

A black and white photograph of two hands shaking, symbolizing a partnership or agreement. The hands are wearing dark suit sleeves with white cuffs.

City of Fort Saskatchewan and Strathcona County

Alliance Exploration: Collaborative Municipal Services and Governance Opportunities

Executive Report

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PROJECT BACKGROUND AND OVERVIEW

Background

Context

With more than 125,000 residents between them, Strathcona County ("the County") and the City of Fort Saskatchewan ("the City") are vibrant communities leading Alberta's energy, petrochemical and agricultural sectors. The County's classification as a specialized municipality provides for the unique needs of a municipality that includes both a large urban centre and a significant rural area and population. The City is located in between two large counties and has all the characteristics and needs of a growing urban centre with a significant industrial footprint.

Municipal governments today are challenged with changing demographics, aging infrastructure, limited tolerance for tax or fee increases, rising costs, demands for more services, and increased expectations for more citizen consultation and improved government transparency and accountability. In addition, this environment is further complicated by the need to work closely with the provincial government, Indigenous governing bodies working to ensure their citizens can thrive in larger cities, and the federal government that provides resourcing to support some of its initiatives.

Today's municipal governments are not only looking at what services they are providing, but how they are delivering them and where they can work together to meet citizen needs. Accurate, reliable, objective information and data is critical to informing decision processes about the modification, enhancement or elimination of services and alternate service delivery models. Increasingly, municipal governments recognize the benefit of implementing an integrated risk management approach as opposed to the more traditional siloed and single-sourced risk management approach. Understanding how and how well these services are performing, and if these programs and services are achieving what they are intended to do, is a key part of today's public service.

Overview

MNP and Tantus were co-engaged by the City and the County to inform and facilitate conversation between the two municipalities. This discussion contemplated the opportunities and considerations of increasing collaboration along a spectrum of collaborative governance models; engagement efforts focused on investigating and understanding the impacts of these collaborative models across different topic areas.

Throughout the course of this project, MNP and Tantus worked closely with the Intermunicipal Relations Committee (IMRC)¹. Ongoing discussion, feedback, and dialogue between project team members and IMRC representatives produced deliverables that were tailored to the unique outlooks and circumstances of each community. Input from administration and elected officials made sure the perspectives of their respective resident needs were represented and addressed and that the results of this project were relevant and meaningful to both communities.

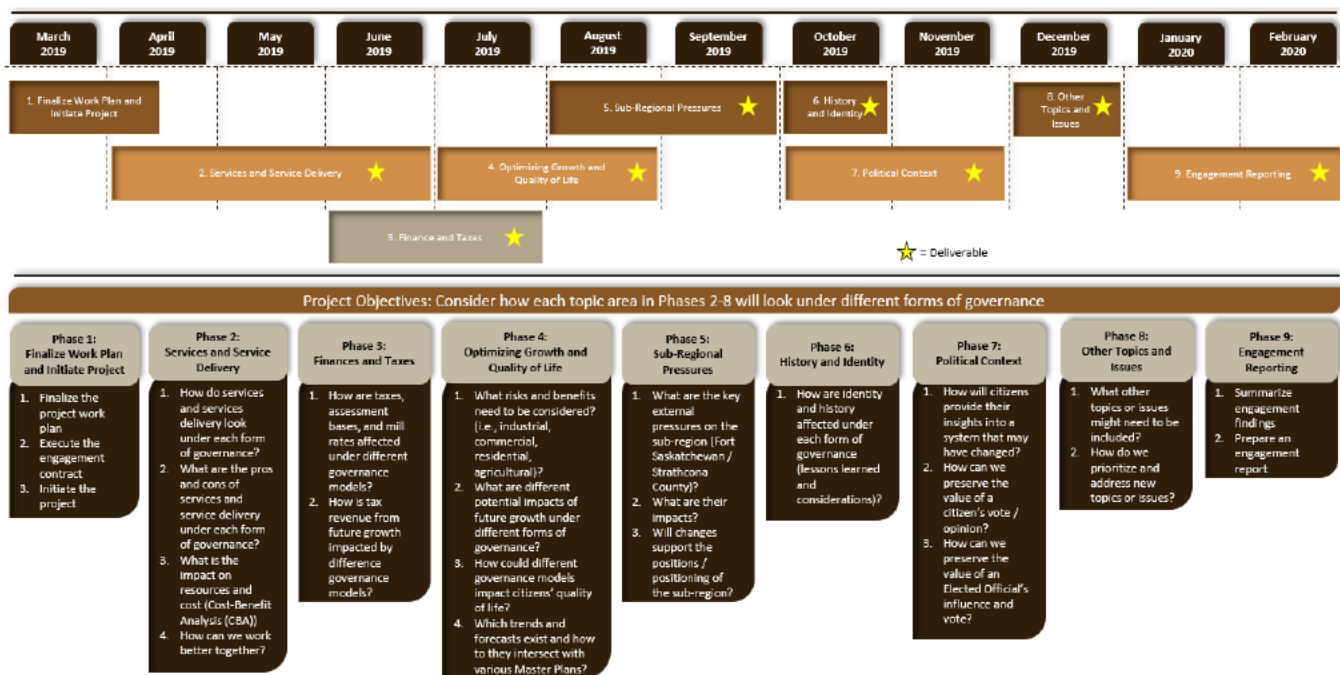
¹ A joint intermunicipal committee (known as the IMRC) was formed as outlined in and agreed to under the 2012 *Common Bonds Agreement*. This team consists of a fixed group of administrative and elected representatives that are responsible for the identification and implementation of specific opportunities (programs, services, assets, initiatives, and strategies) for cooperation and collaboration. (*Common Bonds Agreement*, 2012).

PROJECT APPROACH

Scope and Workplan

Upon award of contract, MNP and Tantus met with the IMRC to define the scope of the Alliance Exploration project. Careful consideration was made to incorporate the needs and interests of both municipalities in a way that captured relevant subject matter that drove constructive conversation forward. In order to do this, the project team developed a phased workplan wherein each phase explored different topics as they relate to collaborative forms of governance. This workplan, shown below in Figure 1, captures the scope and delivery of the project. Each phase was further defined through a set of questions, listed under each phase, that guided specific research and analysis for that topic.

FIGURE 1: ALLIANCE EXPLORATION PROJECT WORKPLAN



Spectrum of Collaboration Framework Overview

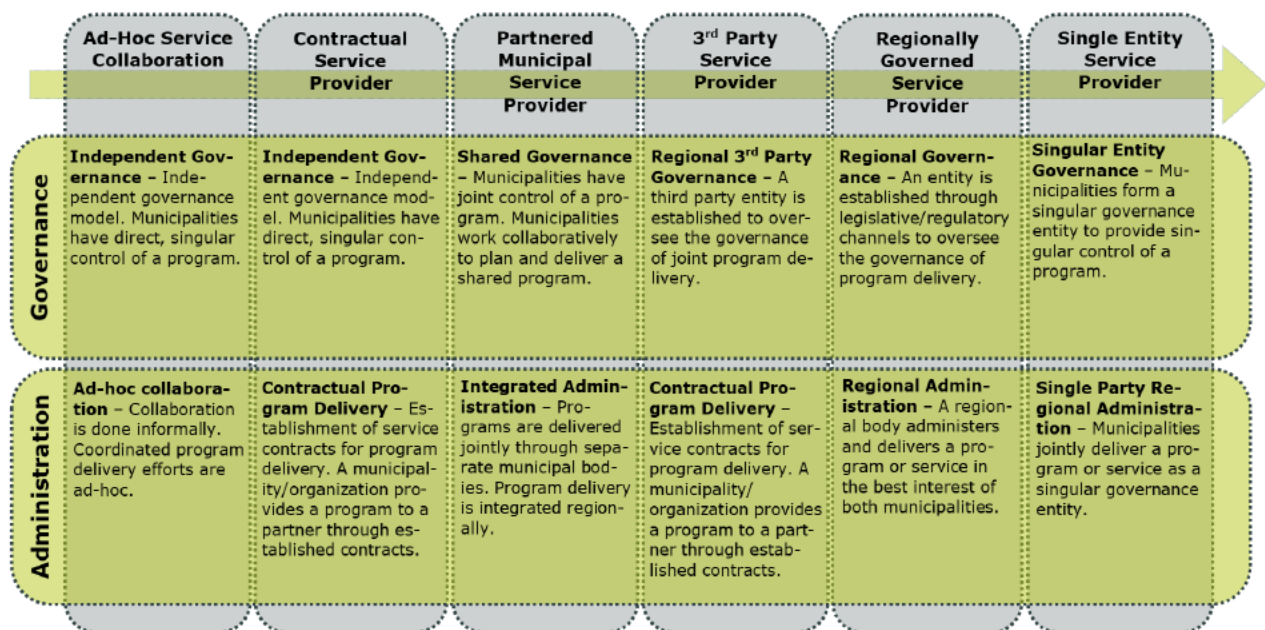
The Spectrum of Collaboration framework that follows (Figure 2) was used to guide the type and method(s) of collaboration examined throughout project phases. The framework is based on a spectrum of increasingly coordinated governance – ranging from the “ad-hoc” method of collaboration currently employed, to a fully collaborative single entity model. The Spectrum of Collaboration was refined and agreed upon in the early stages of engagement to best explain how collaborative governance may look and to align project direction and deliverables accordingly.

The Framework

The framework comprises six Service Delivery Models (described in detail below). Each model includes considerations for the method of Governance and the method of Administration that could be employed in each scenario.

- **Governance** considers where regulation and policy are set in the model. This includes who “owns” the decision-making for the program, service, policy, plan, etc. and the degree of independence each municipality has in providing or influencing that topic. It also considers where taxation and financial decision-making is made.
- **Administration** considers all “operational” components of delivering services, programs, policies, plans, etc. This component also includes how collaboration works between municipal partners.

FIGURE 2: SPECTRUM OF COLLABORATION



Model Descriptions

MODEL 1: AD-HOC SERVICE COLLABORATION

This model represents the current state of collaboration between the two municipalities. Collaboration is conducted ‘ad-hoc’ based on available opportunities, pressing issues, or areas of obvious benefit. In this model, each party governs and operates its own programs and services, except in identified areas where collaborative service delivery can exist.

Examples could include: joint procurement, staff sharing, reciprocal response agreements, regional collaboration body participation, ad-hoc joint planning.

MODEL 2: CONTRACTUAL SERVICE PROVIDER

In this model, the ad-hoc collaboration is formalized into explicit service contracts between municipalities. Municipalities provide services in which they have a relative comparative advantage to a partner, or where there is financial advantage in terms of economies of scale.

Examples could include: highway snow removal and emergency response services.

MODEL 3: PARTNERED MUNICIPAL SERVICE PROVIDER

In this model, municipalities could combine a service area to jointly govern and administer a program for residents of both municipalities. Both municipalities could integrate their operations to operate the program or service as a regional provider. Both municipalities could maintain and operate a shared governance structure, in the form of formal governance bodies or Memorandums of Understanding (MOUs).

Local examples could include: shared municipal ownership of recreational facilities (e.g. the Tri-Leisure Centre²).

MODEL 4: THIRD-PARTY SERVICE PROVIDER

In a Third-Party Service Provider model, both municipalities could jointly contract an external entity to provide a service to both municipalities. The third-party entity could be independent from the governance of the municipalities and provide services on a contractual basis for the interest of both municipalities. This model could include leveraging existing private sector providers or existing regional commissions, or both municipalities could create their own arms-length entity (e.g. Heartland Housing Foundation).

MODEL 5: REGIONALLY GOVERNED SERVICE PROVIDER

A Regionally Governed Service Provider model could require an alternative government structure, comparable to the multi-tiered municipal structures seen in other jurisdictions. In this model, a regional governance body, with representation and taxation powers, could own the governance and administration of programs and services in an autonomous manner. This regional structure could oversee designated programs and service areas, working in conjunction with local autonomous governance bodies for each municipality in a multi-tiered governance structure.

MODEL 6: SINGLE ENTITY GOVERNANCE SERVICE PROVIDER

The Single Entity Governance Service Provider model involves full integration of both municipalities to jointly govern and deliver all municipal programs and services regionally. In this model, all decisions regarding service levels, funding and taxation and long-term planning are conducted at a regional level, under a single elected body. To residents, this could mean one administration and government that collects taxes, administers programs and services and governs regional policy and bylaws.

Project Activities and Deliverables

For each of the six phase topics, as described in the Project Scope, deliverable creation followed a consistent structure: preliminary deliverable and discussion, detailed research and analysis, and presentation of phase findings. Throughout deliverable development, MNP and Tantus worked with the IMRC Technical Team as a main

² The Tri-Leisure Centre is a recreation facility located in Spruce Grove, Alberta that is owned and operated by the Tri-Municipal Region, a collaboration between the municipalities of Spruce Grove, Stony Plain, and Parkland County.

point of contact. This relationship ensured that the needs of the IMRC were being met and any questions that arose were addressed.

As part of research and analysis, information requests were submitted to both municipalities to obtain data, reports, and other relevant documentation to be considered in phase reporting. In addition to the analysis of these municipal documents, MNP and Tantus completed desktop research to inform jurisdictional benchmarking and the development of case studies; in some instances, information collected from the various sources was used to develop models, projections and forecasts. Finally, this information was supplemented, and at times validated, by interviews with key stakeholders within the City and the County. These stakeholders were strictly internal to the respective municipalities.

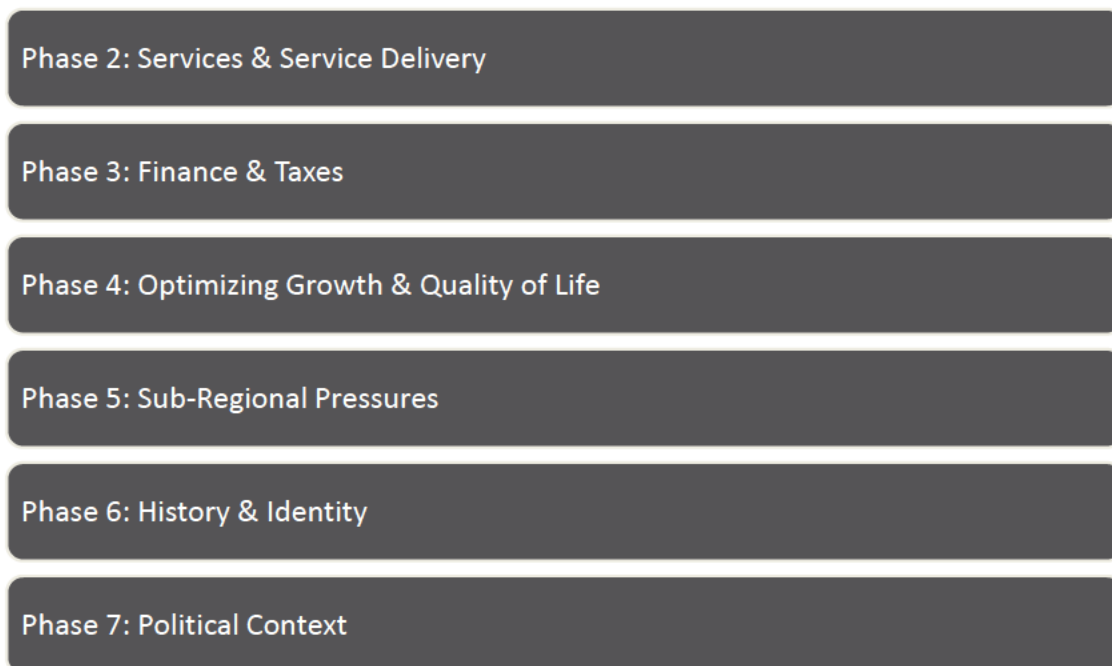
Presentation of findings to the IMRC was a three-stage process: 1) conduct initial research and present preliminary findings to the IMRC for validation and input from IMRC members; 2) incorporate IMRC feedback into further research, analysis, and modelling tailored to the specific interests of the County and the City; and 3) present final phase findings to the IMRC for discussion. This process was followed for each of the six phase topics to ensure alignment and continuity for the duration of the project.

OPPORTUNITIES AND CONSIDERATIONS SUMMARY

This Executive Report contains summary findings from each of the six topic areas explored, which are listed in order of phase below. Detailed phase findings are appended, as indicated, following the body of this report. Phase appendices should be referenced for the methodology and assumptions utilized, data, and supporting materials.

Note that Phase 1 of this engagement was dedicated to scope development with the IMRC.

FIGURE 3: SUMMARY OF PROJECT PHASES



Phase 2: Services and Service Delivery

The first phase of research and service engagement work, Phase 2, analysed staffing levels and the financial impacts of various governance models on service delivery. This section also includes a detailed service level comparison between the County and the City and a qualitative assessment of how to collaborate more effectively.

Phase 2 IMRC Questions

1. How do services and service delivery look under each form of governance?
2. What are the pros and cons of services and service delivery under each form of governance?
3. What is the impact on resources and cost (Cost-Benefit Analysis [CBA])?
4. How can we work better together?

Phase 2 Case Studies

Phase 2 examined case studies from Canada and international jurisdictions, including:

- Hydro-Quebec
- Union of Quebec Municipalities
- Cleveland & Cuyahoga County
- Charlotte-Mecklenburg County
- Louisville & Jefferson County
- Kansas City and Wyandotte County
- UniGov (Indianapolis & Marion County)
- Manitoba
- Japan
- Denmark
- Netherlands

Details of these case studies are available in the appended Phase 2 Report.

Working Better Together



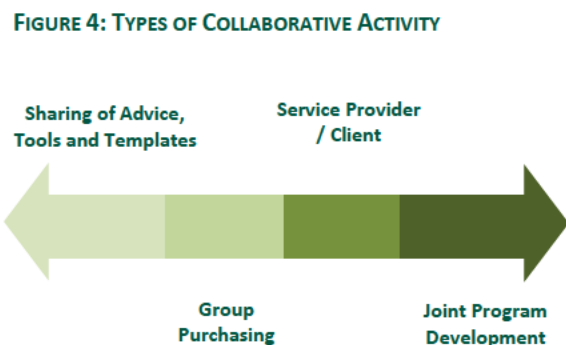
Municipal collaboration in Alberta, and between the City and the County specifically, is not a novel concept. In fact, municipal collaboration typically has a series of common traits:

- Collaboration tends to occur most often as the need arises, is very pragmatic in nature, and does not usually involve any type of fee-for-service or financial transfer.
- Larger scale, formal collaborative efforts such as Alberta's Industrial Heartland Association (AIHA) or Intermunicipal Development Plans (IDPs) are more difficult but not insurmountable to achieve.

