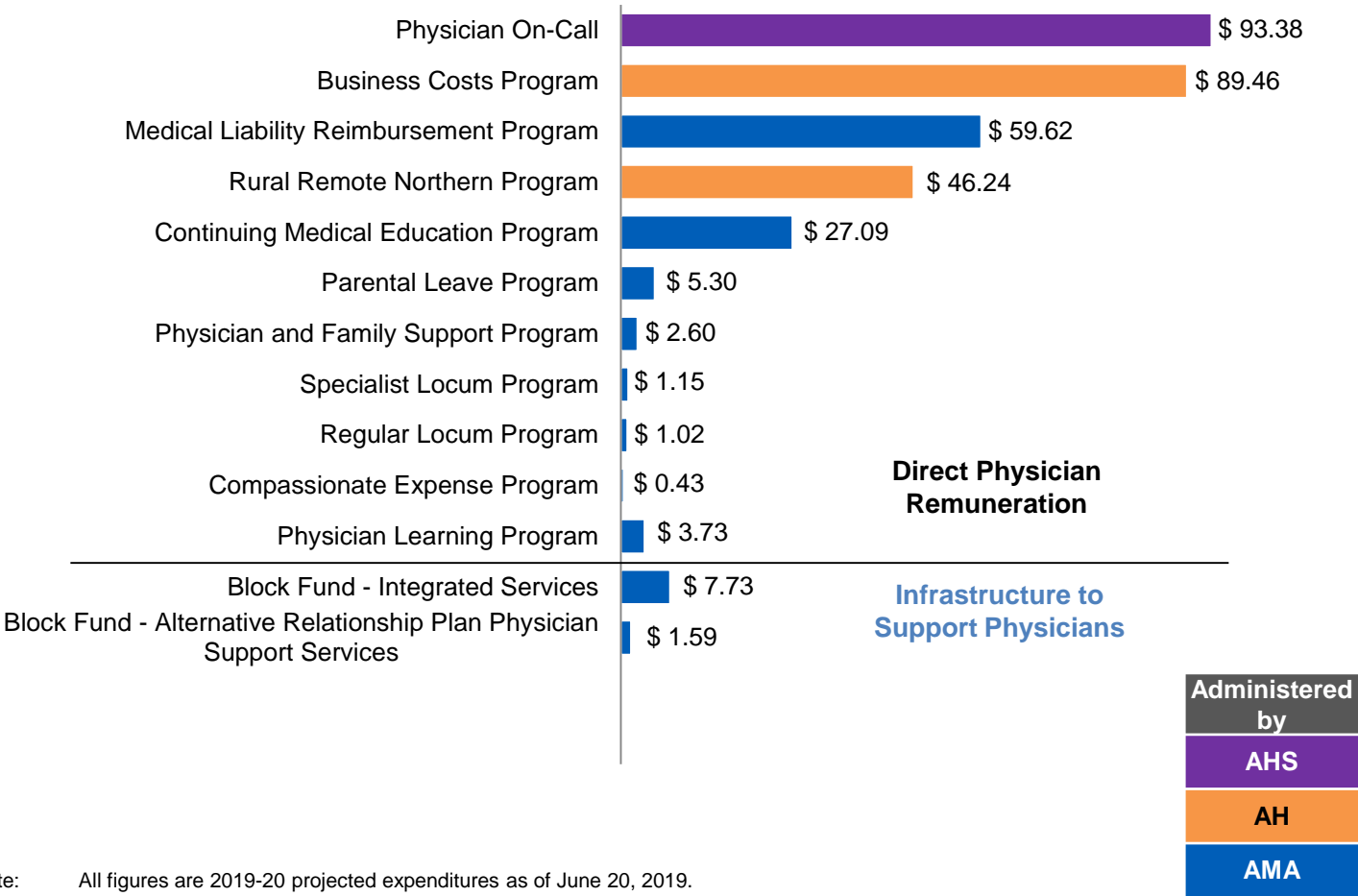


Source: Alberta Health completed analysis of CIHI National Physician Database, Historical Payments and HEF Calculations.

Physician Benefit Programs

Forecasted expenditures of the 13 Alberta Health funded physician benefit programs totaled \$337 million in FY2019-20.

Figure 34: Physician Benefit Program Expenditures (in millions)



Note: All figures are 2019-20 projected expenditures as of June 20, 2019.
Source: Alberta Health completed analysis of financial results.

Health Workforce

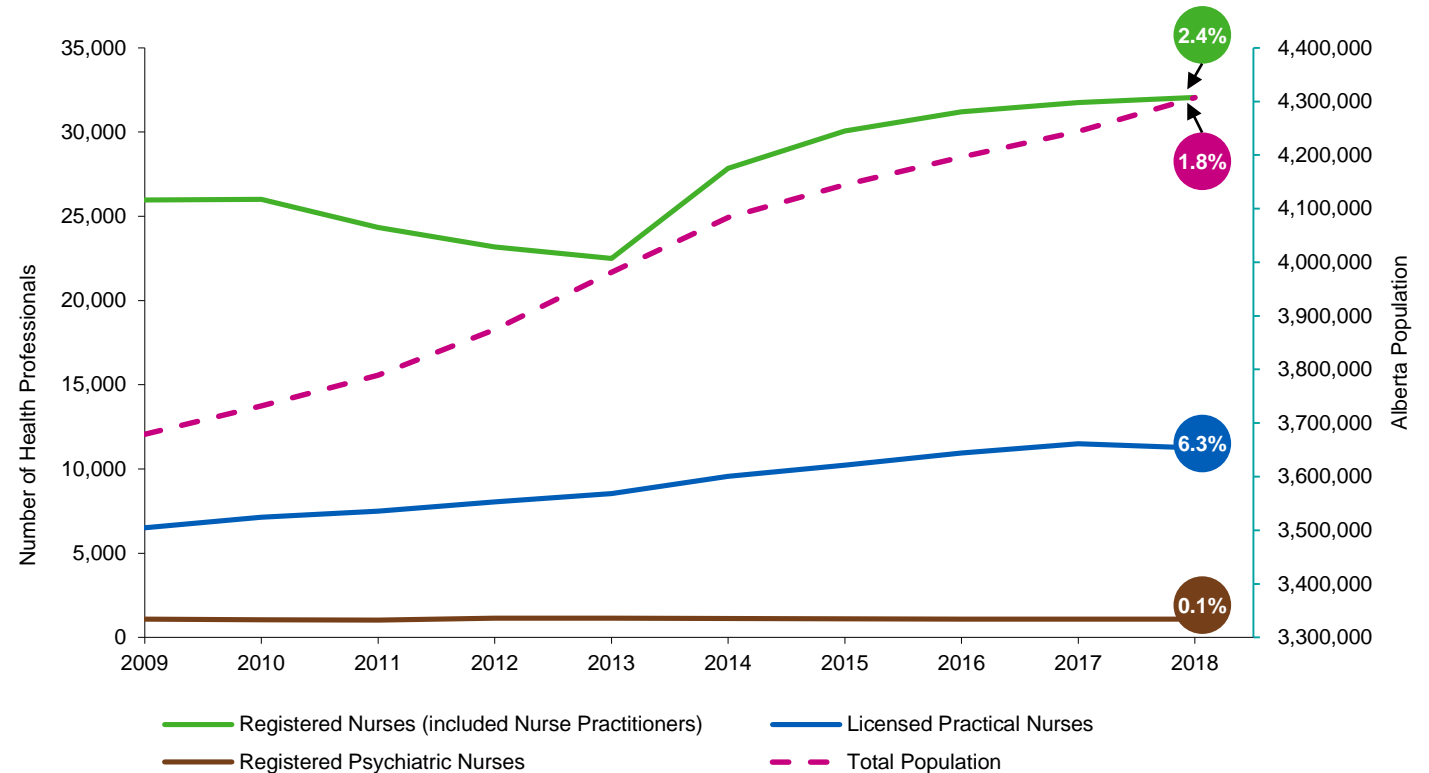
The number of LPNs in Alberta has grown by 73% or 6.3% CAGR from 2009 to 2018. By comparison, RPNs have grown by 0.1% CAGR and RNs by 2.4% CAGR.

Alberta has the highest per capita number of Registered Nurses across the comparator provinces.

Table 14: Number of health workforce professionals (head count) per 100,000 population

Per 100,000 pop.	AB	BC	ON	QC
Number of Family Medicine Physicians	128	131	112	122
Number of Specialist Physicians	119	112	112	127
Number of Registered Nurses (included Nurse Practitioners)	744	654	625	740
Number of Licensed Practical Nurses	261	211	304	273
Number of Registered Psychiatric Nurses	25	45	N/A	N/A

Figure 35: Growth of Nursing Professionals in Alberta



Note: Number of physicians is based on 2017 data, while other sources are based on 2018 data; based on CIHI's reporting of data, separate numbers for Nurse Practitioners are not available over this time period.

Source: CIHI Health Workforce Data 2009 to 2018, and Statistics Canada Population data, Table 17-10-0005-01.

Health Workforce Scope of Practice (1 of 3)

The table below describes the scope of restricted activities for several key health professions in Alberta. Physicians have the broadest scope of practice in Alberta.

Table 15: Scope of Restricted Activities by Key Health Professions in Alberta

Health Profession	#	Degree	Avg. Salary	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Physicians – Specialist	5,652	Doctorate	\$526,664	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Physicians - General Practitioner	3,477	Doctorate	\$391,539	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Nursing - Licensed Practical Nurse	16,657	Diploma	\$53,371	●	●	●			○		○		●	●				○	●		
Nursing - Nurse Practitioner	606	Graduate	\$92,569	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	
Nursing - Registered Nurse	37,853	Baccal.	\$80,129	●	●		●				●	○	○	○	○				●	●	
Nursing - Registered Psychiatric Nurse	1,411	Diploma	\$80,129	●	●		●		●	●	●	●	●	●	●	●			●	●	
Emergency Medical Personnel (Technicians and Responder)	9,440	Certificate	\$62,978	●	●	●	●							●							
Pharmacist	5,559	Baccal.	\$98,037	●				●	○		●	●									
Midwife	132	Baccal.	\$92,569	●	●				●	●	●			●			●			●	

Legend: Scope of practice for restricted activities: ● Complete ● Complete / Partial ○ Partial ○ Partial / Limited ○ Limited

Note: Based on 2018 information. Estimate for average salary for physicians based on fee for service billing information; other salary costs based on the most recent information available on ALIS.

Source: Analysis based on Alberta Health supplied information.

List of Restricted Activities

- A. Performing a prescribed procedure on tissue below the dermis or mucous membrane
- B. Inserting or removing instruments, devices, fingers or hands into natural or artificial body openings
- C. Setting or resetting a fracture of a bone
- D. Reducing a dislocation of any joint
- E. Using a deliberate, brief, fast thrust to move the joints of the spine beyond the normal range
- F. Prescribing a Schedule 1 drug within the meaning of the *Pharmacy and Drug Act*
- G. Dispensing, compounding or selling a Schedule 1 or 2 drug within the meaning of the *Pharmacy and Drug Act*
- H. Administering a vaccine or parenteral nutrition
- I. Prescribing, compounding or administering blood or blood products
- J. Prescribing or administering diagnostic imaging contrast agents
- K. Prescribing or administering anesthetic gases, including nitrous oxide (for anesthesia or sedation)
- L. Prescribing or administering radiopharmaceuticals, radiolabelled substances, radioactive gases or radioaerosols
- M. Ordering or applying any form of ionizing radiation in medical radiography, nuclear medicine or radiation therapy
- N. Ordering or applying any non-ionizing radiation in lithotripsy, MRI or ultrasound imaging (including ultrasound to fetus)
- O. Prescribing or fitting an orthodontic or periodontal appliance, dentures or an implant-supported prosthesis
- P. Performing a psychosocial intervention
- Q. Managing labour or delivering a baby
- R. Prescribing or dispensing corrective lenses

Health Workforce Scope of Practice (2 of 3)

The following tables outline the scope of practice within the nursing professions in Alberta and the comparator provinces. Alberta's nurse professions are able to provide as much care as other provinces, and in some instances more care (for example, compared to Quebec, Alberta's Nurse Practitioners can provide more services).

Table 16: Scope of Practice for Registered Nurses

Registered Nurses	Assessment		Care Planning and Coordination				Practice			Evaluation
	Complete comp. evaluation	Diagnose	Engage patient	Document plan	Modify plan	Make decisions	Prescribe drugs	Perform Procedures	Order Tests	Monitor Outcomes
Alberta	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Not Allowed	Limited	Allowed
British Columbia	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Limited	Limited	Allowed
Ontario	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Not Allowed	Not Allowed	Allowed
Quebec	Allowed	Not Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Not Allowed	Allowed	Allowed

Table 17: Scope of Practice for Nurse Practitioner

Nurse Practitioner	Assessment		Care Planning and Coordination				Practice			Evaluation
	Complete comp. evaluation	Diagnose	Engage patient	Document plan	Modify plan	Make decisions	Prescribe drugs	Perform Procedures	Order Tests	Monitor Outcomes
Alberta	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
British Columbia	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Ontario	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Quebec	Allowed	Not Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Allowed	Allowed	Allowed

Health Workforce Scope of Practice (3 of 3)

Table 18: Scope of Practice for Licensed Practical Nurse





Licensed Practical Nurse	Assessment		Care Planning and Coordination			Practice				Evaluation
	Complete comp. evaluation	Diagnose	Engage patient	Document plan	Modify plan	Make decisions	Prescribe drugs	Perform Procedures	Order Tests	Monitor Outcomes
Alberta	Limited	Limited	Allowed	Allowed	Allowed	Limited	Not Allowed	Not Allowed	Not Allowed	Allowed
British Columbia	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Not Allowed	Not Allowed	Not Allowed	Allowed
Ontario	Allowed	Limited	Allowed	Allowed	Allowed	Limited	Not Allowed	Not Allowed	Not Allowed	Allowed
Quebec	Not Allowed	Not Allowed	Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Undefined

Table 19: Scope of Practice for Registered Psychiatric Nurse

Registered Psychiatric Nurse	Assessment		Care Planning and Coordination			Practice				Evaluation
	Complete comp. evaluation	Diagnose	Engage patient	Document plan	Modify plan	Make decisions	Prescribe drugs	Perform Procedures	Order Tests	Monitor Outcomes
Alberta	Limited	Allowed	Allowed	Allowed	Allowed	Allowed	Limited	Not Allowed	Not Allowed	Allowed
British Columbia	Limited	Allowed	Allowed	Allowed	Allowed	Allowed	Undefined	Not Allowed	Not Allowed	Allowed
Ontario	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined
Quebec	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined	Undefined





Source: Analysis based on 2018 information drawn from various nursing organization and provincial government resources.

Health Business Model Differences (1 of 2)

				
Organization	Ministry of Health (includes Alberta Health Services)	Ministry of Health, Ministry of Mental Health & Addictions (includes Health Authorities and BC Vital Statistics Agency)	Ministry of Health and Long-Term Care (includes LHINs, eHealth Ontario Agency)	Ministry of Health and Social Services
Primary Funding Model	Fee for service, plus operating grants to support non-medical professional costs	Four funding models to fund physicians, the primary model being fee for services	Enhanced funding model, including fee model targeted to specific populations	Not currently available
Core Business	Comprehensive health system responsibility			
Additional Unique Responsibilities	N/A	Works in partnership with the First Nations Health Authority to improve health status of First Nations in BC	Provides for home and community services / supports through the LHINs for people of all ages who require care in their home, at school or in the community.	An integrated model of health and social services.
Unique Goals	<ul style="list-style-type: none"> Population health, focus on health professionals Sustainability Implementing Connect Care Enhancing care in the community 	<ul style="list-style-type: none"> Family care, rural services and enhanced / improved services for seniors 	<ul style="list-style-type: none"> To achieve better connected care Ontario is coordinating provincial health agencies and specialized provincial programs under a single agency, Ontario Health. Sustainability 	<ul style="list-style-type: none"> Meet rapid growth in seniors, chronic disease and increasing disability rates. Respond more effectively to needs of people suffering from chronic diseases, cognitive disorders and disabilities in daily life as well as inequalities related to poverty.

Source: Business Plans (Service Plans), Annual Reports and Ministry websites; Population data to inform per capita from Statistics Canada Table 17-10-0005-01.

Health Business Model Differences (2 of 2)

				
Number of Health Authorities	1 ^(a)	1 Provincial Authority and 5 Regional Authorities	14 Local Health Integration Networks (LHIN)	Not currently available – includes Health regions, various health and social services institutions, and integrated centres.
Total Expenditures per Capita based on budget estimates ^(b)	\$5,113	\$3,977	\$4,149	Not available
Total Expenditures per Capita based on CIHI data ^(c)	\$ 5,077	\$ 4,267	\$ 4,080	\$ 4,370
Administration Expenditures per Capita based on CIHI data ^(d)	\$37	\$56	\$39	\$30

Note: (a) Also includes one large faith based provider of acute and continuing care; other provinces, for example, British Columbia have similar approaches using large faith based providers of acute care.

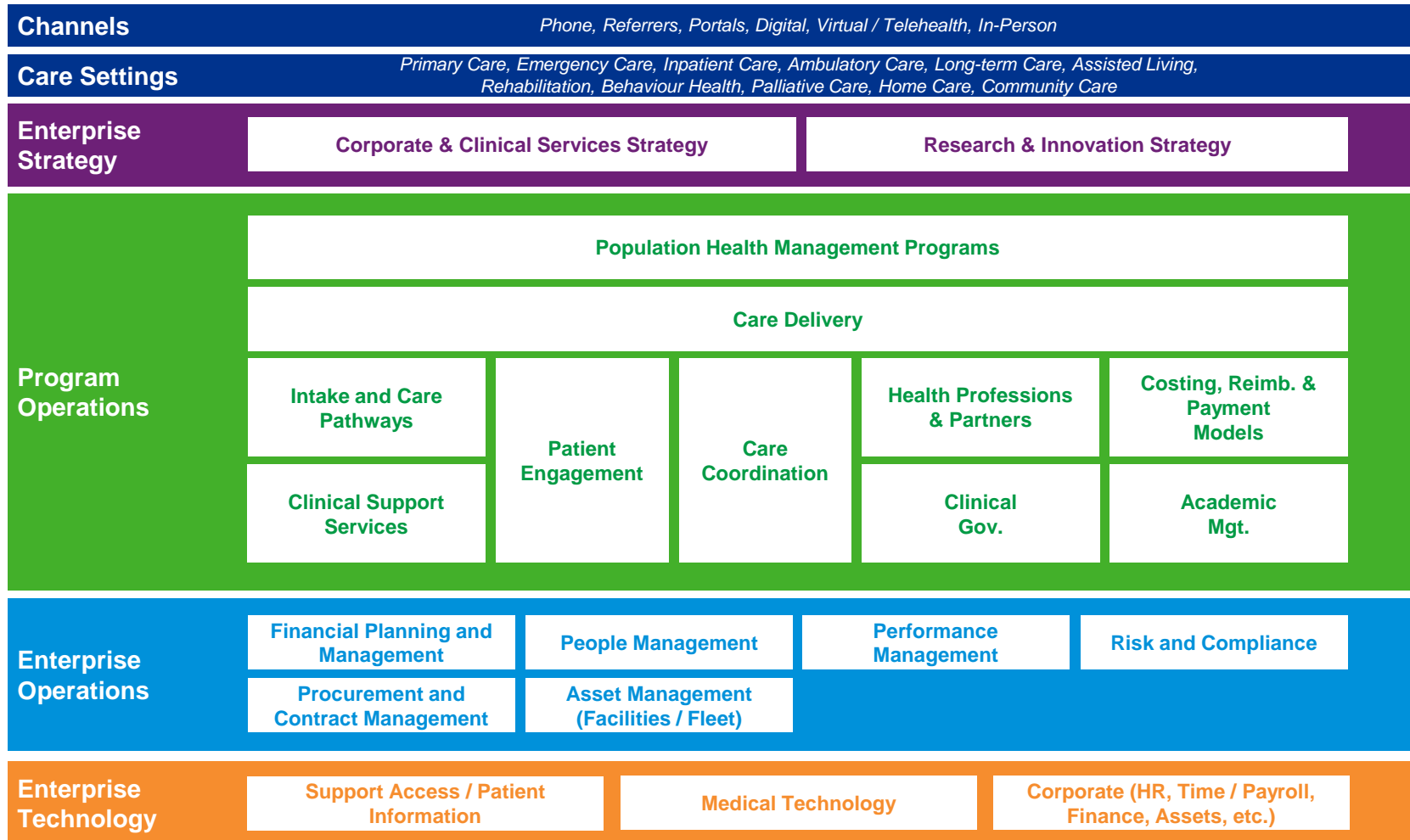
(b) Based on Budget Estimates for Consolidated Operating Expenditures 2018-19.

(c) Based on CIHI data for 2018-19 forecast.

(d) Administration as per the CIHI National Health Expenditure source includes expenditures related to the cost of providing health insurance programs, and all costs for the infrastructure to operate health departments. i.e., information systems, finance, planning, policy development, etc.). Additional items may be included in other estimates for CIHI

Source: Business Plans (Service Plans), Annual Reports and Ministry websites; CIHI national health expenditure data; Population data to inform per capita from Statistics Canada Table 17-10-0005-01.





Connected Enterprise Framework for Health



Health Expenditure Comparisons

Table 20: Health Budget Estimates 2018-19

% of Total Expenses // Per Capita Exp.

								
Enterprise Strategy	1.1%	\$56	0.05%	\$2	0.15%	\$6		
Program Operations	89.6%	\$4,554	87.5%	\$3,478	94.2%	\$3,910		
Population Health Management Programs	2.8%	\$144	5.8%	\$229	4.3%	\$179		
Care Delivery	46.8%	\$2,392	81.7%	\$3,248	45.8%	\$1,898		
Intake and Care Pathways	0.1%	\$6	-	-	0.04%	\$2		
Clinical Support Services	14.4%	\$735	0.01%	<\$1	11.7%	\$485		
Patient Engagement	0.3%	\$13	-	-	0.3%	\$10		
Care Coordination	-	-	0.02%	\$1	-	-		
Health Professionals & Partners	1.6%	\$81	-	-	0.01%	\$1		
Clinical Governance	0.1%	\$3	-	-	0.2%	\$9		
Costing, Reimbursement & Payment Models	22.8%	\$1,166	-	-	30.7%	\$1,274		
Academic Management	0.3%	\$14	-	-	1.3%	\$53		
Enterprise Operations	7.1%	\$365	12.5%	\$497	4.6%	\$190		
Enterprise Technology	2.7%	\$139	-	-	1.0%	\$43		
Total Expenditures per Capita	\$5,113		\$3,977		\$4,149			

As Quebec's Ministry of Health and Social Services delivers an integrated portfolio of programs, KPMG was unable to separate the expenses for the different sectors. Appendix A includes a summary of the combined view of the Health and Community and Social Services Connected Enterprise analysis across the comparator provinces

Note: Consolidated views for British Columbia do not exist and for Ontario are limited and not detailed; expenditures by health authority / LHIN for these provinces were included using estimating assumptions. Based on validation by Alberta Health and Alberta Health Services there is greater reliability in how the budget estimates have been mapped and allocated across the Connected Enterprise model. The same level of reliability is not present with the figures for British Columbia and Ontario as this was based on similar line item descriptions to Alberta and / or based on experience.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia and Ontario; Population data to inform per capita expenditures from Statistics Canada Table 17-10-0005-01.

Innovative Models in Health (1 of 6)

There are numerous examples of innovative practices and alternative approaches being used around the world to improve population health outcomes while also improving the efficiency of the overall health system and/or increasing the value for money. The following illustrates just a few of the many innovative approaches that are in practice today.

Practice	Description	Known / Identified Results	Further Information / Source
Global funding models for physician pay that incentivize team results and focus on social determinants of health	<p>Community Health Centres (CHC) are typically non-profit primary care organizations that provide integrated health care and social services, with a focus on addressing the social determinants of health. CHCs have been an effective but under-valued model for delivering primary health care for decades in Canada and the US.</p> <p>One of the unique features of the model is its strong focus on the social determinants of health and preventing acute illness among groups who are more likely to experience poor health and suffer from chronic conditions, including low-income people, ethno-cultural communities, Indigenous peoples, and frail seniors.</p> <p>In Canada, CHCs in Ontario are globally funded (one funding envelope to cover all operating and staffing costs) by the Ontario Ministry of Health through their respective Local Health Integration Network (LHIN) (similar to BC's regional health authorities) and accountable to their LHIN.</p>	<p>Critical to the success has been the global funding model where the physician is paid a salary (with pension and benefits) as it incentivizes team results. It provides considerable flexibility to the CHC to hire staff and develop services appropriate to the specific needs of their patient population, shift funding priorities in response to changes in community needs and demographics and opens up opportunities to develop innovative funding partnerships to support new community initiatives, sector-wide improvement strategies and needed infrastructure.</p> <p>In contrast when physicians are compensated on a fee-for-service model disincentives are created to working with other providers and developing collaborative strategies for improving quality and cost-effectiveness of care.</p> <p>There are many other examples that support alternative pay models to fee-for-service. Also refer to the recent KPMG report referenced at the end of this section.</p>	https://www.policynote.ca/chcs-in-bc/

Note: This information does not represent KPMG's advice or opinion.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Innovative Models in Health (2 of 6)

Practice	Description	Known / Identified Results	Further Information / Source
Consistent measurement and related compensation models that focus on health outcomes	<p>Kaiser Permanente is the largest integrated non-profit healthcare system in the United States, generating \$79.7B USD in operating revenues in 2018 alone with a “profit” of \$2.5B USD. While there has been debate as to its full applicability to Canada’s public system, there are aspects of the Kaiser model that should be considered.</p> <p>The Kaiser model stresses a consistent measurement and comparison of outcomes aligned with proper structure and incentives to encourage evidence-based care – a key component of a learning healthcare system. Also, Kaiser physicians are paid a salary for their services instead of fee-for-service compensation. Incentives for performance features such as access, patient satisfaction, and ensuring evidence-based care supplement physician salary as well as profit sharing through shareholder ownership.</p> <p>The model of capitation applied by Kaiser is analogous to capitated primary care models in Canada that have a goal of providing high-quality, affordable care and managing population health rather than generating high volume of services. Unlike most models in Canada, the Kaiser capitated payment model extends beyond family practitioners to specialists. It should also be noted that foundational to the Kaiser model being able to achieve the degree of integration with its entire care team is through seamless communication using integrated information technology.</p>	<p>Reforming health systems to improve patient care and increase value to payers requires change in the way health services are reimbursed. Practices in other jurisdictions are marrying changes to reimbursement with using outcome measures and aligning accountability structures with patient care goals.</p> <p>Some jurisdictions have had early success using fixed bundled payments for patient conditions that span the health system continuum. Others are introducing evidence-informed pricing models to improve outputs and outcomes for specific acute care procedures and treatment.</p>	Various sources on Kaiser Permanente

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Innovative Models in Health (3 of 6)

Practice	Description	Known / Identified Results	Further Information / Source
Information sharing across the broader health and social support systems to enable real time communication and coordination of services	<p>In Alberta, all of the medical facilities keep their own records of the services they provide to their patients. A copy of information that is considered “key health information” is now sent to Alberta Netcare allowing health care professionals at sites across the province to access that information whenever they need it.</p> <p>While, Alberta has made great strides, along with Ontario and Manitoba which also appear to be either above or equal to the national average with respect to the use of both information and communication technologies and the use of electronic medical records (EMR) in their primary care practices (Canadian Institute for Health Information, 2016), the Northwest Territories is the only jurisdiction in Canada with a fully interoperable and jurisdiction-wide EMR.</p> <p>More specifically no jurisdiction in Canada (apart from small scale initiatives) other than NT offers EMRs that can facilitate information sharing between patients/caregivers and providers beyond traditional medical professionals to access information and engage in real-time communication through a digital charting system.</p> <p>Alberta is currently working on a Connect Care initiative that will address approximately 65% of the 1,300 clinical and administrative information systems as well as the work done in launching “My Health Record,” which provides a patient centric view of their personal health record.</p>	<p>There is evidence to suggest effective care transitions between acute and community settings requires comprehensive planning for discharge, improved communication between providers and with clients, medication reconciliation and management, patient and caregiver education, and timely primary care follow-up and supports in the community and/or home.</p>	<p>NAO Rapid Review https://ihpme.utoronto.ca/research/research-centres-initiatives/nao/rapid-reviews/rapid-review-2/</p>

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Innovative Models in Health (4 of 6)

Practice	Description	Known / Identified Results	Further Information / Source
An increasing number of jurisdictions are introducing programs to engage and better leverage the private sector to drive both efficiency in service delivery and innovative solutions for care	<p>Founded in 2012 by Stephen Johnston and Katy Fike, Aging2.0 strives to accelerate innovation to address the biggest challenges and opportunities in aging. Aging2.0's international, interdisciplinary and intergenerational community has grown to 40k+ innovators across 20+ countries, including five chapters in Canada, although none in Alberta.</p> <p>Aging 2.0 recent research discovered an increasing number of startups operate on the social determinants of health, in particular social inclusion. Experts in aging have always emphasized the importance of "whole person" care, rather than purely just treating the clinical symptoms, and this is the direction that healthcare as a whole is heading. Moreover, many promising areas for innovation including wearables, smart homes, voice interface, robots, and autonomous vehicles are being driven from outside healthcare entirely. Government alone cannot deliver this kind of innovation and needs to be able to direct funding to the private sector to innovate at the pace needed.</p> <p>In Canada, the use of private clinics in Saskatchewan provides an excellent example of leveraging the private clinics to deliver specific procedures more affordably. Comparing the cost of performing 34 procedures in private clinics and in hospitals shows that in all cases the clinics were less expensive. The cost savings varied across procedures, but it should be noted that in four cases it was twice as expensive to perform procedures in hospitals relative to the clinics.</p>	<p>Reforming the health system requires challenging the traditional focus of the health system and to broaden the focus on the social determinants of health.</p> <p>This is particularly important when addressing the aging population and the need to support seniors care outside of traditional facilities.</p>	<p>https://www.aging2.com/blog/new-aging20-report-on-the-state-of-global-innovation-in-aging-and-senior-care/</p>

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Innovative Models in Health (5 of 6)

Practice	Description	Known / Identified Results	Further Information / Source
Other common innovative practices emerging include enhanced use of technology to support rural and remote health, public health initiatives and enabling seniors to stay in their homes and communities longer.	<p>The Program of All-Inclusive Care for the Elderly (PACE) in the US is a model of care to promote effective and efficient treatment of patients with multiple chronic conditions outside of the hospital setting. PACE incorporates interdisciplinary team care and an adult daycare to meet the needs of older adults with multiple chronic conditions, helping them remain in the community.</p> <p>Norway redesigned senior homes to make them more suitable for elderly with cognitive impairments. Use of technology to keep elderly in the home, e.g. a smart stove, kettle, fridge, mattress. Integrated teams support the elderly within the community, funding is provided to coordinate services as well as penalties charged for allowing "bed-blockers" (individuals who occupy acute care beds) that could be transferred.</p> <p>The Geisinger Health System in the US delivers community care, ambulatory services, acute care and specialty hospitals, and developed the ProvenHealth Navigator to improve care coordination for people who require significant medical services. At-risk patients are monitored at home through a virtual care management support system, and a nurse contacts the patients when there are abnormalities. A personal patient navigator responds to patients' questions 24/7. This program has resulted in marked reductions in ER visits, hospital readmissions and in-patient costs.</p>	<p>New approaches and use of technology to deliver inter-professional care and teams and introducing new roles to support different patient populations, particularly those who are frequent users of acute care services have demonstrated better health outcomes at lower cost.</p>	<p>https://www.medicaid.gov/medicaid/ltss/pace/index.html</p> <p>https://www.geisinger.org/</p>

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Innovative Models in Health (6 of 6)

Practice	Description	Known / Identified Results	Further Information / Source
Various	<p>A recent KPMG publication includes examples of practices applicable to Canada covering</p> <ul style="list-style-type: none"> ▪ International Medical Graduates ▪ Rural Practice ▪ Scope of Practice ▪ Operational Excellence 	N/A	https://assets.kpmg/content/dam/kpmg/ca/pdf/2019/06/24149-igh-mark-britnell-book-v5-web.pdf

Note: This information does not represent KPMG's advice or opinion.

