

NORTHERN ALBERTA MAYORS' AND REEVES' CAUCUS MEETING

Sherwood Park Golf Course - Strathcona County, AB

October 12, 2018

Present:

Mayor Gerald Aalbers	City of Lloydminster
Reeve Larry Armfelt	Athabasca County
Reeve Joe Blakeman	Lac Ste. Anne County
Deputy Mayor Loraine Berry	Town of Gibbons
Deputy Mayor Colette Borqun	Lac La Biche County
Mayor Herb Castle	Town of Grande Cache
Deputy Reeve Brian Coleman	Westlock County
Mayor Tanni Doblanko	Leduc County
Mayor Michael Doerksen	Town of Drayton Valley
Mayor Rod Frank	Strathcona County
Mayor Tyler Gandam	City of Wetaskiwin
Mayor Allan J. Georget	Town of Spirit River
Reeve Don Gulayec	County of Two Hills
Reeve Bart Guyon	Brazeau County
Mayor Jim Hailes	Town of Fox Creek
Mayor Alanna Hnatiw	Sturgeon County
Mayor Stuart Houston	City of Spruce Grove
Mayor David Hutton	Town of Bon Accord
Deputy Mayor Stacey Hryciuk	County of Vermilion River
Mayor Don Iveson	City of Edmonton
Mayor Gale Katchur	City of Fort Saskatchewan
Councillor Jon Dziadyk	City of Edmonton
Deputy Mayor Justin Laurie	Town of Stony Plain
Councilor Vicky Lefebvre	City of Cold Lake
Mayor Ralph Leriger	Town of Westlock
Reeve Craig Lukinuk	Smoky Lake County
Mayor Vern Lymburner	Town of Valleyview
Mayor Tim MacPhee	Town of Vegreville
Mayor Norman Mayer	City of Camrose
Mayor Caroline McAuley	Town of Vermilion
Mayor Marcel Michaels	Town of Hinton
Mayor Maureen Miller	Town of St. Paul
Mayor Omer Moghrabi	Lac La Biche County
Mayor Raymond Ralph	Town of Devon
Mayor Rod Shaigec	Parkland County
Mayor Mel Smith	Town of Redwater
Mayor John Stewart	Town of Beaumont
Councillor Chris Thiessen	City of Grande Prairie
Reeve Steve Upham	County of St. Paul
Mayor Wally Yachimetz	Town of Calmar
Mayor Kevin Zahara	Town of Edson

Also In Attendance:

- Bernie Borgeson, Director of Marketing, Edmonton Economic Development
- Charissa Kangudie, Policy Analyst, Strathcona County
- Bin Lau, Strategic Advisor, City of Edmonton
- Joan Laventure, Office Manager & Executive Assistant, City Edmonton
- Nicole Martel, Executive Officer, AUMA
- Yetunde Oke, Chief Advisor, Policy & Coordination, Intergovernmental Affairs, City of Edmonton
- Jackie Porayko, Strategist, Intergovernmental Affairs, Strathcona County
- Yonathan Sumamo, Global Public Affairs

Guest Speakers:

- Bob Murray, Managing Director, Denton's Government Affairs & Public Policy Practice Group
- Elan MacDonald, Senior Vice President, Global Public Affairs National Client Development
- Vivian Krause, Writer
- Minister Francois-Philippe Champagne, Infrastructure and Communities
- Cory Janssen, Alta ML Co-founder
- Dalibor Petrovic, Deloitte Partner

Opening Remarks and Introduction:

Councillor Jon Dziadyk called the meeting to order at 9:06 a.m. and acknowledged the meeting is on the traditional land of Treaty 6 Territory. Councillor Dziadyk thanked Strathcona County for the pleasure of co-hosting with Mayor Rod Frank and noted that Don Iveson was on his way. He thanked Strathcona County for a beautiful reception, highlighting the Spark Center.

Councillor Dziadyk highlighted the beautiful venue for the meeting and shared that he was an employee at Strathcona County for two years and knew the County quite well. Washrooms and fire exits were noted.

Councillor Dziadyk welcomed the host, Mayor Rod Frank, highlighting his 30 years of corporate law and experience running small businesses.