Types of Service Collaboration



Phase 2 examined a spectrum of specific types of collaboration, in which the various levels of cooperation range from sharing tools and templates, to complete joint program development. Data collected from a previous study³ related to service delivery revealed that most municipal collaboration in Alberta is typically closer to the far left of the spectrum due to the close relationships of municipal staff. This spectrum is depicted and described below:



³ Study produced by Tantus in partnership with Prairie Chapter - Municipal Information Systems Association (MISA), 2015.

The categories on the spectrum above are defined as follows:

- **Sharing of Advice, Tools and Templates (Far Left):** Relates to a spectrum of opportunities itself from encouraging more of the currently observed *ad hoc* approaches to the creation of formal groups (Communities of Practice) as a means to share best practices, lessons learned, policy, procedure, templates or tools.
- **Group Purchasing (Left of Centre):** Suggests opportunities for group purchasing to achieve more attractive pricing offered jointly as opposed to individually to the City or the County on their own. This can range from the actual purchasing activity to the inclusion of contract clauses that allow other related parties to buy under the agreed contractual arrangements.
- **Service Provider / Client (Right of Centre):** Synonymous with the Contractual Service Provider governance option. An example would be the contracting of permit inspectors that is commonly done between municipalities in the province.
- **Joint Program Development (Far Right):** Describes opportunities for municipalities to share systems, programs or service offerings to one another's residents via contracted arrangement or to jointly develop a means for the delivery of this service.

Factors that Support Successful Collaboration



Research suggests that while no collaboration formula is foolproof, there are a number of characteristics that can improve the possibility of success in an intermunicipal partnership.

CLARITY OF GOALS

- Having clear and detailed definitions of success from all parties involved is critical when planning and structuring any type of formal collaboration projects or partnerships.
- Clear goals can also provide a solid basis for designing the interaction and should be seen as the key driver to determine roles and responsibilities. *Who is in a better position to provide what role in the initiative? How will this be governed and reported?* The collaboration can be better structured based on the definition of project success from the parties.
- As the work begins, clear goals will facilitate an objective means to evaluate progress and make 'mid-course' corrections, especially in more complex initiatives that may make the difference between success and failure.

COMPLEMENTARY BENEFITS

- Effective long-lasting agreements are also characterized by the receipt of benefit by both parties.
 - The public sector environment is known for the high levels of altruism exhibited by staff but in order to encourage the long-term sustainability of relationships, it is important that both parties receive definable, measurable benefit from the arrangements.

EFFECTIVE OPERATIONAL GOVERNANCE

- As we progress along the spectrum of collaboration the total tangible value of the relationship accrues. However, with this increase in value, there is a corresponding increase in the strength of governance required to guide these relationships.
 - In this context, strength is implied to mean the ability to make decisions in a complex environment and oversee

structure, common language and formal mechanisms for reporting and evaluation.

- Collaboration should be guided by a mutually agreed upon set of guiding principles to be relied upon during times of contentious decisions. For example:
 - Consensus-oriented
 - Accountable
 - Transparent
 - Responsive
 - Effective and efficient
 - Equitable and inclusive
 - Follows a rule of law

TRUST

- The most important characteristic of ongoing intermunicipal relationships can also be the most challenging to establish - trust.

*Coming together is a beginning,
Staying together is progress,
and working together is success.*
– Henry Ford

- There are three factors that are involved in trust and collaboration between parties: repute, reciprocity and altruism.
 - **Repute:** parties share because they believe that it will reflect positively on their intelligence and knowledge.
 - **Reciprocity:** parties share in order to benefit in return.
 - **Altruism:** parties share because they believe it is an honourable act.
- All three factors are held by a trust that, regardless, parties will reciprocate.

Identification of Opportunities



Finding opportunities for collaboration is in itself a collaborative exercise but municipal parties need to do their own homework first to make

the collaboration (and negotiation) sessions more productive. Considerations include:

- Through their operational planning processes municipalities should have a good idea of their strengths and weaknesses.
- Municipalities should be able to recognize their capacity opportunities and have good insight into what services they want to introduce or what service levels they want to enhance.
- In addition, collaboration should be evaluated with other internal options available for funding such as tax increases, user fees, revenue generation, grants, etc.
- The unique aspect regarding collaboration is a limit to a municipality's control in decision-making in a collaborative relationship. Partnership implies that the municipality should find a partner that sees value in the relationship and wants to collaborate.

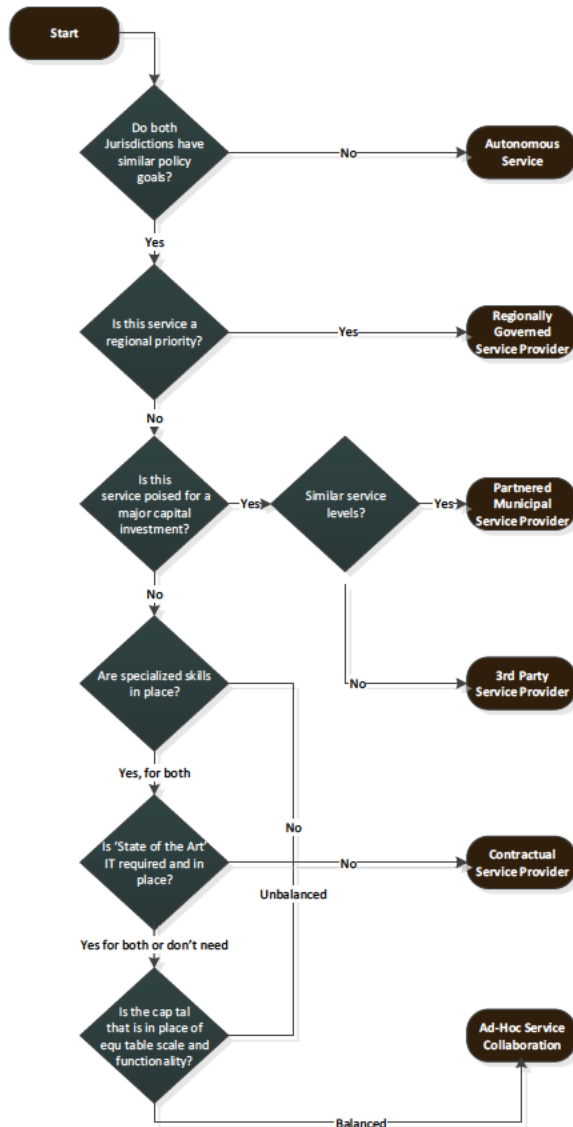
Services & Service Delivery Under Different Forms of Governance

In order to better understand the potential areas for collaboration and integration of services, an assessment was completed of the program / service catalogues and organization structures of the City and the County. This exercise identified and evaluated the level of alignment between the municipalities.

- Where there was greater alignment, there could be greater potential for collaboration that might be simpler to execute and minimally impactful on residents or operations.

- The development of a decision tree was required to objectively separate program areas in the “best fit” for each of the potential governance options, depicted in Figure 5 below:⁴

FIGURE 5: GOVERNANCE OPTION SORTING TREE



The application of this decision tree resulted in the categorization of the program areas among the Governance Options. The following table provides the top five opportunities under each option ranked

⁴ Note this exercise did not separate out services that would best fit under a Single Entity Governance Service Provider, as by definition, this would include all program areas.

based on the expected financial consequences analyzed in the next section. A full categorization of the program areas are provided in the complete Phase 2 Report, appended.

TABLE 1: SERVICE & SERVICE DELIVERY ANALYSIS⁵

Ad-Hoc Service Collaboration	<ul style="list-style-type: none"> • Capital Budget Development • Trail Maintenance • Crime Prevention and Public Safety Education • Railway Crossing Maintenance • Parking Lot Maintenance
Contracted Service Provision	<ul style="list-style-type: none"> • Victim Services • Drugs and Organized Crime • Serious Crime Investigation • District Indoor Recreation Facilities
Partnered Municipal Service Provider	<ul style="list-style-type: none"> • Household Hazardous Waste Drop-off • Financial Reporting, Compliance, and Controls • Billing Services • Accounting Services and Support • Accounts Payable
3rd Party Service Provider	<ul style="list-style-type: none"> • Road Maintenance Urban • Financial Enterprise Resource Planning Sustainment and Reporting Systems Management
Regionally Governed Service Provision	<ul style="list-style-type: none"> • Intermunicipal Transit • Mobility Bus • Local Transit • Enterprise Geographic Information System (GIS) • Rescue

⁵ Note this exercise did not separate out services that would best fit under a Single Entity Governance Service Provider, as by definition, this would include all program areas.

Impact on Resources & Costs



A cost-benefit analysis was conducted primarily using the Priority-Based Budgeting / program costing information that was supplied by both municipalities,

which was also the basis for the service areas comparison analysis work. Cost-benefit assumptions were used for each program area based on its best-fit collaboration model. The assumptions include:

- Leveling of staff salaries
- Expected service level adjustments
- Capital expenditure rationalization
- Volume procurement savings
- Administrative / Supervisory staff reductions

The results of this model were summarized in the following categories:

- **Capital Expenditure Reduction:** Approximately 20 percent of capital spending could be avoided by greater collaboration and coordination between municipalities. This is considered a high-end estimate and is less conservative than other estimates. It reflects a potential to avoid large-scale capital projects over a longer-term capital forecast and may not be suitable to nearer-term outcomes.
- **Procurement Gain:** By combining non-Full-Time Equivalent (FTE) program expenditures, it is expected that savings between two and four percent could be realized through volume discounts and joint procurement efforts, reducing procurement expenses.
- **Staff Efficiency Gains:** Based on consolidating program areas, it is expected that staff savings could be realized. These potential savings are estimated at eight percent of program costs.

- **Staff Salary Costs:** In order to create salary parity under the majority of collaborative models, salary increases would be required. Consequently, under Contracted, Partnered Municipal, Regionally Governed, and Single Entity Service Provision, financial pressures related to these salary costs would be expected. Creating salary parity under these models would result in an estimated 12 percent increase in City salary expenditure.
- **Service Level Modifications:** When modelled under Partnered Municipal Service, Regionally Governed Service and Single Entity Service, service levels would potentially increase. Decisions to align service levels to the highest common denominator between the communities would bring significant cost increases. Financial pressures associated with these levels of service would vary based on the collaborative governance model. For Regional Governance and Single Entity Governance, total service spend is estimated to increase between 13 and 15 percent above the total program spend for existing service levels in both municipalities. Partnered Service Delivery is likely to cause the most significant financial pressures on the municipalities, approximately 66 percent above the total current spend, as the services most suited to this model⁶ have greater associated variable costs.⁷ In any collaborative model, the need for strong governance is important to avoid service level escalations.

The impacts to resources and costs of these potential collaboration opportunities are an important reality when evaluating opportunity. While a complete cost-benefit breakdown and the associated model assumptions are provided in the appended Phase 2 Report, there are three key cost-

⁶ These services, expected services levels, and associated costs are modelled and discussed in detail in the appended Phase 2 Report.

⁷ Assumptions, inputs, and methodology regarding model variables are discussed at length in the appended Phase 2 Report.

benefit considerations for the opportunities identified:

Note: The realized costs or benefits of any opportunity discussed are highly dependent upon a range of operational and governance decisions from administration and council from both municipalities. These opportunities and their underlying assumptions would need to be validated and confirmed to hold true.

Please refer to the appended phase reports for further details and explanation.

- **Staff efficiency gains, capital cost avoidance, and procurement savings** have the potential to capture annual savings between zero and \$36.6M, depending on the collaborative model, service level, and service complement decisions made.
- The **service level increases** that could be required to create service parity under the different forms of collaborative governance have the potential to incur between zero and \$47.1M in additional annual expenditures, depending on the service levels and service complement decisions made.
- The **staff salary increases** required to align salaries from both municipalities have the potential to incur between zero and \$3.6M in annual expenditures, depending on the collaborative model, service levels, and service complement decisions.

While not insurmountable, administration identified a few additional areas, for further consideration when pursuing greater collaboration / integration opportunities:

- **Differences in operational policy and procedure:** any efficiencies in increasing coordination or integration of service delivery would be put at risk if separate policies and operating procedures exist for each jurisdiction.

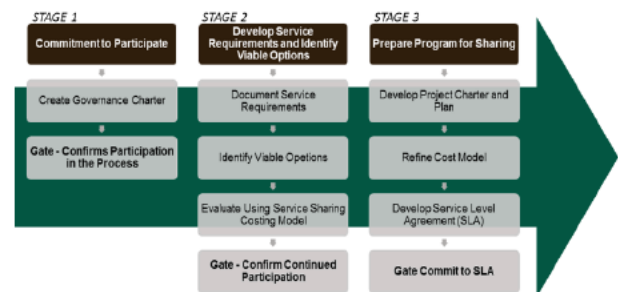
- **Limits to economies of scale:** in many cases, the relative size of providing service to both municipalities (i.e. serving ~130,000 residents, as opposed to serving ~100,000) would not be a large enough increase in scale to realize significant efficiencies.

Potential Process for Collaboration



There are several governance tools that could be deployed to provide a path forward for the municipalities to pursue collaborative opportunities if they

FIGURE 6: POTENTIAL PROCESS FOR COLLABORATION



choose to move forward, as follows:

- After each of the three defined stages, there is a proposed gate that will require the entities to test whether there is value for their municipality to proceed.
- This approach, combined with the strong emphasis on governance, will allow participants to know exactly what their roles and responsibilities are and will limit effort should one municipality determine that it is not in their best interest to continue.
- Decide on risk tolerance. In the case of collaboration, the 'unknown' is also accompanied by an internal hesitation to share information with municipalities competing for the same resources. These natural attributes speak to the limitations on a collaborative spirit.

- After deciding on the implementation approach, the creation of the Governance Charter will allow municipalities to select and use the most appropriate governance tools for implementation.
- Municipalities should adapt tools that will allow them to achieve the desired result.



Phase 2 Considerations

"How could you proceed from here?"

- ✓ Endorsing collaboration as an option for service enhancement, cost reduction or investment leverage.
- ✓ Directing administration to encourage conversations among municipal peers.
- ✓ Conducting internal opportunity identification and analysis.
- ✓ Determining desired municipal service levels.
- ✓ Pursuing area of promise where degrees of collaboration already exist, such as contracted services, long-term capital planning, and access to specialized skills or equipment (economies of scope).



Phase 3: Finance and Taxes

Phase 3 presents finance and tax findings that focus on financial modelling, local assessments and comparative research to explore financial implications and outcomes on the City and the County as a result of collaborative governance.

Phase 3 IMRC Questions

1. How are taxes, assessment bases, and mill rates affected under different governance models?
2. How is tax revenue from future growth impacted by difference governance models?

Phase 3 Case Studies

Phase 3 examined case studies from jurisdictions across Canada, including:

- City of Westmount (Quebec)
- City of Montreal
- Montreal Metropolitan Community / Agglomeration Council
- Regional Districts of British Columbia

Details of these case studies are available in the appended Phase 3 Report.

Financial Model Overview



This section encompasses current and forecasted financial modelling inclusive of the development of a comprehensive financial baseline for each municipality. Financial modelling

included a five-year projection, starting in 2019, for the following:

- Assessment Base
- Revenues
- Operating Costs
- Capital Plans
- Indications from Administration

⁸ Bill 7 impacts are discussed in detail in Phase 5: Sub-Regional Pressures.

KEY CONSIDERATIONS

There are a number of key factors for financial modeling that need to be considered in order to interpret the results of the analyses. The financial modeling in Phase 3 was conducted at a high level and intended to establish a baseline to show the scale and magnitude of potential changes in financial status from the subsequent analyses.

- With regard to the financial model, there are several concerns that the County and the City noted about impacts on future revenue, growth and overall financial health. These concerns include the following:
 - Potential impacts of Bill 7⁸ and Bill 29 on municipalities in the region and long-term non-residential taxation rates.
 - Volatility in the industrial assessment process and potential revenue losses (especially for large projects).

KEY FINDINGS

- Over the longer-term, larger-scale sub-regional collaboration between municipalities has shown to positively impact business and investment attraction to increase assessment bases. It is unclear if the City and the County would constitute a large enough market / organization to have significant impacts on the assessment base.
 - This is especially true considering both municipalities are already a part of the AIHA, which has had a positive impact on industrial development in the region.
- The table on the following page shows a high-level breakdown of potential assessment, tax and mill rate impacts:

TABLE 2: TAXES, ASSESSMENT BASES, MILL RATE IMPACTS FROM GOVERNANCE MODELS

Assessment Area	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Taxes	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations
Assessment Bases	No expected impact	No expected impact	No expected impact	No expected impact	No expected impact	Possible long-term harmonization of property values based on similar services offered
Mill Rates	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations	Potential efficiencies could result in downward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations	Potential service level inflation could result in upward pressure on taxes required to fund operations
Other	No expected impacts	No expected impacts	No expected impacts	The use of a 3 rd Party entities may impact the User fees collected by the municipality, or government grants available, depending on what services are offered in a 3 rd party manner	The outsourcing to a regional governance entity may impact the User fees collected by the municipality, or government grants available, depending on what services are regionalized	Few expected impacts Possible impacts to government grants depending on grant factors

- Where the different governance models may have a large impact is on mill rates and property tax changes due to mill rate changes. These would be driven by changes in the underlying cost of municipal service, either through efficiency gains reducing costs, or staff salary and service level escalations increasing costs, as discussed in Phase 2.
- In addition, there are possible impacts to “other” sources of revenue, including user fees and charges and government grants, that could be affected if services with revenues attached to them are delivered through collaborative platforms. Services delivered via third-party or regional entities may or may not recover these revenues directly to the municipalities.