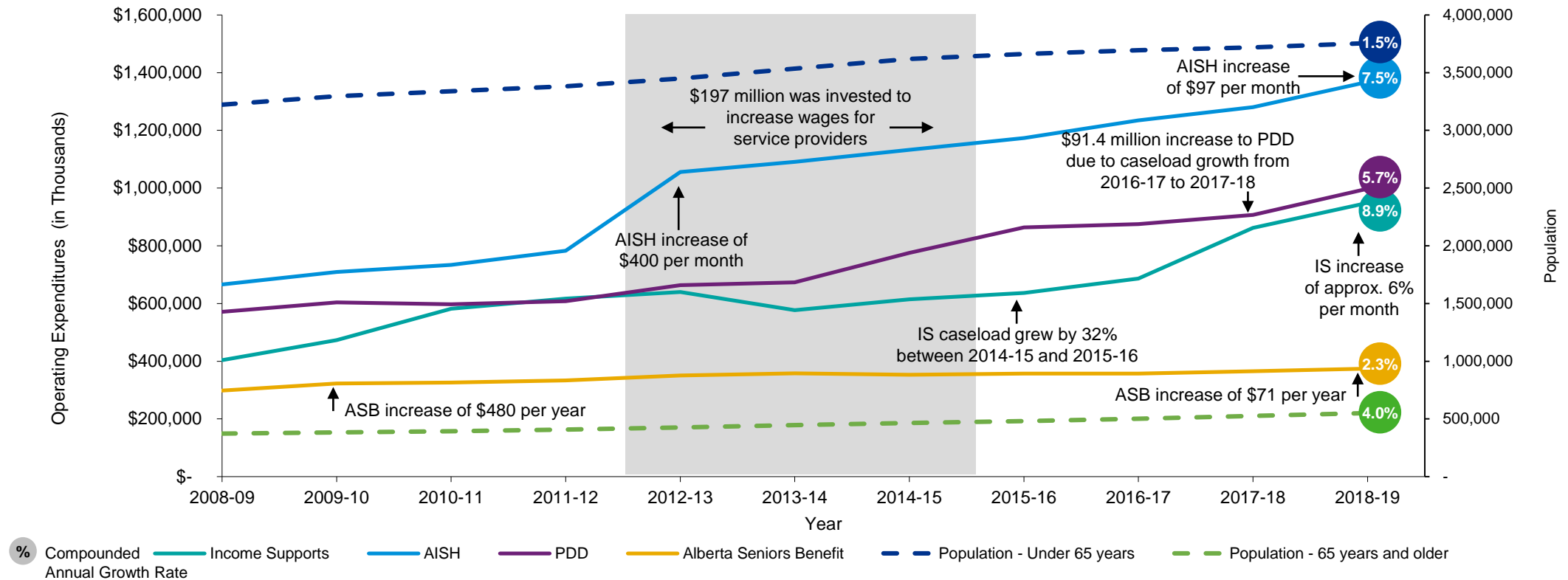


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Key Trends for CSS (incl. Seniors) in Alberta

Figure 36: 10 Year Trend for Alberta's Major Expenditures in Community and Social Services (incl. Seniors)



Note: Health benefits associated with Income Supports and AISH were transferred to Alberta Health in 2014-15; these amounts were added back to the above data to provide a comparable 10 year trend line.

Source: Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta; Population data from Statistics Canada Table 17-10-0005-01.

Caseloads

Caseloads for the AISH, FSCD and PDD programs have increased year-over-year in Alberta. According to the Ministry of Community and Social Services, this trend is expected to continue for 2018/19 and into the foreseeable future.

Caseloads were only available for AISH, FSCD and PDD programs. No comparator caseload data was publicly available for any of the programs. Caseloads for AISH, FSCD and PDD are outside of Alberta's approved benchmark ranges.

Figures 37 and 38 (on the following page) show the 10 year growth in the average monthly caseloads and the average monthly cost per case across the various CSS programs from 2008/09 to 2018/19:

- The Expected to Work or Working (Income Support) caseload increased by 8.4% CAGR and the cost per case increased by 1.5% CAGR.
- The People with Barriers to Full Employment (Income Support) caseload increased by 6.4% CAGR and the cost per case increased by 2.2% CAGR.
- The AISH caseload increased by 5.1% CAGR and the cost per case increased by 4.3% CAGR.
- The PDD caseload increased by 3.2% CAGR and the cost per case increased by 2.9% CAGR.
- The FSCD caseload increased by 4.9% CAGR and the cost per case increased by 1.1% CAGR.

Table 21: Workloads by Program

Program	Role	No. of FTEs (1)	Current Caseload (1)	Approved Benchmark Ranges	Current Caseload per FTE
Assured Income for the Severely Handicapped	AISH Generalist	198.9	60,644	225 to 265	305
Family Support for Children with Disabilities	FSCD Worker	245 (combined for both roles)	13,173	85 to 100	108
Persons with Development Disabilities	PDD Coordinator		12,035	80 to 95	98

Table 22: Caseload Growth (Actual and Forecast)

Program	207/18 Growth (Actual)	2018/19 Growth (Est.)	2019/20 Growth (Est.)	2020/21 Growth (Est.)
Assured Income for the Severely Handicapped	6.6%	5.0%	4.4%	5.0%
Family Support for Children with Disabilities	10.8%	8.0%	8.4%	7.5%
Persons with Development Disabilities	4.9%	5.0%	5.0%	5.0%

Note: (1) As of September 2018.

Source: Analysis of Alberta Community and Social Services information on workload benchmark ranges and forecasted caseload growth.

Average Caseloads and Costs per Case

Figure 37: 10 Year Alberta Average Monthly Caseload

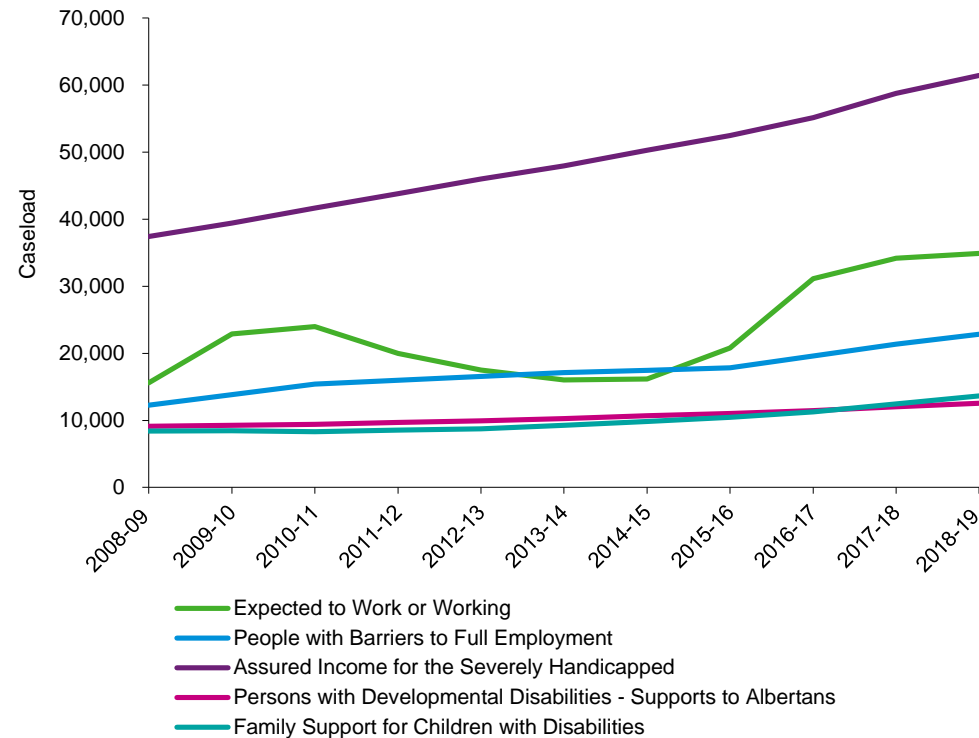
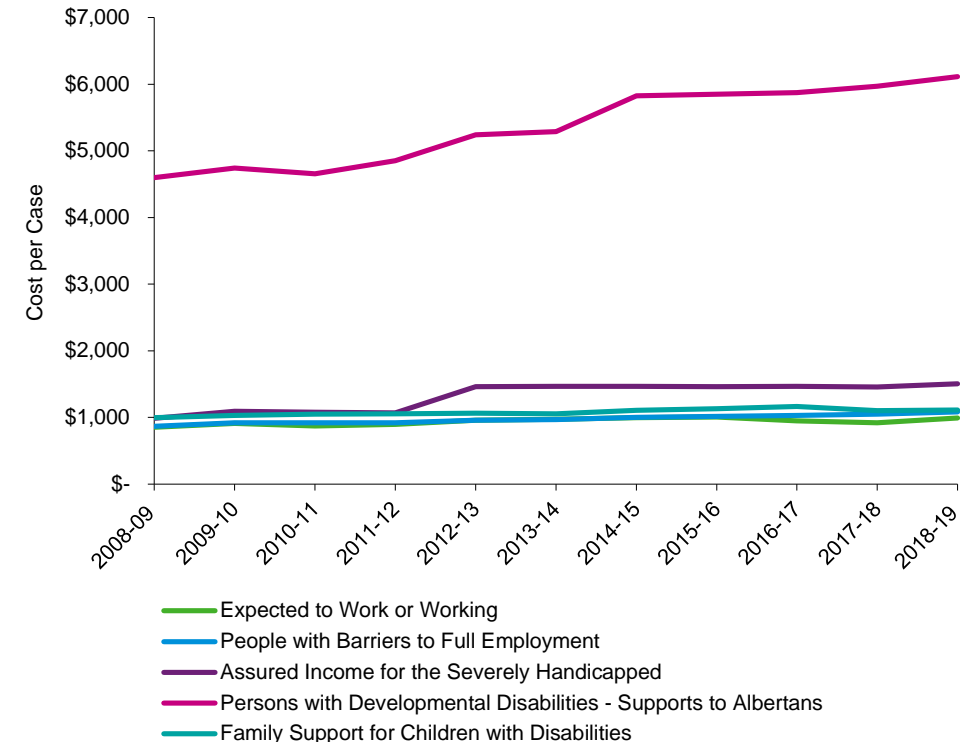


Figure 38: 10 Year Alberta Average Monthly Cost per Case



Source: Analysis of Alberta Community and Social Services caseload and cost data.

Source: Analysis of Alberta Community and Social Services caseload and cost data.



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Indexation of Financial Assistance

The indexation arrangements for major income assistance programs (other than for seniors) identified are shown in Table 23. Of the comparator provinces, Quebec and Alberta index financial assistance rates. Outside of these comparators, Manitoba indexes its rental assistance benefit to 75% of the median market rent for Winnipeg; no other benefits are indexed.

Table 23: Indexation Arrangements by Province

AB	BC	ON	QC
Annually (as of January 2019)	None; rates were increased in 2017	None	Annually; basic amounts indexed by CPI (excluding alcohol and tobacco)

The following changes to payment arrangements have been identified in other provinces.

- Ontario increased its income 'free' area for Ontario Works from \$200 to \$300, and from \$2,000 to \$6,000 per year for the Ontario Disability Support Program in 2019. This means people on benefits who earn more are able to retain more of their earnings.
- In Quebec, the Aim for Employment program replaced Social Assistance for new cases (expected to work or working) in 2018, with a rate of \$669 per month (previously \$805 per month). A labour market plan is prepared for every participant, and the program is compulsory for 12 months.
- Saskatchewan announced (June 18, 2019) a new Income Support program, beginning July 2019. Features include:
 - Monthly earned income exemptions increased to allow clients to keep more of their earnings;
 - Motivational interviewing to support clients to make positive decisions and reach their goals;
 - A new online application process, saving time and paperwork;
 - A simpler benefit structure, to reduce paperwork and increase the time staff can spend helping clients.

Source: Analysis of information collected from the governments of Ontario, British Columbia, Quebec, Manitoba, and Saskatchewan websites.

Seniors in Alberta (1 of 2)

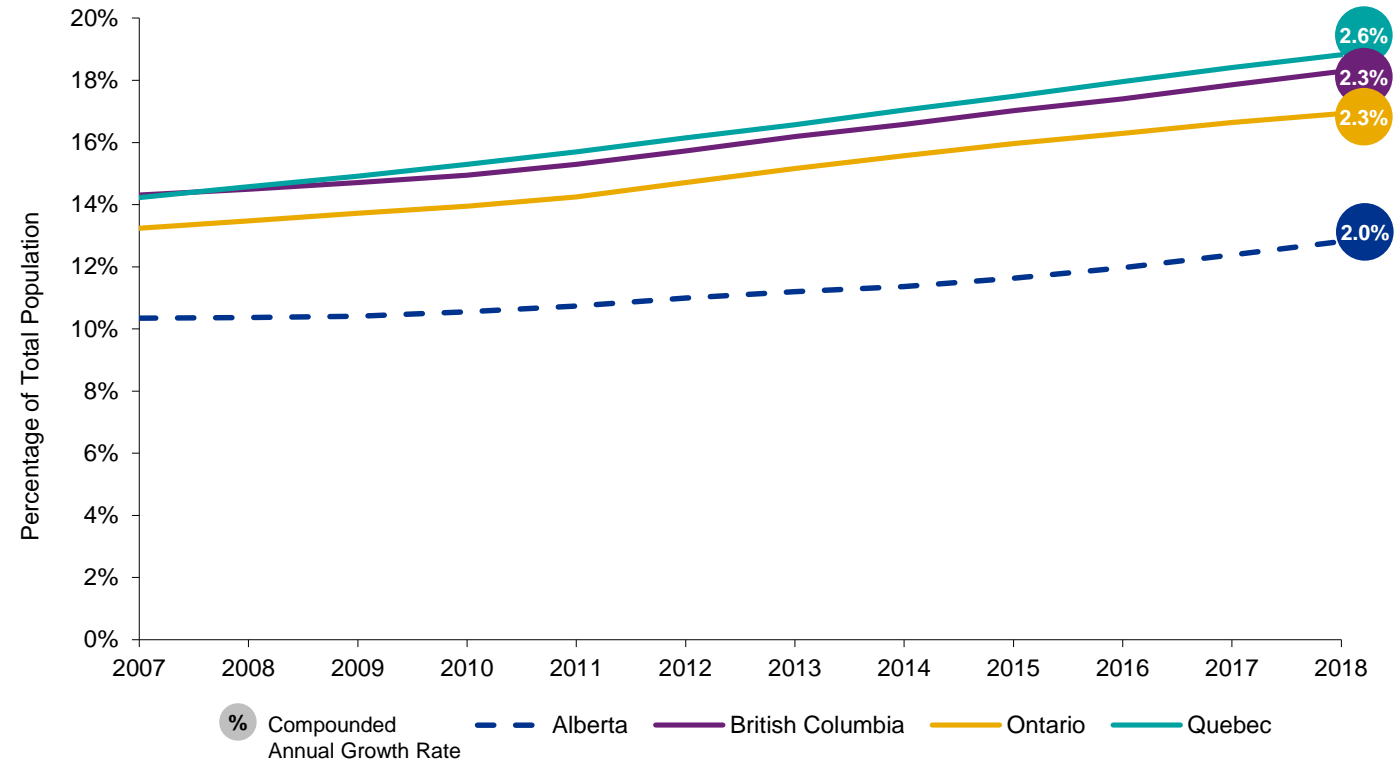
Alberta's total seniors population is growing faster than the comparator provinces, but has the lowest proportion of seniors to its total population.

Between 2007 and 2018, the total number of people over the age of 65 grew by 52% (or 3.9% CAGR), compared to an average of 45% (3.5% CAGR) across the other provinces.

As a percentage of the total population, the growth of the seniors population in Alberta has not been as high as the comparator provinces, as depicted in Figure 39.

There are fewer people aged over 65 in Alberta compared to other provinces (12.8% in 2018 compared to an average of 18% in the comparator provinces), and the rate of growth in this indicator has also been slower, increasing by 24% (2% CAGR) points compared to an average of 29% (2.4% CAGR) across other provinces (2007-2018).

Figure 39: Change in Proportion of Total Population 65 years and older

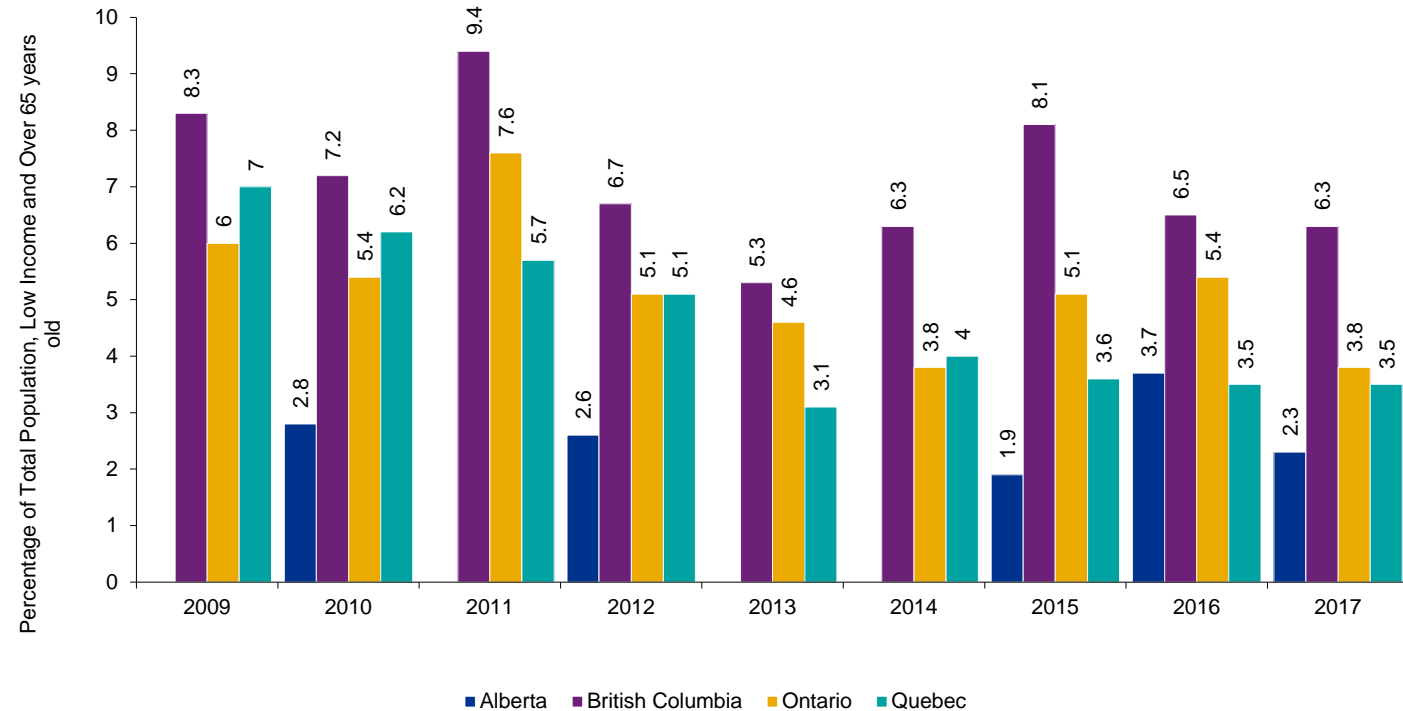


Source: Population estimates on July 1st, by age and sex data from Statistics Canada, Table 17-10-0005-01.

Seniors in Alberta (2 of 2)

In 2017, in Alberta, seniors who were low income represented 2.3% of the total population, as compared to British Columbia at 6.3%, Ontario at 3.8% and Quebec at 3.5%.

Figure 40: Incidence of Low Income for Seniors (65 Years and Older)



Note: Data for Alberta was unavailable for 2009, 2011, 2013, and 2014.

Source: Low income statistics by age, sex and economic family type data from Statistics Canada, Table 11-10-0135-01.

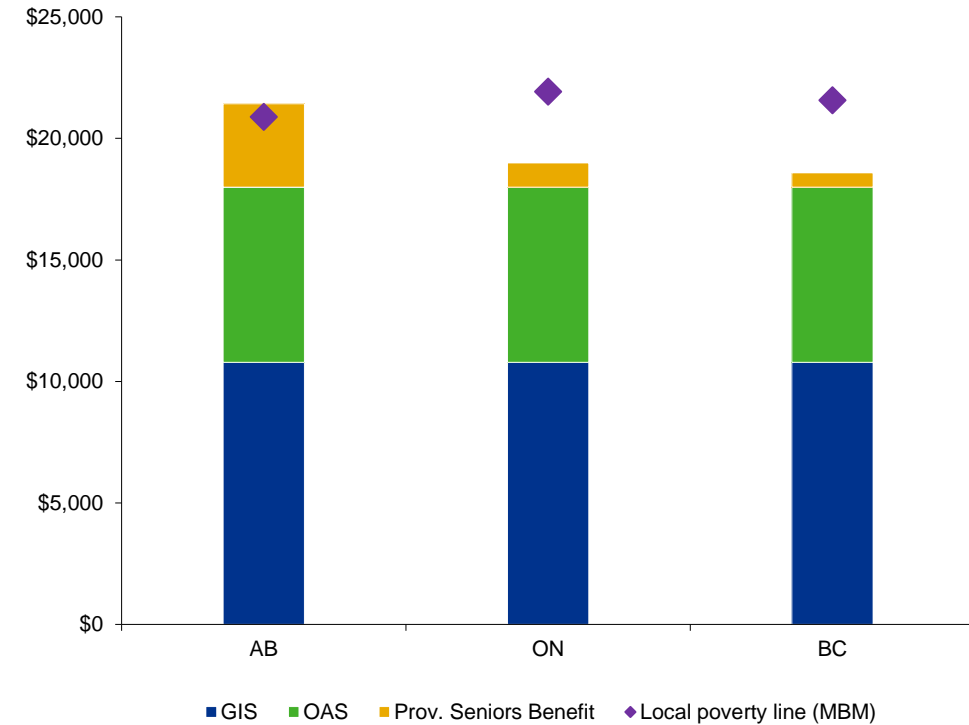
Seniors Financial Assistance and Rates of Poverty

Figure 41 shows the relationship between seniors payment rates and poverty lines (for provinces with 'like' seniors payments). All figures assume no sources of private income.

Table 24: Seniors Payment Rates and Thresholds

	AB	BC	ON
Maximum monthly rate (single / couple) ¹	\$280 / \$420	\$49.30 / \$120.50	\$83
Indexation of seniors payments	Annually (as of January 2019) based on CPI	None	Quarterly, based on CPI
Maximum private income to receive maximum rate (single / couple)	None	\$24 / \$48	\$1,992 / \$3,984
Phase out rate (rate payment is reduced by over the maximum private income amount)	\$0.17 for every \$1	\$1 for every \$25 / \$50	\$0.50 for every \$1 / \$0.25 for every \$1
No payment at private income of or above (cut off – single / couple)	\$20,715 / \$31,010	\$22,560	\$1,200 / \$2,928

Figure 41: Seniors Payments and Poverty Line







Note: 2019 data. All figures assume no sources of private income. Data for Quebec was not available.

(1) These are pre-index maximum rates.





Source: Provincial Benefit payment rates from Alberta Seniors & Housing; GIS and OAS rates from the Government of Canada; Poverty lines from the Government of Canada, Canada's First Poverty Reduction Strategy.

CSS (incl. Seniors) Business Model Differences (1 of 2)

Organization	 Ministry of Community and Social Services, Ministry of Seniors & Housing (includes Premiers Council on Status of Persons with Disabilities, Family Violence Death Review Committee, Appeals Panels, Seniors Advocate)	 Ministry of Social Development and Poverty Reduction, Ministry of Children and Family Development	 Ministry of Community and Social Services, Ministry of Seniors Affairs, Ministry of Municipal Affairs and Housing	 Ministry of Health and Social Services
Funding Model	Benefits and income support are determined on a range of criteria including medical condition, income level, age, determination of developmental disability			
Core Business	Support vulnerable and at-risk populations to create equity, belonging and a sense of wellbeing			
Additional Unique Responsibilities	<ul style="list-style-type: none"> Seniors Disabilities Supports Family Violence and Bullying Prevention Community Well-being and Resilience Employment Services Homelessness Supports Financial Security 	<ul style="list-style-type: none"> Seniors Services for People with Disabilities Financial Support Family Benefits Data Monitoring and Quality Assurance 	<ul style="list-style-type: none"> Seniors Support for adults with a developmental disability Other Disability Supports Family Supports Financial supports 	An integrated model of health and social services

Source: Business Plans (Service Plans), Annual Reports and Ministry websites.