Host Welcome

Mayor Rod Frank welcomed everyone to the meeting and noted the tours provided in the afternoon with Gerry Gabinet and Glen Lawrence hosting. Mayor Frank thanked the City of Edmonton and Strathcona County staff for providing the administrative coordination of the event and highlighted the topics covered by the guest speakers.

Councillor Dziadyk thanked Mayor Frank for his comments and asked caucus to approve the meeting agenda. The agenda was approved by a show of hands.

Councillor Dziadyk noted that invitations were sent to three provincial ministers to the event: the Minister of Treasury Board and Finance, the Minister of Municipal Affairs, and the Minister of Economic Development and Trade. These invitations were provided in order to carry forward the conversations about the replacement of the Municipal Sustainability Initiative. Unfortunately, all three ministers sent their regrets.

Adoption of Agenda and Minutes

Moved: Councillor Dziadyk

That the agenda for October 12, 2018 and minutes of the June 15, 2018 Northern Alberta Mayors' and Reeves' Caucus Meeting be adopted as presented.

Carried

US Mexico Canada Agreement: Analysis of NAFTA 2.0

Presenter: Dr. Bob Murray, Managing Director, Government Affairs & Public

Policy Practice, Dentons

Dr. Murray provided a summary on NAFTA negotiations and their impacts. A copy of his presentation will be distributed to NAMRC.

Mayors' Comments/Questions:

How could Canadian business & different levels of government band together to represent themselves in key challenges?

Dr. Bob Murray

- Congress is key pressure point. Congress has to ratify any trade agreement the administration signs. The outcome of this trade deal needed to not jeopardize their local economies or mid-term election results.
- Team Canada Approach: federal, provincial and some urban municipalities banding together to harmonize the message and to choose key influencers. Pivotal was the involvement of the business community on both sides of the border coordinated by the Federal government, Chambers of Commerce, and the business community.
- Other foreign policy priorities have been ignored due to the time constraint that this issue has created. With a 6-year sunset clause, the renegotiation of NAFTA 2.0 requires that we start renegotiating in about a year.

One of the biggest deals about steel tariffs was that we were importing China's steel, including it in our manufacturing, and shipping it to the States as a Canadian good. Is this practice going to end?

Dr. Bob Murray

- We were doing this with other products as well, not just steel which is why that veto clause was so important to the Americans in order to protect their markets from Chinese goods. They wanted to use their tariff regime appropriately for Chinese goods that were exempt under premise that they were Canadian goods. The discussion is still going on the steel side of things.

Can the US stop us from selling bitumen to China?

Dr. Bob Murray

- We could sign a sector specific agreement with China. So far, we've mainly seen a focus on comprehensive agreements, but we will have to wait for the accompanying text for limitations on

sector specific agreements.

Would they add a monetary line in the text? Would this apply to agreements with Pakistan & India?

Dr. Bob Murray

- They've set thresholds, for example diluent. These thresholds that are usually agreed to are in areas of traditional practices. We wouldn't want to agree to a sector specific agreement, like bitumen, not in our primary interest to profit.
- The limitation would apply to any comprehensive agreement with any country/ "non-market economy".
- There is a general shift in the attitudes in populist attitudes on the notion of free trade. Populism is not unique to the right, but it seems western democracy's right wing parties are starting to take exception to the idea of free trade with the concept that it's better to go it alone.
- This agreement retains 90% of the original NAFTA, but it is the beginning of shift in general attitudes on the purposes of free trade agreements are and who benefits. It is going to be incumbent on leaders in western democracies to be able to articulate clearly what the benefits and trade-offs are going to be.
- An advantage that the Trump administration is able use is that "99.9% of people have never read the agreement and they have no idea what life without it would be so it's really easy to vilify these agreements". This ability to tap into fear such as the trend with the ratification over CETA with the Italian government is being used.
- The other trend is that there are a number of governments that have traditionally been opposed to free trade agreements that are suddenly really interested in the global realignment of the economy, including China & India. Balancing a fundamental realignment and being able to maintain free trade regimes while responding to right side concerns is going to be fascinating.

The trade dispute mechanism: basically, the US terms this a "sovereignty right"?

Dr. Bob Murray

- This is why they wanted things decided in their courts. "The best way for us to get our way will be in our courts." The US pushed for this in the first NAFTA negotiation as well.