Other Assessment Changes Summary



Additional modelling was completed to consider other financial implications:

- As a supplementary analysis, the financial model tested new growth impacts of the assessment bases of each municipality. This analysis included the addition of potential new commercial / industrial projects over and above what has been projected in the baseline growth.
- An additional analysis was conducted to test a range of potential impacts of changes to the assessment bases from future growth, or contraction, in each municipality. This analysis included changes to assessment base growth rates and property market values. It is effectively a ‘stress test’ of each municipality to a variety of market and economic scenarios that could have negative financial impact.

The findings of this analysis are as follows:

- Both municipalities showed negative financial impacts to the contraction scenarios identified.

- While both municipalities were impacted by stagnation or a one-time contraction of the residential market, the largest impacts were felt by a slow-down and contraction in their non-residential tax bases.
- A sustained contraction of the non-residential tax base in both municipalities would dramatically impact each municipality’s financial outlook. This impact was felt even greater in the County, whose high rates of non-residential assessment growth is a key source of its long-term financial well-being.



Phase 3 Considerations

“How could you proceed from here?”

- ✓ Continuing to evolve program costing information to better understand current service level costs and the potential impacts of changed service levels under different collaborative governance models.
- ✓ Investigating alternative approaches to collaboration and taxation, as identified in other jurisdictions



Phase 4: Optimizing Growth and Quality of Life

Phase 4 presents research, analysis, and modelling related to both the optimization of growth and considerations around quality of life.

Phase 4 IMRC Questions

1. What risks and benefits need to be considered? (i.e., industrial, commercial, residential, agricultural)?
2. What are different potential impacts of future growth under different forms of governance?
3. How could different governance models impact citizens' quality of life?
4. Which trends and forecasts exist and how to they intersect with various Master Plans?

Phase 4 Case Studies

Phase 4 examined case studies from jurisdictions across Canada, including:

- City of Westmount (Quebec)
- Montreal Metropolitan Community
- City of Kamloops
- City of Merritt
- Halifax Regional Municipality

Details of these case studies are available in the appended Phase 4 Report.

Defining "Quality of Life"



Investigations into defining quality of life must take into account a wide breadth of materials. Important are large, universal definitions of quality of life that consider statistical sampling and the identification of trends across large geographical areas. Equally important is how local citizens define quality of life.

Quality of life can be defined in many ways, making its measurement and incorporation into scientific study difficult. One study⁹ measured countries' quality of life on nine attributes:

 Affordability	 Politically stable
 Good job market	 Safe
 Economically stable	 Well-developed public education system
 Family friendly	 Well-developed public health system
 Income equality	

Place-based definitions help to define quality of life in the local context:

- Placed-based definitions of quality of life take into account the unique local characteristics of a community—the history, environment, culture and economy of a particular place. Citizens themselves are responsible for defining what quality of life means to them.
- Understanding how citizens perceive their own quality of life helps decision makers to shape strategies for maintaining and improving quality of life. Therefore, examining these resident perspectives it is a critical starting point in defining quality of life in both the County and the City.

Delivery of Infrastructure Services

This section includes a review of the risks, benefits and impacts associated with the design and delivery of infrastructure services under different collaborative governance models.

- A significant number of advantages have been identified when partnering municipalities engage in formal collaboration around the delivery of infrastructure services. Examples include improved access to infrastructure services for rural communities and equalization

⁹ Wharton School, University of Pennsylvania

of local infrastructure services so that citizens can enjoy the same level of service. There is significant potential to improve citizens' quality of life via the coordination of infrastructure services.

- There are also several risks associated with working towards collaboration, such as misaligned service levels and policies, which can be extremely costly as entities work to achieve coordination. These risks may also impact capital projects as well as maintenance and operations depending on how far the municipalities decide to go with harmonization.
- Overall, significant opportunity can be realized by coordinating efforts related to infrastructure servicing for all types of infrastructure outlined in this report. The opportunity with the highest potential reward with the lowest associated risk, is in the areas of infrastructure planning and delivery as this work ensures an inclusive and coordinated vision going forward.

Trends, Forecasts and Master Plans

Assessing the economic landscape and actors contributing to regional growth is the first step in understanding the opportunities and outlook of the City and the County. This section examines historical data and informs future projections based on a variety of economic variables.

HISTORICAL POPULATION / DEMOGRAPHIC TRENDS

- The overall trend in Alberta, the region, and for both municipalities has been sustained growth in population. Population growth is generally tied to economic opportunity and perceived quality of life, and have been subject to long-term, cyclical growth patterns in the past. These factors make projections more difficult over a longer time frame.
- The largest potential impact on quality of life is the general density, business growth and congestion that could come with added population to the region.

- At the highest potential growth projection, regional population could nearly double in a fairly short time frame.
- This would result in significant housing, land use, retail, commercial and traffic impacts in the region that would need to be addressed to meet the needs of a growing population.

HISTORICAL ECONOMIC / BUSINESS TRENDS

- The economy of the province, region and of each municipality is quite volatile, subject to significant swings, making projections difficult.
- However, the success of the AIHA has resulted in strong, sustained growth for both municipalities and the region. The region performed better than other areas of the province during the latest downturn by a number of metrics.
- Overall, most economic indicators point to a steadier economic forecast for the province and the region. This stabilization would likely bode well for each municipality. Though it may limit some of the 'high' growth scenarios for the region, it would likely provide a steady investment environment that would ensure constant, sustainable growth. This type of economic environment would maintain the AIHA's success and desirability for young families, allowing both municipalities to continue to attract new population, businesses and investment over the long term.
- The 'steady' nature of growth will also likely mitigate any high-inflation scenarios where residents would be significantly impacted by an increase in the cost of living.

HISTORICAL MUNICIPAL GOVERNANCE TRENDS

- Both municipalities have a reputation for strong municipal governance, responsible financial management and good sub-regional participation.

- Based on the strong population and steadier economic forecasts, municipal governance will require a commitment to responsible development, land use and financial management to meet the economic and quality of life needs of the growing population in the region.
- While good municipal governance may or may not have a significant impact on quality of life, bad municipal governance certainly can.
 - Unsustainable debt, relying on volatile revenue sources and not investing in capital upkeep can all impact the finances of a municipality, forcing unpalatable tax hikes on residents, which would significantly impact resident's quality of life.
- Both municipalities have shown strong fiscal management and have processes and policies in place to ensure that continues.
- Residents in both municipalities can safely expect to enjoy competitive tax rates within the larger metropolitan sub-region, adding to the desirability of each municipality as a destination for young families and new residents.

REGIONAL ECONOMIC FORECAST MODEL

- The Regional Economic Forecast Model is an attempt to determine a more detailed view on how these projection factors could impact each municipality, and the region as a whole. The model is intended to provide an up-to-date baseline of figures explored in the preliminary trends section above, and to identify expected 10-year projections.
- There are several implications, trends and observations from the Regional Economic Forecast Model which focus on population and housing, economy and business, municipal governance, and community and social impacts that are provided in detail in the full Phase 4 report, appended.

A Review and Analysis of *Re-Imagine. Plan. Build.* (Edmonton Metropolitan Region Board Growth Plan)

The County and the City are located within the Edmonton Metropolitan Region. In 2017, the Edmonton Metropolitan Region Board (EMRB) adopted the *Re-Imagine. Plan. Build. Edmonton Metropolitan Region Growth Plan* (the 'plan' or EMRGP) to guide how growth occurs in the Region over the next 30 years.

- The purpose of the EMRGP is to promote growth and development in the region in a responsible manner through compact and contiguous development, minimizing the expansion of the Region's development footprint.
- The EMRGP provides several key directions and policies to promote sustainable regional growth development. Key findings are as follows:
 - The City projects to grow at a slightly higher rate than the County overall, between 2.2% and 3.5%, compared to 1.19% and 1.69% on the high-end, respectively. The entire sub-region could add between 9,000 or nearly 30,000 people over the next 10 years based on the low-end and high-end projections.
 - All of the City's population growth will be located in an urban service area. It is unclear how much of the County's population growth will be located in the urban versus rural areas. However, it is anticipated that the majority of growth will occur in the Urban Service Area.
 - Employment growth is anticipated to be comparable between the two municipalities.

Related Regional Economic Forecast Model statistics are available in the appended Phase 4 Report.

Master Plan (MDP) Comparison

In reviewing the industrial, commercial, residential, agricultural, and environmental aspects of both municipalities' Master Plans¹⁰¹¹, key findings are as follows:

- Both municipalities have similar approaches to planning and development of industrial lands.
- Both municipalities are actively seeking to increase densities and diversify land uses within their communities.
- The City's historic downtown is unique, with the Urban Centre Policy Area in Sherwood Park providing some similar development approaches and opportunities.
- The County is seeking to redevelop some of their automobile-oriented commercial areas.
- The County has a greater emphasis on transit and transit-oriented development in their new communities.



Phase 4 Considerations

"How could you proceed from here?"

- ✓ Capturing opportunities associated with collaborative infrastructure planning, a low-risk activity that has the potential to offer considerable financial benefit.
- ✓ Furthering collaborative land use planning, evolving and prioritizing in alignment with regional goals and targets.
- ✓ Identifying a common means to define and understand quality of life in both municipalities, harmonizing how it is evaluated in order to assess the impacts of any future collaboration opportunities.
- ✓ Continuing to place emphasis on the importance or quality of life and to monitor the delivery of quality of life as it relates to the evolving with the diverse needs, changing demographics and perceptions of residents.



¹⁰ *Forwarding our future. Together. Municipal Development Plan.* Bylaw 20-2017. Consolidated June 13, 2018 – Strathcona County

¹¹ City of Fort Saskatchewan Municipal Development Plan 2010 – 2030. Bylaw C16-10. Adopted September 14, 2010. - Fort Saskatchewan

Phase 5: Sub-Regional Pressures

Phase 5 is focused on the sub-regional pressures of the County and the City. Sub-regional pressures are defined as pressures that are currently or anticipated to impact the City and the County in the near-to-mid-term.

Phase 5 IMRC Questions

1. What are the key external pressures on the sub-region (Fort Saskatchewan / Strathcona County)?
2. What are their impacts?
3. Will changes support the positions / positioning of the sub-region?

Defining Sub-Regional Pressures



In order to understand what sub-regional pressures were relevant to the contexts of the City and the County, and to act as guidelines to discussion and analysis, Phase 5 defined the scope of national, provincial, regional, and local sub-regional pressures. These definitions are as follows:

NATIONAL / INTERNATIONAL

- These pressures are not unique to the sub-region and are pressures felt by other regions throughout the country.
- These pressures range in impact and there is very little the region can do on their own to mitigate their effects.

National / International Examples:
International Trade Pressures, Climate Change and Environmental Impacts, Pipeline / Market Access, Federal Election

PROVINCIAL

- These pressures are not unique to the sub-region, but rather are pressures common in all regions of the province.
- These pressures are primarily political in nature and require work with other bodies to mitigate.

Provincial Examples:

Bill 7 Municipal Government (Property Tax Incentive) Amendment Act, Bill 29 Municipal Government (Machinery and Equipment Tax Incentives) Amendment Act 2019, Provincial Budget, Job Growth and Economic Competitiveness, Industrial Tax Assessments

REGIONAL

- Pressures felt across the Edmonton region. The pressures in this category are more tactical than the provincial or national pressures.
- Pressures in this category typically involve planning and strategic service delivery.
- The sub-region has a greater degree of influence over these pressures and has the capability to mitigate some pressures in this category.

Regional Examples:

Note: Edmonton Metropolitan Region Board (EMRB) has been used for context

Regional Transportation, Shared Investment for Shared Benefit, Housing Diversification, Economic Diversification (Edmonton Global), Sustainable Agricultural Management, Integrated Regional Open Space Policy, Regional Infrastructure Policies, Population Density Objectives, EMRB Decision-Making, Strategic Planning & Advocacy Strategy

LOCAL

- Pressures felt within or adjacent to the sub-region.
- Pressures in this category typically stem from resident demands and local plans or policies.
- The sub-region has the greatest degree of control over these pressures.

Local Examples:

Local / Sub-Regional Service Delivery, Sustainable Infrastructure Design Policies, Culture, Arts, and Heritage, Rural Service Provision, Local / Sub-Regional Planning, Land Use Planning

Impacts of Sub-Regional Pressures



Committee members of IMRC were asked to add to and prioritize a list of sub-regional pressures. These pressures, exemplified by level in the previous section, were examined using a Force Field Analysis¹² to analyze their impacts. Key findings of this analysis are as follows, listed in order of IMRC priority:

BILL 7 MUNICIPAL GOVERNMENT (PROPERTY TAX INCENTIVE) AMENDMENT ACT - PROVINCIAL

- The Bill 7 Municipal Government (Property Tax Incentive) Amendment Act is intended to provide additional tax relief for municipalities to incentivize economic and industry development.
- However, the additional taxation methods could introduce increased levels of competition among local governments to attract industry and development.
- This, in turn, could impact municipal relationships. The increased competition among

municipalities could strain relationships and may complicate future collaboration opportunities.

EMRB DECISION-MAKING - REGIONAL

- Through regional collaboration, municipalities may be able to leverage economies of scale and economies of scope in planning and implementing future projects. By collaborating and sharing costs with all members of the EMRB, municipalities may be able to provide services and initiatives that would not otherwise be financially viable individually.
- In addition, collaborating on initiatives at a regional level can enable increased service capabilities or new service offerings for residents. These service offerings or improvements may not be financially or operationally viable individually but become feasible with collaboration. Finally, regional planning increases each municipalities sphere of influence to a regional level.

FEDERAL ELECTION OUTCOME - FEDERAL¹³

- Municipalities are eligible to receive infrastructure funding from the federal government.
- The platform and philosophies of federal parties vary considerably, and elections can introduce risk to the current levels of infrastructure funding available.
 - This can include a reduced investment or application of other restrictive policies on to the industries that are a major source of revenue for both municipalities.

REGIONAL INFRASTRUCTURE POLICIES - REGIONAL

- By collaborating, the region could reduce local planning efforts, provide greater consistency

¹² Force Field Analysis: a powerful method of gaining a comprehensive overview of the different forces acting on a potential organisational change issue, and for assessing their source and strength.

¹³ Note that this portion of the engagement was completed prior to the 2019 Federal Election.

and leverage economies of scale to provide cost effective development opportunities.

- In addition, the coordinated planning should enable regional scalability and meet the needs of a growing region, providing new, cost-effective ways to increase access to the energy market.
- However, member municipalities committing to these objectives would reduce the level of control and influence that they have over local infrastructure and energy corridor developments.

PIPELINE / MARKET ACCESS - FEDERAL

- The region has a significant energy-sector industrial base and increased access to international and domestic markets will improve growth in investment and jobs for both communities, in turn generating a greater tax base for each municipality.
- Increased access to markets will create economic benefits for residents and ultimately lead to community economic growth. However, major pipeline developments and increased market access may have significant environmental impacts. Agricultural land and animal habitats could be repurposed for industry and be consistently threatened should incidents occur.

INDUSTRIAL TAX ASSESSMENT- LOCAL / REGIONAL

- The sub-region is highly dependent on its industrial tax base. Any change to industrial tax assessments may impact this significant revenue stream for the sub-region.
- Municipalities could benefit from increased business investment, incentivized by low costs for industrial business.

PROVINCIAL BUDGET - PROVINCIAL¹⁴

- As the energy sector grows both municipalities should benefit from an increased industrial tax base and economic growth. However, the budget may include cost saving measures, and in many cases reductions in municipal funding.
- As funding opportunities decrease there could be added challenges for a municipality to secure the same level of funding it had in previous years.
- Reduced funding options available to municipalities due to provincial budget cuts could also be accompanied with reductions in provincial government service levels or service offerings. Municipalities would need to prioritize existing services to ensure residents continue to receive acceptable service levels.

POPULATION DENSITY OBJECTIVES - REGIONAL

- By increasing population densification, current services and infrastructure may require enhancements to account for the increased usage in population centers. This would require a degree of municipal investment depending on the scalability of existing infrastructure.
- However, due to the increased density and tax base, some services may benefit from economies of scale and could have reduced variable costs.

JOB GROWTH AND ECONOMIC COMPETITIVENESS – LOCAL / REGIONAL

- Currently, neither municipality has significant health or technology industries. However, by partnering with the region, the sub-region could diversify industrial investment and potentially create future economic growth in innovative industries.
- Partnering with the region in alternative innovation sectors, such as health and

¹⁴ Note that this portion of the engagement was completed prior to the release of the 2019 Provincial Budget.

technology, could diversify industrial investment and potentially create future economic growth in innovative new industries. With a lack of health or technology industries, the City and the County may receive an inequitable distribution of benefit for initial regional investments in these sectors.

REGIONAL SERVICE DELIVERY - REGIONAL

- By collaborating on service delivery both municipalities could be able to reduce operating expenses related to current service delivery. All members of the EMRB would share costs for service delivery potentially reducing what individual members spend on similar services.
- In addition to leveraging economies of scope and scale to improve the cost effectiveness, collaborative service delivery could increase the quantity of service offerings.
- However, there is that potential that collaborative planning and management of service delivery could decrease some service levels and introduce additional layers of bureaucracy.

LAND USE PLANNING – LOCAL / REGIONAL¹⁵

- The region can continue to optimize land usage and improve planning capabilities. Collaboration also promises to reduce environmental impacts and preserve agricultural land.
- Continuing the preservation of agricultural land through planning development in areas that do not impact high quality agricultural land. The County and the City also participate in land use planning collaboration in many other areas of regional collaboration, such as transportation and service delivery.
- As noted in other pressures, collaboration can add another layer of complexity for local land planning. In addition, regional plans may not

¹⁵ Note that the County and the City have completed or have in progress collaborative growth plans, transportation plans, and master plans.

consider all local needs and may limit the ability for municipalities to govern their land use.



Phase 5 Considerations

"How could you proceed from here?"