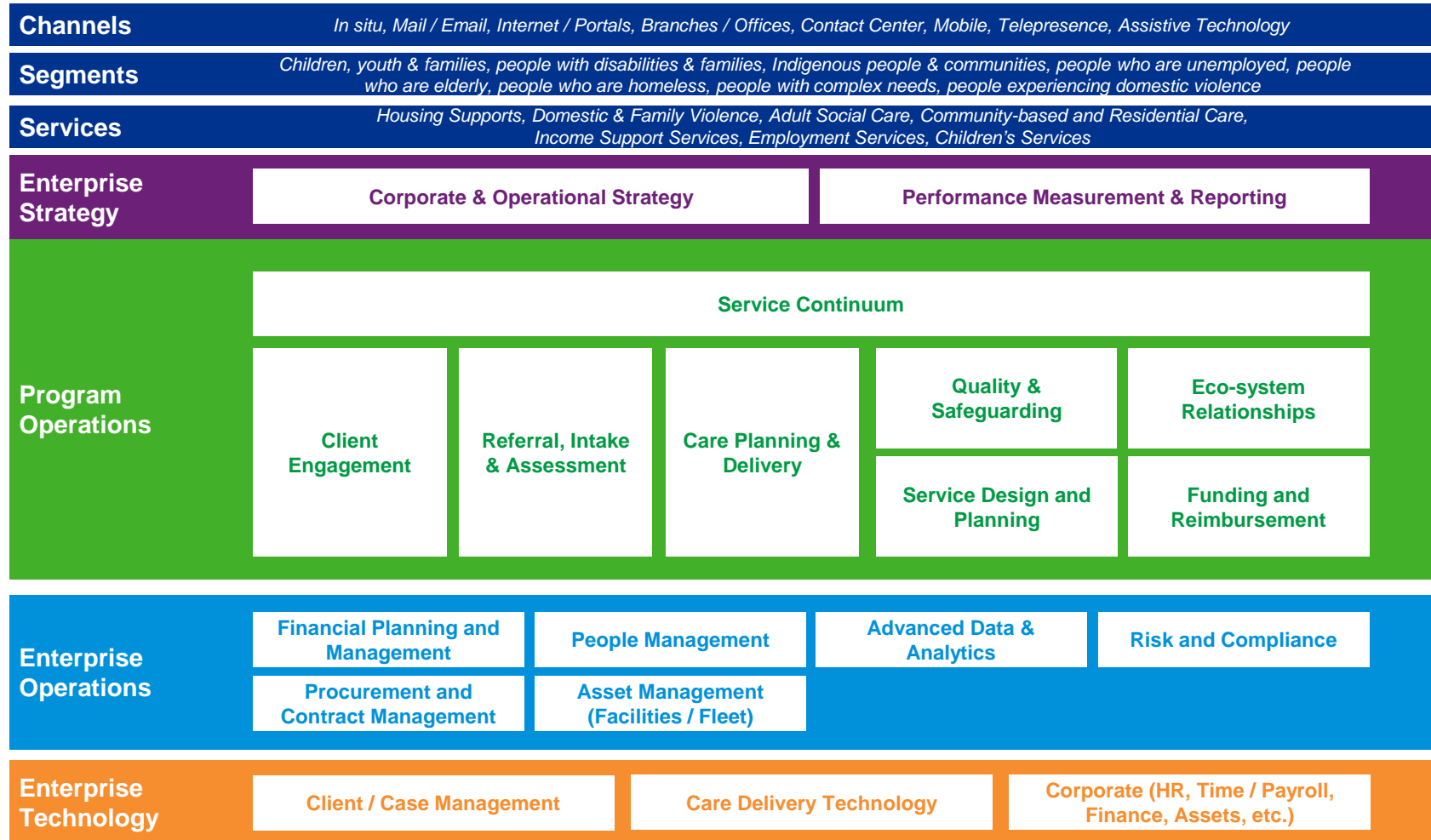
CSS (incl. Seniors) Business Model Differences (2 of 2)

				
Outcomes Focus	<ul style="list-style-type: none"> Stability Participation Inclusion 	<ul style="list-style-type: none"> Reliable and consistent services More effective balancing across service delivery channels 	<ul style="list-style-type: none"> Resilient, inclusive and sustained by the economic and civic contributions of Ontarians 	<ul style="list-style-type: none"> Meet rapid growth in seniors and increasing disability rates Respond more effectively to needs of people with disabilities as well as inequalities related to poverty
Delivery Model	<ul style="list-style-type: none"> Combination of direct delivery and contracted agencies Alberta Supports centres, online and call centre are intended to enhance integration of services 	<ul style="list-style-type: none"> Combination of direct delivery, agencies and crown corporations, and community based agencies My Self Serve provides online access to apply for some services and report and track information 	<ul style="list-style-type: none"> Combination of direct delivery, funding provided to contracted agencies, municipalities and First Nations Online applications and call centres in addition to in person offices 	<ul style="list-style-type: none"> Includes Health regions, various institutions, and integrated centres, which coordinate services from medical clinics, pharmacies, community and social economy enterprises, LT care and residences for seniors
Approx. Number of Contracted Agencies ^(a)	4,000	3,600	9,800	12,300
Total Expenditures per Capita, Adj. for Low Income ^(b)	\$13,914	\$7,335	\$9,290	Not available
Percentage of Persons in Low Income ^(c)	6.8%	10.3%	10.2%	9.0%

Note: (a) Based on number of social services organizations per 100,000 population by region for 2003 and population data from 2018, adjusted using Alberta's approx. number as reported in the Social Policy Framework (February 2013) as a base (b) Based on Budget Estimates for Operating Expenditures 2018-19, divided by the population of low income persons (c) Based on 2017 data.

Source: Business Plans (Service Plans), Annual Reports and Ministry websites; National Survey Non-profit and Voluntary Organizations, 2003; Population data to inform per capita from Statistics Canada Table 17-10-0005-01; Low income persons data from Statistics Canada Table 11-10-0135-01 (based on Market Basket Measure).





Connected Enterprise Framework for CSS (incl. Seniors)



CSS (incl. Seniors) Expenditure Comparisons

Table 25: CSS Budget Estimates 2018-19

% of Total Expenses // Per Capita Exp.(1)

							
Enterprise Strategy	0.3%	\$40	0.02%	\$1	0.2%	\$18	
Program Operations	96.0%	\$13,358	95.6%	\$7,085	98.6%	\$9,155	
Service Continuum	84.7%	\$11,782	91.3%	\$6,697	84.2%	\$7,821	
Referral, Intake & Assessment	1.0%	\$144	-	-	-	-	
Care Planning & Delivery	3.7%	\$513	0.9%	\$68	9.7%	\$905	
Quality & Safeguarding	0.2%	\$21	0.03%	\$2	-	-	
Eco-system Relationships	-	-	0.1%	\$10	0.1%	\$11	
Service Design & Planning	4.6%	\$644	3.1%	\$226	1.3%	\$123	
Funding and Reimbursement	1.8%	\$254	1.1%	\$81	3.2%	\$294	
Enterprise Operations	3.7%	\$516	3.4%	\$249	1.3%	\$117	
Enterprise Technology	-	-	-	-	-	-	
Total Expenditures per Capita	\$13,914		\$7,335		\$9,290		

As Quebec's Ministry of Health and Social Services delivers an integrated portfolio of programs, KPMG was unable to separate the expenses for the different sectors. Appendix A includes a summary of the combined view of the Health and Community and Social Services Connected Enterprise analysis across the comparator provinces

Note: British Columbia and Ontario have distributed models and summary expenditure information which cannot be broken down and matched to Alberta's program mix on a one-for-one basis; where possible similar programs were included using estimating assumptions

(1) Per capita expense reflects an income adjusted amount (i.e. the expense per low income person in the province).

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia and Ontario; Population data to inform per capita expenditures from Statistics Canada Table 17-10-0005-01



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Innovative Models in CSS (incl. Seniors) (1 of 3)

The following outlines examples of emerging practices and innovative models in social service systems that have been used to increase efficiencies while driving improved outcomes for clients and the vulnerable populations being targeted.

Practice	Description	Known / Identified Results	Further Information / Source
Preventative Investment	<p>New Zealand's single central government uses what are known as investment approaches to guide its social services. Investment approaches are premised on identifying early those individuals who, because of a combination of reasons, are more likely to need social supports for an extended period of time over their lives, and focus prevention and early intervention strategies on them. The goal is to deliver more efficient and effective social services, by getting people the help they need, before their problems become entrenched and complex.</p> <p>Comprehensive annual Benefit System Performance Reports highlight the performance of the approach to date, and indicate where changes will be made to improve the efficiency and effectiveness of programs going forward.</p>	<p>The most recent strategy (2018-21) noted the following:</p> <p>"In the past the focus has been too narrow, concentrated on reducing costs to government. An approach premised on fiscal restraint and reducing future liabilities provides a limited insight into what are often complex and enduring social challenges, and the range of solutions that might be found.</p> <p>... Investing for social wellbeing means supporting and resourcing people to improve theirs and others' wellbeing which, in turn, will contribute to broader positive social outcomes. This approach is centred on an attempt to understand, and the need to appreciate, the complexities in people's lives as well as their ability to build resilience and fulfil their potential in different ways." – Cabinet Paper: Towards Investing for Social Wellbeing (March, 2018)</p>	<p>https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/investment-approach/index.html</p>

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Innovative Models in CSS (incl. Seniors) (2 of 3)

Practice	Description	Known / Identified Results	Further Information / Source
Payment for Outcomes	<p>A number of models/practices are in use including:</p> <ul style="list-style-type: none"> ▪ Pay for Performance (Ontario WSIB) ▪ Social Impact Bonds (New South Wales, Australia) ▪ Performance Based Contracting (New Zealand Ministry of Social Development) ▪ Performance Incentive Fund (US State governments) 	While there is still a lot more work required to support the evidence based for pay for outcome models, the evidence available supports that designed right each of the four models will produce better social outcomes.	https://assets.kpmg/content/dam/kpmg/pdf/2015/01/better-outcomes-for-public-services.pdf
Commissioning	<p>In a commissioning model of service delivery, the government's role shifts from direct service deliverer to being responsible for the delivery of outcomes. Services themselves are delivered by other organizations, whether private or public, to achieve the required outcomes. This represents a considerable change in the role of government, far beyond traditional policy setting and service delivery. Getting it right requires government to develop new knowledge and capabilities to fulfil its new role, otherwise it will likely be unable to improve service outcomes.</p>	The Community Homelessness Prevention Initiative in Ontario, Canada, was a whole-of-market reform in 2013 to reduce homelessness rates in Ontario and improve the outcomes of people receiving homelessness services. Funding was consolidated across five programs that were coordinated by two ministries, and allocated based on changing needs in different areas. Within the first 15 months, the initiative assisted more than 33,100 households experiencing homelessness, and enabled more than 83,800 households to remain in their homes.	https://news.ontario.ca/mma/en/2015/03/community-homelessness-prevention-initiative.html

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Innovative Models in CSS (incl. Seniors) (3 of 3)

Practice	Description	Known / Identified Results	Further Information / Source
Commissioning (continued)		<p>The Isle of Wight is relatively isolated from southern England by the unbridged Solent strait, making joint working particularly important for its public services. Its council, health commissioning body and not-for-profit providers established My Life A Full Life, a single point of access, integrated care and support. This provides:</p> <ul style="list-style-type: none"> • an integrated care hub, where emergency call operators, paramedics, crisis response teams, mental health workers and social workers (amongst other clinicians and service providers) are physically co-located • the concept of 'one commissioning pound', whereby the different agencies pool their resources to address the holistic needs of citizens. Services are coordinated around the individual, with people being empowered — and given a budget — to 'self-serve' the services that deliver the care outcomes they need 	https://www.theguardian.com/society/2016/jan/20/nhs-isle-of-wight-hub-leading-way-integrated-healthcare

Note: This information does not represent KPMG's advice or opinion.



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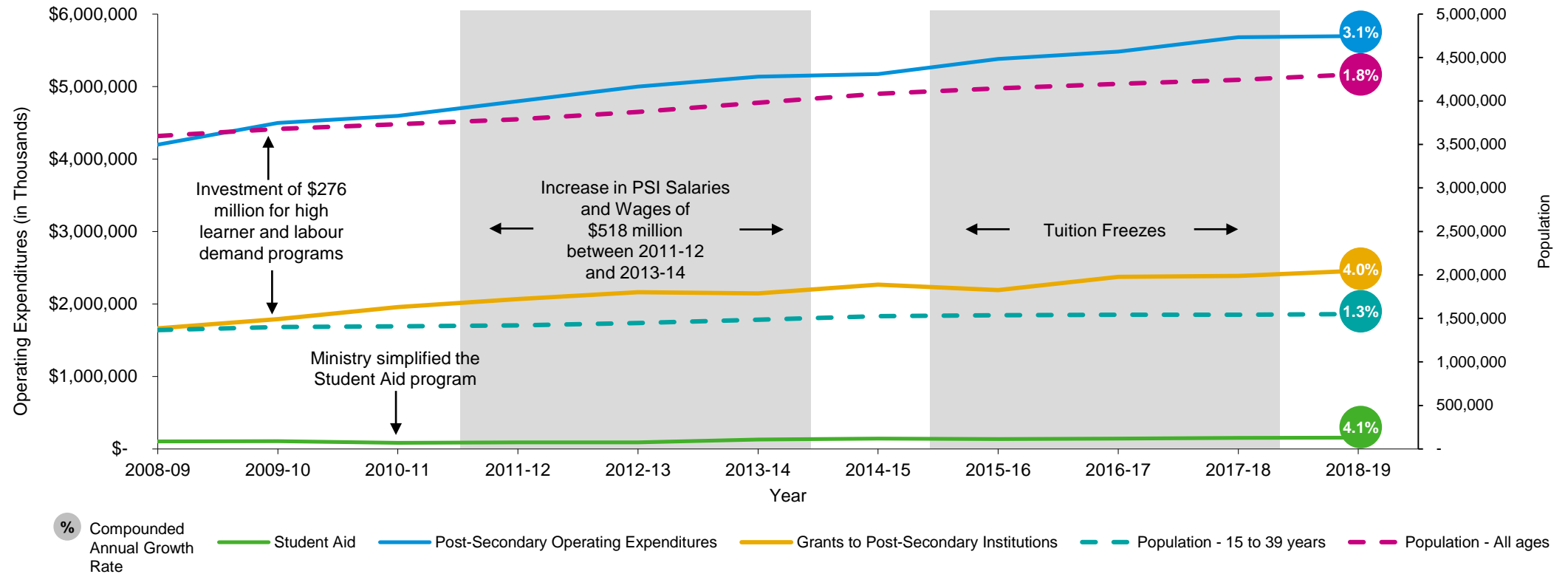


Advanced Education



Key Trends for Advanced Education in Alberta

Figure 42: 10 Year Trend for Alberta's Major Expenditures in Advanced Education



Note: Student Aid estimates exclude Student Loan Relief Benefit, Student Aid Amortization, Program Delivery Support and Provisions for Future Cost of Student Loans Issued.

Source: Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta and Consolidated Actuals for Post-Secondary Expenditures 2008-09 to 2017-18; Population data from Statistics Canada Table 17-10-0005-01; Key trends identified from Ministry Annual Reports 2008-09 to 2017-18.

Differences between Colleges and Universities (1 of 2)

In comparing post-secondary institution's mandates across the provinces, Alberta's Six-Sector Model, which is highlighted in the following pages, provides a summary of the roles that the different institutions undertake in coordinating learning opportunities and maximizing public investments in adult education to achieve outcomes that benefit learners, society, and the economy.

Sector	Programming	Research	Collaboration
Comprehensive Academic and Research Universities (4 institutions)	<ul style="list-style-type: none"> Must provide approved undergraduate and graduate degree programs. May offer approved diploma and certificate programs. 	<ul style="list-style-type: none"> May undertake all forms of research, including discovery. 	<ul style="list-style-type: none"> May collaborate with other postsecondary institutions and sectors to support regional access to undergraduate degree programs.
Undergraduate Universities (3 institutions)	<ul style="list-style-type: none"> Must provide approved undergraduate degree programming. May offer approved foundational learning diploma or certificate programs. Not permitted to offer graduate level programming unless previously approved to do so. 	<ul style="list-style-type: none"> May undertake research and scholarly activity that enriches undergraduate education. 	<ul style="list-style-type: none"> Must collaborate with other post-secondary institutions and sectors to support regional access to undergraduate degree programming.
Comprehensive Community Colleges (11 institutions)	<ul style="list-style-type: none"> Must provide approved foundational learning programs, as well as diploma and certificate programs. May provide apprenticeship programming where demand warrants, as well as undergraduate degree programming primarily in collaboration with a degree granting institution, or autonomously under particular conditions and subject to Ministerial approval. Not permitted to offer graduate level programs. 	<ul style="list-style-type: none"> May undertake research and scholarly activity in alignment with credentials offered or focused on industry or community needs that support regional economic and social development. 	<ul style="list-style-type: none"> Must collaborate with other post-secondary institutions and partners in the community, business, and industry sectors to support regional access to foundational learning, diploma, certificate and undergraduate degree programming.

Source: Roles and Mandates Policy Framework for Alberta's Adult Learning System.

Difference between Colleges and Universities (2 of 2)

Sector	Programming	Research	Collaboration
Independent Academic Institutions (Private) (5 institutions)	<ul style="list-style-type: none"> May provide foundational learning, diploma, certificate, and approved undergraduate degree programming. Undergraduate diploma and certificate programs may be either ministry approved or board-approved. May provide graduate level programs in niche areas under particular conditions. 	<ul style="list-style-type: none"> May undertake research and scholarly activity in alignment with credentials offered. 	<ul style="list-style-type: none"> May collaborate with other institutions and sectors to support regional access to undergraduate degree programming.
Polytechnic Institutions (2 institutions)	<ul style="list-style-type: none"> Must provide approved apprenticeship, diploma, and certificate programs. May provide approved foundational learning and undergraduate degree programs. Not permitted to offer graduate level programming. 	<ul style="list-style-type: none"> May undertake research and scholarly activity in alignment with credentials offered, and/or research that is focused on strengthening economic development in Alberta. 	<ul style="list-style-type: none"> Must collaborate with other institutions and sectors to support regional access to polytechnic education. May collaborate to support access to diploma, certificate or undergraduate degree programming.
Specialized Arts and Cultural Institutions (1 institution)	<ul style="list-style-type: none"> May provide non-credential, certificate and diploma programming. 	<ul style="list-style-type: none"> May undertake research and scholarly activity in alignment with programs offered. 	<ul style="list-style-type: none"> May collaborate with other sectors as necessary to support regional access to specialized arts and culture programming, through provision of non-credential certificate and diploma programming.

Source: Roles and Mandates Policy Framework for Alberta's Adult Learning System.



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Post-Secondary Institution Comparison (1 of 4)

Table 26 shows Alberta's 26 post-secondary institutions and aggregates them by their Ministry of Advanced Education defined sectors, which include:

- **CARU** = Comprehensive Academic and Research Universities
- **UU** = Undergraduate Universities
- **PI** = Polytechnical Institutions
- **CCC** = Comprehensive Community Colleges
- **SACI** = Specialized Arts and Culture Institutions
- **IAI** = Independent Academic Institutions

CARU institutions represent the greatest number of students across the sector. These institutions also receive the greatest share of operational funding from the Government on a per student fully loaded equivalent (FLE) basis.

Figures 43 and 44 show additional comparator data for Alberta's post secondary institutions.

Table 26: Alberta Post-Secondary Sector Comparison

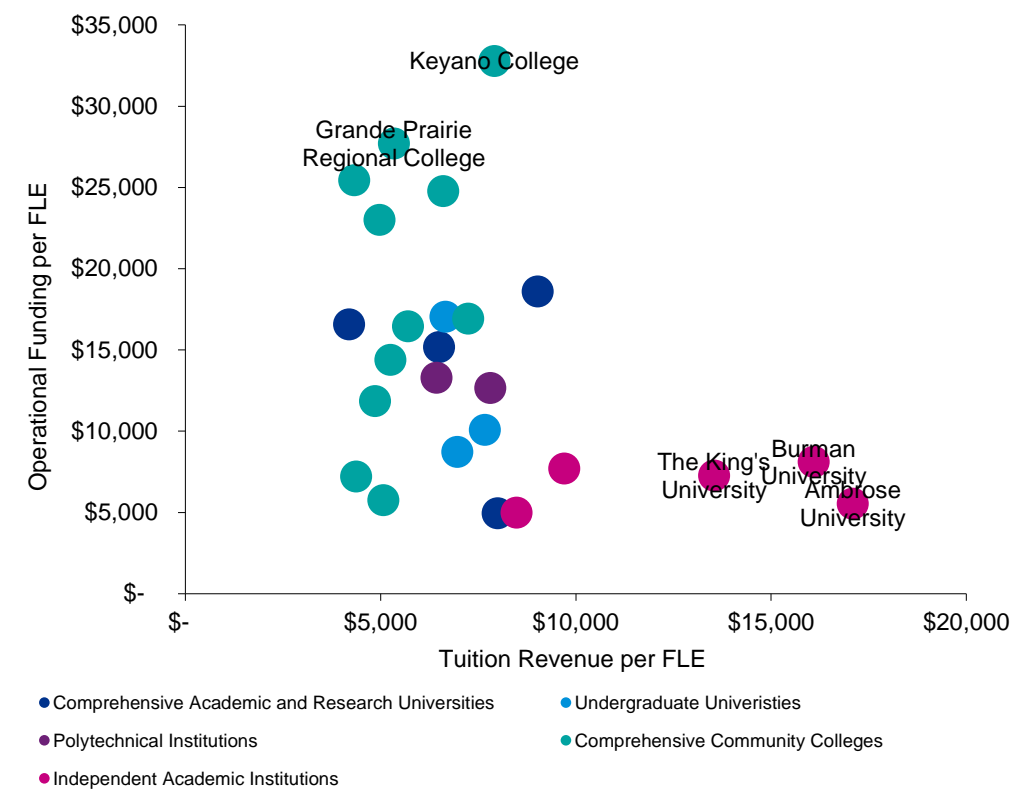
2017-18 Measures		CARU	UU	PI	CCC	SACI	IAI
Total FLE		80,256	23,627	27,094	32,566	n/a	3,961
Number of Institutions		4	3	2	11	1	5
FLE per Institution		20,064	7,876	13,546	2,960	N/A	792
\$ Per FLE	Total Expenses	\$43,817	\$21,631	\$26,770	\$24,836	N/A	\$24,326
	Total Revenue	\$45,125	\$22,926	\$26,858	\$25,593	N/A	\$25,109
	Operational Funding from GoA	\$16,086	\$9,614	\$12,990	\$13,236	N/A	\$6,889
	Tuition Revenue	\$6,935	\$7,243	\$7,105	\$5,246	N/A	\$11,701
Urban Rural Institutions		3 1	3 0	2 0	6 5	0 1	4 1
Domestic International FLE %		87% 13%	95% 5%	91% 9%	92% 8%	N/A	93% 7%

Note: A proxy of population within 20KM was used to determine Rural or Urban status - If the population within 20KM of a PSI was >40,000, it was defined as an Urban institution; FLEs are calculated based on approved programming, since the Banff Centre does not offer any ministerial approved programming, FLEs are not tracked for The Banff Centre.

Source: FLE counts and Operational funding from the Ministry of Advanced Education; Total Expenses, Total Revenue and Tuition Revenue from 2017-18 Institution Audited Financial Statements.

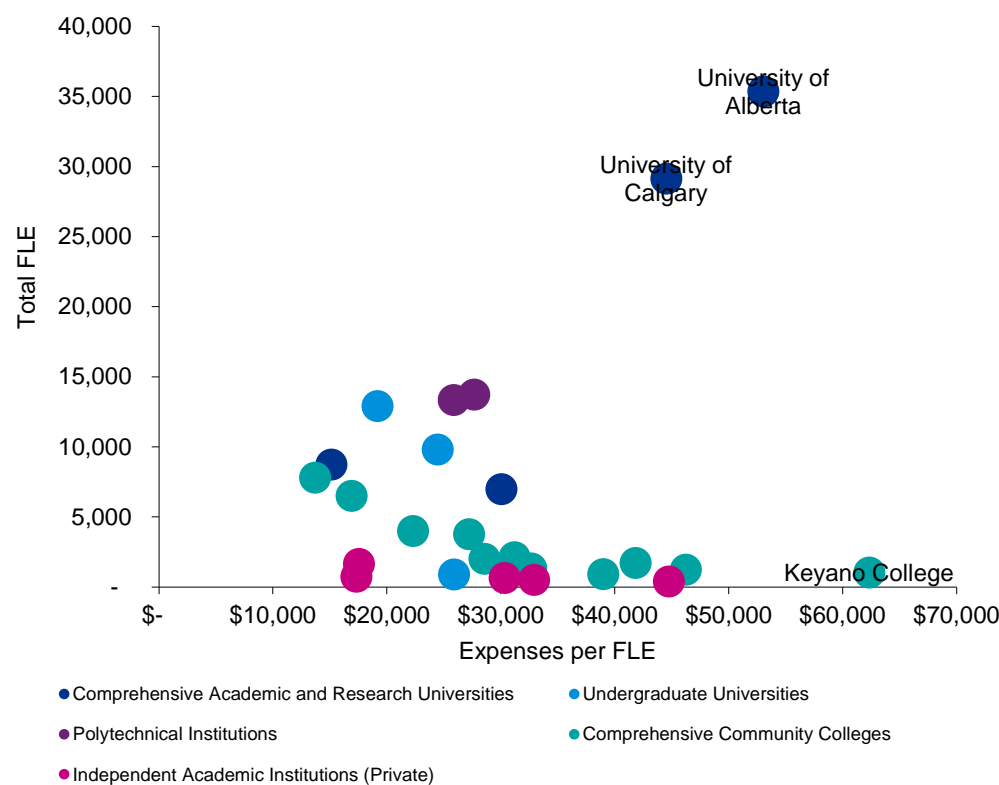
Post-Secondary Institution Comparison (2 of 4)

Figure 43: 2017-18 Operational Funding & Tuition Revenue per FLE



Note: Data is for Alberta Post-Secondary Institutions; SACI has been excluded due to lack of FLE data.
Source: FLE counts and Operational Funding from Ministry of Advanced Education; Tuition Revenue from 2017-18 Institution Audited Financial Statements.

Figure 44: 2017-18 Expenses per FLE



Note: Data is for Alberta Post-Secondary Institutions; SACI has been excluded due to lack of FLE data.
Source: FLE counts from Ministry of Advanced Education; PSI Expenses from 2017-18 Institution Audited Financial Statements.

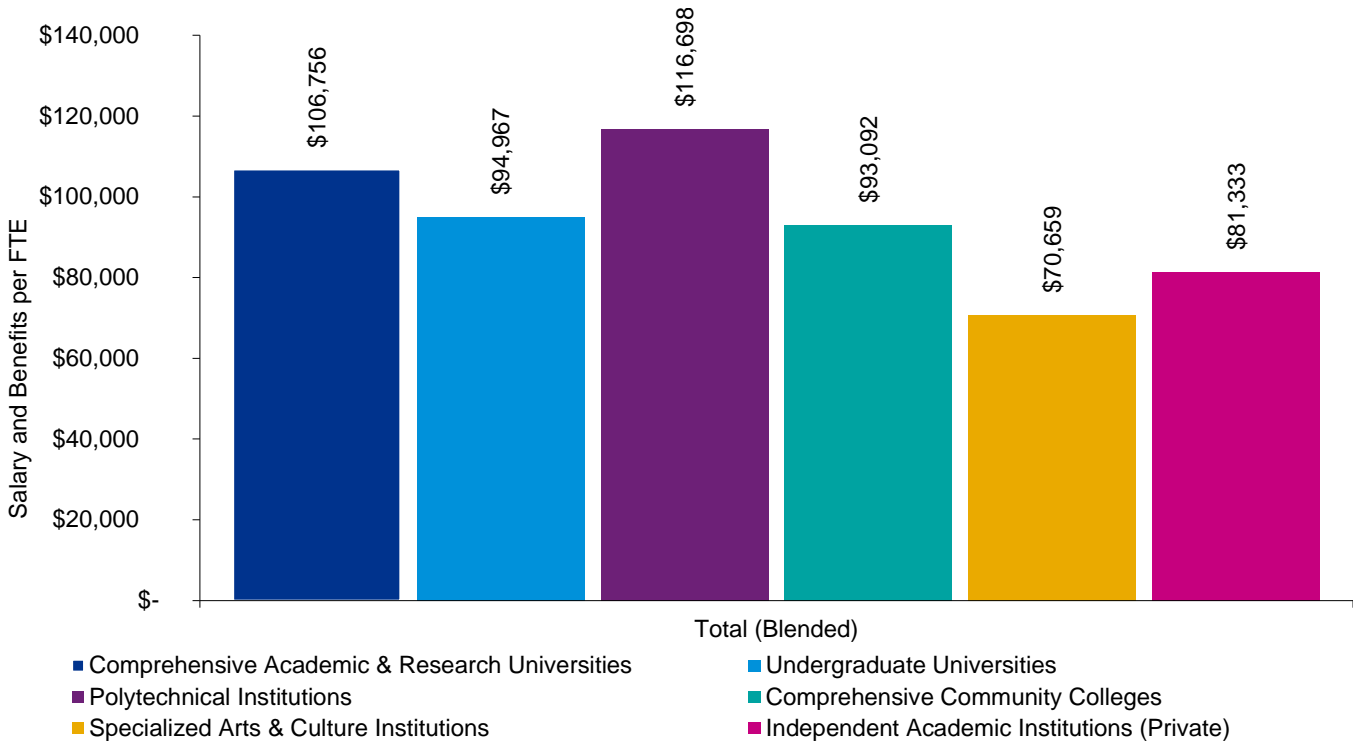
Post-Secondary Institution Comparison (3 of 4)

The average salary and benefit per FTE across all of Alberta’s institution types and staffing is highest within the PI institutions at \$116K .

The lowest average salary and benefit per FTE is within the SACI institution at \$70K.

The following page breaks this down further into the different staffing classifications.

Figure 45: 2017/18 Average Salary and Benefits per FTE



Note: This represents the average across all positions (academic / instructional, administrative / managerial, and non-academic / support).
Source: Post-Secondary salary costs and staff FTE count from the Ministry of Advanced Education.