How do we create certainty for the business community?

Dr. Bob Murray

- In response to the certainty comment, yes, until things are ratified, I think there is reason to just recognize the risk. This agreement has allowed us to re-engage with US market.
- The US will be able to have a lot of influence on interest rates and their demands to raise interest rates. The saving grace is what's happening with the Bank of England. The pressure will be enormous for Canada to raise its interest rates in fairly short order.

Alberta and the Environment: A Closer Look

Presenter: Vivian Krause

Vivian Krause provided a full presentation on how efforts to build energy infrastructure is being influenced by organizations outside of Alberta and Canada. A full copy of her presentation will be distributed to NAMRC.

Mayors' Comments/Questions:

This is a disturbing presentation and certainly not what we thought was happening. What can we do?

Vivian Krause

- There are a lot of things that are necessary. The most important thing – as someone who has worked in NP, I don't want to sue NPs. Litigate NPs. Just a cease & desist. "If you're just keeping Canadian oil out of overseas market, then you're not doing environmental work and you're not using less."
- When we did legal review, identify potential defendants – campaign strategy keeping oil landlocked is an admission to do economic harm.

This is sovereignty infringement and we have been targeted and it has nothing to do with the environment, it's about the economy.

This "conspiracy theory", why is the first time we've heard of it and how do we get this out? Can you provide us with the tools for credibility, because for any of us would be hearsay.

Vivian Krause

- I have talked to all media and they all say “why are we hearing this from you?” The day anyone from the government phones them up, it will make the use. I’m a citizen, I’m a blogger. What had happened to farmed salmon in BC (prop up the market in Alaska’s salmon), is happening to oil.
- For Obama to get funding for his legacy project, he couldn’t approve a pipeline.

We as leaders need to take a few 747s and go to Ottawa.

Vivian Krause

- Maybe go to New York and talk to the Rockefellers.

What do you think about the quality of the UN paper on environment?

Vivian Krause

- I have no doubt the environment is changing. The question is why. Are fossil fuels the only reason why? I don’t think so. IPCC is Rockefeller Foundation funded – charged with investigating only the human causes of change.

Election Advocacy:

Presenter: Elan MacDonald, Senior Vice-President, National Client Development, Global Public Affairs

Elan MacDonald provided an overview of the changes in government relations and how to best navigate this in an election cycle. A full copy of her presentation will be distributed to NAMRC members.

Mayors’ Questions/Comments

How do you stand out in an election cycle?

Elan MacDonald

- Find the issues that are already on the radar, for example, policing. Figure out who is holding the pen with the policy. Find an issue that is already part of the public discourse.

How do you coordinate messaging within your municipal voices?

Elan MacDonald

- There's no silver bullet. The chair & CEO have to align messaging. AUMA creates general messaging that everyone can land – fairness around funding. Tie your individual project back to the general principal that is being advocated by the larger voice.

Will a budget be dropped before the election?

Elan MacDonald

- No. I don't think so because it never helps the election – it leads to the defeat of one party.
- There might be specific dollar amounts for a constituency. Won't come back to sit long in the spring probably.

There are two different sides to the spring election. What is that probability that the NDP would go a full 5 years.

Elan MacDonald

- The Premier is strong on her word: she said she would adhere to a fixed election date. However, time not on her side. The UCP is putting one million a month in the bank. Her election will be on the strength of the leader because she's holding better than the decline of the party. She needs to build on the trust she's built with Albertans.

Government of Canada Remarks:

Mayor Iveson provided an introduction for the Minister and details of their announcement this morning.

Presenter: Honourable Minister François-Philippe Champagne, Infrastructure and Communities

Minister Champagne gave an overview of the priorities and initiatives in his portfolio. A full copy of this presentation will be distributed to NAMRC members.

Mayors' Comments/Questions:

We heard at FCM there is \$300 million social infrastructure funding coming to the province – only \$7 million dollars being released next year. Opportunities exist, but can't do much with that. Ambrose was looking to put monies into social opportunities.

Minister

- I found out about this yesterday. 10 year agreement – different provinces have different capacities – provinces say “you have to respect our fiscal capacities”. The safeguard to that is that when the project list from the province is submitted, we need to assess fairly and balanced. Need to all pull in the same direction and working together with what all the provinces say.