- ✓ Capturing opportunities for natural partnership.
- ✓ Understanding degree of control is important in addressing sub-regional pressures and that an understanding of control will benefit individual or combined efforts that can take advantage of the partners' strengths in external political influence regardless of the governance structure employed.
- ✓ Understanding that pressures on the sub-region are nuanced and highly complex and collaborative efforts to address these pressures should be entered into with this understanding.



Phase 6: History and Identity

Phase 6 explores the considerations and impacts of collaborative governance models on the concepts of history and identity. These concepts are explored from an academic, comparative, and local context.

Phase 6 IMRC Question

1. How are identity and history affected under each form of governance (lessons learned and considerations)?

Phase 6 Case Studies

Phase 6 examined case studies from jurisdictions across Canada, including:

- City of Westmount (Quebec)
- Agglomeration Council
- Halifax Regional Municipality
- Strathcona County
- Fort Saskatchewan

Details of these case studies are available in the appended Phase 6 Report.

Research on History and Identity



Research pertaining to history identity helps to define the context and application of both terms. The following key findings were used to guide Phase 6 discussion and analysis:

- The identity of individuals residing in a given geographic region is affected by a variety of factors, from our immediate family interactions to our greater social circle of interactions including where we work, how we spend our free time and the neighborhood or community within which we reside.
- History, particularly shared history, is a foundational component of social identity. Often the longer the historic record a group may identify with, the more entrenched that particular identity is.

Key Concept: City-Regionalism & Municipal Identity

City-regions are defined as urban centres with linked municipal, social, or economic bounds with an impact on citizens' identity beyond the boundary of one's municipality of residence. In a city-region, residents are often highly mobile, commuting for work and shopping or using leisure centres outside of their municipality of residence.

Within the context of identity, a resident's social identity in a city-region is more likely to align and be closely integrated within the city-region, rather than to their municipality. This is a result of residents developing interactions in both personal and public spheres outside of their municipality.

Because of this, the concept of a city-regionalist identity as an increasing component of social identity is relevant when exploring identities of residents in the County and the City. In fact, when compared, residents of both municipalities share many similar city-regionalist characteristics, such as age-distribution, education status, journey to work and extensive social networks.

- Municipalities have a central role in the development of identity for their residents. By supporting resilient neighborhoods, whether established neighborhoods or new developments, they can impact a citizen's sense of belonging.
 - Providing access to services and activities that support in the development of strong individual identities, in turn generates a stronger community and municipal identity.

History and Identity in Fort Saskatchewan and Strathcona County



In order to understand how identity looks in both municipalities in present day, it was important to look at the histories of both the County and the City. The unique roots of each community, listed below, play an important role in shaping local identities:

- At a high level, the City and the County share history in many ways; both are settlement towns with important connections to nature and powerful industrial centres within their borders.
- A notable difference that shaped the identities and values of these communities is their different municipal statuses:
 - The County is formed from farm communities, natural areas and residential areas housing the early industrial workers. Though there were numerous shifts and influences that impacted the County's municipal status today, its status as a Specialized Municipality honours the mix of communities and regional history within its borders.
 - Conversely, the City's roots are tied to law and order with the Northwest Mounted Police and the provincial jail, early industrial development and an expansive river valley. Its municipal status as a city aligns with its development around a city core and maintains its close knit, local sense of community.

Influences and Characteristics of Identity in Strathcona County and Fort Saskatchewan



Concepts explored up to this point were applied in a local context in order to better understand the influences on and characteristics of

the County, the City, and their respective residents. The key findings of this application are summarized as follows:

- There are numerous commonalities in demographics between the City and the County from a census and demographics perspective, with similar rates of education, income, and other indicators.
- The likeness of demographic profiles suggests that there may be certain shared traits and influences on personal and social identity.

Due to this shared demographic profile, the potential for divisive identity-related issues are considerably smaller than seen in comparative case studies.



Phase 6 Considerations

"How could you proceed from here?"

- ✓ Understanding that municipal history and identity are a continuously evolving concept, driven by the people and experiences of residents over time, rather than a static state.
- ✓ Progressing with change in a way that is proactive and inclusive, taking into consideration the many aspects that define each municipality's history and identity.
- ✓ Harmonizing how both municipalities evaluate and understand history and identity to better evaluate the impacts of collaboration opportunities.

Phase 7: Political Context

Phase 7 approaches collaborative governance from the political perspective. Topics covered in this phase looked to better understand how governance would be structured and how that structure would affect representation and influence under different collaborative governance models.

Phase 7 IMRC Questions

1. How will citizens provide their insights into a system that may have changed?
2. How can we preserve the value of a citizen's vote / opinion?
3. How can we preserve the value of an Elected Official's influence and vote?

Phase 7 Case Studies

Phase 7 examined case studies from jurisdictions across Canada, including:

- City of Montreal / Montreal Metropolitan Community
- Halifax Regional Municipality
- City of Red Deer
- Lac La Biche County
- Strathcona County
- Fort Saskatchewan

Details of these case studies are available in the appended Phase 7 report.

Defining Influence Versus a Vote



Whether speaking about a citizen or an elected official, vote and influence are not synonymous terms.

- A vote is a formal indication of a choice between two or more options; influence is the capacity to have an effect on someone or something. In the case of a citizen they have only one vote to cast that reflects this choice but via influence, has

potentially many other options to shape outcomes.

- Similarly, the influence of an elected official goes beyond their voting position. An individual's length of term in office, popularity with constituents, relationships with colleagues and stakeholders and even strength of personality have a notable impact on one's influence.

Resident Perspectives, Impacts, and Participation in Changing Governance Models



While representation can be calculated numerically based on a population base and its electoral system (i.e. the weight of a vote), it is equally important to understand how a change in governance can impact residents in terms of their participation in the changed system. This section presents research on representation and participation in, and accessibility to, municipal governance under different collaborative governance outcomes.

IMPACTS TO REPRESENTATION IN A CHANGED GOVERNANCE MODEL

- The impact of a shift to a collaborative governance model on residents can be as varied as the residents themselves. Perspectives as to whether the impact of a collaborative governance model was positive or negative were most clearly correlated to residents' opinion prior to integrating with another municipality and to the intent of said integration, rather than the impacts of the collaborative governance model itself.
- Voter turnout is a method to measure how voters perceive the value of their vote in the face of a changed governance model. In the case of collaborative governance models, research surrounding voter turnout has reported a general decrease in voter turnout due to a

feeling of vote “dilution” as part of the larger region.

regional decision-making and economic policy but constraints were felt around access to council.

ACCESSIBILITY IN A CHANGED GOVERNANCE MODEL

- A study completed by Brock University¹⁶ follows the impacts and perspectives of regionalization in a selection of communities in Ontario.
- This study discusses the detailed analysis that followed these interviews, reporting stakeholder-specific conclusions for elected officials, residents, and community leaders:
 - **Elected Officials:** In general, elected officials of all three single entity governance models studied reported an increase to the number of constituents they represented. However, it was a widely held perception that while the workloads of elected officials may have increased in certain cases, there was little to no impact on their availability to their constituents.
 - **Residents:** The majority of resident perceptions surrounding their level of access to both elected officials and municipal offices were unchanged from their perceptions prior to regionalization. Most pointedly, the degree to which residents felt their access to municipal offices and to elected officials was positively or negatively impacted by regionalization was found to be directly correlated with their pre-regionalization perspectives.
 - **Community Leaders:** Generally, community leaders reported certain gains and constraints in the political context under a single entity governance model. Gains were achieved from streamlined

VOTER PARTICIPATION IN A CHANGED GOVERNANCE MODEL

The impacts and implications of a changed municipal governance model vary based on the many nuances of a given municipality. Despite this, research consistently indicates that regionalization of municipal governments results in lower voter turnout than historically reported by previous-independent municipalities.¹⁷ This is a result of the following hypothesis:

- Increased size of the municipality decreases “the probability... that one single voter will make a difference”.¹⁸ This decrease in “expected utility from voting” – the impact and influence of the vote – decreases the likelihood that a resident would take to the polls.¹⁹
- Conversely, it is argued that increased competition in the political landscape due to a reduced number of elected officials in a larger population may lead to improved service and efforts toward accessibility from elected officials, ultimately empowering voters to participate in local elections.²⁰

Local Election Structures & Representation



There are many forms of election structures among regionalized municipalities. Experiences are varied based on factors such as size, local culture, and drivers of collaborative governance, there are certain key elements in each, summarized as follows:

¹⁶ Kushner, J., Siegel, D. *Effect of Municipal Amalgamations in Ontario on Political Representation and Accessibility* (2003). Brock University.

¹⁷ Rodrigues, M., Tavares, A. F. *The Effects of Sub-Municipal Amalgamations on Turnout: Testing the Rational Voter Hypothesis* (2018). University of Minho.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

- A single governing body (council) acts as the decision-making authority for the region, focusing council initiatives and strategic outcomes on the needs of the region.
- Additional committees and sub-councils address the diverse needs of their residents and ensure representation for various stakeholder and interest groups despite the large geographic and population size of the regionalized municipality.
- Public participation is often built into the governance structure, with engagement outcomes regularly communicated to the regional governing body as formal recommendations.
- A significantly imbalanced ratio of geographic areas, such urban to rural areas, can translate into disproportionate mix of councillor representation on community councils.
- When looking from a collaborative perspective, it could be argued that two votes toward the same outcome wield greater power than just one. However, this is only applicable when both vote holders vote for the same outcome.
- Two votes wield no influence for the sub-region if those votes are for differing outcomes at the regional table.
- Therefore, all other influences constant, one guaranteed vote toward a desired objective will more reliably exert influence over a regional outcome than two separate votes cast.
- Applying Cialdini's *Principles of Persuasion* to the specific bodies that the City and the County are members of, the potential influence of collaboration between municipalities is apparent. For each regional body, principle-based positions are a way to help the municipality understand the impacts of collaboration between the County and the City as it relates to their respective influence over regional bodies such as the EMRB and the AIHA.

Regional Influences and Considerations



Understanding the voting structure and scope of the regional bodies of which the County and the City are members, along with the importance of influence on

economic and strategic outcomes within the EMRB, AIHA and others, considerations must be made when examining potential collaborative governance models from a regional perspective:

- Voting: "Are two votes better than one?"
 - As voting members of regional bodies like the EMRB and the AIHA, holding sole autonomy over that vote is evidently important to all participating municipalities.
 - When considering collaborative governance models, holding a vote per municipality is a way to ensure that the municipality and its elected officials are unwavering in their representation and responsiveness to local needs.
- Voting: "Is one vote better than two?"

Election Structures and Representation of Local and Regional Governance Bodies Along the Spectrum



Different scenarios of voting power redistribution were modelled to explore the case of the City and the County entering into a single form of governance (the far right of the Spectrum of Collaboration) as well as scenarios in the middle of the Spectrum of Collaboration. The findings of these scenarios were as follows:

SINGLE ENTITY GOVERNANCE

- Regardless of the electoral system, the strength of an elected official's vote would be reduced if the size of Council were to increase since their vote becomes worth proportionately less. The

municipalities could preserve the value of an elected official's vote by limiting the number of representatives that can be elected to a shared Council.

- However, in doing so, the voting power of residents (under a ward model) will be reduced since the ward size (via number of voters) will increase. This inverted relationship will require the municipalities prioritize preserving the value of a resident vote or Council vote or find a balance between the two.

PARTNERED MUNICIPAL SERVICE PROVIDER / THIRD-PARTY SERVICE PROVIDER

("Middle" of the Spectrum of Collaboration – for the sake of example of this type of governance, a Regional Service Commission²¹ was used)

- Establishing a Regional Service Commission (RSC) is an effective way for municipalities to collaborate on the delivery of low-cost, high-quality services. The RSC model affords a municipality with the benefits of collaboration without significant loss of autonomy, protecting the interests of residents and, by extension, their elected officials.
- Collaboration along the Spectrum can look vastly different to residents and elected officials based on the type of governance structure in place. Because of this, the impacts to residents, how their input is represented, and how their elected officials are able to influence decision-making, should be carefully considered in collaborative governance models, even for bodies with specified scope, such as an RSC.
- Considerations for representation on an RSC may include representation classifications beyond that of municipal boundaries (such as urban / rural, for example).

²¹ Regional Service Commissions (RSCs) are distinct legal entities that have the ability to "hire staff, administer their own payrolls, own property, and raise capital."²¹ The governance of the RSC is overseen by a board of directors, with board members comprising elected officials from participating municipalities.²¹ RSCs, by

Additional Considerations in the Political Context: Provincial Perspectives



Beyond the scope of the municipality itself, or even the regions that surround it, there is a relationship between the municipality and the Province that may be considered within the political context of collaborative governance. First, there are legislated requirements that mandate the expectations and guide the actions of the municipality. In addition to this, there is an element of strategic positioning and provincial preference that occurs when it comes to any given form of collaborative governance. These considerations are discussed below:

- As two of 348 municipalities in Alberta, the County and the City face substantial competition in vying for increasingly limited funding, opportunities, and influence with the provincial government.
- From a legislative perspective, municipalities have considerable flexibility when it comes to choosing an electoral structure and representation model. How municipalities leverage this flexibility plays a significant role in the ability of a municipality to be influential at the provincial level.
 - For example, leveraging key components of regional power, such as a large industrial base, large resident base, and / or alignment with provincial strategies is potentially the most effective way to influence provincial political actors. Both municipalities, particularly when considered together, are well-positioned to capture this opportunity for influence.

nature, have the objective of delivering low-cost services to residents and as such, are not able to generate and distribute dividends – RSCs operate at-cost. This means that bylaws, administration, and governance of the RSC is not complicated by allocation of funds back to municipalities.



Phase 7 Considerations

"How could you proceed from here?"

- ✓ Looking to be more consistently aligned in strategy and decision-making, as this makes both municipalities more effective in influencing the stakeholders that surround them.
- ✓ Conversely, avoiding dissimilarity in areas of strategy and decision-making between the County and the City because of its potentially detrimental to strategic outcomes and the perceived homogeneity between the two municipalities.

CLOSING REMARKS

From this engagement, the IMRC now has information to share with their respective Councils that is unique to local needs and perspectives. Its findings provide a robust look at the six topic areas examined across the spectrum of collaboration, helping to inform future discussions between the County and the City as they explore opportunities for collaboration.



Report Chapters (Appendices)

Phase 2 Final Report: Services and Service Delivery

Phase 3 Final Report: Finance and Taxes

Phase 4 Final Report: Optimizing Growth and Quality of Life

Phase 5 Final Report: Sub-Regional Pressures

Phase 6 Final Report: History and Identity

Phase 7 Final Report: Political Context



Phase 2: Services and Service Delivery

Final Phase Report

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1. How do services and service delivery look under each form of governance?
2. What are the pros and cons of services and service delivery under each form of governance?
3. What is the impact on resources and cost (Cost-Benefit Analysis (CBA))?
4. How can we work better together?

- Public research on collaboration trends, methodologies, concepts
- Case study research on specific Canadian jurisdictions
- Service comparison analysis using Priority Based Budgeting information, and detailed engagement with administration
- Administration interview engagement with both municipalities
- Cost-Benefit Analysis on service cost impacts, plus sensitivity analyses
- Research and analysis on enhanced collaboration advice/next steps

Materials for Phase 2 were presented at the May, June and August IMRC meetings. Feedback and edits were incorporated at all meetings, helping to evolve the materials in the section.

RESEARCH

Overview Research

Global Trends

The intention is to have this segment of our reports as an evolving section in the research as the priorities for evidence-gathering shift over the course of the project. The current global trends under investigation follow:

MERGER OF MUNICIPALITIES

There appears to be an ongoing trend in many countries to impose merger requirements on municipalities, with some governments going as far as quantifying minimum requirements:

- Japan 2000-2006: 3,252 municipalities were reduced to 1,847.
- Denmark 2007: 237 Danish municipalities were merged into 65 municipalities.
- Netherlands: experiencing a gradual reduction in municipalities since 1950 and in 2016 the Dutch government has indicated that it is planning to continue municipal amalgamations until the average population size is 100,000ⁱ.
- Manitoba 1997: the *Municipal Act* set a minimum population requirement of 1,000. In 2012 the Government of Manitoba announced that municipalities would be required to amalgamate. The *Municipal Amalgamations Act* (2013) set the date for required amalgamation to 2015 reducing the total number of municipalities from, 197 to 137.

CITY-COUNTY CONSOLIDATION IS POLITICALLY CHALLENGING

In the United States, when certain municipalities, specifically local city-counties, work to undertake consolidation or merger on their own accord and number of benefits are described by proponentsⁱⁱ:

- Increased efficiency
- Greater equity in treatment of citizens
- More-accountable government
- Increased coordination of economic development efforts
- Reduced costs via economies of scale
- Elimination of duplication of services
- Greater opportunities for redistribution of income and resources
- Less segregation of residents
- Opportunity for broader political participation

However, amongst academic researchers these claims have yet to be soundly established. What does appear to have certainty is that consolidation is politically challenging. In figure 1 below national, city-county consolidation attempts have a 78% fail rate.

FIGURE 1 - FAILED CONSOLIDATION ATTEMPTS IN THE UNITED STATES

City-county consolidation attempts by decade

Decade beginning	# of attempted city-county consolidations	# passed by voters	% rejected by voters
1800	1	1	0.0
1820	2	2	0.0
1850	2	2	0.0
1870	1	1	0.0
1900	2	2	0.0
1920	4	0	100.0
1930	5	0	100.0
1940	3	1	66.7
1950	9	2	77.8
1960	20	6	70.0
1970	49	8	83.7
1980	27	2	92.6
1990	24	5	79.2
2000 through 2006	17	5	70.6
Total	166	37	77.7

Source: National Association of Counties, c.2007

In fact, since 1854 only 38 city-county consolidations have actually taken place (see figure 2 below).