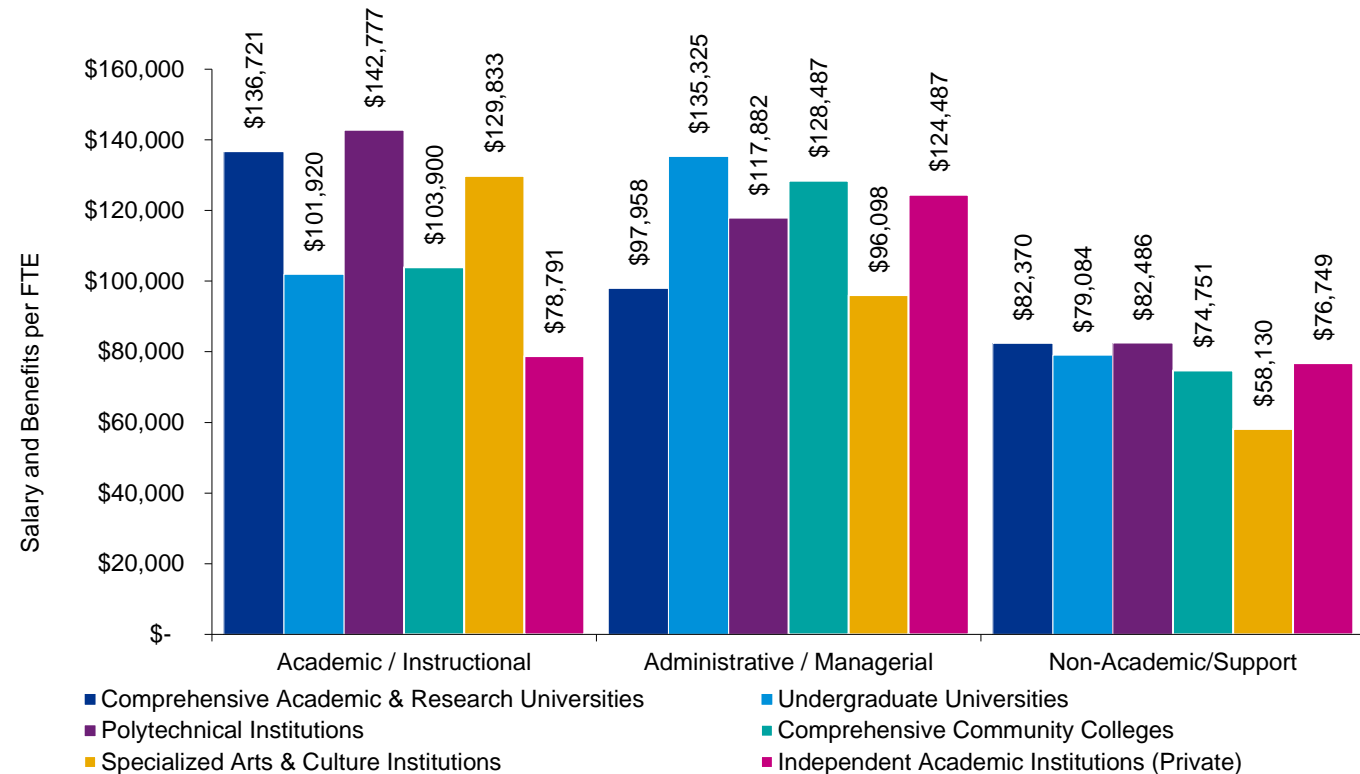
Post-Secondary Institution Comparison (4 of 4)

The average salaries for Academic / Instructional staff at PI and CARU institutions are the highest at \$142K and \$136K respectively.

The average salaries and benefits for Administrative / Managerial staff for UU institutions are higher than many of the Academic / Instructional salaries across the sector.

The average salaries and benefits for Non-Academic / Support staff across the sector are comparable, with the SACI institution being the lowest cost.

Figure 46: 2017/18 Average Salary and Benefits per FTE by Function



Source: Post-Secondary salary costs and staff FTE count from the Ministry of Advanced Education.

Post-Secondary Institution Performance

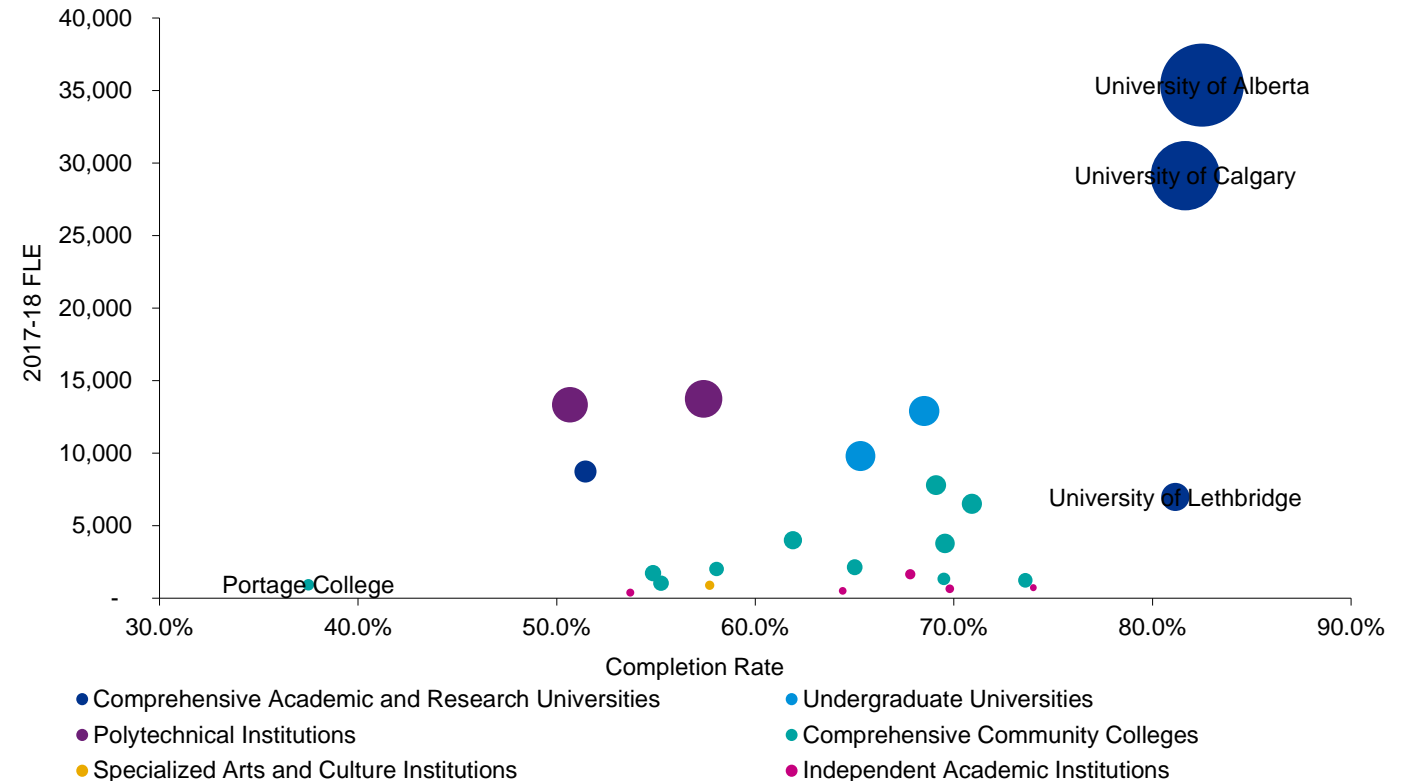
From a completion rate perspective, there are 9 institutions (out of 26) in Alberta that fall below an average completion rate of 60%.

The completion rate is based on a 2011 enrollment of students who's progress in the post-secondary system in Alberta under three years after their program had ended.

Portage College (in Lac La Biche), a CCC institution had the lowest completion rate of all of Alberta's post secondary institutions.

The three large CARU institutions in Alberta had completion rates above 80%.

Figure 47: Post-Secondary Completion Rate



Note: Completion rate is calculated as an average of post-secondary program types based on the 2011 cohort that was tracked until up to three years after their program ended; Bubble size relates to 2017-18 Total Expenses.

Source: Completion Rate and FLE counts from the Ministry of Advanced Education; PSI Expenses from 2017-18 Institution Audited Financial Statements.

Post-Secondary Revenue Generation (1 of 3)

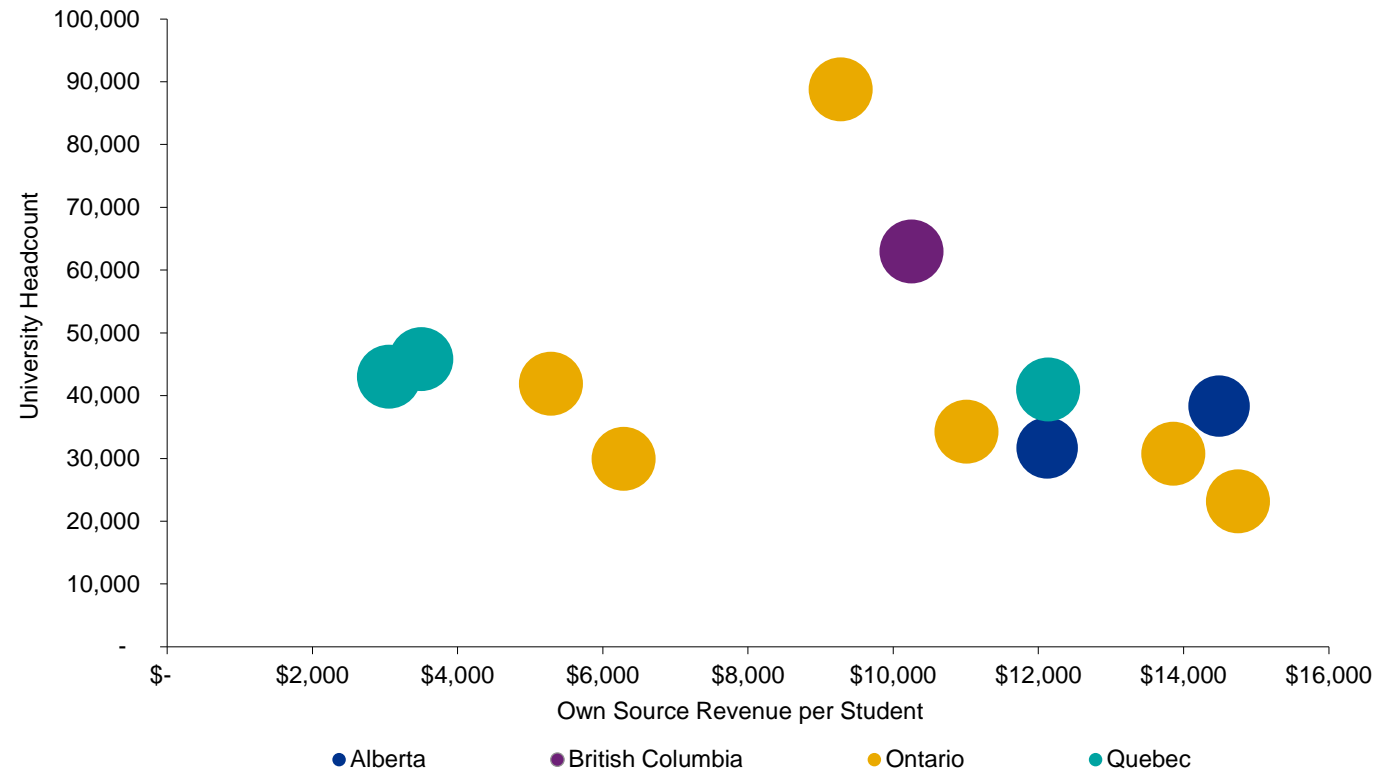
Alberta's institutions appear comparable to other provinces and their research-intensive universities in terms of own source revenue.

Own source revenue includes: investment income, donations, sales of services, and products and miscellaneous income.

Table 27: Comparison of Own Source Revenues as a Percentage of Total Revenues (2016/17)

Own Source Revenue as a % of Total Revenue		
Université Laval	QC	13%
Université McGill	QC	31%
Université de Montréal	QC	11%
McMaster University	ON	27%
University of Ottawa	ON	17%
Queen's University	ON	31%
University of Toronto	ON	20%
University of Waterloo	ON	17%
The University of Western Ontario	ON	30%
University of Alberta	AB	26%
University of Calgary	AB	25%
The University of British Columbia	BC	24%

Figure 46: Own Source Revenue by Research-Intensive University



Note: Analysis completed on research-intensive institutions are defined by the Ministry of Advanced Education.

Source: 2016-17 Revenue from Canadian Association of University Business Officers FIUC database; 2016-17 Headcounts from University Enrolment Reports and Annual Reports.

Post-Secondary Revenue Generation (2 of 3)

Figure 49: University Revenue Sources by Province

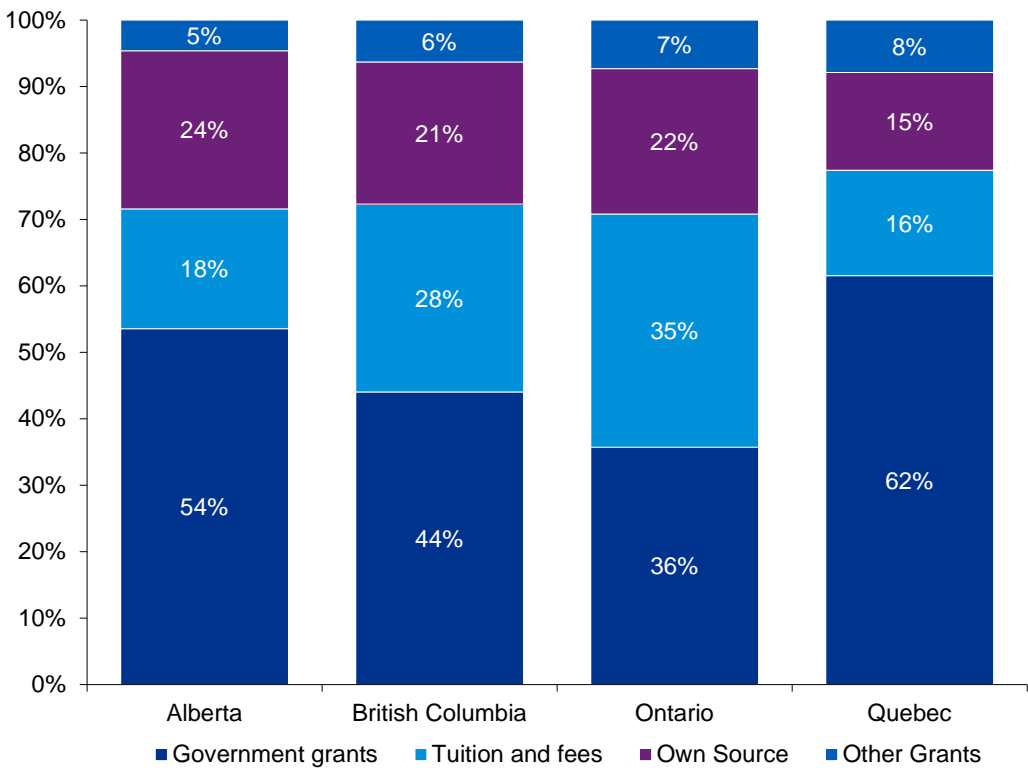
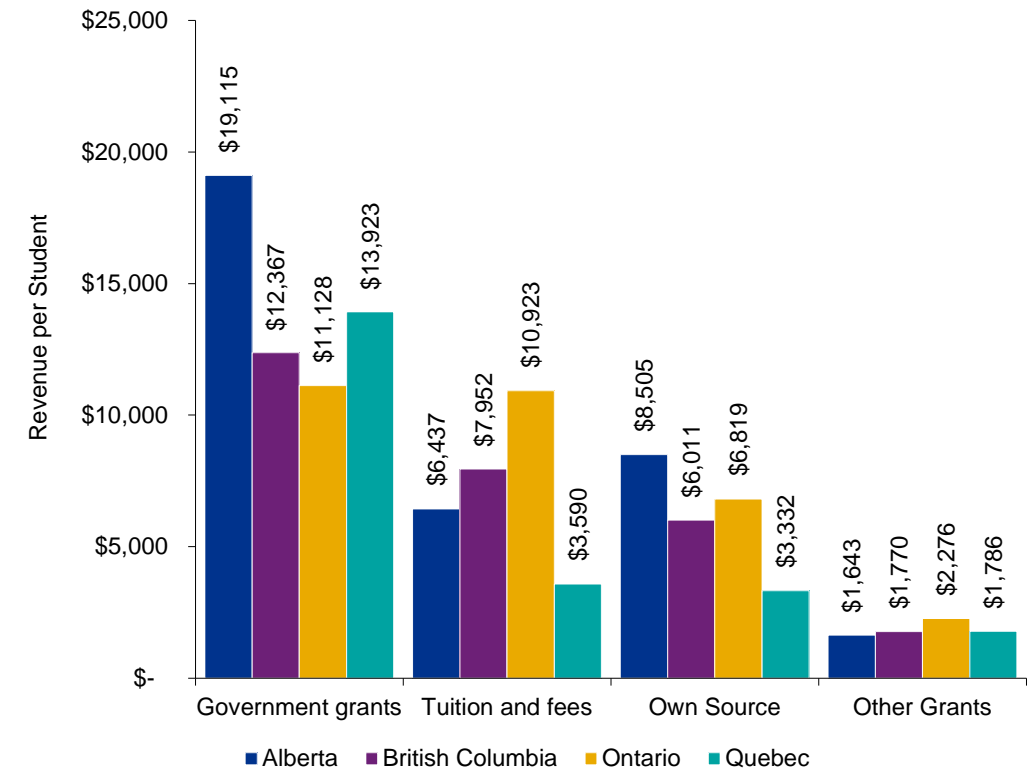


Figure 50: University Revenue Sources per Student



Note: Based on data availability/granularity, Own Source revenue is inclusive of Investment Income, Donations, Sales of Services and Products and Miscellaneous Income.

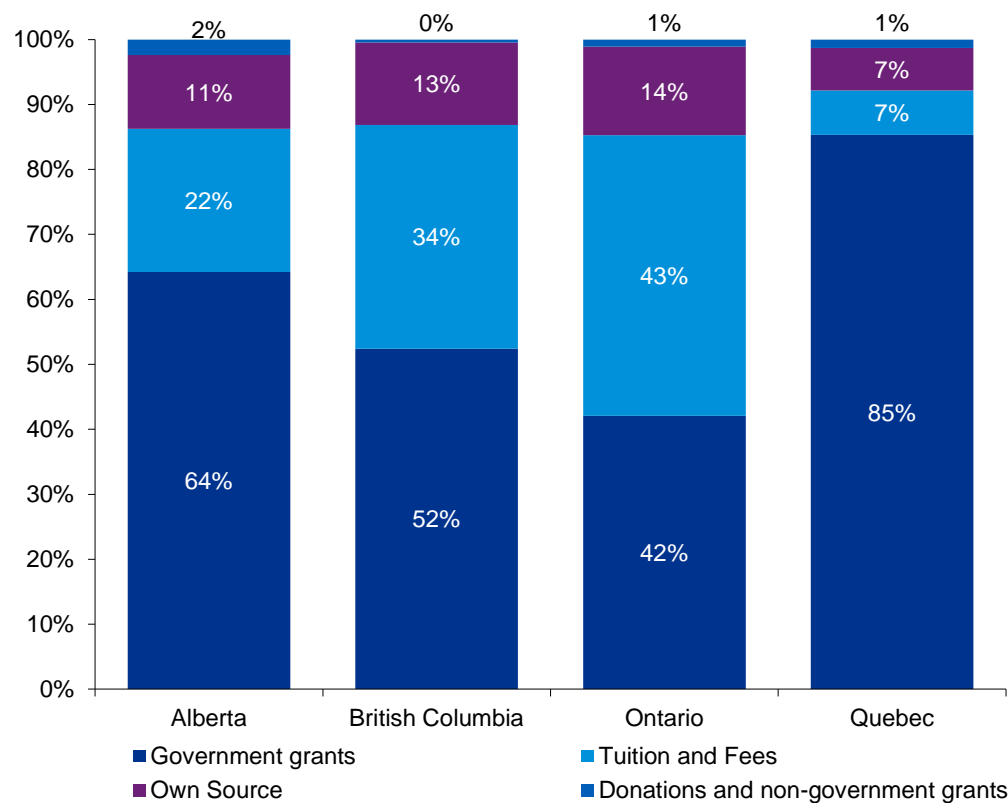
Source: 2016-17 Revenue from Canadian Association of University Business Officers FIUC database.

Source: 2016-17 Revenue from Canadian Association of University Business Officers FIUC database; 2016-17 University Headcount from Statistics Canada Table 37-10-0015-01.



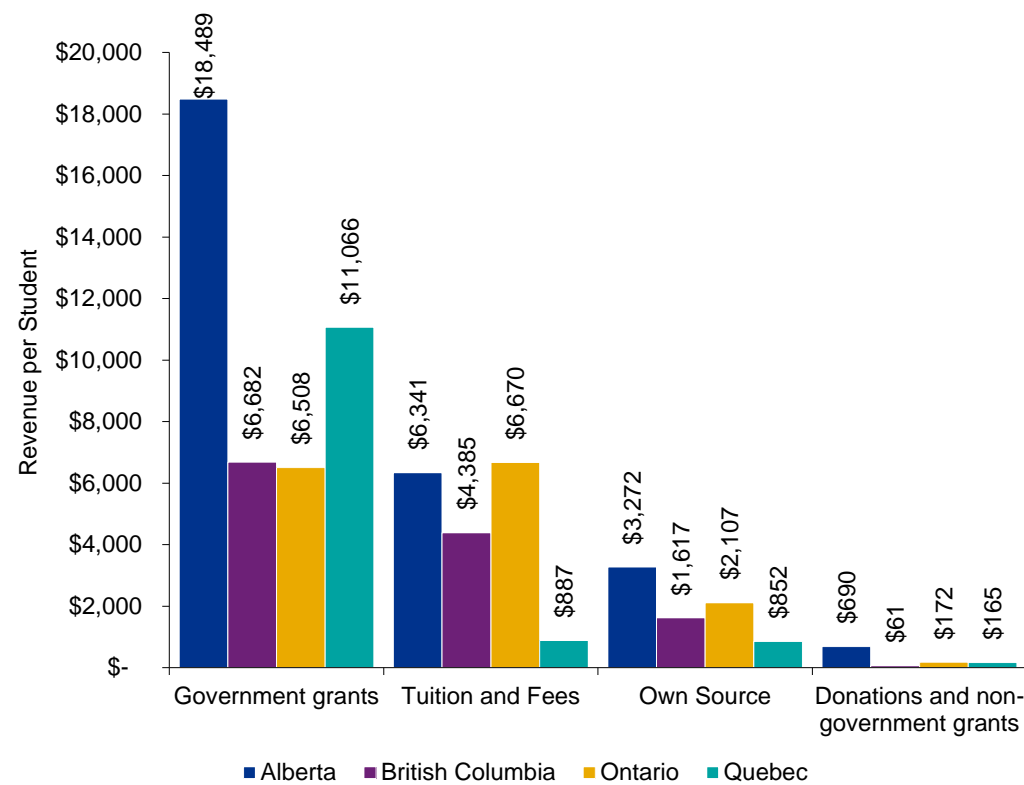
Post-Secondary Revenue Generation (3 of 3)

Figure 51: College and Vocational School Revenue Sources by Province



Note: Based on data availability/granularity, Own Source revenue is inclusive of Investment Income, Ancillary Enterprises and Miscellaneous Income.
Source: 2016-17 Revenue from Statistics Canada Table 37-10-0028-01.

Figure 52: College and Vocational School Revenue Sources per Student



Source: 2016-17 Revenue from Statistics Canada Table 37-10-0028-01; 2016-17 College and Vocational School Headcount from Statistics Canada Table 37-10-0015-01.

Intellectual Property and Commercialization (1 of 3)

At the request of the Panel, the following slides were prepared to summarize research completed on Intellectual Property (including Venture Capital) and Commercialization.

Intellectual Property (IP) is under federal jurisdiction as a whole, and IP policies are specific to universities and faculty agreements.

A study of Canadian universities conducted at Waterloo in 2006 indicated that 23 of the 36 institutions examined had “inventor-owns” IP policies. Universities without such policies generally have clauses stipulating that the institution has a “right of first offer” to claim an interest in IP generated from research.

The Intellectual Property policy of the University of Waterloo is often credited with stimulating opportunities for technology transfer and commercialization. The ownership model of IP rights is not unique to Waterloo as the majority of Canadian universities recognize faculty members as owners of IP.

The distinctive aspect of the Waterloo model is with respect to the sharing of any net revenue from commercialization. The Waterloo Model states that researchers may seek commercial opportunities without university involvement and are entitled to 100% of the associated revenue (but must bear the IP protection costs). ***The IP policy of other Canadian universities dictate that the institutions retain a partial economic interest even when researchers commercialize alone.***

Researchers may elect to assign commercialization rights to the University of Waterloo for technology transfer assistance by the University of Waterloo Office of Research run Waterloo Commercialization Office. When this occurs, net revenues are shared with 75% to the research and 25% to the University of Waterloo.

Alberta’s IP policy is different from other provinces in relation to several factors, including: access to venture capital, intellectual property policies, revenue sharing agreements, IP ownership and the technology transfer offices of universities for IP coming out of the university. Each of these is explored on the following pages. Table 30 on page 119 provides a comparison of Alberta’s IP commercialized policies at select post-secondary institutions.

Source: Government of Alberta analysis on Intellectual Property and Commercialization.



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Intellectual Property and Commercialization (2 of 3)

Venture Capital

As per the Conference Board of Canada, venture capital is noted as a factor in innovation. Compared to other provinces, Alberta has historically received less venture capital investment as a percentage of GDP.

Table 28: Venture Capital Investment by Province

	AB	BC	ON	QC
Venture Capital Investment as a % of GDP (2014-16)	0.037%	0.184%	0.145%	0.199%

IP Policies

Based on a comparison of IP policies across Canadian universities completed by the Government of Alberta (using the few academic studies that have examined the effect of IP policies on technology transfer), an IP policy does not appear to be a major factor underlying a university's success in technology commercialization.

Table 29: Revenue sharing, IP Ownership and TTO by Major University

		McGill University	University de Montreal	University of Toronto	University of Alberta	University of Calgary	University of British Columbia
Revenue Sharing when University Commercializes	University	40%	50%	20%	33.3%	50%	50%
	Researcher	60%	50%	60%	33.3%	50%	50%
	Technology Transfer Office	-	-	20%	33.3%	-	-
IP Ownership		Individual / University	University	Individual / University	Individual	Individual	University

Source: Government of Alberta analysis on Intellectual Property and Commercialization; The Conference Board of Canada analysis on Venture Capital Investment in Canadian Provinces.



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Intellectual Property and Commercialization (3 of 3)

Table 30: Comparison of Alberta's IP Commercialization Policies at Post-Secondary Institutions

	Revenue Sharing		Notes
	Creator Commercializes	University Commercializes	
University of Alberta	67% to Creator 33% to University	33% to Creator 67% to University	The inventor owns the IP unless it is created under a contract research agreement stipulating that IP will be owned by the university. If inventors want the university to commercialize their IP, ownership is transferred to the university. The IP policy is currently under review and the U of A is consulting with government and other stakeholders.
University of Calgary	Inventors can chose between three revenue sharing options: the university receives either equity (5% protected to \$1M), royalty (2-3%), or a 1% royalty with a 2% change of control fee.		The inventor may own the IP and manage the commercialization process themselves, or may engage Innovate Calgary, who can mediate a technology license transfer to a company that the inventor is a founder or shareholder, or assign the IP into a company that the inventor may or may not be a founder/shareholder.
University of Lethbridge	75% to Creator 25% to University	25% to Creator 75% to University	The inventor owns the IP, however ownership may be impacted if: the inventor is an employee of the university, the work created is supported by external funding, or the work is created with a supervisor or a research group (either collaboratively or jointly).
SAIT	Negotiable; SAIT and the organization may agree on ownership at the beginning of the project.		SAIT retains exclusive ownership of IP rights if SAIT's facilities, funds or resources are used in the creation of the IP. External organizations have the option of entering into a revenue sharing agreement resulting from commercialization between the inventor and SAIT.
NAIT	Negotiable; NAIT and researcher will assign ownership to the researcher and receive a portion of net revenues.		All IP developed in partnership with industry is exclusively retained by the industry partner. If the IP is not commercialized by the researcher, NAIT may retain the IP for a period of time in order to catalyze other channels for IP commercialization.

Source: Government of Alberta analysis on Intellectual Property and Commercialization.



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International Students (1 of 2)

From 2007/08 to 2016/17, British Columbia had the largest CAGR growth in International Enrolments at 11.4%.

Alberta's CAGR in international students was similar to Ontario at 9% and ahead of Quebec's at 6.8%.

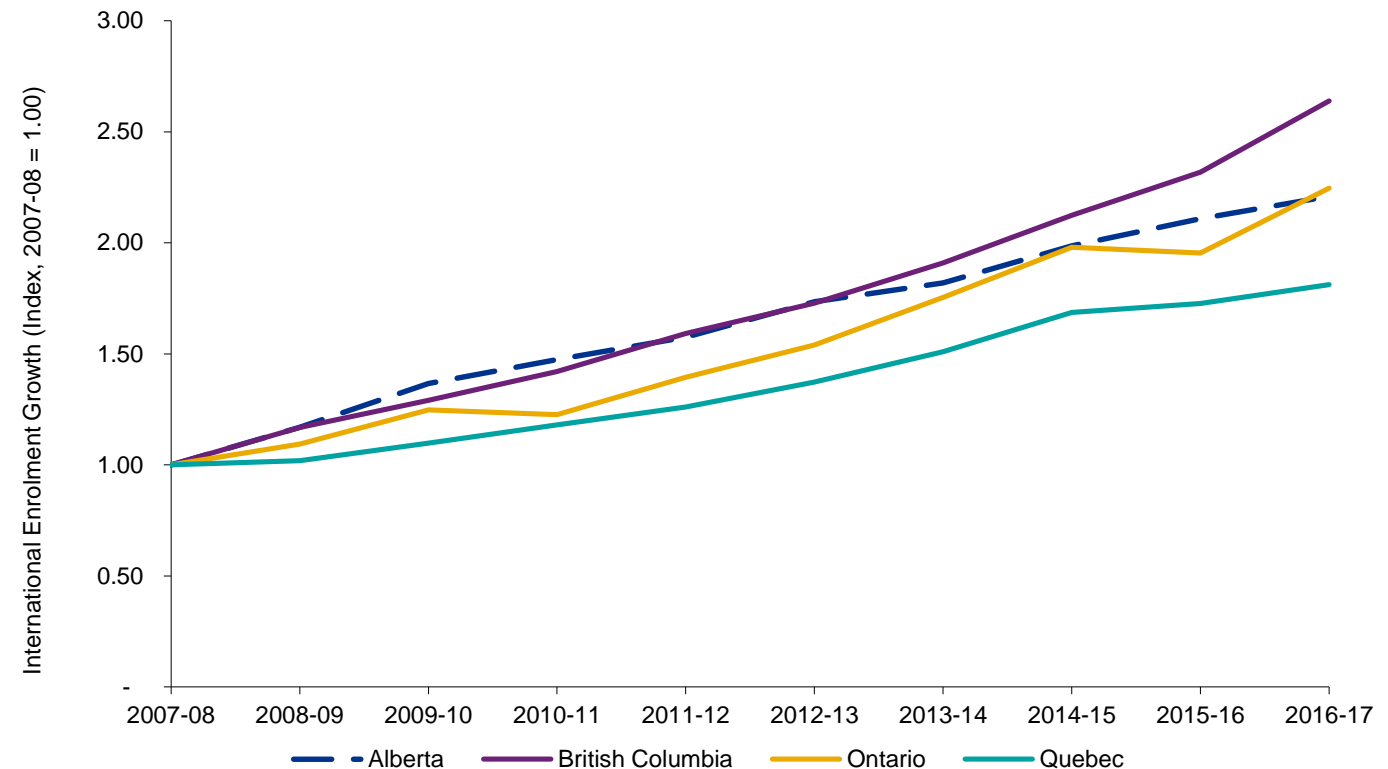
In 2016/17, there were 18,303 international enrolments in Alberta.