Why can't the agreements be between municipalities and the federal government because we can't even get meetings with the provincial ministers to get their piece of funding?

Minister

- I appreciate the comments. Where there's fiscal capacity, we should be able to get there. Fair & equitable is the safeguard.

We appreciate the rural component of this funding – our projects have 9 out of 10 components of the requirements. Is there capacity in your office to work around qualifying requirements?

Minister

- I wanted to announce on this trip. But we are this close. The reason I was coming was not only for Fort Edmonton, but also for Vegreville. I have pushed every single civil servant.
- Sometimes you have to dream in politics; otherwise you're stuck with the current reality. I want regional offices to administer this, have a simplified form and have a way of respecting governance to achieve the same objectives. Most municipalities don't have full time engineers on staff; consultant engineers sometimes aren't efficient for small communities.

Oil brings the lifeblood to this province, currently it is \$35 a barrel. We need that message carried back to Cabinet – there is no greater economic issue in this country than getting that oil to tidewater. We are leaving tax money on the table municipally, provincially, federally. We need to get that economic horse on its feet; otherwise we can't address the social issues.

Minister

- You need to create the well before you can distribute it. Well said – there was an element of surprise in the court decision. We live in a country where the rule of law exists. We will just be better – we need to get it right. The court has spoken. I think we are all

relieved that Minister Sochi is from Alberta and gets it. You're talking to a trade minister that has been out west and is a chief "bragger" of Canada and I will continue to tell that story in my new ministry.

Why Artificial Intelligence Matters

Mayor Iveson provided an introduction to the next speakers and brief comments.

"Deliverology" – municipalities do deliverology. We have been quietly building world class AI expertise and technology in Edmonton. It will change the nature of employment, the way we deliver services. Technology is going to help us make different decisions as governments. Some people say data is the new oil. If we do it right, we can do both. It's not just a thing that makes your phone act differently; it will make you work differently.

Presenters: Dalibor Petrovic, Deloitte Partner and Cory Janssen, Alta ML Co-Founder

The co-presenters updated NAMRC on where artificial intelligence is today and where it can take us in the future. A copy of their full presentation will be distributed to NAMRC members.

Mayors' Comments/Questions

It makes sense in urban locations. In small rural locations, how does economic development apply?

Janssen

- For every PhD we hire, it creates 5 jobs. In Fort MacMurray this makes us competitive on a global scale and creates more efficiency.

Petrovic

- How do we use data to improve their productivity by 5-10%? There are new ways to see how the industry will look in the future. We create products that we sell elsewhere.

Mayor Iveson

- What do we do in Alberta: food, forestry, oil. This kind of technology is one of the answers to that. You all have business in your communities that could benefit from that. RBC is using AI for fraud detection. Mitsubishi came to us and to the U of A. Your people should be thinking about how this applies. Think about what data could do

for waterworks. In our business, “world class” is cliché – but we are on the map because what we are doing is world class. Take that away and think about the possibilities - how this can improve our competitiveness in food production and overall competitiveness. It reinforces the narrative that we don’t cause problems, we solve problems.

Alberta Urban Municipalities Association & Rural Municipalities of Alberta Updates

Presenter: Barry Morishita, President, AUMA

- o Conference – all four of our leaders spoke from relatively the same page at our conference – policing, cannabis.
 - AUMA is also working with Global Public Affairs. They bring an expertise and we need to work together to get this done. There is no bigger voice for the candidates than municipal leaders, they need to know our issues. If they have policy positions that aren’t congruent with ours, we need to ask them why.
 - Municipalities are the single conduit between everything and the world. The value of municipalities has to be elevated in the mind of every single constituent.
 - Pull together and make the next six months count for all of us.

Meeting Conclusion

Mayor Frank

As this meeting’s host he wanted to thank all of the guest speakers. He also shared his appreciation to donations to the swag bags - Rogers Hometown Hockey, Strathcona County Economic Development, as well as local business - Jacek Chocolates.

Mayor Iveson

He expressed his appreciation to Strathcona County for their hospitality, hoped everyone enjoys their lunch and the afternoon’s tours.

The meeting adjourned at 12:25 pm.