FIGURE 2 - CITY-COUNTY CONSOLIDATION IN THE UNITED STATES

City-county consolidations by state and year of consolidation							
							Number
Virginia	1952	1957	1962	1962	1971	1972	6
Alaska	1969	1971	1975	1992	2002		5
Georgia	1970	1990	1995	2003	2006		5
Louisiana	1805	1947	1981	1992			4
Tennessee	1962	1987	2000				3
Kentucky	1972	2000					2
Massachussets	1821	1821					2
Montana	1976	1976					2
California	1856						1
Colorado	1902						1
Florida	1967						1
Hawaii	1907						1
Indiana	1970						1
Kansas	1997						1
Nevada	1969						1
New York	1898						1
Pennsylvania	1854						1
Total							38

Source: National Association of Counties, c.2007, plus Indianapolis

In some cases, these city-county consolidations only passed after numerous voting opportunities or when mandated by a higher, centralized authority:

- Augusta/Richmond County (Georgia)—the consolidation vote failed four times over 24 years before passing in 1995.
- Louisville/Jefferson County (Kentucky)—the consolidation vote failed twice over 18 years before passing in 2000.
- Merger of Indianapolis and Marion County in 1970 was mandated by the State of Indiana.

Conditions for Successful Collaboration

Research into situations or conditions of successful collaboration between municipalities resulted in the following guidelines.

Prior to undertaking any efforts towards municipal collaboration two conditions must be satisfied—an identified willingness or motivation to collaborate and the capability to enter into an agreement of some form. Table 1 below further fleshes out the questions that must be addressedⁱⁱⁱ.

TABLE 1 - CONDITIONS FOR SUCCESSFUL COLLABORATION

Willingness	Capacity
<i>Needs, Desires, Benefits, Incentives</i>	<i>Resources, Institutions, Leadership</i>
Is there a need to cooperate?	How constrained are leaders?
Are there political benefits?	How constrained are institutions?
Are there fiscal benefits?	How significant is the commitment?
Is there a history of cooperation?	What is the term of the commitment?
Is there consistent communication?	Are multi-level actors involved?
Are there high or low transaction costs?	Are multi-level actors exerting influence?
Is there community support?	Can partnership fulfil agreement terms?

Incentives for Collaboration

When municipalities face barriers to achieving their goals, cooperation with another municipality becomes attractive. Generally speaking, there are four types of motivations that may drive municipalities to pursue inter-governmental agreements as outlined in table 2. A universal challenge experienced by municipalities is the provision of services on a limited budget. **Mitigating fiscal constraints** incentivizes municipalities to partner and share the cost of delivering services. Some municipalities are simply **unable to provide certain essential services** to their residents (e.g. water servicing) and in turn pursue service agreements. Another motivation is when adjacent municipalities experience **common servicing or policy dilemmas** (e.g. growth and development) where joint management of these issues is prudent. Finally, **mandates and directives from a central authority** ensures cooperation takes place.

TABLE 2 - INCENTIVES FOR PURSUING INTER-LOCAL COOPERATION

Incentives and Motivations for Inter-Local Cooperation	
Fiscal Incentives	<p>Contract services from another municipality to avoid delivering the service internally (and avoid start up costs)</p> <p>Lower the contribution of capital projects (shared construction costs and subsequent operational budgets)</p> <p>Reduce cost for services through shared administration and/or delivery</p>
Fill Service Gaps	<p>Allow municipalities to deliver a service they would be unable to deliver alone</p> <p>Overcome geographic/environmental isolation</p>
Control Externalities	<p>Manage policy spillover</p> <p>Better direct growth and development</p> <p>Provide for transportation and continuity between jurisdictions</p> <p>Monitor shared resources</p>
Mandated Integration	<p>Provide a service mandated through central governments</p>

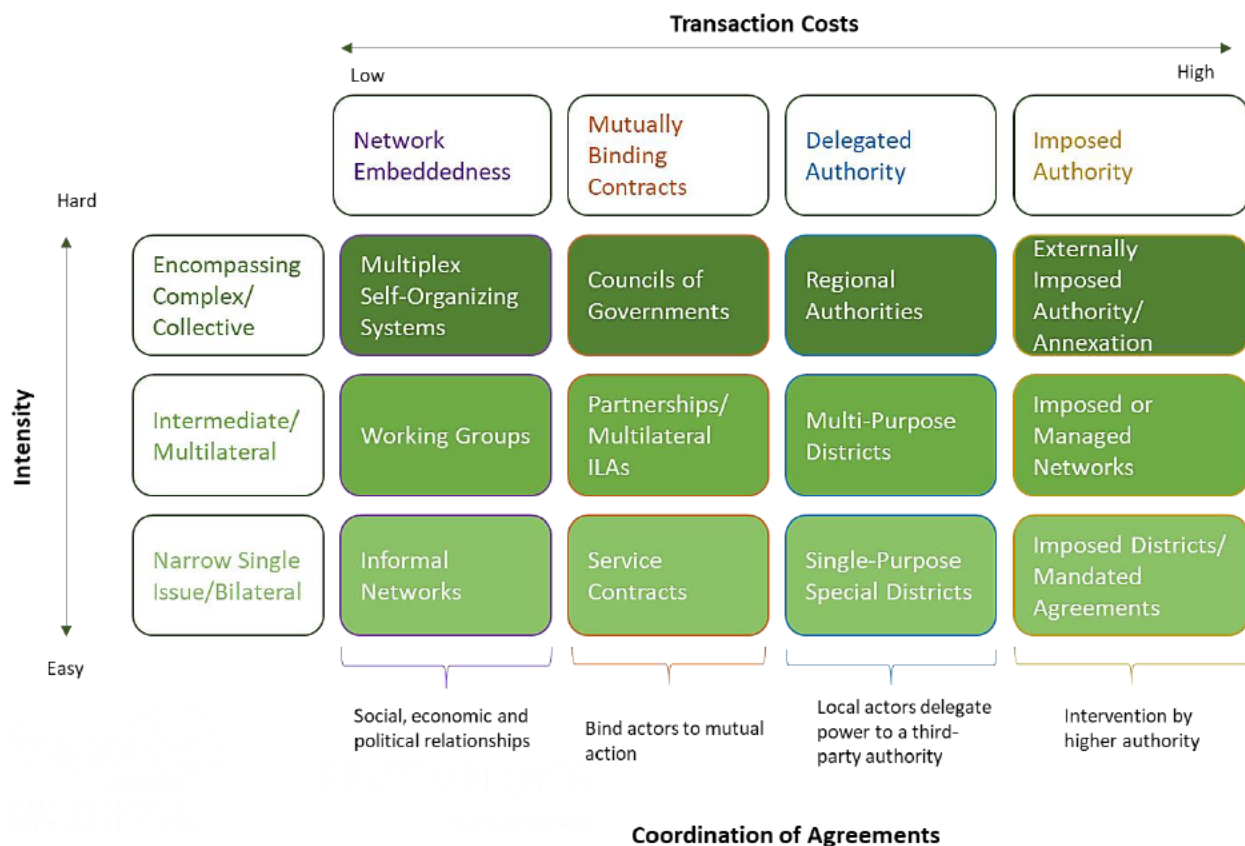
A Framework for Assessing Service-Governance Fit

The Institutional Collective Action (ICA) Framework^{iv}, developed by Richard C. Ferio, a subject matter expert in local government and a PhD and Professor of Public Administration at Florida State University, addresses the problem of servicing dilemmas—“how to provide and produce a multitude of public goods and services that have different economies of scale and that are demanded by citizens at different levels of quantity and quality”.

The ICA proposes a suite of “collaborative mechanisms” for tackling these servicing dilemmas outlined in figure 1. The horizontal dimension indicates the **mechanisms available for integrated decision-making** starting on the left with network embeddedness— agreements made between local units based on existing (social, economic and political) relationship—through to mechanisms that impose authority by intervening and directing the actions of the actors. As you move from left to right across the spectrum transaction costs get increasingly higher.

The vertical axis represents the **scope of the agreement** with the bottom row representing more narrow and singular issues with the complexity, or level of intensity, increasing as you move upwards. The collaborative mechanisms range from the easiest to form and the lowest in terms of transaction costs in the bottom, left-hand cell, to the hardest to form with the highest transaction costs in the top right.

FIGURE 3 - MECHANISMS TO ADDRESS SERVICING DILEMMAS



The likelihood of cooperation between local governments increases when the potential benefits are high and transaction costs are low. Adding one additional layer to the ICA Framework’s “collaborative mechanisms” Feriok defines four types of transaction costs that parties may encounter when working with multiple local governments:

1. *Information / coordination costs*—information on the preferences of all participants over possible outcomes and their resources must be common knowledge
2. *Negotiation / division costs*—The parties must be able to agree on a division of their mutual gains
3. *Enforcement / monitoring costs*—The costs associated with monitoring and enforcing the agreement must be low
4. *Agency (Autonomy) costs*—The bargaining agents must effectively represent the interests of their constituents

Tools to Administer and Govern Collaboration

In reviewing the various governance approaches that have taken place in North America David Walker (1987) created the framework identified in Table 3 below. Walker classifies the different approaches from “easiest” to “hardest” to achieve. The “easiest” approaches reflect the use of governance as opposed to more formalized structures—the “easiest” approaches are the most flexible but also tend to be the weakest in terms of what they can offer as a guarantee. “Middling” and “hardest” approaches require increasing government involvement through the use of formal, legal structures.

TABLE 3 TOOLS TO ADMINISTER AND GOVERN COLLABORATION

Regional Governance Approaches—Walker’s Classification ^v		
Level of Achievability	Approach	Summary Description
Easiest	Informal Cooperation	Collaborative and reciprocal actions between two local governments
	Inter-Local Service Agreements	Voluntary but formal agreements between two or more local governments
	Joint Powers Agreements	Agreements between two or more local governments for joint planning, financing, and delivery of a service
	Extraterritorial Powers	Allows a city to exercise some regulatory authority outside its boundary in rapidly developing unincorporated areas
	Regional Councils/ Councils of Government	Local councils that rely mostly on voluntary efforts and move to regional agenda-definer and conflict-resolver roles
	Federally Encouraged Single-Purpose Regional Bodies	Single-purpose regional bodies tied to federal funds
	State Planning and Development Districts	Established by states in the 1960s and early 1970s to bring order to chaotic creation of federal special-purpose regional programs

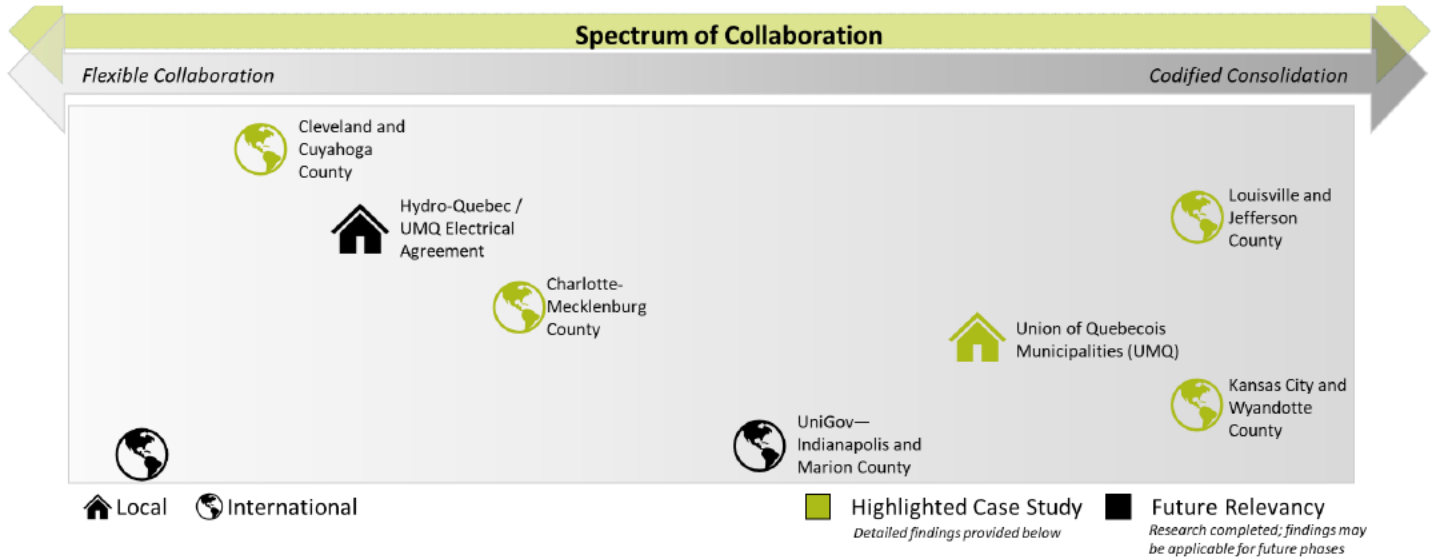
Regional Governance Approaches—Walker’s Classification ^v		
Level of Achievability	Approach	Summary Description
	Contracting (private)	Service contracts between municipalities and private providers
Middling	Local Special Districts	Provides a single service of multiple related services on a multijurisdictional basis
	Transfers of Functions	Shifting of responsibility for provision of a service from one jurisdiction to another
	Annexation	Bringing an unincorporated area into an incorporated jurisdiction
	Regional Special Districts	Region-wide districts providing services such as mass transit or sewage disposal
	Metro Multi-purpose District	A regional district providing multiple functions
	Reformed Urban County	Establishment of a charter county*
Hardest	One-Tier Consolidation	Consolidation of a city and county
	Two-Tier Restructuring	Division of functions between local and regional
	Three-Tier Restructuring	Agencies at multiple levels of government that absorb, consolidate or restructure new and/or existing roles and responsibilities

*Charters, which are mainly used in the United States, are formerly written in documents that confer powers, duties or privileges on a county. They resemble state or federal constitutions and must be approved, along with any amendments, by the voters of a county.

Research: Case Studies on a Spectrum of Collaboration

Figure 4 below provides an overview of the research completed throughout Phase 2. It highlights a number of collaborative relationships that exist and places them along the spectrum of collaboration. Following Figure 4 are selected research findings showcasing how various collaborative relationships engage in service delivery.

FIGURE 4 - CASE STUDIES FOR THE SPECTRUM OF COLLABORATION



Cleveland and Cuyahoga County

- Economic decline in Greater Cleveland:
 - Population decline
 - Loss of jobs in manufacturing sector
 - Decline in real estate activity and reduction in property values
 - Subprime mortgage effects (the county had one of the leading foreclosure rates in the US)
 - Relocation of region's leading corporation (British Petroleum and TRW)
- 2004 reform movement: various petition efforts for a range of consolidation models failed to secure support
- Collaboration efforts included:
 - Water and sewer district authority (within Cleveland) provided water to numerous cities throughout the region on a contract basis
 - Cleveland's **three sports facilities are a result of partnership between the city and county**
 - Arts (county-wide cooperation):** Rock and Roll Hall of Fame and Museum, Sciences Center and Playhouse Square (**all tax revenue only to Cleveland**)
 - Cooperation and high level of coordination between planning commissions (ability to be overruled)

- County-wide service delivery systems including:
 - Regional transportation district (fixed rail and/or bus transit options)
 - Solid waste district
 - Parks district (outdoor recreational facilities, parks, golf courses and nature reservations)

TABLE 4 - MUNICIPAL SERVICE COLLABORATIONS WITHIN CUYAHOGA COUNTY

Administrative area	Number of collaborations	Number of Cities involved
• General Administration	• 8	• 40
• Arts	• 1	• 2
• Building inspections	• 3	• 7
• Court/judicial process	• 3	• 10
• Economic development	• 1	• 2
• Environment	• 3	• 17
• Finance	• 2	• 49
• Health programs	• 1	• 4
• Human resources	• 1	• 5
• Purchasing	• 6	• 73
• Recreation services	• 8	• 33
• Safety services	• 31	• 184
• Senior citizen activities	• 12	• 47
• Service delivery (other)	• 16	• 75
Total	96	548

Charlotte and Mecklenburg County

- There is a long-standing practice of cooperation between Charlotte and Mecklenburg County along with a long history of structural consolidation attempts
- The cooperative relationship established represents **a functional consolidation of services while maintaining the structural independence of the individual municipalities** (Mecklenburg County comprises six independent towns)

TABLE 5 - CHARLOTTE AND MECKLENBURG SERVICE DELIVERY COLLABORATION

Charlotte Provides	Mecklenburg County Provides	Jointly Provided:
<ul style="list-style-type: none"> • Planning • Emergency Management • Animal Control • Community Relations Committee • Zoning Administration • Risk Management • Procurement Services 	<ul style="list-style-type: none"> • Board of Elections • Veterans Services • Parks and Recreation • Building Standards • Tax Office (Listing, Collections, Assessment) • Historic Landmarks Commission • Storm Water Quality Management Program 	<ul style="list-style-type: none"> • Engineering Departments • Reciprocal Services • Recyclable Waste Collection and Sales

Charlotte Provides	Mecklenburg County Provides	Jointly Provided:
<ul style="list-style-type: none"> • First responder/ Police/ 911 Services • Wireless Communications (radio, towers) • Cultural Facilities Plan • Light Vehicle Fleet Maintenance Garages • Cable TV Administration • False Alarm Ordinance Administration and Enforcement • Sexually Oriented Business Ordinance Administration and Enforcement 	<ul style="list-style-type: none"> • Uptown Baseball 	

- Even with a long history of cooperation the **establishment of a regional perspective on transportation has proved challenging:**
 - Charlotte Area Transit System (CATS) is managed by the Public Transit Department within Charlotte and services include bus (including eight regional express routes) and light rail (from the city centre to the southern part of Mecklenburg County)
 - In 1998 Mecklenburg County voted to enact a **0.5% sales tax dedicated to funding public transit initiatives**
 - A proposal to create a special purpose government to oversee **regional transit was rejected** by the Metropolitan Transit Commission
 - **2007: significant infrastructure issues** leading to traffic congestion and high pollution levels
 - Environmental Protection Agency cited Charlotte region for nonattainment of air quality standards (became at risk of losing federal highway funds)
 - **A 2007 vote to get rid of the 0.5% sales tax for public transit was unsuccessful**

Union of Quebecois Municipalities (UMQ)