Figure 54 on the following page shows the breakdown by each of the post-secondary sector groupings in Alberta. CARU institutions have a greater proportion of international student enrollments while UU institutions have the lowest proportion.

Figure 55 on the following pages shows the total international tuition as a percentage of the total revenue for post-secondary institutions across each of the comparator provinces.

In 2016-17, Alberta's institutions derived 5%, while British Columbia derived 17%, Ontario derived 14%, and Quebec derived 8% of its total revenues from international students.

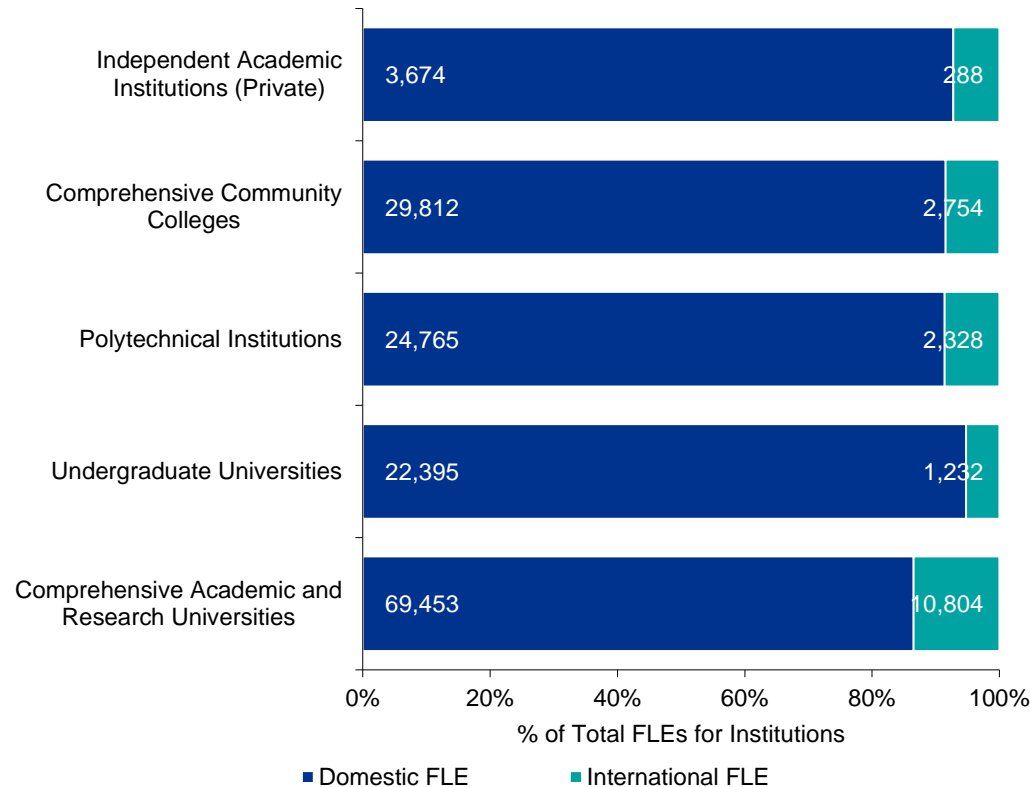
Figure 53: International Post-Secondary Enrolment Growth (Index, 2007-08 = 1.00)



Source: International Enrolments from Statistics Canada Table 37-10-0018-01.

International Students (1 of 2)

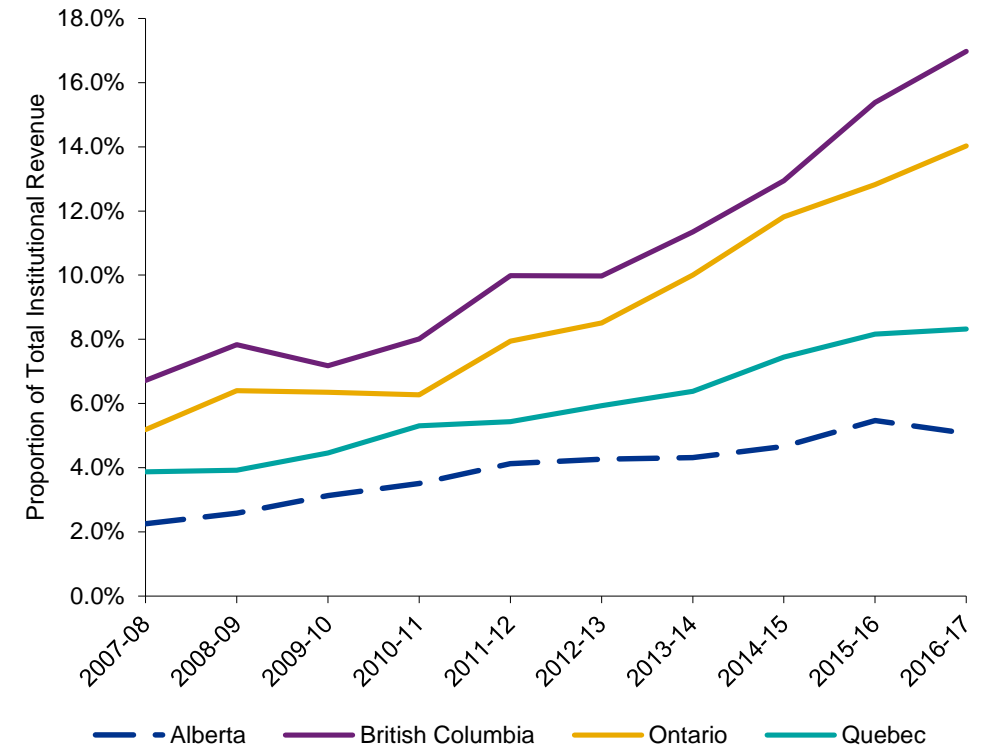
Figure 54: Domestic vs International Student FLE in Alberta



Note: International FLE counts were not provided by the Ministry of Advanced Education. They were derived by taking the total FLEs for each post-secondary institution and subtracting the total domestic FLEs for each post-secondary institution.

Source: 2017-18 FLE count from the Ministry of Advanced Education.





Figure 55: International Tuition Revenue as a Percentage of Total Institutional Revenue



Note: International Tuition Revenue was estimated using the weighted average tuition fees (for between graduate and undergraduate fees) and total international enrolment by province.

Source: International Enrolments from Statistics Canada Table 37-10-0018-01; International tuition fees from Statistics Canada Table 37-10-0045-01; University Revenue from Canadian Association of University Business Officers FIUC database; College from Statistics Canada Table 37-10-0028-01.

Advanced Education Business Model Differences (1 of 2)

				
Organization	Ministry of Advanced Education	Ministry of Advanced Education, Skills and Training	Ministry of Training, Colleges and Universities (combined with Employment Ontario)	Ministry of Education, Recreation and Sports (combined Education and Higher Education)
Funding for Post Secondary Institutions (PSI) / Tuition Fees	Regulated	Regulated	Regulated	De-regulated for Universities, operating grants based on complex formula CGEP fully funded
Core Business	<p>Generally consistent across the four provinces:</p> <ul style="list-style-type: none"> ▪ Encompasses funding for the PSI sector and student financial assistance ▪ Comprehensive range of academic and technical learning options ▪ eLearning or distant learning capacity 			
Common Goals	Affordable and accountable higher education, opportunity for the realization of everyone's full potential			
Variation in Goals	Focus on contribution to the economy	Focus on Indigenous	Focus on market requirements	Mobilization of partners and stakeholders
Number of PSIs in 2018	21	25	44	48 CGEPS 19 Universities
Population per PSIs (excluding CGEPS for QC)	205,100	199,667	325,517	441,605





Source: Business Plans (Service Plans), Annual Reports and Ministry websites; Population data to inform per capita from Statistics Canada Table 17-10-0005-01.



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Advanced Education Business Model Differences (2 of 2)

				
Total Expenditures per Student FTE (a)(b)	\$36,510	\$31,299	\$21,536	\$25,822
Total Departmental Expenses per Student FTE (b)(c)(d)	\$417	\$608	\$344	\$286
Departmental Responsibilities / Regulatory Activities	<ul style="list-style-type: none"> Approves all tuition changes Approves all program of studies Receive a report including the audited financial statements from the preceding fiscal year for each institution Approve the statement of mandate of each institution Designate institutions to accept international students 	<ul style="list-style-type: none"> Approves exceptions to tuition policy where substantial changes to a program are necessary Establishes a method by which courses of post-secondary education or training may be accredited Receive an annual report from each institution Issue an annual mandate letter to institutions Sets guidelines for institutions on international students 	<ul style="list-style-type: none"> For Universities, reviews and approves only new program tuition fees. For Colleges, sets the minimum and maximum tuition rates and monitors college adherence. Approves the advertisement and/or offerings of program or parts of a program leading to a degree, or to be known as a university Administer strategic mandate agreements (outlining an institution's mandate) 	<ul style="list-style-type: none"> Approves all tuition changes Approves all program of studies Receive financial statements each year and a performance report

Note: (a) Consolidated expenses per Student FTE based on budget estimates for 2018-19 for Ministry including post-secondary institution expenses. Accounting principles may vary across provinces and institutions.

(b) Student FTE data is based on 2016-17 Statistics Canada enrolment. Enrolment data for more recent years was unavailable.

(c) Department costs per FTE based on 2018-19 Estimates for Advanced Education spending with both Operating Grants to post-secondary institutions, other transfers to post-secondary institutions (e.g. Community Education), foundational learning, and Student Aid Grants and administration costs removed.

(d) Due to data availability constraints, Department costs for administering apprenticeship training in Ontario and Quebec have not been captured.

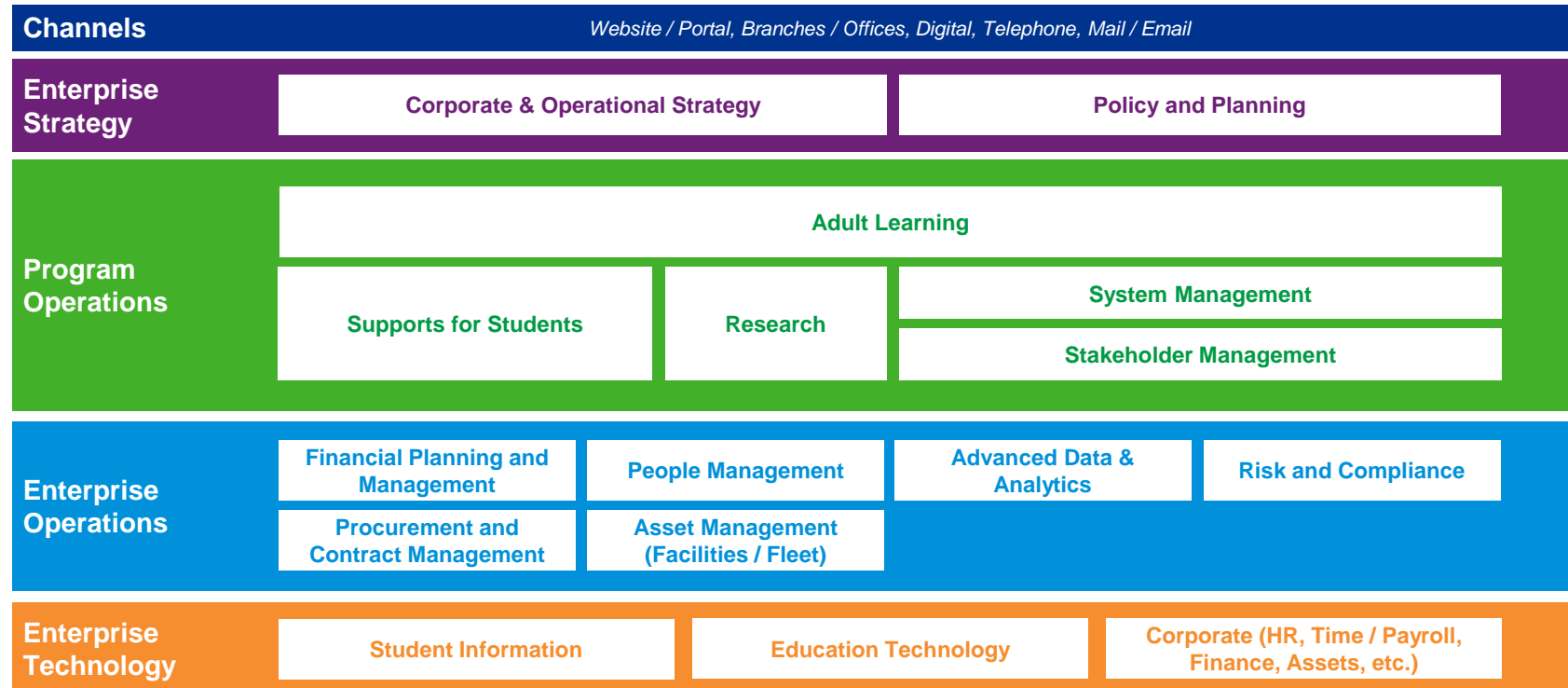
Source: KPMG Analysis of Budget Estimates from 2018-19 for Alberta, BC, Ontario and Quebec; FTE data from Statistics Canada Table 37-10-0015-01; Alberta Tuition Framework; BC Tuition Limit Policy; Ontario Tuition Fee Framework; Ontario Colleges of Applied Arts and Technology Policy Framework.



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Connected Enterprise Framework for Advanced Education



Advanced Education Expenditure Comparisons

Table 31: Advanced Education Budget Estimates 2018-19

% of Total Expenses // Per Student FTE Expense

								
Enterprise Strategy	0.05%	\$17	0.01%	\$4	0.05%	\$10	0.3%	\$90
Program Operations	77.9%	\$28,442	86.8%	\$27,161	78.1%	\$16,799	69.7%	\$17,085
Adult Learning	51.8%	\$18,914	59.4%	\$18,584	48.6%	\$10,461	52.6%	\$13,588
Supports for Students	12.3%	\$4,479	13.3%	\$4,151	21.4%	\$4,610	10.3%	\$2,660
System Management	0.8%	\$304	0.3%	\$95	0.8%	\$173	3.0%	\$770
Stakeholder Management	0.2%	\$59	1.6%	\$495	1.6%	\$342	0.1%	\$35
Research	12.8%	\$4,685	12.3%	\$3,838	5.6%	\$1,213	3.6%	\$939
Enterprise Operations	21.6%	\$7,894	13.2%	\$4,134	21.8%	\$4,705	29.7%	\$7,678
Enterprise Technology	0.4%	\$157	-	-	0.1%	\$22	0.2%	\$61
Total Expenditures per Student FTE	\$36,510		\$31,299		\$21,536		\$25,822	

Note: Consolidated views for British Columbia do not exist and for Ontario are limited and not detailed; expenditures by post-secondary institutions for these provinces were included using budgets and prior year actuals and estimating assumptions to allocate expenditures across the Connected Enterprise model.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia, Ontario, and Quebec; Student enrolment data to inform per student FTE expenditures from Statistics Canada for 2016-17.

Innovative Models in Advanced Education

The following outlines some practices and innovative models in advanced education systems that have been used to increase efficiencies while driving improved outcomes for students and post secondary institutions.

Model	Description	Known / Identified Results	Further Information / Source
Integration of government oversight, fiscal accountability and policy for advanced education with and skills and labour	<p>Examples of other models being employed focus on enhancing the relationship or role of government to support post-secondary learning, with employment skills and labour. This includes:</p> <ul style="list-style-type: none"> Combining the ministry of employment and labour (or equivalent) with advanced or higher education Increasing the focus and requirement for work-integrated learning into the publicly funded post-secondary environment including for instance: <ul style="list-style-type: none"> Apprenticeship Co-op Internship Applied Research Service Learning 	N/A	Fraser Institute
Alternative sources of revenue	<p>Publicly funded PSIs are increasingly exploring new sources of revenue to supplement public funding. These include both for-profit ventures and cost recovery ventures. At the same time, PSI's are generally not well-equipped to manage these arrangements. More and more, PSI's that do enter into such ventures are creating for-profit or stand alone not-for-profit entities governed by independent boards and management teams to appropriately govern and manage the organization.</p>	N/A	https://open.alberta.ca/dataset/90c5577c-0d5b-440e-84b7-c7101c902b2f/

Note: This information does not represent KPMG's advice or opinion.



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Innovative Models in Advanced Education

Model	Description	Known / Identified Results	Further Information / Source
Incentivizing new behaviours	<p>Various PSI's are introducing various incentives to change education experiences and teaching strategies. These include stipends/additional pay to introduce active learning and online teaching methods including</p> <ul style="list-style-type: none"> • Innovation • The use of technology to reduce physical classroom space • Hybrid classes • Alternative class times 	N/A	https://www.insidehighered.com/digital-learning/article/2017/08/23/colleges-offer-stipends-and-more-encourage-hybrid-courses-and

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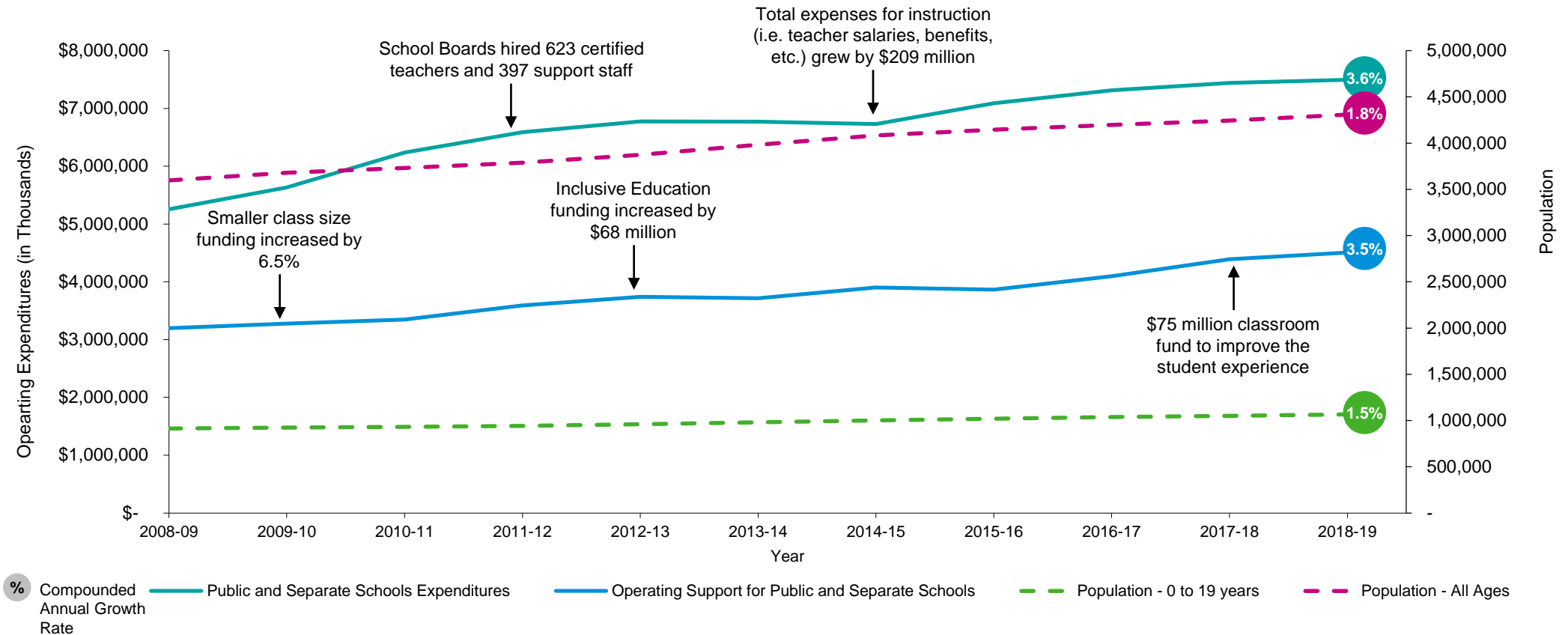


Education



Key Trends for Education in Alberta

Figure 56: 10 Year Trend for Alberta's Major Expenditures in Education



Source: Analysis of Budget Estimates from 2008-09 to 2018-19 for Alberta and Consolidated Actuals for School Board Expenditures 2008-09 to 2017-18; Population data from Statistics Canada Table 17-10-0005-01.

School Board Geography (1 of 3)

Table 32 shows the five year average expenses and enrollment of schools boards in different geographic areas.

Rural-Distant school boards spend the most across all areas but have the least number of student enrolments per school board.

Figure 57 on the following page shows the total school board expenditures by each of these regions from 2010 to 2018. Metro and Rural-Urban school boards saw their expenditures grow the most by 4.4% CAGR and 4.7% CAGR, respectively.

Figure 58 shows the total school board expenditures normalized by the number of student enrolments from 2010 to 2018. Rural-Distant and Rural-Urban saw their per student expenditures grow the most by 2.8% CAGR and 2.1% CAGR, respectively.

Table 32: School Board Expense by Function and Geography

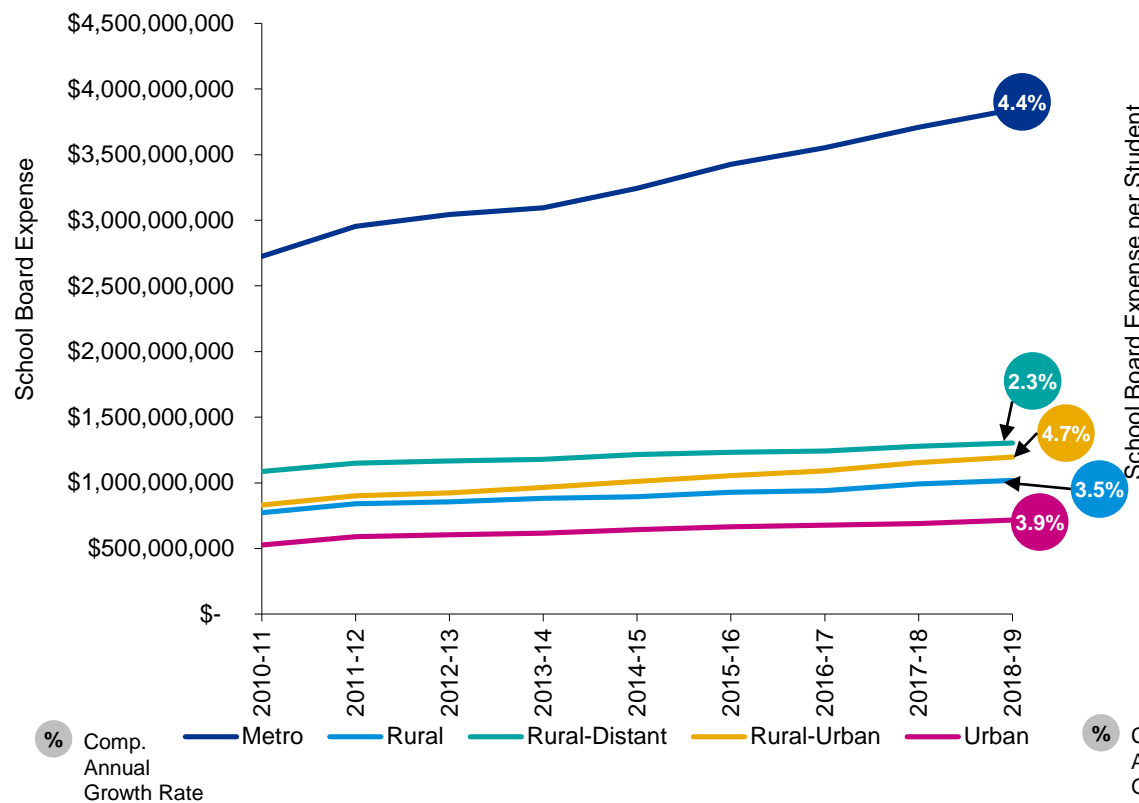
Expense Function	School Board Geography (Five Year Average per Student)				
	Metro	Urban	Rural-Urban	Rural	Rural-Distant
Instruction – ECS to Grade 12	\$9,382	\$10,027	\$9,606	\$9,848	\$11,494
Operations and Maintenance	\$1,541	\$1,618	\$1,532	\$1,557	\$2,074
Transportation	\$439	\$306	\$595	\$680	\$1,081
Board and System Administration	\$336	\$399	\$373	\$479	\$618
External Services	\$179	\$81	\$38	\$81	\$281
Five Year Average Enrolments					
Total	299,031	54,553	90,656	75,455	80,701
Per School Board	74,758	7,793	9,066	5,804	3,509

Note: 2017-18 and 2018-19 figures are based on a forecast of Cost per per Student x Enrolment figures as School Authority level summarized financial statements were not available for those years.

Source: School Authorities Audited Financial Statements; School Board Enrolment from the Ministry of Education.

School Board Geography (2 of 3)

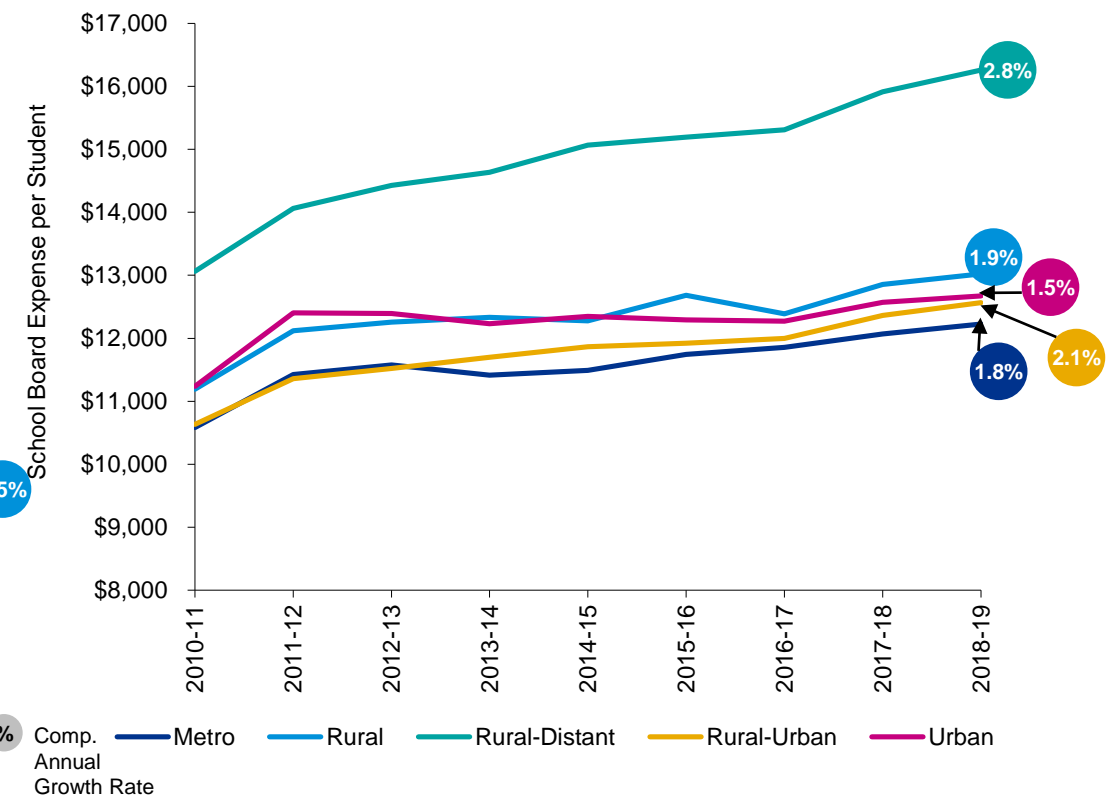
Figure 57: School Board Expense by Geography



Note: Excludes Charter and Francophone schools as only Public and Separate schools are categorized by geography. Due to summary data availability, 2017-18 and 2018-19 total expenses by school board were forecasted.

Source: School Authorities Audited Financial Statements.

Figure 58: School Board Expense by Geography per Student



Note: Excludes Charter and Francophone schools as only Public and Separate schools are categorized by geography. Due to summary data availability, 2017-18 and 2018-19 total expenses by school board were forecasted.

Source: School Authorities Audited Financial Statements; School Board Enrolment from the Ministry of Education.



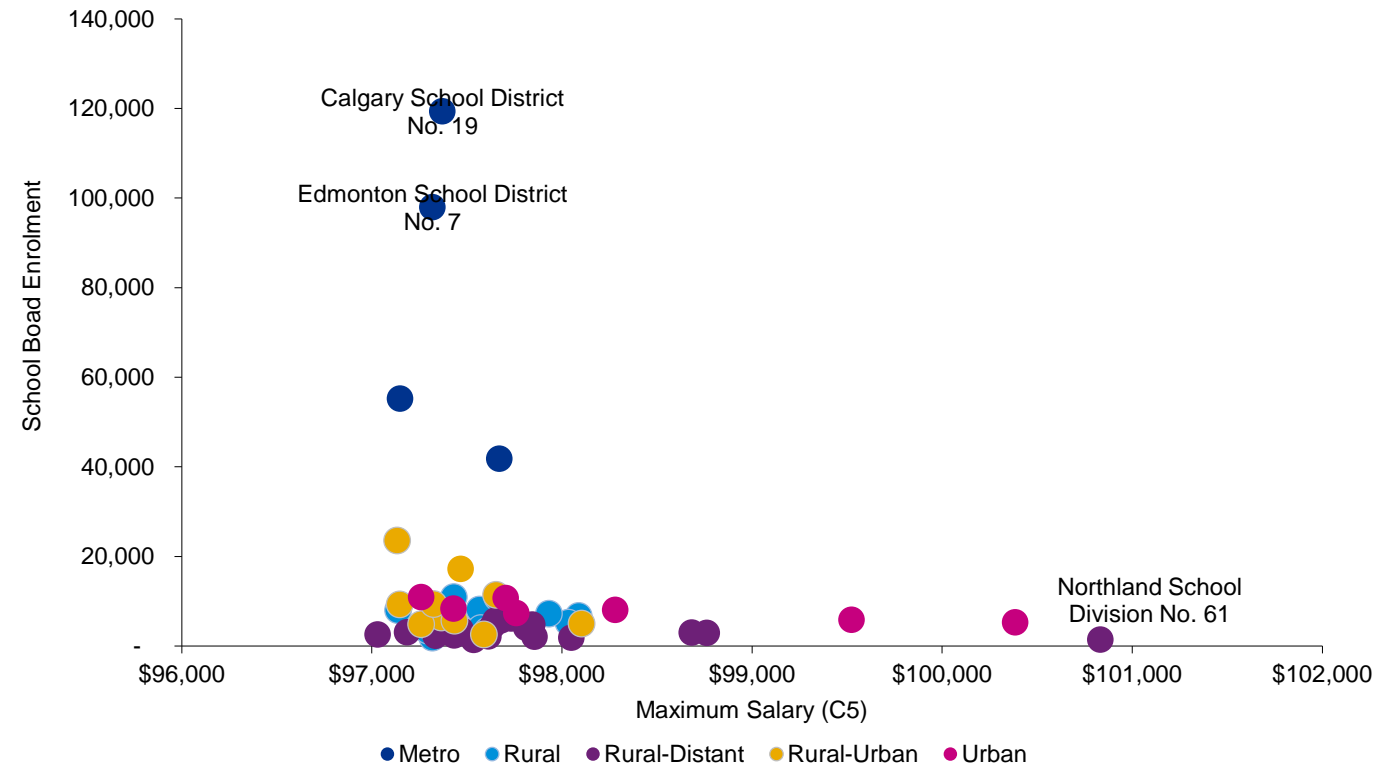
School Board Geography (3 of 3)

There is variation in the teacher salary grids for each school board and geography.

However, based on the analysis in Figure 59, there appears to be no correlation between the teacher maximum salaries, enrolment and geography.

As depicted in Figure 59, most maximum salaries (C5) for teachers in Alberta are between \$97K and \$98K, with a number of outlier school boards over this amount. These outlier school boards are largely from the Northern region of the province, with the top five paying schools boards being: Northland, the two Fort McMurray boards, Fort Vermilion, and Peace River.

Figure 59: Teacher Maximum Salary by Public School Board Geography



Note: Figures are based on C5 maximum salary.

Source: Teacher Salary Grids and School Board Enrolments from the Ministry of Education; School Board Enrolment from the Ministry of Education.

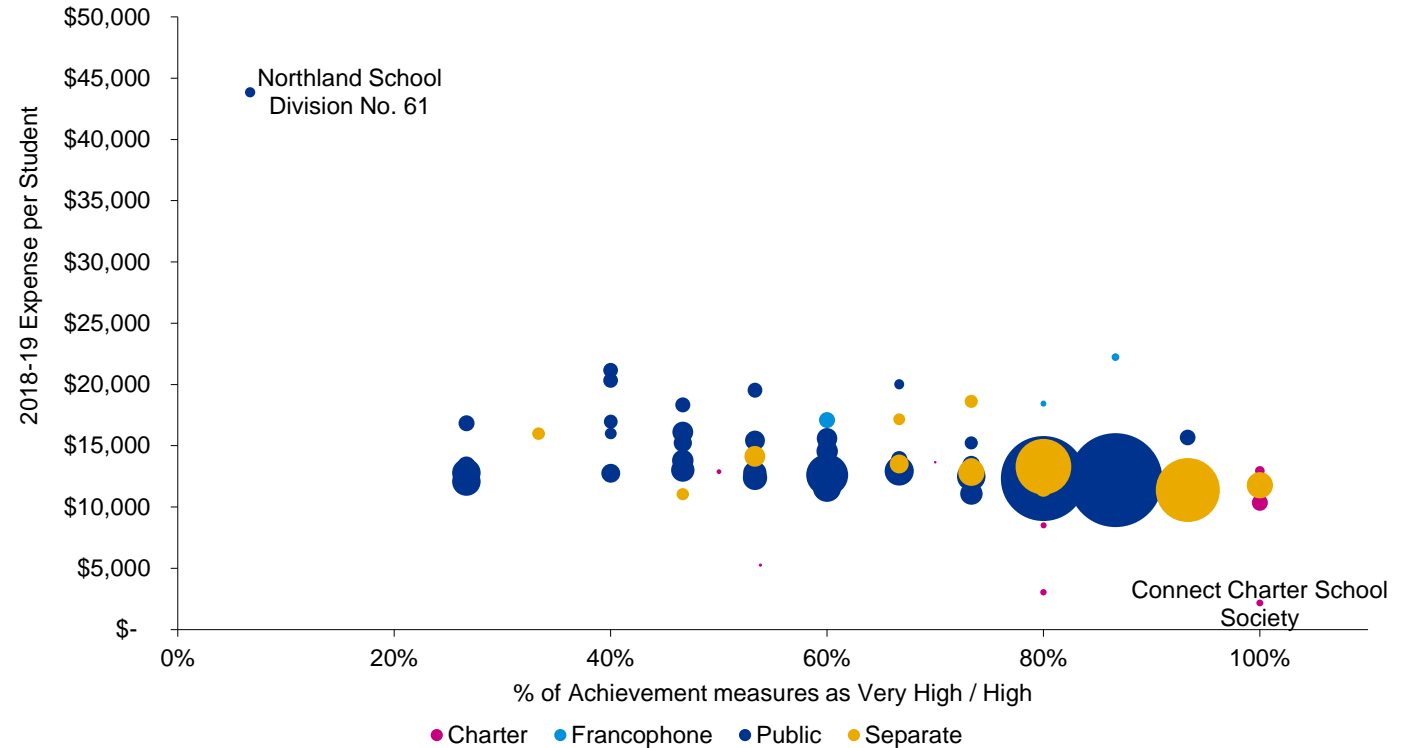
School Board Performance

Alberta Education measures School Board performance using 16 measures that make up their Accountability Pillar. These measures are organized across six categories:

- Safe and caring schools
- Student learning opportunities
- Student achievement learning
- Preparation for lifelong learning, work of work, citizenship
- Parental involvement
- Continuous improvement.

Figure 60 shows the percentage of measures that were rated as very high or high against their total expenses per student from 2018-19.

Figure 60: Percentage of All Achievement Measures Scored as Very High / High per School Board



Note: Bubble size relates to 2018-19 Enrolment. 2018-19 Expense per student is forecasted due to availability of data.

Source: Accountability Pillar Results for Annual Education Results Report (AERR) from the Ministry of Education; School Authorities Audited Financial Statements; School Board Enrolment from the Ministry of Education.

School Board Enrolment (1 of 2)

Since 2007/08, student enrolment growth has been significant in Alberta as compared to the other provinces.

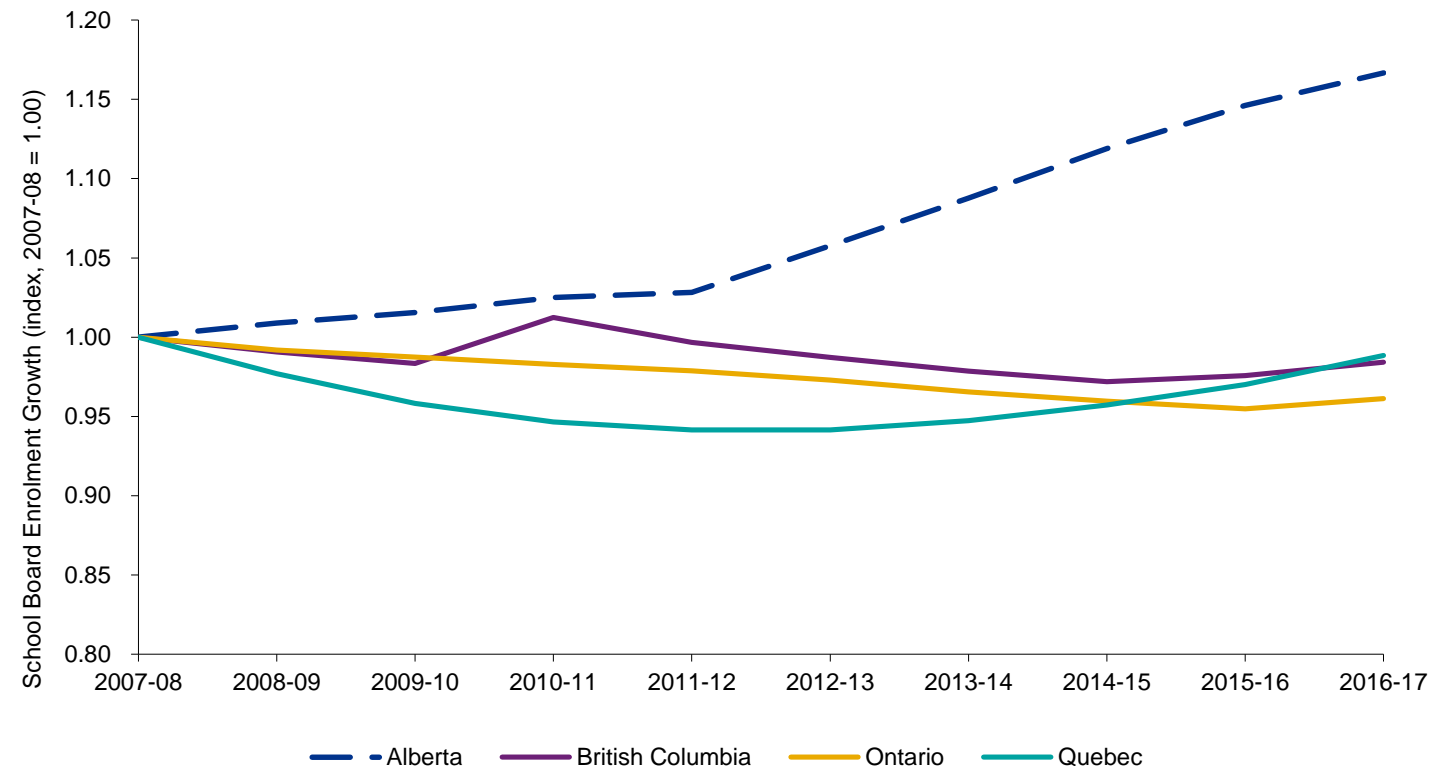
Alberta's enrolment growth was 16.7% in 2016/17 while the other provinces declined: -1.2% in Quebec, -1.6% in British Columbia, and -3.9% in Ontario.

Figure 62 on the following page shows the enrolments from 2016/17 by province broken down by Early Childhood (ECS), Primary, Middle and Secondary.

Some variability will result from differences in the comparator province education systems (e.g. Quebec's secondary education system ends at grade 11).

Alberta's funded enrollments for ECS schools have grown by 3.7% CAGR while primary school enrolments have grown by 2.7% CAGR between 2009/10 and 2018/19. Middle and Secondary school enrolments have grown by 0.9% and 0.6% CAGR, respectively.

Figure 61: School Board Enrolment Growth (Index, 2007-08 = 1.00)

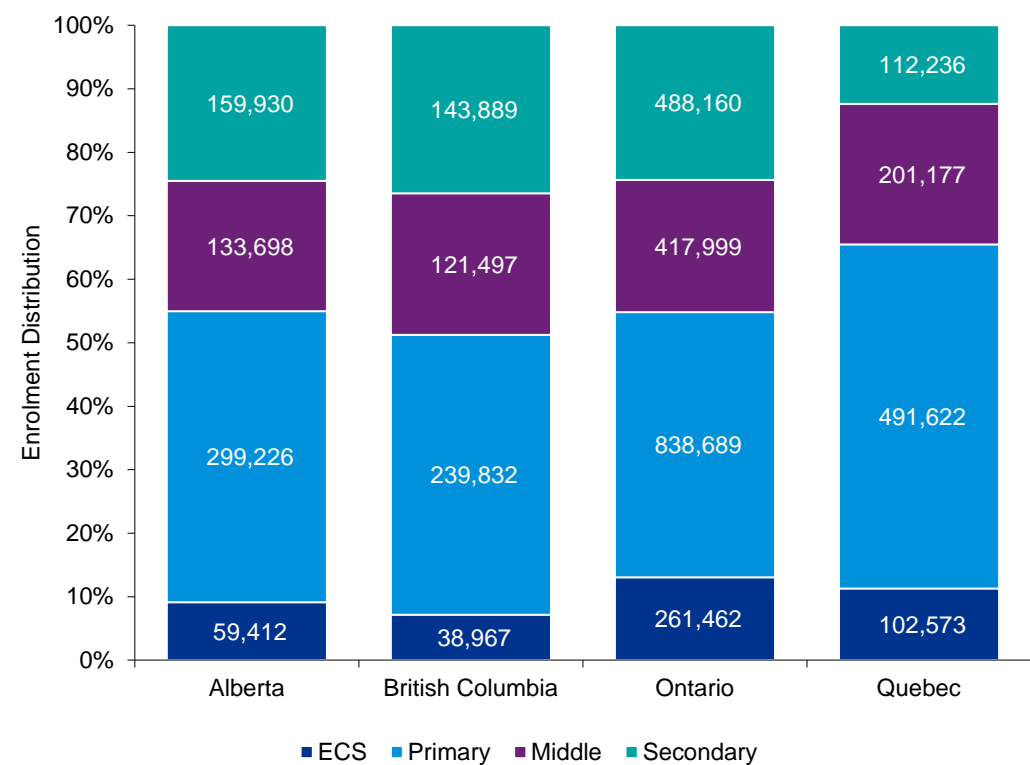


Note: A caveat to note with Quebec enrolments is that their secondary school technically ends after Grade 11.

Source: Provincial enrolments from Statistics Canada Table 37-10-0007-01.

School Board Enrolment (2 of 2)

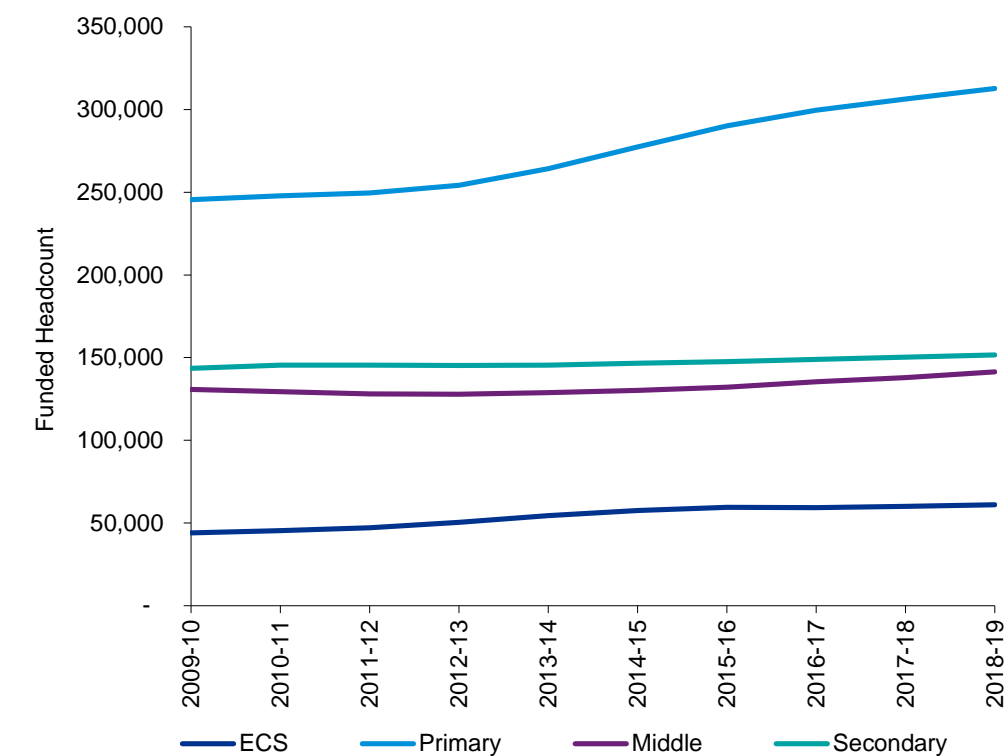
Figure 62: 2016-17 Enrolment Distribution



Note: For the purpose of analysis: ECS is defined as Junior Kindergarten and Kindergarten, Primary School is defined as Grades 1 to 6, Middle School is defined as Grades 7 to 9, and Secondary School is defined as Grades 10 to 13.

Source: Grade classification taken from Scholaro's definition of Canada's Education System; Provincial Enrolment taken from Statistics Canada Table 37-10-0007-01.

Figure 63: Funded Enrolment in Alberta School Boards



Source: Grade classification taken from Scholaro's definition of Canada's Education System; Historical Enrolment from the Ministry of Education.

Education Funding Models

	Alberta	British Columbia	Ontario
Funding Model Summary	Mainly per-student driven	Mainly per-student driven	Mainly per-student driven
Funding Model Components	<ul style="list-style-type: none"> Base funding based on per-student basis Differential funding based on demographic and geographic factors Targeted funding for specific programs Capital funding 	<ul style="list-style-type: none"> Base funding on per-student basis Supplementary grants based on demographic and geographic factors, as well as funding protection against enrolment decline 	<ul style="list-style-type: none"> Base funding on per-student basis School Foundation grant based on benchmarks Special Purpose grants based on demographic and geographic factors
Funding Model Components			
Base Funding	<ul style="list-style-type: none"> ECS Base Instruction Grades 1-12 Base Instruction Home Education 	<ul style="list-style-type: none"> Standard Enrolment Continuing Education Distributed Learning Alternate Schools Home Schooling 	<ul style="list-style-type: none"> Classroom Teachers ECS Educators Education Assistants Textbooks, Learning Materials Classroom Computers and Library
Additional Funding	<ul style="list-style-type: none"> Class Size Grants Early Literacy (Grades 1-2) ECS Administration and Program ESL / Francisation Equity of Opportunity / Inclusive Education First Nations, Metis and Inuit Education Plant Operations and Maintenance Transportation Others including Northern Allowance, Hutterite Colony Schools, Sever Disabilities, Small Board/Schools, Socio-Economic Status 	<ul style="list-style-type: none"> Supplement for Unique Student Needs Classroom Enhancement Special Needs English Language Learning Aboriginal Education Adult Education Newcomer Refugees Supplement for Enrolment Decline Supplement for Salary Differentials Supplement for Unique Geographic Factors Transportation 	<ul style="list-style-type: none"> Special Education Language Indigenous Education Geographic Circumstances Safe and Accepting Schools Continuing Education Cost Adjustment and Teacher Qualifications and Experience Transportation Declining Enrolment School Facility Operations and Administration

Note: Quebec information not available.

Source: Provincial Funding Model Analysis from the Ministry of Education.



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School Board Operational Funding

A comparison of grants was completed for Alberta, British Columbia and Ontario.

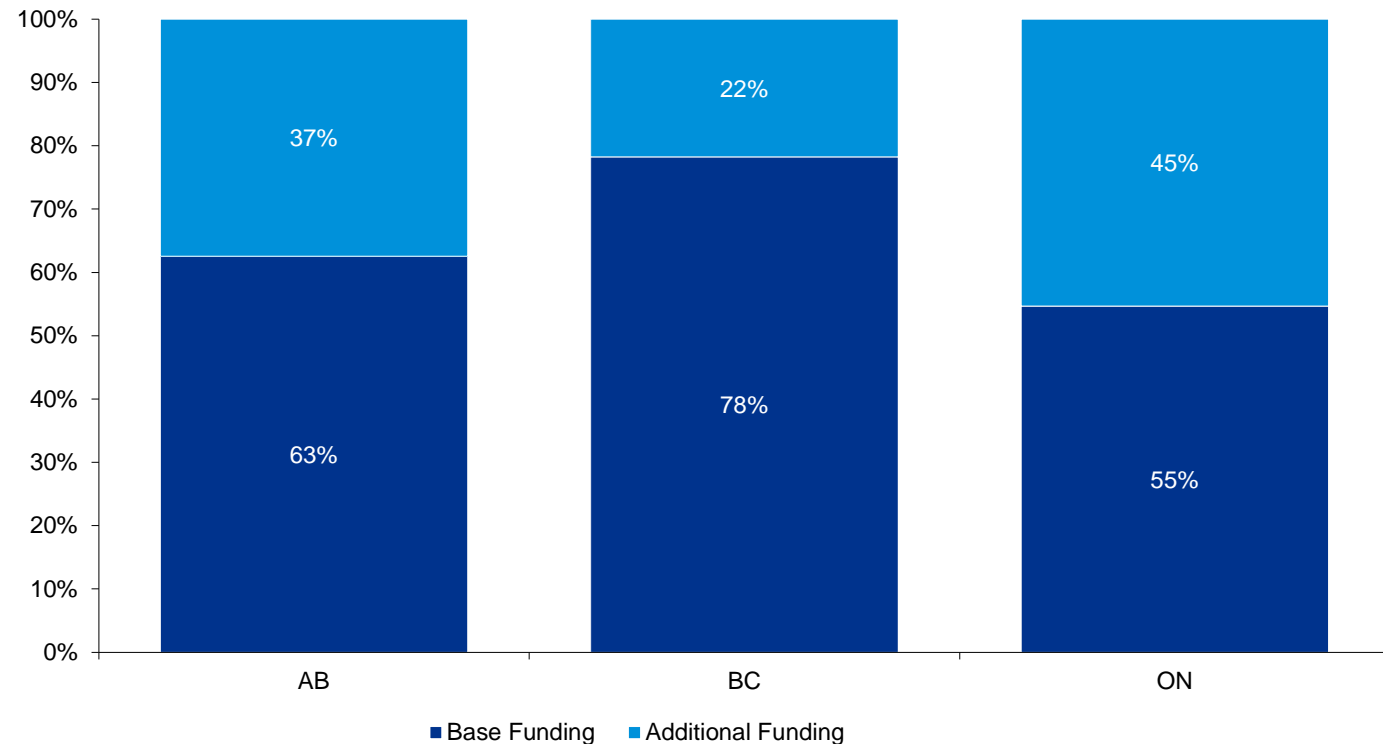
As per Figure 64, Ontario and Alberta use a higher proportion of grants for additional funding, in comparison to British Columbia.

The table below outlines the key categories of these grants for 2018-19.

Table 33: School Board Operational Funding (2018-19)

In Millions	AB	BC	ON
Base Funding Grants	4,208	4,021	12,650
Differential Grants	1,946	-	-
Targeted Grants	530	-	-
Other Provincial Support	42	-	-
Supplementary Funding	-	1,119	-
Special Purpose Grants	-	-	10,484

Figure 64: School Board Operational Funding (2018-19 Estimates)



Note: Quebec information is not available.

Source: Alberta Operational Funding to School Boards from the Ministry of Education; British Columbia Operational Funding to School Boards from BC Government Operating Grants Table; Ontario Operational Funding to School Boards from Ontario: A Guide to the Grants for Student Needs.

Class Size (1 of 2)

One of the key grants that Alberta has been using since 2004/05 is the Class Size Initiative.

Since 2004/05, a total of \$3.3 billion has been spent under this initiative in Alberta (\$295 million was spent in 2018/19).

Table 34 summarizes the comparator Province's use of class size grants / funding to address similar issues. Alberta's class sizes are comparable across the comparator provinces.

Of the comparator provinces, Alberta and British Columbia fund class size initiatives. Ontario and British Columbia legislate class sizes, and Quebec does not use any class size incentives or regulations.

Table 35 on the following page highlights key literature on the use of class size initiatives. The Auditor General of Alberta found that in its review of Alberta's Class Size initiative, the number of school jurisdictions meeting the Department's class size targets in 2017 was lower than in 2004.

Table 34: Class Size Comparison

	Alberta	British Columbia	Ontario	Quebec
Targeted Grant Line – Funding Formula	Yes – Class Size Grants	Yes – Classroom enhancement fund allocation	No – reflected as part of Pupil Foundation Grant and Teacher Qualifications and Experience Grant	N/A
Legislated Class Size	No	Yes	Yes	
Class Size Guidelines	ACOL Guidelines: K-3: 17 students 4-6: 23 students 7-9: 25 students 10-12: 27 students	School Act: K: 22 students 1-3: 24 students 4-12: <30 students	Class Size Regulation: K: 26-29 students 1-3: ≤20 (for 90% of classes, 23 for rest) 4-8: 24.5 students 9-12: 28 students	Provincial Collective Agreement: Junior K: 17 students Senior K: 19 students 1: 22 students 2: 24 students 3-6: 26 students 7: 28 students 8: 29 students 9-11: 32 students
Actual Class Size (2018-19)	K-3: 20.4 students 4-6: 22.8 students 7-9: 23.5 students 10-12: 23.5 students	K: 18 students 1-3: 19.9 students 4-7: 23.9 students 8-12: 22.1 students	*funded class size only given K: 25.6 students 1-3: 19.8 students 4-8: 23.8 students 9-12: 22 students	1: 23 students 2-3: 25 students 4-8: 27 students 9-12: 30 students

Source: Class Size Comparison provided by the Ministry of Education.

Class Size (2 of 2)

Table 35: Class Size Literature Review

	Summary
Drummond Report	<ul style="list-style-type: none"> ▪ The Ontario government has emphasized the importance of smaller classes in promoting improved education outcomes. ▪ Empirical evidence of the benefit of smaller class sizes on education outcomes presents a complicated picture. ▪ Research has suggested that no solid evidence exists to show that smaller classes improve student achievement in the later primary and secondary grades in Canada. Evidence does exist that shows a positive relationship between smaller class sizes in early primary school students. ▪ Evidence suggests that, in terms of value for money, investments in lower class sizes do not provide the greatest possible benefit. ▪ The Programme for International Student Assessment (PISA) finds that raising teacher quality is a more effective route to improved student outcomes than creating smaller classes.
Office of the Auditor General	<ul style="list-style-type: none"> ▪ The OAG examined the design and operating effectiveness of the processes to define the desired results of the Class Size Initiative. ▪ Based on the audit findings, the OAG believes the department has, over time, converted Class Size Initiative funding to additional base instructional funding. ▪ Despite the \$2.7B in funding spent on the initiative since its inception, the number of school jurisdictions that met the department's class size targets in 2017 is lower than in 2004. ▪ The department stopped requiring school jurisdictions, from the 2008-09 school year onwards, to report on how they were using initiative funding. ▪ At the end of the 2010-11 school year, School Jurisdictions felt the department's funding model penalized jurisdictions that had made a conscious effort to reduce class sizes, as jurisdictions with lower class size averages received less funding. In response, the department changed the Class Size Initiative funding formula to look at a per-student allocation vs. the original average class size. The department also changes its funding to focus solely on the grade groups K-3.
Other Findings	<p>Evidence does exist that shows a positive relationship between smaller class sizes in early primary school students (K to 3). Additional Factors that lead to positive educational outcomes include but are not limited to:</p> <ul style="list-style-type: none"> ▪ Parental support ▪ Special education availability ▪ Financial situation ▪ Teacher preparedness and professional development investment ▪ School readiness factors before entering Grade 1 (e.g. physical health and emotional well-being) ▪ Child environment risk reduction and early childhood intervention.

Source: Drummond Report: Commission on the Reform of Ontario's Public Services (2012); Office of the Auditor General: Audit of Alberta Education Processes to Manage the Student Class Size Initiative (2018); Reviewed studies include Government of Quebec: Factors that may affect students academic achievement (2019); Canadian Education Statistics Council: Key factors to support literacy success in school-aged populations (2009); Oxford Academic: The impact of poverty on educational outcomes for children (2007); Balestra, Eugster and Liebert: Class composition, special needs students, and peers' achievement (2016).