- In the 1990s, the Quebec Provincial government decentralized numerous core services, pushing the delivery of these services on to municipalities; this transference of responsibility was not accompanied by a transference of resources, and as such, municipalities struggled to deliver these newly acquired services
- The UMQ became a means to advocate for municipal issues at the Provincial level and aid in the delivery of core services, such as:
 - Human Resources (including municipal applicant data bases and job postings, professional development courses)
 - Judicial services and funds
 - Health insurance
 - Procurement (including the management of the public tendering process) and
 - OH&S / WCB expertise

- These services were way to leverage economies of scale and minimize the cost of service delivery at the municipal level

Louisville and Jefferson County

- 1980s “**Annexation Wars**” between the two entities
- 1986 **Louisville-Jefferson County Compact**—a cooperative framework for cohesive governance of the territory
 - **Voluntary**, horizontal cooperation
 - **Shared occupational income tax** (Louisville with 58.7% of revenue; Jefferson County with 41.3% of revenue)
 - Achieved **national recognition**
 - Comprehensive **interlocal service agreements**

TABLE 6 - LOUISVILLE AND JEFFERSON COUNTY SERVICE DELIVERY COLLABORATION

Louisville Provided:	Jefferson County Provided	Jointly Provided:
<ul style="list-style-type: none"> • Human Resources Commission • Zoo • Museum • Emergency Services 	<ul style="list-style-type: none"> • Air Pollution • Health • Crime Commission • Planning 	<ul style="list-style-type: none"> • Library • Transit Authority • Sewer District • Parks • Economic Development Office

- 2003 Merger:
 - Described as a better way to promote regional economic development
 - 1,000 positions immediately eliminated (but increased salaries to match)
 - Total budget decrease by 5%
 - By 2009—expenditures back up to previous levels (**1% overall savings controlling for inflation**)

Kansas City, Kansas (KCK) and Wyandotte County (WC)

- Service provisions 1990 to 1996:

KCK Provided:	Wyandotte County Provided
<ul style="list-style-type: none"> • Law Enforcement • Parks and recreation • Planning • Economic Development • Public Works 	<ul style="list-style-type: none"> • Law Enforcement • Parks and recreation • Planning • Economic Development • Public Works
KCK Only:	WC Only:
<ul style="list-style-type: none"> • Fire Protection • Utilities (water/sewer) 	<ul style="list-style-type: none"> • Social Services • Public Health

- 1996 Law enforcement was combined

- 1997 Referendum to consolidate due to: both KCK and WC were suffering economically with the **highest property taxes and rates in the state**. Both **earned less sales tax revenue per capita** than other governments in the region.
- KCK population was declining and government was hit with a scandal (rumors of patronage and corruption)
- 2003: KCK with the **highest single year of housing starts** in the past 40 years
- 10-years post-merger “a fiscal, demographic and economic **renaissance** in KCK/WC”
 - A better relationship with the state government led to the region securing the location of the Kansas Speedway/NASCAR track (**anchor to a state tourism district**, 400-acre retail and entertainment destination)

Overview of Research

Research comparing service delivery to specific forms of governance indicates that **models for and outcomes of collaboration are dependant on the specific situation at hand**. There is no conclusive evidence that specific types of services or service delivery is best provided under specific forms of government.

- There are patterns of a high degree of collaboration amongst structurally separate entities; see Cleveland and Cuyahoga County and Charlotte and Mecklenburg County. The types of services that are collaborated on in these examples vary widely.
- Entities that ultimately chose to structurally consolidate, first collaborated in other ways; see Louisville and Jefferson County and KCK and Wyandotte County. In these cases, the ability to consolidate came because of the unique political environment at the time and the existence of the political will in place to do so.

As highlighted in the preceding examples, reasons for collaboration may vary such as for:

- The achievement of service efficiencies (economies of scale)
- More professional accountability (to address scandal)
- Land use planning and economic development opportunity
- Elimination of duplication of services

Evidence supporting financial incentives for collaboration are best supported by large-scale regional collaboration or consolidation initiatives. Even this evidence becomes further complicated when viewed over a longer period of time; see Louisville and Jefferson County. In this case 1,000 positions were immediately eliminated (though salaries were increased to match), contributing to a 5% overall budget reduction. Within six years the total budget savings were closer to a 1% reduction.

A GOVERNANCE MODEL FOR COLLABORATION

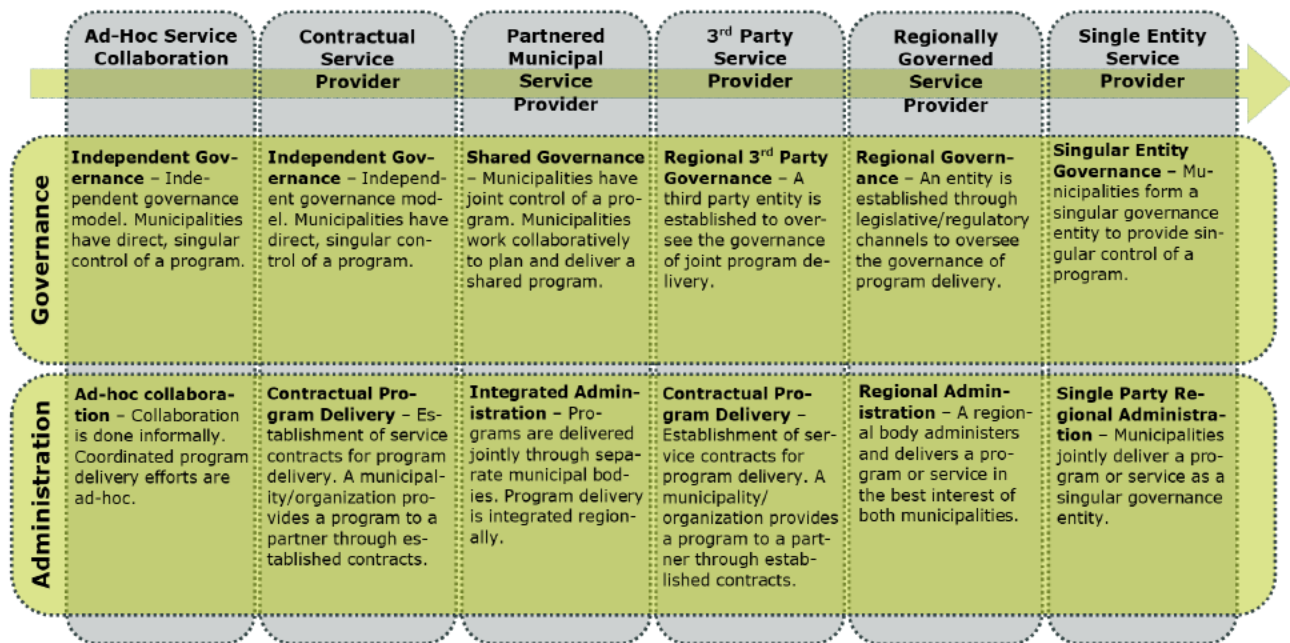
Revised Governance Options Model

THE FRAMEWORK

The framework below in Figure 5 is comprised of six Service Delivery Models. Each model includes considerations for the method of Governance and the method of Administration that would be employed in each scenario.

- **Governance** considers where regulation and policy are set in the model. This includes who “owns” the decision making for the service and the degree of independence each municipality has in providing a service. It also considers where taxation and financial decision making is made.
- **Administration** would include all “operational” components of delivering services or programs. This component also includes how collaboration works between municipal partners.

FIGURE 5 - COLLABORATION MODEL



Model Descriptions

MODEL 1: AD-HOC SERVICE COLLABORATION

This model represents the current state of collaboration between the two municipalities. Collaboration is conducted ‘ad-hoc’ based on available opportunities, pressing issues, or areas of obvious benefit. In this model, each party governs and operates its own programs and services, except in identified areas where collaborative service delivery can exist.

Examples include: Joint procurement, staff sharing, reciprocal response agreements, regional collaboration body participation, ad-hoc joint planning.

MODEL 2: CONTRACTUAL SERVICE PROVIDER

In this model, the ad hoc collaboration is formalized into explicit service contracts between municipalities. In this model, municipalities provide services in which they have a relative comparative advantage to a partner, or where there is financial advantage in terms of economies of scale.

MODEL 3: PARTNERED MUNICIPAL SERVICE PROVIDER

In this model, municipalities would combine a service area to jointly govern and administer a program for residents of both municipalities. Both municipalities would integrate their operations to operate the program or service as a regional provider. Both municipalities would maintain and operate a shared governance structure, in the form of formal governance bodies or MOU's. Local examples include shared municipal ownership of recreational facilities (i.e. the Tri-Leisure Centre).

MODEL 4: 3RD PARTY SERVICE PROVIDER

In a 3rd party service provider model, both municipalities would jointly contract an external entity to provide a service to both municipalities. The third-party entity would be independent from the governance of the municipalities and provide services on a contractual basis for the interest of both municipalities. This model could include leveraging existing private sector providers or existing regional commissions (i.e. EPCOR), or both municipalities could create their own arms-length entity.

MODEL 5: REGIONALLY GOVERNED SERVICE PROVIDER

A Regionally Governed Service Provider would require an alternative government structure, comparable to the multi-tiered municipal structures seen in other jurisdictions. In this model, a regional governance body, with representation and taxation powers, would own the governance and administration of programs and services in an autonomous manner. This regional structure would oversee designated programs and service areas, working in conjunction with local autonomous governance bodies for each municipality in a multi-tiered governance structure.

MODEL 6: SINGLE ENTITY GOVERNANCE SERVICE PROVIDER

The Single Entity Service Provider model involves full integration of both municipalities to jointly govern and deliver all municipal programs and services regionally. In this model, all decisions regarding service levels, funding and taxation and long-term planning are conducted at a regional level, under a single elected body

Understanding the Current State: Service Catalogue Analysis

In order to better understand the potential areas for greater collaboration and integration of services, we assessed the program/service catalogues of each municipality, as well as their relative organizational structures, to determine where there may be areas of natural 'organizational' fit – where organizational structures and the programs/services that are being offered are relatively aligned.

The alignment of structures and program/services offerings would make greater degrees of collaboration simpler to execute from an administrative perspective, with the least potential change to services levels to citizens.

Methodology

The analysis was crafted based on documents detailing programs by department for the City of Fort Saskatchewan and Strathcona County. The 22 program areas and 291 programs in Strathcona County were compared to the 18 program areas and 225 programs in the City of Fort Saskatchewan. Each program area was inspected to identify a corresponding program or programs in its peer municipality. Identifying comparable programs allowed us to assign a score to each program based on its complete existence in the peer municipality (3), partial existence in the peer municipality (2) or lack of existence in the peer municipality (1). These scores were used to identify initial areas of program comparability between the two organizations.

These scores have been used as an initial point for discussion with municipal staff and generate a purely quantified value associated with the comparability of programs. The analysis does not indicate which programs should be merged, nor does it discuss the strategy to collaborate on programs. The analysis is used as a theoretical starting place for collaboration investigation and does not consider the logical, operational, or financial implications of collaboration in each program area.

Findings

TOP 10 COMPARABLE PROGRAM AREAS

Through the analysis we identified 10 top program areas for potential collaboration in each municipality. These program areas were identified by scoring and weighting program areas with the highest ratio of program score to total programs. Generally, “Corporate Services” areas scored the highest in opportunities for collaboration due to the highly structured and transactional work that occurs in both municipalities.

FIGURE 6 - TOP 10 COMPARABLE AREA BY MUNICIPALITY

Top 10		
Rank	Strathcona County	Fort Saskatchewan
1	Corporate Finance	Financial Services
2	Council Support	Elected Officials Support
3	Recreation, Parks and Culture	Fire Services
4	Legislative and Legal Services	Utilities
5	Communications	Corporate Communications
6	RCMP and Enforcement Services	Information Technology
7	Emergency Services	Planning and Development
8	Corporate Planning	People Services
9	Utilities	Legislative Services
10	Human Resources	Recreation Services

STRUCTURAL CHALLENGES

Our analysis found that there are strong alignments among many program areas within both municipalities. However, there are significant differences in the overall structure, creating unique challenges for collaboration. Alignment between the municipalities largely occurs at an individual program level, or departmental level, but the larger Divisional structures are not as well-aligned, creating challenges for larger-scale, multi-program or service area collaboration.

Preliminary Implications & Opportunities

Based on preliminary, and incomplete, discussion with both administrations, there are several potential factors to consider for pursuing greater collaboration between the two municipalities. These discussions highlighted a number of areas where greater collaboration/integration between the two municipalities would show promise, and some areas of risk for consideration. Overall, the feedback from both administrations was comparable and staff in both municipalities highlighted similar opportunities and risk areas for consideration.

In addition, the next phase of research will attempt to clarify some of these opportunities and concerns with real-world examples.

Areas of Promise

Administration generally noted that a large degree of regional and intermunicipal collaboration already exists, though there was an acknowledgement that there is an opportunity to collaborate more.

CURRENT CONTRACTED SERVICES

Staff noted that any areas where contracted service delivery currently exists, may provide an opportunity to collaborate. This may improve the scale of the contract to gain a better deal, save on duplicate contract administration efforts, or result in a scale of operations where contracted services could be repatriated at a lower cost.

LONG-TERM CAPITAL PLANNING

One of the largest areas of potential value that staff saw was in long-term regional capital planning. The ability to coordinate infrastructure investment and potentially defer similar investments between the two municipalities could provide significant long-term value.

ACCESS TO SPECIALIZED SKILLS OR EQUIPMENT (ECONOMIES OF SCOPE)

Greater collaboration was seen as a strong opportunity to share specialized skills, credentials, training or even specialized equipment. In these cases, coordination between the municipalities may mean only one investment in specialized skills or equipment, rather than both municipalities investing. Alternatively, increasing the scale of operations at a regional level may make access to specialized skills or equipment justified, where it wasn't before, enhancing service to residents.

STRONG REGIONAL PRESENCE

Staff noted that greater collaboration and partnership between the two municipalities would provide a stronger regional presence. This importance has been particularly highlighted with the large number of Edmonton Metropolitan Regional Board initiatives, and other regional discussions, that both municipalities are participating in.

TECHNOLOGY COLLABORATION

Staff noted a strong potential for greater collaboration around technology. The ability to share systems, jointly procure new systems or to contract system access between each other was seen a potential area of savings, as well as an opportunity to coordinate operations between the municipalities, making future collaboration easier.

Risks for Consideration

While not insurmountable, administration identified a few areas for further consideration when pursuing greater collaboration / integration.

DIFFERENCES IN STAFF SALARY TARGETS

Staff noted differences in the levels of collective bargaining between both municipalities. In addition, staff noted that Strathcona County is a 75th percentile employer, while the City of Fort Saskatchewan is a 50th percentile employer. The difference in collective bargaining, targeted salary grade, the size/scope of salary comparisons and expanded regional scope, would all likely contribute to have inflationary pressures on staff salaries in any structure of increased collaboration / integration between the two municipalities.

DIFFERENCES IN SERVICE LEVELS

Staff noted a difference in service levels between the two municipalities. While service levels were not available for use to assess, staff generally felt Strathcona County had higher service levels in many programs and service areas (though not all). In any model of increased coordination or integration, there would likely be inflationary pressures on service levels, as residents in the higher service level jurisdiction are unlikely to accept a reduction in service.

DIFFERENCES IN OPERATIONAL POLICY AND PROCEDURE

Staff noted that even in areas where programs and services are reasonably comparable, there are “small-p” policy considerations that exist at an operational level that would need to be harmonized. Any efficiencies in increasing coordination or integration of service delivery would be put at risk if separate policies and operating procedures exist for each jurisdiction.

LIMITS TO ECONOMIES OF SCALE

In many cases, staff indicated that the relative size of providing service to both municipalities (i.e. serving approx. 130K residents, as opposed to serving approx. 100K people) would not be a large enough increase in scale to realize significant efficiencies from the Strathcona County perspective.

PHASE 2 QUESTION RESPONSES

1. How do services and services delivery look under each form of governance?

Strathcona County/City of Fort Saskatchewan Service Catalogue Analysis

In order to better understand the potential areas for greater collaboration and integration of services, we assessed the program/service catalogues of each municipality, as well as their relative organizational structures, to determine where there may be areas of natural ‘organizational’ fit – where organizational structures and the programs/services that are being offered are relatively aligned.

The alignment of structures and program/services offerings would make greater degrees of collaboration simpler to execute from an administrative perspective, with the least potential change to services levels to citizens.

Methodology

As a first step in this analysis, we consulted documents detailing programs by department for the City of Fort Saskatchewan and Strathcona County. The 22 program areas and 291 programs in Strathcona County were compared to the 18 program areas and 225 programs in the City of Fort Saskatchewan. Each program area was inspected to identify a corresponding program or programs in its peer municipality. Identifying comparable programs allowed us to assign a score to each program based on its complete existence in the peer municipality (3), partial existence in the peer municipality (2) or lack of existence in the peer municipality (1). These scores were used to identify initial areas of program comparability between the two organizations.

The second step of the analysis required the development of a decision tree to objectively separate program areas in the 'best fit' for each of the potential Governance Options detailed into the model above. (A larger version of Figure 7 is provided in Appendix 1.) This exercise did not separate out services that would best fit under a Single Entity Governance Service Provider, as by definition, this would include all program areas – at least initially.

The development of the decision tree required a scoring of each program area based on a number of characteristics: existence and need for specialized skills in each municipality, existence and need for 'State of the Art' technology, current delivery method (independent, partnered, or contracted), projected capital investment requirements, regional priority, perception of policy goals, equity of existing capital supports and similarity of service levels. It should be noted that this is a cursory analysis of available data and was done to meet the desire to have a conversation starter. If the municipalities desire to pursue any and all of these strategies, a more detailed assessment is highly recommended.