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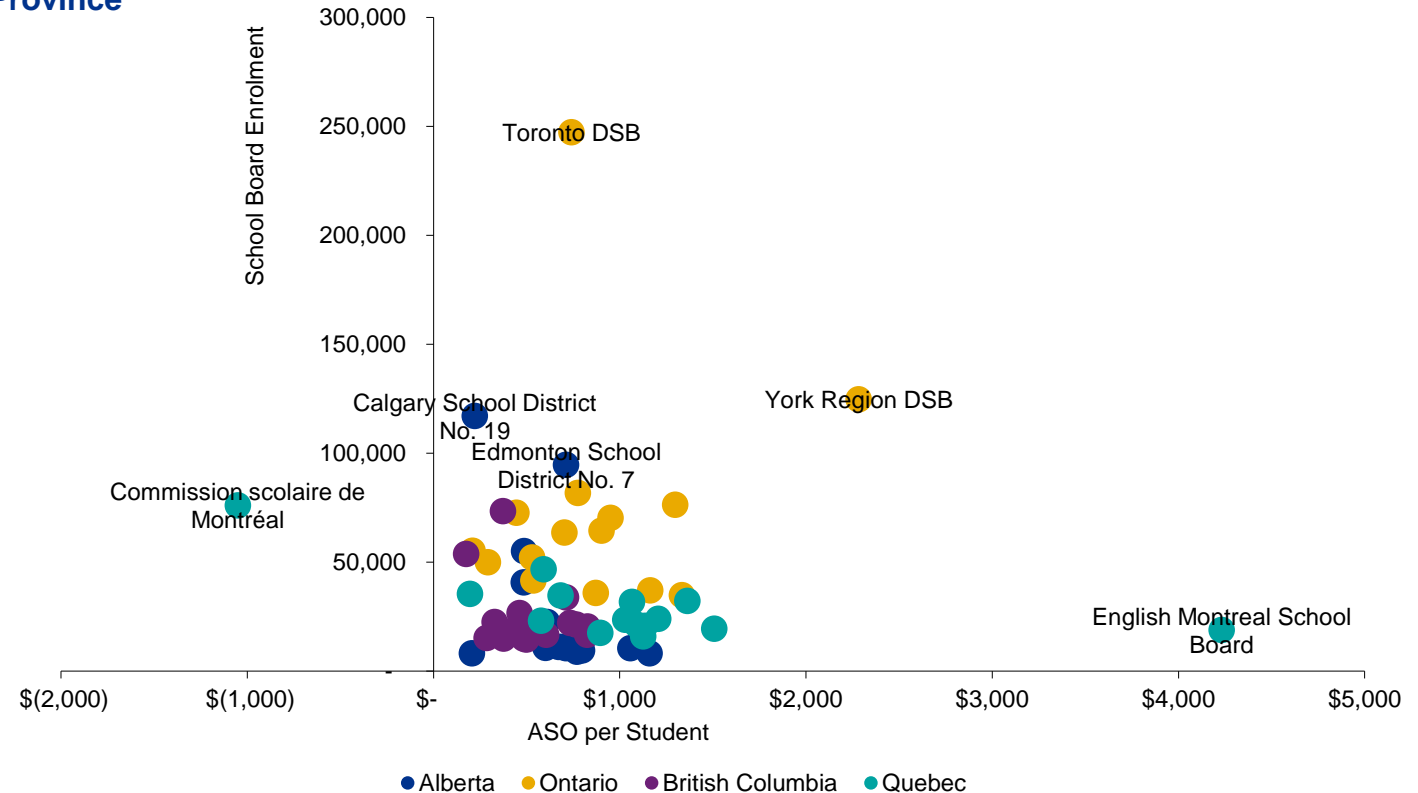
Accumulated Surplus from Operations (1 of 2)

Based on a sample of the 15 largest school boards in the comparator provinces, many school boards have operating reserves that represent government funding not expended in the year it was provided.

Figure 65 shows the accumulated surpluses from a sample of school boards across the comparator provinces on a per student basis.

Many of Alberta's school boards have less than \$1,000 per student in their reserves. This represents \$392 million in available funding across the school boards as of August 31, 2018.

Figure 65: Accumulated Surplus from Operations per 15 largest School Boards in each Province



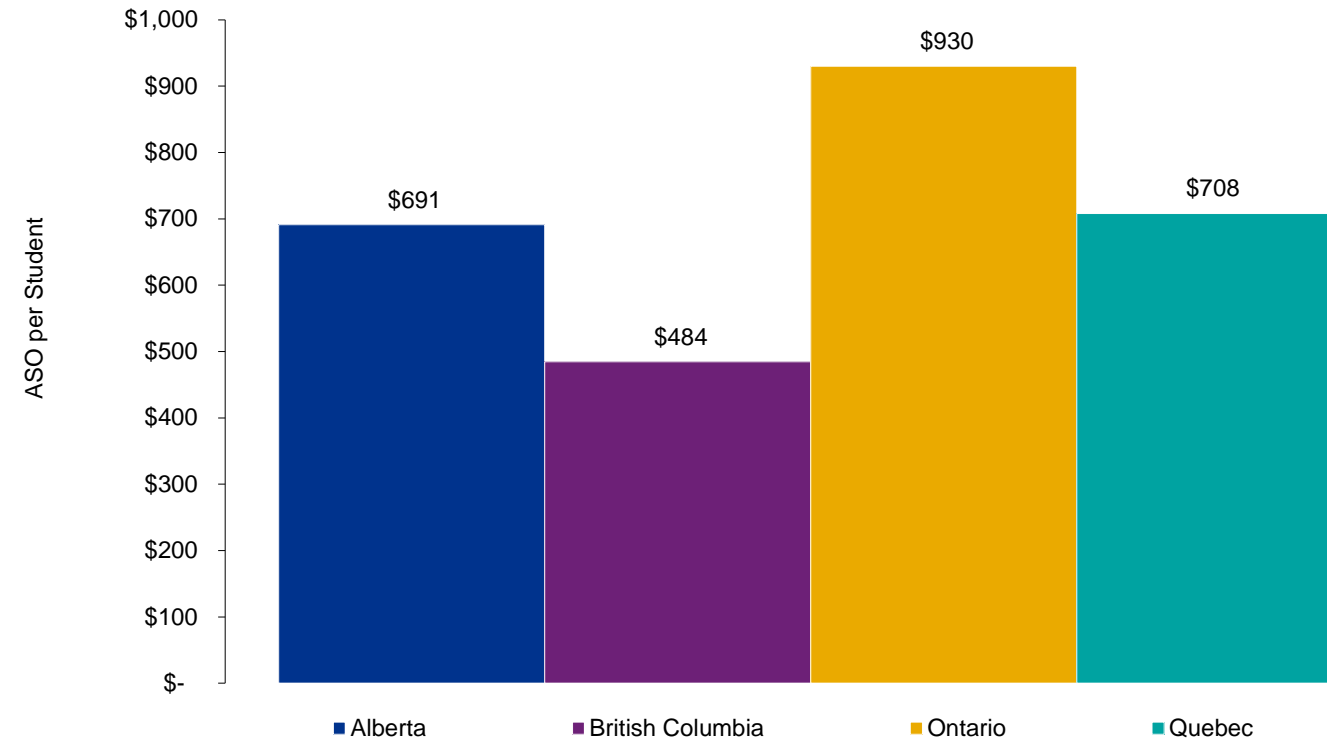
Note: Due to data availability limitations, the Accumulated Surplus of Operations for comparator provinces was gathered for the largest 15 school boards with significant outliers excluded.

Source: 2017-18 Audited Financial Statements per School Board for comparator provinces; 2017-18 Accumulated Surplus from Operations for Alberta from the Ministry of Education; Enrolments for comparator provinces taken from Annual Enrolment Reports; Enrolments for AB from the Ministry of Education.

Accumulated Surplus from Operations (2 of 2)

Based on a sample of the 15 largest school boards in the comparator provinces, on an aggregate basis, the accumulated surpluses from operations in Alberta (on a per student basis) are lower than to Quebec and Ontario's school boards sampled, and higher than the school boards sampled in British Columbia.

Figure 66: Accumulated Surplus from Operations (ASO) per Student by Province



Note: Due to data availability limitations, the Accumulated Surplus of Operations for comparator provinces was gathered for the largest 15 school boards with significant outliers excluded. For Alberta this is representative of all School Boards.

Source: 2017-18 Audited Financial Statements per School Board for comparator provinces; 2017-18 Accumulated Surplus from Operations for Alberta from the Ministry of Education; Enrolments for comparator provinces taken from Annual Enrolment Reports; Enrolments for AB from the Ministry of Education.

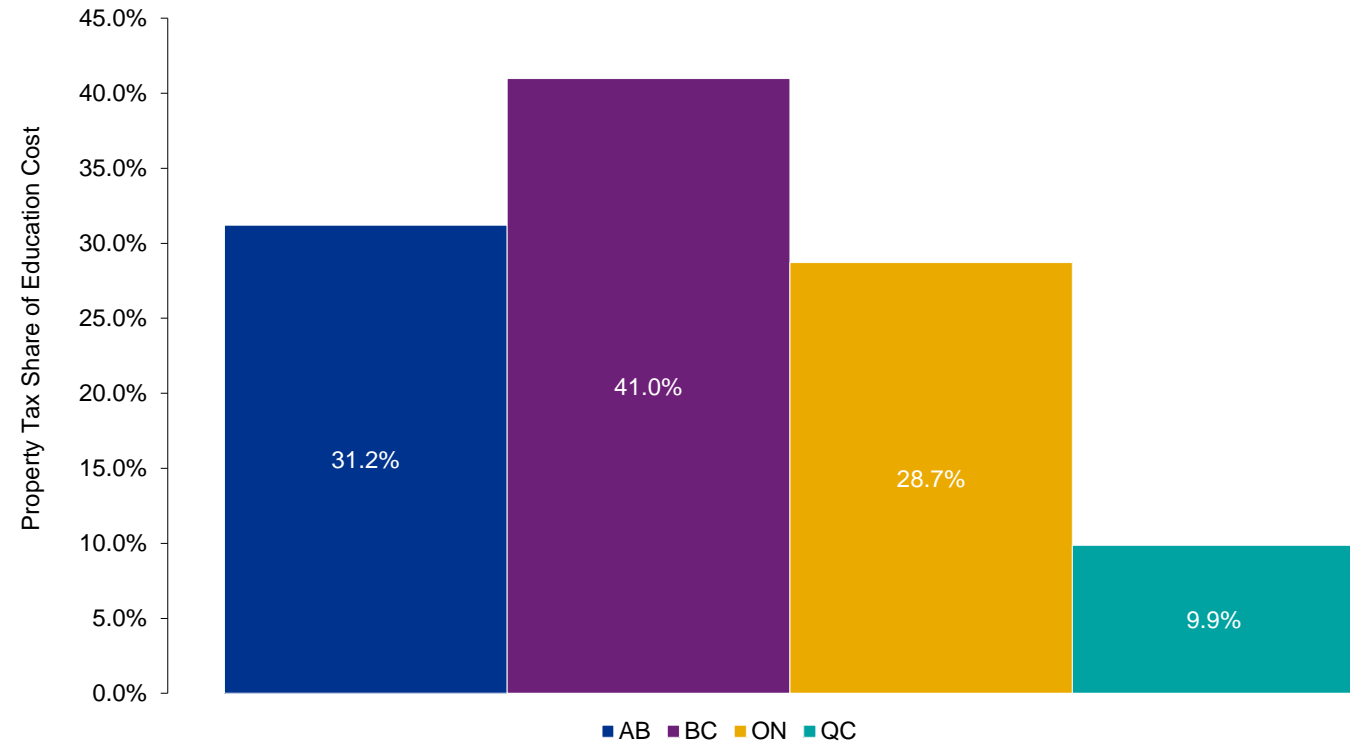
Education Property Tax

The comparator provinces each use the same principles for levying property taxes on assessment to contribute to the K-12 Education system.

Figure 67 shows, proportionately, how other provinces use property taxes as a percentage of general revenues to fund education.

Alberta funds a greater portion of education costs from property taxes when compared to Quebec and Ontario, and less when compared to British Columbia.





Figure 67: Provincial Property Tax as a Share of Education Cost (2017-18)



Note: In Quebec, local school boards collect tax revenue to support education costs and school boards are the only body with the authority to levy property taxes for Education.

Source: 2017-18 Provincial/Territorial Officials Committee (PTOC) on Local Government report.

Education Business Model Differences (1 of 2)

				
Organization	Ministry of Education (includes autonomous school authorities)	Ministry of Education (includes autonomous school authorities)	Ministry of Education (includes autonomous school authorities)	Ministry of Education, Recreation and Support (Includes Governing Boards, school boards, and Community Learning Centres)
Funding	<ul style="list-style-type: none"> Base instruction funding on a per student basis Class size funding Additional funding for specific services / differentials 	<ul style="list-style-type: none"> Base instruction funding per student basis Additional funding for specific services / differentials 	<ul style="list-style-type: none"> Base instruction funding per student basis Additional funding for specific services / differentials 	<ul style="list-style-type: none"> Formula that consists of student allocation plus additional allocations for various administrative services / functions Additional funding based on various differentials
Catholic School Boards Established under Legislation?	Yes	No	Yes	No
Core Business	Each of the four provincial ministries have responsibility for developing curriculum and funding for K – 12 (K - 11 in Quebec); responsibility also encompasses early childhood learning in all four provinces			
Additional Unique Responsibilities	N/A	N/A	Responsible for policy and programs to support child care Operates schools for blind, deaf and deafblind students	Ministry is responsible for both Education and Advanced Education In-school child care is included as part of publicly funded school services Also includes oversight for 37 Community Learning Centres




Source: Business Plans (Service Plans), Annual Reports and Ministry websites.



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Education Business Model Differences (1 of 2)

				
Common goals	Student success, focus on Indigenous		N/A	N/A
Variation in Goals	Explicit focus on diversity, inclusion and teaching excellence	N/A	N/A	N/A
Number of School Authorities	74	60	72 School Boards 10 School Authorities	69 School Boards of Which 9 were English Language ^(a)
Total Expenditures per Student ^(b)	\$11,121	\$9,681	\$17,077	\$12,325

Notes: (a) Based on 2008-09 information

(b) Based on Budget Estimates for Operating Expenditures 2018-19 and student data for 2017-18.

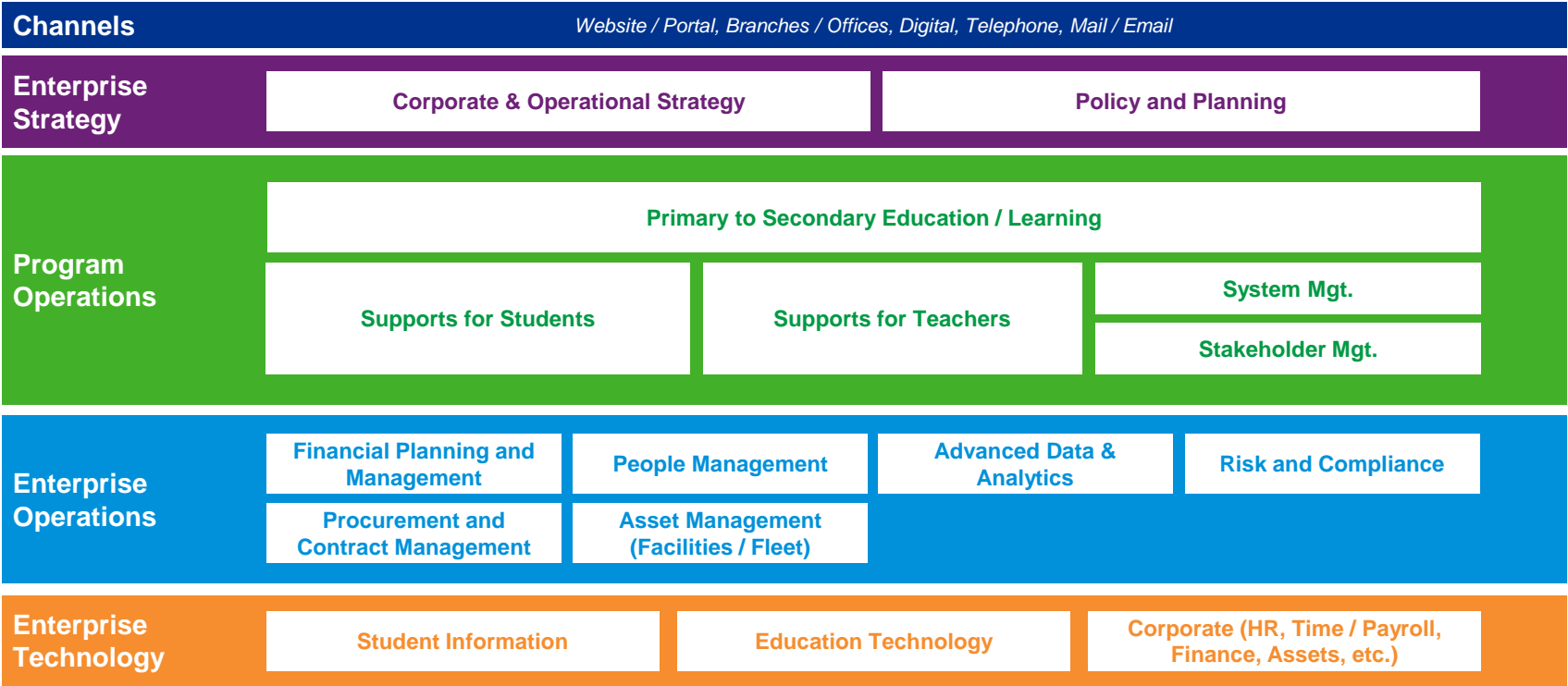
Source: Business Plans (Service Plans), Annual Reports and Ministry websites.



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Connected Enterprise Framework for Education



Education Expenditure Comparisons

**Table 35: Education Budget Estimates
2018-19**

% of Total Expenses // Per Student

Enterprise Strategy	1.9%	\$209	0.01%	\$1	0.3%	\$50	0.08%	\$9
Program Operations	82.6%	\$9,184	84.3%	\$8,157	73.1%	\$12,483	76.4%	\$9,415
Primary to Secondary Ed	47.7%	\$5,300	65.3%	\$6,316	47.9%	\$8,174	46.8%	\$5,769
Supports for Students	15.8%	\$1,752	2.4%	\$230	12.4%	\$2,118	12.2%	\$1,509
Supports for Teachers	12.0%	\$1,330	15.4%	\$1,494	12.6%	\$2,152	16.8%	\$2,071
System Management	7.2%	\$804	1.2%	\$116	0.2%	\$39	0.5%	\$66
Enterprise Operations	15.5%	\$1,727	15.7%	\$1,522	26.3%	\$4,491	23.2%	\$2,857
Enterprise Technology	-	-	-	-	0.3%	\$52	0.4%	\$44
Total Expenditures per Student	\$11,121		\$9,681		\$17,077		\$12,325	

Note: Consolidated views for British Columbia and Ontario do not exist; expenditures by school boards for these provinces were included using estimating assumptions.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia, Ontario and Quebec; Per student expenditures based on student data for 2017-18.



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Innovative Models in Education

The following outlines some practices and innovative models in education systems that have been used to increase efficiencies while driving improved outcomes for students and teachers.

Practice	Description	Known / Identified Results	Further Information / Source
Single vs Multiple Public School Boards	<p>Only three provinces in Canada (Alberta, Ontario and Saskatchewan) fully fund religious schools via separate school boards. Alberta and Saskatchewan also provide partial government funding to independent schools of all religions, helping to keep tuition fees within reach for lower- and middle-income families. Ontario along with Atlantic Canada do not support independent schools families.</p> <p>In contrast BC provides an example of an education system that treats families of all religions equally. B.C.'s public school system is fully secular, with Catholic and other religious schools available to families as independent schools. While BC has been reviewing its funding formula the point is that taxpayer funding is available to qualifying independent schools. This financial support has helped keep tuition fees accessible for more families.</p>	<p>An article published by the Fraser Institute (August 2018) concluded that by removing religious schools from the public system while introducing partial funding for independent schools, would offer greater choice to parents and save money. A 2014 study found that if Ontario moved to B.C.'s model of a single public system with partial funding to independent schools, Ontario taxpayers would save between \$849.1 million and \$1.9 billion annually.</p>	<p>https://www.fraserinstitute.org/article/ontario-should-look-to-bc-as-a-model-for-education-reform</p>

Note: This information does not represent KPMG's advice or opinion.



This research and analysis was completed at the request of the Panel. KPMG's role was to provide research and analysis but has not provided any recommendations or opinions. As such, the Panel is responsible for all recommendations and the Panel's report, and the Government of Alberta is responsible for all decisions arising from the Panel's report.

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Innovative Models in Education

Practice	Description	Known / Identified Results	Further Information / Source
For profit schools	<p>Based on a report by the Fraser Institute, Alberta is the only Canadian province with charter schools, which provide greater diversity, choice and autonomy within the public school system. Alberta is also one of the most generous provinces in supporting parents that choose to homeschool their children and has one of the highest rates of subsidies to families choosing independent schools. And yet, despite the generous subsidies, Alberta's rate of independent school enrolment is less than B.C., Quebec, Manitoba and even Ontario which provides no funding to families choosing independent schools.</p> <p>Current legislation in Alberta, and indeed all Canadians provinces, excludes for-profit independent schools from receiving government operating grants—even if they follow all other school regulations—which limits their ability to participate in the province's education system, since it requires high rates of tuition.</p> <p>Sweden has incorporated for-profits into the mix of education delivery on a level playing field which has enabled greater choice to parents and students but not at a cost to government. Australia has also recently been experimenting with varying values for school vouchers. The idea is to better target support to families in need, to ensure greater school choice for lower-income Australian families.</p>	<p>There is research showing the benefits of school choice for students and families. A recent comparison of standardized test results in British Columbia between public schools and non-elite independent schools (the analysis excluded high tuition or “elite” independent schools) showed that independent schools had better results (statistically significant) than comparable public schools in 10 out of 11 test areas.</p> <p>Sweden experienced a large increase of in for profit providers. Swedish students attending independent schools increased from 2 per cent in 1992 when reforms began, to 14.1 per cent in elementary and lower-secondary grades and 25.1 per cent in upper-secondary grades by 2014.</p>	<p>https://www.fraserinstitute.org/article/alberta-government-should-increase-access-to-for-profit-schools</p>

Note: This information does not represent KPMG's advice or opinion.



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Appendix: Quebec Expenditure Comparison of Health & Social Services



Quebec Expenditure Comparisons

Table 36: Health and Community Social Services Total Budget Estimates 2018-19

% of Total Expenses // Per Capita

								
Enterprise Strategy	1.0%	\$59	0.04%	\$2	0.2%	\$8	0.3%	\$16
Program Operations	90.1%	\$5,462	88.9%	\$4,208	95.0%	\$4,844	87.8%	\$4,500
Enterprise Operations	6.6%	\$400	11.0%	\$523	4.0%	\$202	11.9%	\$610
Enterprise Technology	2.3%	\$139	-	-	0.8%	\$43	-	-
Total Expenditures per capita	\$6,059		\$4,733		\$5,096		\$5,126	

Note: The total consolidated budgets for health and community and social services were totalled for Alberta, British Columbia and Ontario to provide a comparison to Quebec's integrated health and social services model. Based on validation by Alberta Health and Alberta Health Services there is greater reliability in how the budget estimates have been mapped and allocated across the Connected Enterprise model for the health related expenditures. The same level of reliability is not present with the figures for British Columbia, Ontario and Quebec, as this was based on similar line item descriptions to Alberta and / or based on experience.

Source: Analysis of Budget Estimates for 2018-19 for Alberta, British Columbia, Ontario and Quebec; Population data to inform per capita expenditures from Statistics Canada Table 17-10-0005-01.



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This document (the “Document”) by KPMG LLP (“KPMG”) is provided to the Government of Alberta Treasury Board and Finance (“Alberta”) pursuant to the contractor service agreement dated June 3, 2019 to conduct provide professional services for the Blue Ribbon Panel on Alberta’s Finances (the “Panel”).

If this Document is received by anyone other than Alberta or the Panel, the recipient is placed on notice that the attached Document has been prepared solely for Alberta and the Panel for its own internal use. KPMG does not accept any liability or responsibility to any third party who may use or place reliance on the Document.

Our scope was limited to research and analysis over a very short timeframe. The procedures we performed were limited in nature and extent, and those procedures will not necessarily disclose all matters about finances, functions, policies and operations of a provincial ministry or functional area, or reveal errors in the underlying information. Our role was to provide research, analysis and approaches used in Alberta in comparison primarily to B.C., Ontario and Quebec to manage operating expenditures, and other operating metrics as input for the Panel; KPMG was not contracted for and provides no opinions, conclusions or recommendations on the information included herein.

Our procedures primarily consisted of research, comparison and analysis of Government of Alberta-provided information and data, as well as data and information on other provinces from publically-available sources, which was not exhaustive. Readers are cautioned that, in some cases, estimates are provided based on available information and assumptions for order of magnitude only.

The procedures we performed do not constitute an audit, examination or review in accordance with standards established by the Chartered Professional Accountants of Canada, and we have not otherwise verified the information we obtained or presented in this Document. We express no opinion or any form of assurance on the information presented in the Document, and make no representations concerning its accuracy or completeness.

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Key Messages on the MacKinnon
Report

September 6, 2019

WE ARE	WE ARE THE	WE ARE THE	WE ARE YOUR
economies	support	experts	advocate
OF SCALE	YOU NEED	IN MUNICIPALITIES	

Overall

- AUMA appreciates the intent of the [MacKinnon Panel on Alberta's Finances](#) to provide recommendations on how the Government of Alberta can improve its financing and smooth out “rollercoaster” spending patterns.
- We remain committed to working with the Rural Municipalities of Alberta (RMA) and the province to create a new fiscal framework for municipalities that supports the province’s financial goals while maintaining the critical infrastructure that supports Albertans’ quality of life.

Areas of Alignment

Capital Spending - Municipal Grants (pages 55-56)

We agree that capital spending on infrastructure contributes to both the quality of life and the productive capacity of Albertans.

- We concur that Alberta must continue to grow its economy to retain and attract young people. We also know that a modern economy and current local infrastructure are key to achieving this goal.

The [MacKinnon Report](#) largely reaffirms our positions on infrastructure funding.

- We continue to support the creation of a capital spending plan that will provide sustainable and predictable funding for municipalities.
- We encourage collaboration between the province & municipalities on a 20-year infrastructure investment plan.

We appreciate the support to make better use of the federal infrastructure funding through the Canadian Infrastructure Program (ICIP).

We agree that the allocation of municipal funding needs to be adjusted to:

- ensure funding is received according to each municipality’s needs; and
- address municipalities’ lack of capacity to increase mill rates.

Improvements to Capital Planning (page 80)

We agree that the capital process and system must consider future operating impacts as a mandatory requirement for approval. The selection criteria for projects should include considerations about

operating costs to ensure that a project balances a municipality's needs with revenue considerations (such as with water and wastewater projects).

Fixed Budget Dates (page 72)

We agree with the panel's recommendation to establish a fixed budget date (Recommendation 25). This would provide municipalities more predictability when determining their own budgets.

Nurse Practitioners (page 72)

In keeping with the spirit of our February 2019 decision to support a Primary Care Position Statement from the Nurse Practitioner Association of Alberta, as well as [previous resolutions from our members](#), we support the MacKinnon Panel's assertion that "many health care problems can be more appropriately treated at less cost by other health professionals, like Nurse Practitioners."

Our Questions

Capital Spending - Municipal Grants (pages 55-56)

We agree there is only one taxpayer, which gives us pause on the panel's conclusion that increasing the pressure on municipal property taxpayers is the answer to funding capital projects. It is the same taxpayer.

- Tax-shifting from the province to municipalities is only downloading the burden of revenue-raising and impedes intermunicipal collaboration that sees more effective and efficient infrastructure investment in regions.

The report states that capital grants to municipalities make up 25% of the provincial government's capital spending, and that the government can't maintain these levels. The report also suggests municipalities should contribute more to infrastructure projects. However, municipalities own and maintain 60% of Alberta's infrastructure, while they receive only 10% of every tax dollar.

- Provincial legislation limits municipalities' revenue generating options, resulting in reliance on property taxes. Urban municipalities do not have room to increase property taxes, especially considering that the provincial government takes roughly 30% of the property tax base for education from the same taxpayer the report references.

Municipal Accountability (page 56)

We question the report recommendation to establish more accountability mechanisms to monitor the delivery of municipal programs and services. Municipalities are already the most transparent level of government.

- Our budgets are debated in open council meetings.
- We provide detailed financial reporting to Municipal Affairs, and those results are accessible to the public.
- Municipalities are the only order of government that cannot run deficits.

The focus of municipal accountability should be to our local electorate, not additional reporting to the Government of Alberta, which would only serve to increase the government's footprint with another layer of red tape.

Municipal Grants – Financial Stewardship (page 55)

The \$440 per capita in municipal grants, as stated in the report, is very misleading, as it includes federal grant funds (such as the Gas Tax Fund) that flow through the provincial coffers before being reallocated to Alberta municipalities.

While we question the validity and context of much of the statistical revenue growth of the province and municipalities from 2008 to 2018, one factor is evident — municipalities are superior financial steward of taxpayer dollars when compared to the other two orders of government.

Municipalities are the most efficient stewards of financial resources. They are continually required to make tough economic decisions, since, unlike the other two orders of government, municipalities cannot run financial deficits.



ALBERTA
TREASURY BOARD AND FINANCE
President of Treasury Board and Minister of Finance

48802

MAY 07 2019

Ms. Janice MacKinnon
Chair
Blue Ribbon Panel on Alberta's Finances

Dear Ms. MacKinnon:

Thank you for agreeing to serve as Chair of the Blue Ribbon Panel on Alberta's Finances. Your contribution to providing our government with a path towards fiscal renewal in Alberta is very much appreciated.

Our government made a commitment during the recent election campaign to have a team of experts conduct an independent review of the province's finances and provide advice to government on balancing the budget by fiscal year 2022-23, while improving budget and fiscal planning systems, processes and practices.

In furtherance of this commitment, Michael Percy has agreed to serve as Vice-Chair of the Blue Ribbon Panel, with the other Panel members being Bev Dahlby, Kim Henderson, Jay Ramotar, and Dave Mowat.

A robust fiscal management system is critical in responding to the wide array of challenges that the Province of Alberta will face over the next decade, establishing a foundation for our government to deliver on its broad policy agenda.