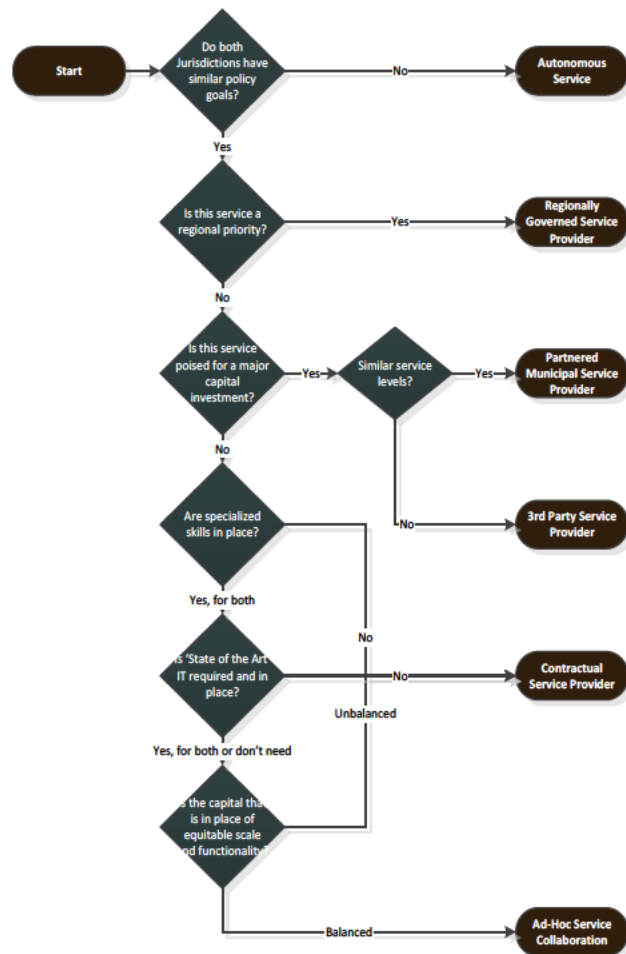
The decision tree is directed by the following questions:

1. *Do both jurisdictions have similar policy goals?*

- Our assessment look at issues that are directly related to a municipality's self-interest as an entity that under no situation would they be shared or outsourced to another entity. These included things like Council support, etc.

2. *Is this service a regional priority?*

FIGURE 7- GOVERNANCE OPTION SORTING DECISION TREE



- We consulted Edmonton Metropolitan Region Board (EMRB) documentation and assessed each program area against current and potential regional priorities. This slotted program areas such a Transit into the Regionally Governed Service Provider option.

3. *Is this service poised for a major capital investment?*

- Each remaining program area was then categorized as requiring major capital investment and to the degree of equitability of capital that is currently in place. This categorization was predominantly done in a subjective fashion based on provided documentation and the consultants knowledge of the jurisdiction.

a. *If so, are there similar service levels expectations?*

- Based on the above assessment, high capital need areas were then further refined based on the description of existing service levels. The logic of splitting between the Partnered Municipal Service option and the Provider 3rd Party Service Provider option concluded that variances in service levels could be better managed by a 3rd party rather than a governance board of municipal representatives.

With the remaining program areas, it was determined that the allocation of program areas between the current *Ad hoc* models of collaboration and a more structured contractual relationship was based on access to specialized skills, technology and/or an imbalance in capital.

4. *Are specialized skills in place?*

5. *Is 'State of the Art' IT required and in place?*

6. *Is the capital that is in place of equitable scale and functionality?*

The application of this decision tree has resulted in the categorization of the program areas among the Governance Options. The following table provides the top 5 opportunities under each option (if there are 5) ranked based on the expected financial consequences analyzed in the next section. A full categorization of the program areas in provided in Appendix 2.

Results

TABLE 7 – SERVICE CATALOGUE ANALYSIS RESULTS

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision
Services (Sample – Full list in Appendix 2)	<ul style="list-style-type: none"> • Capital Budget Development • Trail Maintenance • Crime Prevention and Public Safety Education • Railway Crossing Maintenance • Parking Lot Maintenance 	<ul style="list-style-type: none"> • Victim Services • Drugs and Organized Crime • Serious Crime Investigation • Talent Management • District Indoor Recreation Facilities 	<ul style="list-style-type: none"> • Household Hazardous Waste Drop-off • Financial Reporting, Compliance, and Controls • Billing Services • Accounting Services and Support • Accounts Payable 	<ul style="list-style-type: none"> • Road Maintenance Urban • Financial Enterprise Resource Planning Sustainment and Reporting Systems Management 	<ul style="list-style-type: none"> • Intermunicipal Transit • Mobility Bus • Local Transit • Enterprise Geographic Information System (GIS) • Rescue

2. What are the pros and cons of services and service delivery under each form of governance?

The assessment of pros and cons under each option is limited by working with hypothetical baskets of program areas. This table provides some high-level descriptions of aspects that may be expected under each option.

TABLE 8 – GOVERNANCE MODEL PROS AND CONS OVERVIEW

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Pros	<ul style="list-style-type: none"> Continuation of the Status Quo Partnering when it 'makes sense' Many opportunities to pursue which can increase service levels and reduce cost 	<ul style="list-style-type: none"> True contractual relationship – fee for service Allows for greater access to specialized skills Allows for leverage of IT investment Addresses imbalances in capital investment 	<ul style="list-style-type: none"> Service change choices more insulated from political process Reduced administration and cost in establishing joint delivery 	<ul style="list-style-type: none"> Allows for the existence of differing service levels between communities Greater legal separation between service delivery and municipal organization 	<ul style="list-style-type: none"> Consistent with move to regional perspective Fixed cost elements spread across a greater volume 	<ul style="list-style-type: none"> Move to a higher service standard across both organizations Fixed cost elements spread across a greater volume Greater demand for specialized skills that may not be palatable for individual municipalities
Cons	<ul style="list-style-type: none"> Reliant on staff awareness and cultural permission to collaborate 	<ul style="list-style-type: none"> Services to be considered in a 'one-of' manner Reliant on agreed service level that meet or exceed current standards 	<ul style="list-style-type: none"> More advantageous when major capital investment required Service level standardization would be required 	<ul style="list-style-type: none"> More advantageous when major capital investment required 	<ul style="list-style-type: none"> Less accountability on individual municipalities for service levels and performance Less autonomy in service changes 	<ul style="list-style-type: none"> Move to a higher service standard across both organizations Reduced local autonomy on service level decisions

3. What is the impact on resources and costs (Cost-Benefit Analysis (CBA))?

The following table shows the results of the Cost-Benefit Analysis on each governance model. A more detailed overview of the methodology and process used to calculate these costs can be seen in the next section, and a detailed overview of calculations can be seen in Appendix 3.

TABLE 9 – SUMMARY COST-BENEFIT ANALYSIS RESULTS

Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Program Areas	70	76	8	2	16	291
Staffing FTEs Change	0	-23.2	-2.5	-3.2	-11.9	-95.7
Staffing Salary Costs	\$0	+\$830,000	+\$180,000	\$0	+\$230,000	+\$3,610,000
Staff Efficiency Savings	\$0	-\$2,790,000	-\$300,000	-\$380,000	-\$1,430,000	-\$11,500,000
Capital Cost Avoidance	\$0	\$0	-\$220,000	-\$380,000	-\$1,730,000	-\$13,930,000
Procurement Savings	-\$3,050,000	-\$2,430,000	-\$170,000	-\$310,000	-\$1,380,000	-\$11,150,000
Service level impacts	\$0	\$0	+\$3,730,000	\$0	+\$5,910,000	+\$47,116,000
Total Annual Cost Impact	-\$3,050,000	-\$4,390,000	+\$3,220,000	-\$1,070,000	+\$1,600,000	+\$14,996,000

Methodology and Assumptions

The Cost/Benefit analysis was conducted primarily using the Priority-Based Budgeting information that was supplied by both municipalities, which was also the basis for the service areas comparison analysis work.

Because the level of information received was different, a number of assumptions were used. Most notably, the PBB data from Strathcona County did not have FTE's assigned, only expense and revenue figures. As a result, it was assumed that the percentage of FTE to non-FTE expenditure was comparable to Fort Saskatchewan (approximately 32%). Using this data, we leveraged the service comparison analysis work to determine the relative program costs, costs/capita and FTE's associated with the best matching program areas from each municipality. We applied the best-fit collaboration model to each program area that was suitable for collaboration, as per the Service Catalogue Analysis. For the Single Entity Service Provider, all program areas were considered in scope for the analysis.

We then applied cost/benefit assumptions to each program area based on its best-fit collaboration model. The assumptions cover:

- Increases to staff salaries
- Expected service level adjustments
- Capital expenditure reduction
- Procurement savings
- Administrative/Supervisory staff savings

The key assumptions, as they apply to each collaboration model can be summarized using the following table:

TABLE 10 – GOVERNANCE MODEL COST-BENEFIT ANALYSIS ASSUMPTIONS

Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Staff Salary Impact Budget	Status Quo	12% increase in Fort Sask staffing	12% increase in Fort Sask staffing	No impact	12% increase in Fort Sask staffing	12% increase in Fort Sask staffing
Service Level Adjustment	Status Quo	No impact	Increases to highest levels - varies by services (10% reduction from maximum included)	No impact	Increases to highest levels - varies by services (10% reduction from maximum included)	Increases to highest levels - varies by services (10% reduction from maximum included)
Capital Reduction	Status Quo	Status Quo	20% (or lower) reduction in capital spend (25% of non-FTE cost) (High-end estimate)	20% (or lower) reduction in capital spend (25% of non-FTE cost) (High-end estimate)	20% (or lower) reduction in capital spend (25% of non-FTE cost) (High-end estimate)	20% (or lower) reduction in capital spend (25% of non-FTE cost) (High-end estimate)
Procurement Gains	2% reduction (non-FTE costs)	4% reduction (non-FTE costs)	4% reduction (non-FTE costs)	4% reduction (non-FTE costs)	4% reduction (non-FTE costs)	4% reduction (non-FTE costs)
Staff Reduction (Efficiency Gains)	Status Quo	8% reduction in staffing costs	8% reduction in staffing costs	8% reduction in staffing costs	8% reduction in staffing costs	8% reduction in staffing costs

Staff Salary Impacts: Based on the change in salary targeting, a 12% increase to Fort Saskatchewan FTE costs was applied to Model 2 (Contractual Service Provider), Model 3 (Partnered Municipal Service Provider), Model 5 (Regionally Governed Service Provider), and Model 6(Single Entity Service Provider). Model 1 (Ad hoc Service Collaboration) and Model 4 (3rd Party Service Provider) were not included as they do not involve a consolidation of staff between the two municipalities, limiting salary inflation effects.

Service Level Adjustments: To compare service levels between the two municipalities, both administrations were engaged in a joint session to discuss PBB program alignment and relative service levels, at a department level. The use of 'best-fit' PBB program alignment relative to the cost per capita of the included programs was used to determine an approximate service level comparison for each department.

The following table shows the results of this comparison, as a relative percentage of which municipalities service levels are higher for a given department:

TABLE 11 – SERVICE LEVEL COMPARISON AND CONTEXT

Service Area / Department	Service Level Comparison (% difference in cost/capita)		Comment
	Strathcona Higher	Fort Sask Higher	
Assessment and Tax	10%	-	<i>Uses two Financial Services Programs as Fort Sask. comparators</i>
Communications	-	42%	<i>Strathcona has some decentralized communications support across its departments, outside of Corporate Communications</i>
Corporate Finance	-	142%	<i>Strathcona has some decentralized finance support across its departments, outside of Corporate Finance. Fort Sask. also includes utility billing services</i>
Corporate Planning	677%	-	<i>Uses one program from Senior Leadership as Fort Sask. Comparator. Strathcona also includes Financial Planning and Corporate Advisory Services (Project Management, Business Process Management and Financial Enterprise Resource Planning/ERP)</i>
Council	-	32%	<i>Reasonably comparable services</i>
Economic Development and Tourism	-	114%	<i>Includes Tourism program from Culture in addition to Economic Development for Fort Saskatchewan</i>
Emergency Services	86%	-	<i>Removed approximately 30% of PBB costs to account for AHS Medical Response contract</i>
Facility Services	-	13%	<i>Uses a subset of Fleet, Facilities and Engineering programs for Fort Sask. comparator</i>
Family and Community Services	84%	-	<i>Reasonably comparable services</i>
Fleet Services	203%	-	<i>Uses a subset of Fleet, Facilities and Engineering programs for Fort Sask. comparator</i>
Human Resources	2%	-	<i>Reasonably comparable services</i>
Information Technology Services	66%	-	<i>Reasonably comparable services</i>
Intergovernmental Affairs	25%	-	<i>Uses one program from Senior Leadership as Fort Sask. comparator</i>
Legislative and Legal Services	17%	-	<i>Reasonably comparable services, though Strathcona has in-house counsel on staff</i>
Planning and Development Services	41%	-	<i>Reasonably comparable services – though Strathcona has engineering staff in department</i>
Procurement Services Branch	-	-	<i>No comparable for Fort Saskatchewan programs, fully decentralized</i>
RCMP and Enforcement Services	-	17%	<i>Reasonably comparable services</i>
Recreation, Parks and Culture	-	72%	<i>Includes programs from Recreation, Culture Services and Public Works for Fort Saskatchewan comparators. Fort Sask. also includes cemetery operations, Fort Heritage Precinct and trails/pathways/sidewalks maintenance</i>
Transit	302%	-	<i>Uses two programs from Public Works as Fort Sask. comparators</i>
Transportation and Agriculture Services	23%	-	<i>Uses a subset of Public Works programs for Fort Sask. comparator – No Ag comparator</i>
Transportation Planning and Engineering	438%	-	<i>Uses a subset of Fleet, Facilities and Engineering programs for Fort Sask. comparator</i>
Utilities	16%	-	<i>Reasonably comparable services</i>

The following figure shows a more detailed overview of the alignment between departments, and the costs/capita used in the comparison. Highlighted cells have significantly higher costs/capita.

FIGURE 8 – DETAILED SERVICE LEVEL COMPARISON (WITH DETAILED COSTS PER CAPITA)

Service Level Comparison					
Strathcona County			City of Fort Saskatchewan		
Department	Program Areas	Costs/capita	Department	Program Areas	Costs/capita
Assessment & Tax	All	\$ 19.86	Financial Services	Property Assessment and Assessment Roll Changes	\$ 17.99
				Property Tax Rates, Annual and Supplementary Property Taxes Tax Arrears and Tax Recovery	
Communications	All	\$ 20.41	Corporate Communications	All	\$ 28.99
Corporate Finance	All - Plus Long-range Financial Planning from Corp Planning	\$ 34.05	Financial Services	Remaining (less Assessment/Tax)	\$ 82.24
Corporate Planning	All - Less Long-range Financial Planning	\$ 27.97	Senior Leadership	Strategic, Corporate and Business Planning	\$ 3.60
Council	All	\$ 14.26	Elected Officials	All	\$ 18.76
Economic Development & Tourism	All	\$ 17.26	Economic Development	All	\$ 36.98
			Culture Services	Tourism Advertising, Education and Visitor Information	
Emergency Services	AHS contract removed	\$ 259.95	Fire Services	All	\$ 140.12
Facility Services	All	\$ 157.66	Fleet, Facilities and Engineering	Building Maintenance and Operation	\$ 177.46
				Capital Construction, Project Management, Planning, and Engineering Support	
				Capital Procurement	
				Custodial Services	
				Facility Life Cycle	
Family & Community Services	All	\$ 97.31	Family & Community Support Services	All	\$ 52.82
Fleet Services	All	\$ 118.68	Fleet, Facilities and Engineering	Fleet and Equipment Planned/Preventative Maintenance	\$ 39.19
				Fleet and Equipment Repairs	
Human Resources	All	\$ 59.82	People Services	All	\$ 58.49
Information Technology	All	\$ 130.35	Information Technology	All	\$ 78.62
Intergovernmental Affairs	All	\$ 7.69	Senior Leadership	Intergovernmental Relations and Advocacy	\$ 6.16
Legislative & Legal Services	All - has in-house Counsel	\$ 31.80	Legislative Services	All - minus Insurance Administration and Risk Management	\$ 27.28
Planning & Development Services	All - Has engineering expertise	\$ 104.56	Planning & Development	All	\$ 74.07
Procurement Services	All	\$ 7.08	N/A	Fully decentralized	\$ -
RCMP & Enforcement Services	All	\$ 256.14	Protective Services	All	\$ 298.64
Recreation, Parks & Culture	All	\$ 256.14	Recreation Services	All	\$ 441.79
			Culture Services	Remaining (less Tourism)	
				Cemetery Operations	
				Events and Festivals	
				Litter and Garbage Control	
				Open Space Turf Maintenance	
				Playgrounds and Outdoor Venue Maintenance	
				Trails, Pathways and Sidewalk Clearing & Maintenance	
				Tree and Shrub Maintenance and Horticulture	
Transit	All	\$ 229.59	Public Works	Commuter Transit Service	\$ 57.10
				Local Transit Service	
Transportation & Agriculture Services	Ag Services Removed (has Eng)	\$ 461.56	Public Works	Remaining (less Parks & Transit)	\$ 375.45
Transportation Planning & Engineering	All - New Roads	\$ 69.75	Fleet, Facilities & Engineering	Remaining (less Fleet and Facilities)	\$ 12.97
Utilities	All - Has engineering expertise	\$ 615.96	Utilities	All	\$ 531.76
Non Comparable Services					
Emergency Services	Emergency Medical Services	\$ 99.38	Legislative Services	Insurance Administration and Risk Management	\$ 30.63

To calculate service level escalations, each applicable program area was escalated to the highest possible service level based on the department it fell into. To do this, the costs per capita of the lower cost jurisdiction were increased

to the higher level, and then multiplied by the population of the lower cost jurisdiction to show the higher costs of servicing that population.

This reflects the highest possible level of service level inflation, to account for more conservative scenarios the model also considers a percent reduction from the maximum service level inflation. The baseline mid-point used was a 10% reduction from the maximum service level inflation, but the sensitivity analysis below tests other ranges.

Capital Expenditure Reduction: The model assumes that 20% of capital spending could be avoided by greater collaboration and coordination between municipalities. The level of capital expenditures was assumed to be approximately 25% of non-FTE expenditures for each program, which is approximately the amount of each municipality's 2018 capital budget compared to the total non-FTE expenditures in the PBB data. These savings were applied to Models 3, 4, 5 and 6, where significant capital expenditure is a key component of each model.