Recognizing the financial crossroads at which Alberta stands, the terms of reference for the Blue Ribbon Panel are set out as follows:

- Develop and provide an assessment of the Government of Alberta's business-as-usual fiscal outlook for current fiscal year, 2019-20, and the subsequent three fiscal years, 2020-21, 2021-22 and 2022-23, based on the most current economic and fiscal forecasts, assuming no policy changes, in order to establish a baseline for future fiscal planning.
- Develop and provide an assessment of alternative scenarios for the Government of Alberta's fiscal outlook to establish a clear understanding of the risks associated with the province's business-as-usual fiscal outlook between 2019-20 and 2022-23.
- Develop and provide an assessment of the material economic forecast assumptions, including assumptions about commodity prices that underlie the fiscal outlook, the

main uncertainties associated with the economic forecast, and the sensitivity of the fiscal outlook to changes in the economic forecasts.

- Provide advice to the government on plans to balance the provincial budget by 2022-23, without raising taxes, based on the fiscal outlook.
- Provide an assessment by department and agency of program expenditure trends and cost drivers and the sensitivity to changes in the economic forecast.
- Provide advice and recommendations on a new fiscal framework, including requirements for presenting a four-year balanced budget plan, requirements for future balanced budgets, annual allocations towards retirement of the province's accumulated debt once the budget is balanced, and requirements for ministry business plans, monthly, quarterly and mid-year budget updates, and annual reports.
- Examine current practices, processes and systems used to prepare the province's budget, quarterly updates and economic statements and annual financial statements, report on ease of use, and recommendations for improvement with due regard to enhancing fiscal sustainability and transparency.
- Examine current processes and systems used in government for preparing, approving, and monitoring progress on the Government of Alberta's Capital Plan, including processes and systems used to approve in-year capital spending, and provide recommendations for improving the province's capital planning framework
- Analyze the business investment climate in Canada and its impact on the Alberta economy.
- Provide advice on any other matter the Panel deems relevant to its mandate as a result of information coming to its attention during the course of the review.

I have discussed the work of the Panel with my colleagues and all ministries, including their agencies, boards and commissions of the Government of Alberta, will assist you to the fullest extent possible, including producing documents in a timely manner, so that the Panel can fulfill its mandate.

I am asking that the Blue Ribbon Panel conclude its work and present a final report to government by no later than August 15, 2019.

Ministerial Order 13/2019 is attached, which provides detail with respect to the mandate, supports and remuneration of the Panel.

Sincerely,



Travis Toews
President of Treasury Board and
Minister of Finance

Attachment – Ministerial Order 13/2019



MINISTERIAL ORDER No. 13/2019

**DEPARTMENT OF TREASURY BOARD AND FINANCE
PROVINCE OF ALBERTA**

Government Organization Act (s. 7)

BLUE RIBBON PANEL ON ALBERTA'S FINANCES

I, Travis Toews, President of Treasury Board and Minister of Finance, make the following Order establishing the "Blue Ribbon Panel on Alberta's Finances" (the "Panel"):

1. The following individuals are appointed as members of the Panel:
 - Ms. Janice MacKinnon
 - Mr. Mike Percy
 - Ms. Kim Henderson
 - Mr. Bev Dahlby
 - Mr. Dave Mowat
 - Mr. Jay Ramotar
2. Janice MacKinnon is appointed as Chair and Mike Percy is appointed as Vice-Chair.
3. The purpose, role, responsibilities, and deliverables of the Panel are as set out in the Terms of Reference attached as an Appendix to this Order.
4. Subject to the terms of this Order and the Terms of Reference, the Panel is authorized to make rules governing the calling of its meetings, the procedure to be used at its meetings, and the conduct of business at its meetings.
5. The work of the Panel shall be supported by the Department of Treasury Board and Finance, through contracted resources or by personnel of the Department assigned for that purpose, or a combination thereof.

6. Resources contracted by the Department of Treasury Board and Finance at the request of or in support of the Panel shall be limited to a maximum allocation established for that purpose by the Deputy Minister of Treasury Board and Finance.

7. Members serving on the Panel shall be entitled to remuneration in accordance with Part A of Schedule 1 of Appendix 3 of the *Committee Remuneration Order*, being O.C. 466/2007, including any amendment thereto.

8. Members serving on the Panel shall be entitled to reimbursement of their reasonable expenses, on the same basis as if they were employees of the Government of Alberta and subject to the *Travel, Meal and Hospitality Expenses Directive*, being Treasury Board Directive 1/2015, including any amendments thereto.

9. The Panel is disestablished on September 15, 2019.

DATED this 1 day of May, 2019.



Travis Toews
President of Treasury Board and
Minister of Finance

APPENDIX

TERMS OF REFERENCE

BLUE RIBBON PANEL ON ALBERTA'S FINANCES

1. **Context** – The Government of Alberta has committed to “appoint a Blue Ribbon Panel of experts to conduct a ‘deep dive’ into Alberta’s fiscal situation, recommend a path to balance, and propose a realistic plan to start paying down the debt.”

2. **Mandate** – The mandate of the Blue Ribbon Panel on Alberta’s Finances is as follows:

- Develop and provide an assessment of the Government of Alberta’s business-as-usual fiscal outlook for current fiscal year, 2019-20, and the subsequent three fiscal years, 2020-21, 2021-22 and 2022-23, based on the most current economic and fiscal forecasts, assuming no policy changes, in order to establish a baseline for future fiscal planning.
- Develop and provide an assessment of alternative scenarios for the Government of Alberta’s fiscal outlook to establish a clear understanding of the risks associated with the province’s business-as-usual fiscal outlook between 2019-20 and 2022-23.
- Develop and provide an assessment of the material economic forecast assumptions, including assumptions about commodity prices that underlie the fiscal outlook, the main uncertainties associated with the economic forecast, and the sensitivity of the fiscal outlook to changes in the economic forecasts.
- Provide advice to the government on plans to balance the provincial budget by 2022-23, without raising taxes, based on the fiscal outlook.
- Provide an assessment by department and agency of program expenditure trends and cost drivers and the sensitivity to changes in the economic forecast.
- Provide advice and recommendations on a new fiscal framework, including requirements for presenting a four-year balanced budget plan, requirements for future balanced budgets, annual allocations towards retirement of the province’s accumulated debt once the budget is balanced, and requirements for ministry business plans, monthly, quarterly and mid-year budget updates, and annual reports.
- Examine current practices, processes and systems used to prepare the province’s budget, quarterly updates and economic statements and annual financial statements, report on ease of use, and recommendations for improvement with due regard to enhancing fiscal sustainability and transparency.
- Examine current processes and systems used in government for preparing, approving, and monitoring progress on the Government of Alberta’s Capital Plan, including processes and systems used to approve in-year capital spending, and

provide recommendations for improving the province's capital planning framework

- Analyze the business investment climate in Canada and its impact on the Alberta economy.
- Provide advice on any other matter the Panel deems relevant to its mandate as a result of information coming to its attention during the course of the review.

3. **Support for the Work of the Panel** – The Panel is to look to the Department of Treasury Board and Finance to provide all support required for the Panel's work, including the following:

- Arranging for access to information as required, including in relation to all departments and agencies of the government; and
- Retaining contracted support as required, potentially including an accounting firm or think tank that has experience in conducting government fiscal performance reviews, including in relation to jurisdictional comparisons and benchmarks of spending in such areas as health and education, examining best practices for limiting expenditure growth and innovative delivery models that could be considered that produce value for money.

4. **Deliverable** – The Panel must deliver its final report and recommendations to the President of Treasury Board and Minister of Finance no later than August 15, 2019. Following delivery of the final report and prior to September 15, 2019, the Panel shall provide any follow-up clarifications, explanations, or other advice as may be requested by the Department of Treasury Board and Finance.



STAFF REPORT

Title: Regional Emergency Management Plan Exploration

Meeting Date: September 17, 2019

Executive Summary:

Alberta has seen in the past decade an increase in the intensity of wild land fires and flooding. A Regional Emergency Management Plan (REMP) serves as an operational guideline for managing an appropriate response to any emergency impacting two or more municipalities.

The City of Cold Lake is always welcoming to opportunities to integrated response structures which safeguard life, property, environment and the economy for the City and the region. In the second quarter of 2019 the Municipal District of Bonnyville (MD) reached out to the City to explore a regional emergency management plan with the DM, Town of Bonnyville, Village of Glendon, Summer Village of Bonnyville Beach and the Summer Village of Pelican Narrows.

The purpose of this report is for administration to hear Council's appetite to have administration bring back a draft regional emergency management plan to an upcoming corporate priorities committee meeting.

Background:

The City of Cold Lake has a reputation for its ability to plan, train for and manage emergent situations. In July 2019 administration participated in a conversation with representatives from Bonnyville Regional Fire Authority, Town of Bonnyville, Village of Glendon and Regional Field Officer from Alberta Emergency Management Agency (AEMA) respecting the City's initial response a regional emergency management plan.

The threat of flooding, fires, severe weather, and industrial accidents remains constant. The fact that limitations exist within municipalities presents significant risks to life, property, environment and the economy. Defense of this statement includes:

- very few municipalities have the resources and personnel to properly respond and coordinate a response to a major event,
- municipalities regardless of size have a limit to what they can handle with regards to and preparing or responding to an incident, and
- many municipalities reach their resources limit very early in an incident.

Examples of city's supporting regionalized emergency management plans are increasing in the province. Administration has found REMPs that describe procedures



for declaring a State of Regional Emergency and defines the emergency assistance structures which may be employed during a planned event. A REMP are not designed to replace existing procedures for dealing with routine emergencies which may occur within a city.

Currently the City of Cold Lake has an MOU with 4Wing for Emergency Management.

Administration sees value in pursuing the conversation with representatives from Bonnyville Regional Fire Authority, Town of Bonnyville, Village of Glendon and Regional Field Officer from Alberta Emergency Management Agency respecting a REMP. The intent of this report is to solicit feedback and field questions required the potential initiative.

Alternatives:

No specific alternative are being articulated at this time.

Recommended Action:

The intent of this report is to solicit feedback and field questions regarding the potential initiative of creating a Regional Emergency Management Plan (REMP).

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer

REGIONAL APPROACH TO EMERGENCY MANAGEMENT FAQs

What is the intent of this document?

The intent of this document is to be a resource for Alberta Emergency Management Agency (AEMA) field officers to help with consistent messaging when working with local authorities who are considering a regional approach to emergency management.

Is there a way for two or more local authorities to have a regional approach to emergency management?

Yes, there are five options available that have different benefits and responsibilities. They are:

- 1) Creation of a Regional Services Commission (RSC) under the authority of the *Municipal Government Act*.
- 2) Establishment of a Joint Emergency Management Committee (JEMC), authorized by Ministerial Order.
- 3) Enter into an Emergency Management Partnership Agreement/Mutual Aid Agreement (EMPA/MAA) supported through bylaw and agreement.
- 4) A summer village may take advantage of any of the above strategies and in addition may seek to delegate its powers and duties to another local authority that is willing to accept that delegation under the *Emergency Management Act (EMA)*, authorized by Ministerial Order.
- 5) Creation of a joint emergency management agency to act as the agent of more than one local authority. This can be done in combination with any of the above options.

Is it possible to delegate powers and duties under the *EMA* outside of these options?

Internal to a municipality, the local authority may also delegate some or all of its powers and duties under the *EMA* to a council committee composed of a member or members of the local authority, including the local authority's emergency advisory committee. This delegation can be made within the community without authorization from the Minister of Municipal Affairs.

External to the municipality, powers can only be delegated to: a RSC, where this is authorized in its establishing regulation; to a JEMC, where authorized by Ministerial Order; or by a summer village to another local authority, where authorized by Ministerial Order. An emergency management agency can be appointed to act as the agent of more than one local authority.

What is the difference between an RSC, a JEMC and an EMPA/MAA?

RSCs are entities set up by two or more municipal authorities (municipalities, special areas, improvement districts, First Nations reserves, Métis settlements and armed forces bases) that provide services on a regional basis to clients within (and outside with Minister's approval) the members' boundaries. They have their own distinct legal status as a corporation with natural person powers separate from the authorities of their members. The services an RSC delivers are set out in the establishing regulation, and can include emergency management, as well as other services.

Regional Approach to Emergency Management FAQs

Two or more local authorities can delegate some or all of their powers and duties under the *EMA* to a JEMC. A JEMC's business is limited to matters respecting emergency management. The delegation of these powers and duties needs to be authorized by the Minister of Municipal Affairs by way of a Ministerial Order. An application must be forwarded to the Minister complete with a copy of the proposed or passed bylaws of the members and the agreement outlining the authorities of the JEMC. Under this model a single Director of Emergency Management can be identified, but is not required.

An EMPA/MAA is a voluntary arrangement entered into by two or more local authorities. The contents of an EMPA/MAA can be flexible and involve agreements for emergency management matters such as mitigation, preparation, response, and recovery. They can be tailored to suit specific communities' needs and do not require approval from the Government of Alberta (GOA). As these are not approved by the GOA, the parties are free to establish the terms and requirements of the agreements, as long as requirements, as defined in the *EMA*, are met.

What advantages are there to a RSC?

A RSC is a non-profit corporation independent of its municipal members. It can be responsible for other services in addition to emergency management, such as fire services. Incorporating other emergency services like fire services allows for maximum coordination of the communities' protective services. RSCs provide the ability to manage their own human resources, own property in their own name, raise capital, and charge user fees. They are eligible for loans from the Alberta Capital Finance Authority. Through greater coordination of services, municipalities have the potential to improve overall service delivery and increase the skills and knowledge of all parties involved in the Commission. As part of the application to the Minister of Municipal Affairs, a business plan needs to be submitted, which includes determining a transfer of assets or leasing of property to the RSC.

What are some of the potential considerations associated with a RSC?

RSCs are established by regulation. This is a more formal and lengthier process than that associated with the establishment of mutual aid agreements or a JEMC. Being regulation based they can be more stable as they cannot be modified or dissolved easily. RSCs are intended to provide services at the lowest cost through regional collaboration and cost sharing. Any financial surplus earned by an RSC must be used to reduce costs and may not be distributed back to the member municipalities as earnings. While neither an advantage nor disadvantage, establishing a RSC for emergency management entails a transfer of authority and certain legal liability from member municipalities onto the RSC.

If a RSC is established, in addition to the regulation, each municipality must enact bylaws that state which powers have been delegated and must indicate whether each municipality will continue to maintain an independent emergency management agency or have a shared emergency management agency.

What advantages are there to a JEMC?

While allowing local authorities to delegate *EMA* granted powers and duties to the JEMC, the JEMC's responsibility is solely emergency management. Local authorities can quickly pool their available resources for emergency management purposes. This allows several local authorities to have a single director of emergency management acting within his/her delegated authorities for a region that may also save associated staffing costs. Another

Regional Approach to Emergency Management FAQs

advantage of a JEMC is that it is possible for one or more committee members of a JEMC to declare a State of Local Emergency on behalf of all the member local authorities that are affected by a disaster, if needed, in a single declaration.

What are some considerations associated with a JEMC?

The delegation of authority by local authorities under the *EMA* requires authorization by Ministerial Order. As well, members of the proposed JEMC must have agreement on committee bylaws, and the extent of regional powers for the Ministerial Order to proceed. Complete buy-in from all involved parties is necessary for success. Bylaws from each municipality must state which powers and duties have been delegated.

What are some of the advantages of an EMPA/MAA?

Many of the hazards faced by individual communities are also faced by the surrounding region. EMPAs/MAAs are authorized and amended at the local level without the requirement of GOA approval and allow a low-level of regional collaboration to be tested before more formal structures are attempted. They can also help to address the emergency management needs and other emergency service needs for communities, and are very flexible in terms of their scope and application.

What are some of the considerations associated with an EMPA/MAA?

One consideration of EMPA/MAAs is that depending on the provisions of the agreements they may not be legally binding to the involved parties. A difference between a JEMC and an EMPA/MAA, if provided for in their bylaws and agreement, is that a JEMC can pass resolutions and policies, whereas an EMPA/MAA cannot. As well, in the event of a disaster or emergency, parties to an EMPA/MAA would need to have each local authority's council declare separate State of Local Emergencies.

A summer village is considering delegating their powers and duties to another local authority. What do they need to know?

A summer village can delegate the powers and duties granted under the *EMA* to another local authority willing to accept that delegation. A Ministerial Order is required for this option. The delegation of powers and duties is conditional on the availability of another local authority willing to accept the delegation. However, this type of delegation allows for a complete delegation that removes all authority of the summer village. Therefore both the summer village and the delegated local authority should be fully aware of the implications. These items should be discussed thoroughly with each authority's legal counsel.

Both the summer village and the local authority accepting the delegation must enact bylaws outlining which powers and duties have been delegated to and accepted by the local authority.

What are some of the advantages to a joint emergency management agency?

A joint emergency management agency can be used in combination with any of the other regional collaboration models, or on its own. Communities with a joint emergency management agency can benefit from shared resources and knowledge, and a single director of emergency management. If there is no JEMC that the joint emergency management agency reports to, then the joint emergency management agency would be required to report to each individual council of the partner municipalities.

What are some of the considerations associated with a joint emergency management agency?

Communities with a joint emergency management agency, but without a JEMC or RSC will have to continue to separately approve their emergency management plans.

Local authorities must indicate in their bylaws if their emergency management agency is acting as the agent of more than one local authority.

How do communities decide which option is best for them?

The AEMA recognizes the diversity of communities across Alberta and the different needs for emergency management. It is the responsibility of the involved parties to come to an arrangement that considers the needs of their community, and the resources required and available, before trying to determine the best possible option that delivers their desired outcome. It is also the responsibility of the local authorities to determine and come to an agreement for the financing of the selected regional emergency management structure.

Key considerations for all five options are whether all parties understand the following:

- How the chosen regional approach would be beneficial for their communities.
- The potential benefits and outcomes desired by potential partners.
- The options, liabilities and risks.
- The commitment and approach that will be taken with all levels of partners.
- The financial aspects that the proposed regional approach entails.
- The need for early and frequent consultation with key partners and stakeholders.
- What emergency management powers and duties can be appropriately delegated?
- Which elements of emergency management (mitigation, preparedness, response, and recovery) will be considered in a regional emergency management approach? There may be legal limits to the extent that some powers can be delegated. For example, mitigation activities involving land use planning and zoning would not be delegated, and the Disaster Recovery Regulation requires each local authority to submit individual Disaster Recovery Program applications.
- The proposed governance structure and method to resolve issues that may arise between involved parties.
- Roles and responsibilities, funding, resourcing, staffing, reporting relationships and authorities.
- The need for access to support and resources for creating the various agreements, bylaws and other documents that may be required.
- The need for early involvement of all stakeholders including chief administrative officers, councils, legal counsel, finance representatives, and AEMA field officers.
- The need for a formal agreement with all involved municipal management and local elected representatives regarding how the proposed regional model will proceed.
- Regardless of the options, each local authority still maintained the ability to respond to a disaster or emergency in an individual capacity.

Who do I contact once I have decided to proceed with a regional approach to emergency management?

If you are considering proceeding with an RSC, you should contact the Municipal Capacity Building Branch of Municipal Affairs. <https://www.alberta.ca/regional-service-delivery.aspx>

If you are considering establishing a JEMC, or you represent a summer village considering delegation, or a municipality entering into an Emergency Management Partnership Agreement/Mutual Aid Agreement, you are encouraged to contact your local AEMA field officer http://www.aema.alberta.ca/regional_offices.cfm.



STAFF REPORT

Title: Council Board, Committee and Commission Appointments

Meeting Date: September 17, 2019

Executive Summary:

A list of Council's current appointments for 2018/2019 to the various boards, committees and commissions of the City of Cold Lake has been attached for discussion.

Background:

As per Section 192(1) of the Municipal Government Act, Council must hold an organizational meeting annually not later than two (2) weeks after the third (3rd) Monday in October (October 21) which would be Monday, November 4, 2019 at the latest. At this organizational meeting, the Mayor must appoint Council to the various boards, committees and commissions of the City of Cold Lake.

There are various types of boards, committees and commissions. Most boards and commissions are formed under provincial legislation with their authorities spelled out under an act and/or regulation.

The committees are a mix of committees that are formed by Council or by others (e.g. a committee that is formed by a community body with special interests and/or a committee that is formed by another municipality) which request Council representation. The committees that Council is attending should be analyzed annually during Council's organizational meeting. Council may want to add to the committees, form new committees, or reduce the amount of committee commitments depending on Council priorities, relevance to Council mandates, and time commitments for Council.

The various boards, committees and commissions of the City of Cold Lake are as follows:

Alberta HUB (1 Appointment + 1 Alternate)
Annexation Negotiations Committee (3 Appointments)
Beaver River Regional Waste Management Commission (1 Appointment - Mayor)
Cold Lake Community Grant Advisory Grant Committee (2 Appointments)
Cold Lake Economic Development Advisory Committee (2 Appointments)
Cold Lake & District Family and Community Support Services Advisory Committee (1 Appointment)
Combative Sports Commission (**All Members At Large**)
Composite Assessment Review Board (3 Appointments)



Corporate Priorities Committee (**All Council**)
Energy Centre Design Development Steering Committee (**All Council**)
Hearts for Healthcare Society (1 Appointment)
Inter City Forum on Social Policy (1 Appointment)
Inter-Municipal Collaboration Framework Committee (3 Appointments - Mayor + Councillors)
Inter-Municipal Development Plan Committee (2 Appointments - Mayor + Councillor)
Lakeland Industry & Community Association (1 Appointment)
Lakeland Lodge & Housing Foundation (2 Appointments)
Library Board (1 Appointment)
Local Assessment Review Board (3 Appointments)
Medley CFB Society (1 Appointment - Mayor)
Municipal Disaster Services Agency (2 Appointments)
Municipal Planning Commission (**All Council**)
Muni-Corr (1 Appointment)
Northern Lights Library System (1 Appointment + 1 Alternate)
Recreation & Culture Advisory Committee (1 Appointment)
Regional Partnership Committee (Ministers') (2 Appointments - Mayor + CAO)
Regional Partnership Opportunities Committee (2 Appointments - Mayor + Councillor)
Regional Recreation Committee (2 Appointments + 1 Alternate)
Regional (CLFN) Tourism Working Group Committee (1 Appointment + 1 Alternate)
Regional Utility Services Commission (4 Appointments)
Subdivision & Development Appeal Board (**All Members At Large**)
Unightly Premise Appeal Committee (1 Appointment)
Water North Coalition Liaison (2 Appointments)

A list of Council's current appointments for 2018/2019 to the various boards, committees and commissions of the City of Cold Lake has been attached for discussion.

Alternatives:

Recommended Action:

The Corporate Priorities Committee of Council reviewed the current appointments to the various boards, committees and commissions of the City of Cold Lake and recommend that Council, at their annual Organizational meeting scheduled for October 22, 2019, appoint Mayor & Council to the City of Cold Lake's various boards, committees and commissions as follows for 2019/2020:

Alberta HUB (Buckle + Lay as Alternate)
Annexation Negotiations Committee (Copeland, Lay & Soroka)
Beaver River Regional Waste Management Commission (Copeland)



Cold Lake Community Grant Advisory Committee (_____ & _____)
Cold Lake Economic Development Advisory Committee (Lefebvre & Soroka)
Cold Lake & District Family and Community Support Services Advisory
Committee (Grau + Vining as Alternate)
Combative Sports Commission **(All Members At Large)**
Composite Assessment Review Board (Buckle, Lefebvre & Vining)
Corporate Priorities Committee **(All Council)**
Energy Centre Design Development Steering Committee **(All Council)**
Hearts for Healthcare Society (Copeland)
Inter City Forum on Social Policy (Grau + Vining as Alternate)
Inter-Municipal Collaboration Framework Committee (Copeland, Soroka & Vining
+ Buckle as Alternate)
Inter-Municipal Development Plan Committee (Copeland & Vining)
Lakeland Industry & Community Association (Lay)
Lakeland Lodge & Housing Foundation (Lefebvre & Vining)
Library Board (Lefebvre)
Local Assessment Review Board (Buckle, Lefebvre & Vining)
Medley CFB Society (Copeland)
Municipal Disaster Services Agency (Buckle & Grau)
Municipal Planning Commission **(All Council)**
Muni-Corr (Lay + Buckle as Alternate)
Northern Lights Library System (Lefebvre + Buckle as Alternate)
Recreation & Culture Advisory Committee (Buckle)
Regional Partnership Opportunities Committee (Ministers') (Copeland + CAO)
Regional Partnership Opportunities Committee w/ Town & M.D. of B'ville (Copeland
& Soroka + CAO)
Regional Recreation Committee (Buckle & Vining + Copeland as Alternate)
Regional (CLFN) Tourism Working Group Committee (Lefebvre + Buckle as Alternate)
Regional Utility Services Commission (Buckle, Grau, Lay & Soroka)
Subdivision & Development Appeal Board **(All Members At Large)**
Unsightly Premise Appeal Committee (Grau)
Water North Coalition Liaison (Buckle & Lay)

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer



<u>BOARDS & COMMITTEES</u>	2017/2018	2018/2019	PROPOSED 2019/2020
Alberta HUB (<i>Ad Hoc</i>)	BUCKLE LAY (Alternate)	BUCKLE LAY (Alternate)	_____
Annexation Review -Negotiations Committee (<i>Ad Hoc</i>) (<i>New as at 09/11/2012</i>)	COPELAND LAY SOROKA	COPELAND LAY SOROKA	_____ _____ _____
Beaver River Regional Waste Management Commission (<i>Provincial Legislation - AIF R55</i>)	COPELAND	COPELAND	_____
Cold Lake Community Grant Advisory Committee (<i>ByLaw</i>)	N/A	N/A	_____ _____
Cold Lake Economic Development Advisory Committee (<i>ByLaw</i>)	LEFEBVRE SOROKA	LEFEBVRE SOROKA	_____ _____
Cold Lake & District FCSS Advisory Committee (<i>ByLaw</i>)	GRAU	GRAU VINING (Alternate)	_____ _____
Combative Sports Commission (<i>ByLaw</i>)	ALL MEMBERS AT LARGE		
Composite Assessment Review Board (<i>CARB</i>) (<i>ByLaw</i>)	BUCKLE LEFEBVRE VINING	BUCKLE LEFEBVRE VINING	_____ _____ _____
Corporate Priorities Committee (<i>ByLaw</i>)	MAYOR & COUNCIL	MAYOR & COUNCIL	MAYOR & COUNCIL
Energy Centre Design Development Steering Committee (<i>Policy</i>)	MAYOR & COUNCIL	MAYOR & COUNCIL	MAYOR & COUNCIL
Hearts for Healthcare (<i>New as at 09/11/2012</i>)	COPELAND	COPELAND	_____
Inter City Forum on Social Policy (<i>Ad Hoc</i>)	GRAU	GRAU VINING (Alternate)	_____ _____
Inter-Municipal Collaboration Framework Committee (<i>Ad Hoc</i>)	COPELAND SOROKA VINING	COPELAND SOROKA VINING BUCKLE (Alternate)	_____ _____ _____ _____
Inter-Municipal Development Plan Committee (<i>Ad Hoc</i>)	COPELAND VINING	COPELAND VINING	_____ _____
Lakeland Industry & Community Association (LICA) (AdHoc)	LAY	LAY	_____
Lakeland Lodge & Housing Foundation (<i>Provincial Legislation - AIF C8</i>)	LEFEBVRE VINING	LEFEBVRE VINING	_____ _____
Library Board (<i>ByLaw</i>)	LEFEBVRE	LEFEBVRE	_____
Local Assessment Review Board (<i>LARB</i>) (<i>ByLaw</i>)	BUCKLE LEFEBVRE VINING	BUCKLE LEFEBVRE VINING	_____ _____ _____



<u>BOARDS & COMMITTEES</u>	2017/2018	2018/2019	PROPOSED 2019/2020
Medley CFB Society (<i>Ad Hoc</i>)	COPELAND	COPELAND	_____
Municipal Disaster Services Agency (<i>ByLaw</i>)	BUCKLE GRAU	BUCKLE GRAU	_____ _____
Municipal Planning Commission (<i>ByLaw</i>)	MAYOR & COUNCIL	MAYOR & COUNCIL	MAYOR & COUNCIL
Muni-Corr (<i>Agreement</i>)	LAY N/A	LAY BUCKLE (Alternate)	_____ _____
Northern Lights Library System (<i>Agreement</i>)	LEFEBVRE	LEFEBVRE BUCKLE (Alternate)	_____ _____
Recreation & Culture Advisory Committee (<i>ByLaw</i>)	BUCKLE	BUCKLE	_____
Regional Partnership Committee (Ministers')	COPELAND NAGOYA	COPELAND NAGOYA	_____ _____
Regional Partnership Opportunities Committee w/ Town & M.D. of B'ville (<i>Ad Hoc</i>) (<i>Agmt.</i>)	COPELAND SOROKA NAGOYA	COPELAND SOROKA NAGOYA	_____ _____ _____
Regional Recreation Committee (<i>Ad Hoc</i>)	N/A	BUCKLE VINING COPELAND (Alternate)	_____ _____ _____
Regional (CLFN) Tourism Working Group Committee	LEFEBVRE BUCKLE (Alternate)	LEFEBVRE BUCKLE (Alternate)	_____ _____
Regional Utility Services Commission (<i>Provincial Legislation - AIF R4</i>)	BUCKLE GRAU LAY SOROKA	BUCKLE GRAU LAY SOROKA	_____ _____ _____ _____
Subdivision & Development Appeal Board (<i>ByLaw</i>)	ALL MEMBERS AT LARGE		
Unsuitably Premise Appeal Committee (<i>ByLaw</i>) Municipal Code ByLaw No. 047-PL-98	GRAU	GRAU	_____
Water North Coalition	BUCKLE LAY	BUCKLE LAY	_____ _____