Note: this is considered a 'high-end' estimate and is less conservative than other estimates. It reflects a potential to avoid large-scale capital projects over a longer-term capital forecast, and may not be suitable to nearer-term outcomes, in which capital spending is driven more by regular maintenance programs. As a result, we have included a reduced Capital expenditure Reduction amount in the sensitivity analyses conducted for each governance model, shown in the next section below.

Procurement Gains: By combining non-FTE program expenditures, it is expected that savings could be realized through volume discounts and joint procurement efforts, reducing procurement expenses. In Model 1, this savings is estimated at 2% based on the ad hoc nature of the collaboration, and only targeting certain opportunities. For all other models, the high level of collaboration increases this estimate to 4% of non-FTE program expenditures.

Staff Reduction (Efficiency gains): Based on consolidating program areas, it is expected that staff savings could be realized for administrative support, supervision/management support, and possibly some operational staffing. These savings are estimated at 8% of program FTE costs in Models 2, 3, 4, 5 and 6.

Model Sensitivity Analysis

In order to more effectively test these assumptions, we conducted a sensitivity analysis on the financial results of each governance model. This sensitivity analysis is intended to show potential low/mid/high ranges on all assumptions, to show their relative impacts on the financial results. This is intended to show a wider, and more realistic, range of potential financial outcomes that could be realized. This conservative approach to estimating is aligned with the research findings, which show a high degree of uncertainty regarding specific financial outcomes.

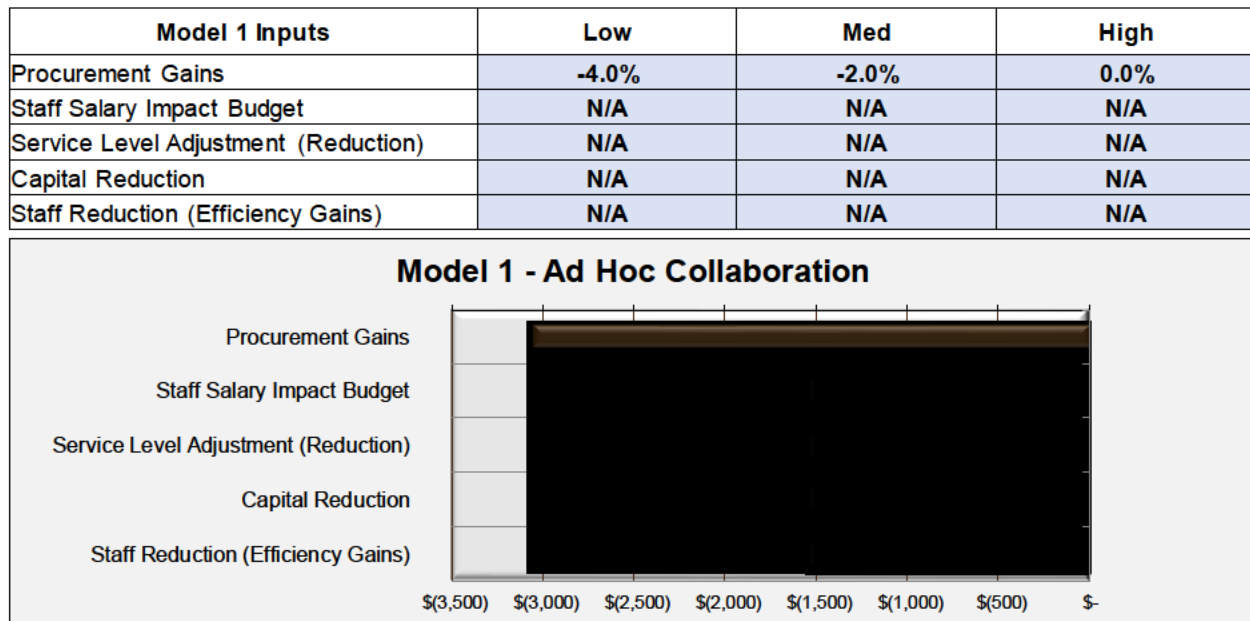
To show significantly conservative projections, we have 'zeroed' out the low estimates for each factor. This would show the outcomes if no financial realized for a given factor in a given governance model.

Model 1: Ad Hoc Collaboration

Model 1 only includes procurement savings, at lower level than other models. The range of outcomes are shown in the following figure:



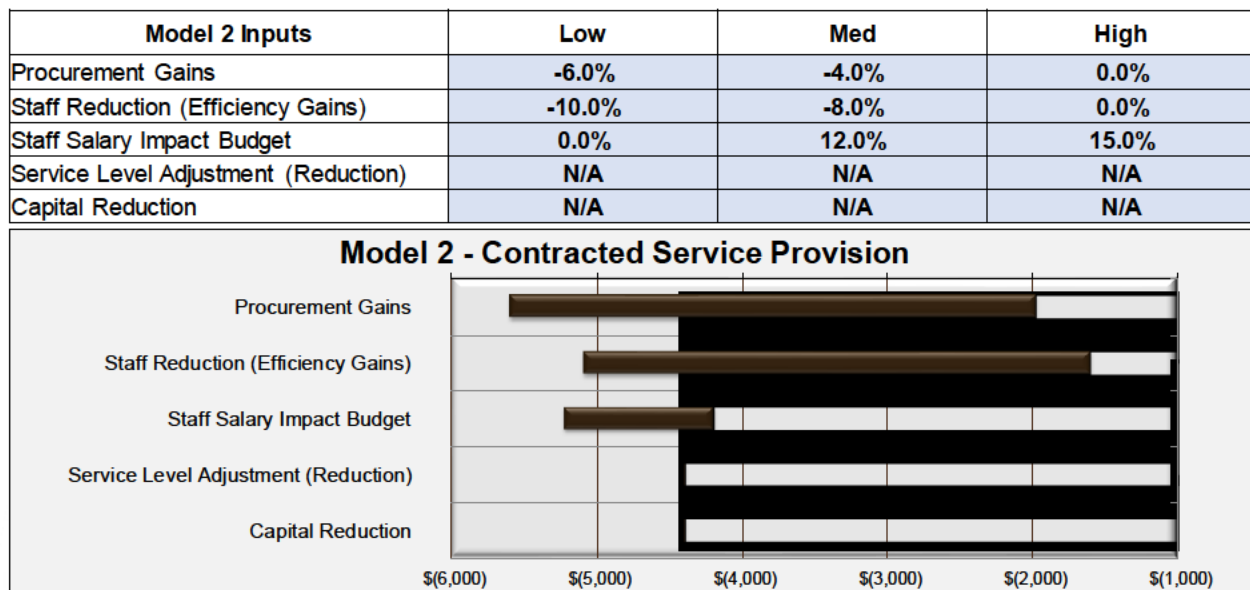
FIGURE 9 – MODEL 1 SENSITIVITY ANALYSIS



Model 2: Contractual Service Provider

Model 2 includes procurement savings, and broader efficiency gains in terms of staffing. The range of outcomes are shown in the following figure:

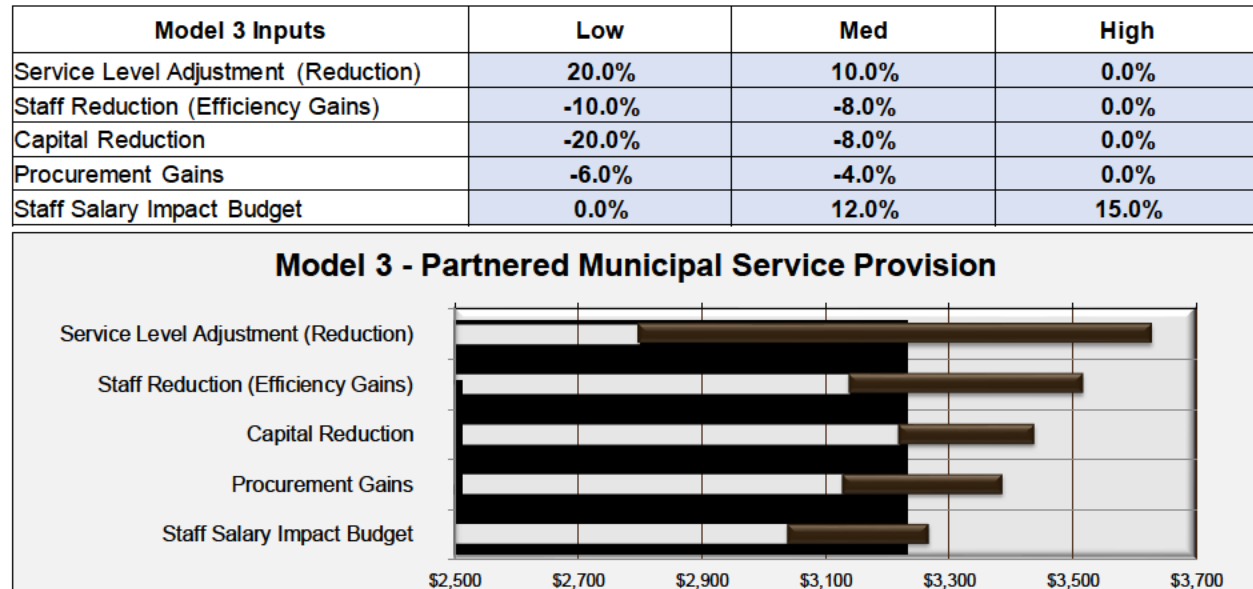
FIGURE 10 – MODEL 2 SENSITIVITY ANALYSIS



Model 3: Partnered Municipal Service Provider

Model 3 includes a full range of financial impacts, including service level increases. The range of outcomes are shown in the following figure:

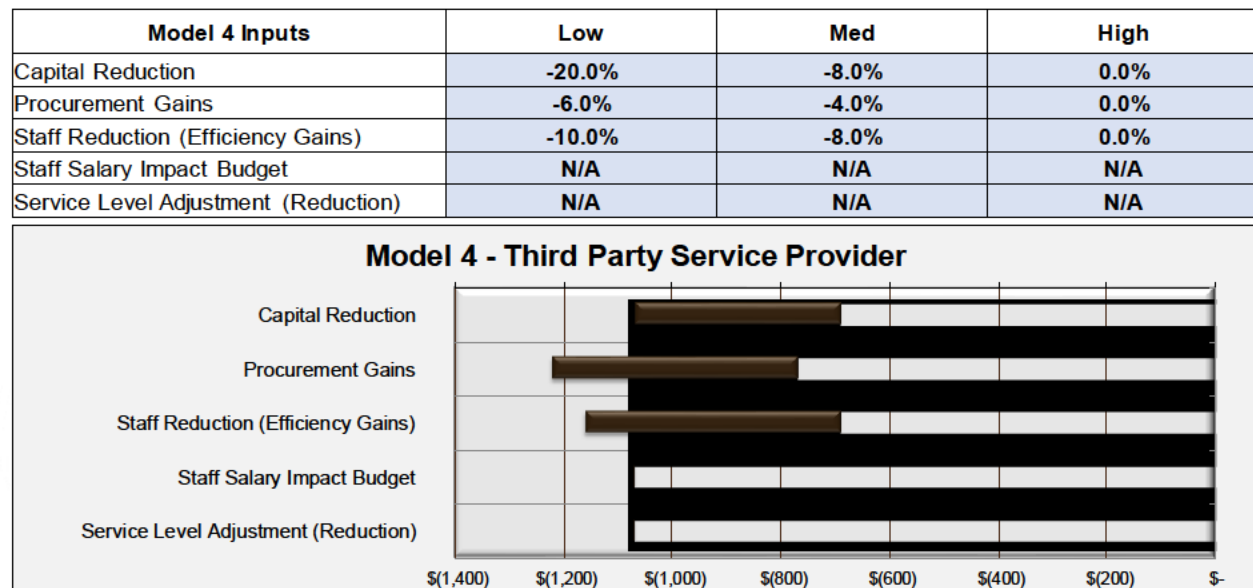
FIGURE 11 – MODEL 3 SENSITIVITY ANALYSIS



Model 4: Third Party Service Provider

Model 4 includes procurement savings, and broader efficiency gains in terms of staffing, as well as potential capital avoidance. The range of outcomes are shown in the following figure.

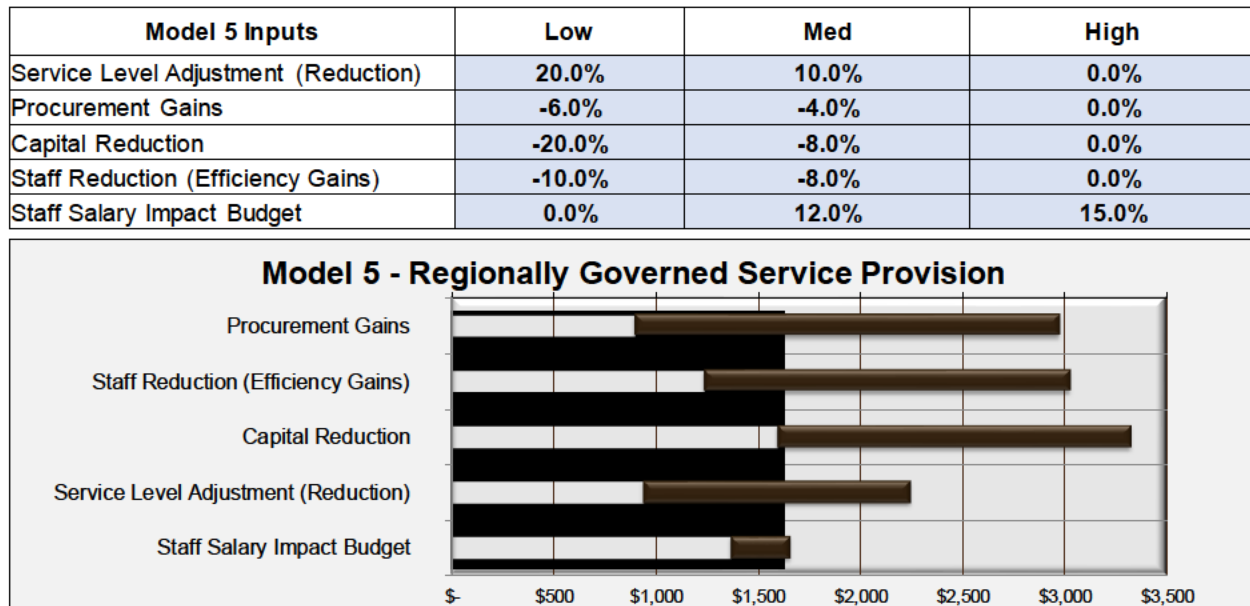
FIGURE 12 – MODEL 4 SENSITIVITY ANALYSIS



Model 5: Regional Service Provision

Model 5 includes a full range of financial impacts, including service level increases. The range of outcomes are shown in the following figure:

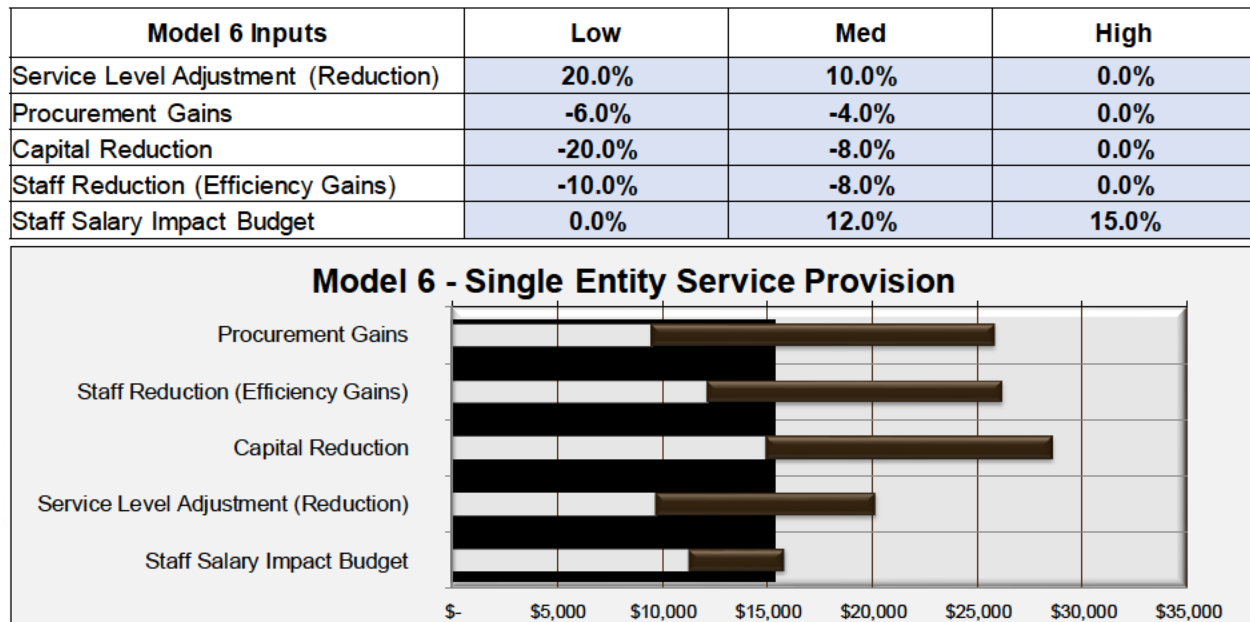
FIGURE 13 – MODEL 5 SENSITIVITY ANALYSIS



Model 6: Single Entity Service Provision

Model 6 includes a full range of financial impacts, including service level increases. The range of outcomes are shown in the following figure:

FIGURE 14 – MODEL 6 SENSITIVITY ANALYSIS



4. How can we work better together?

Introduction

Municipal collaboration in Alberta generally, and between the City and the County specifically, is not new. Informal structures and ad hoc arrangements have existed for decades, whether it is an impromptu phone call to a peer in the other jurisdiction or a formal request from one Council to another. Collaboration tends to occur most often as the need arises, is very pragmatic in nature, and does not usually involve any type of fee-for-service or financial transfer. Larger scale, formal collaborative efforts such as Intermunicipal Development Plans are less common and more difficult but not insurmountable to achieve.

A number of formal structures for collaboration exist, and more are being explored. Some examples of current collaborative structures include:

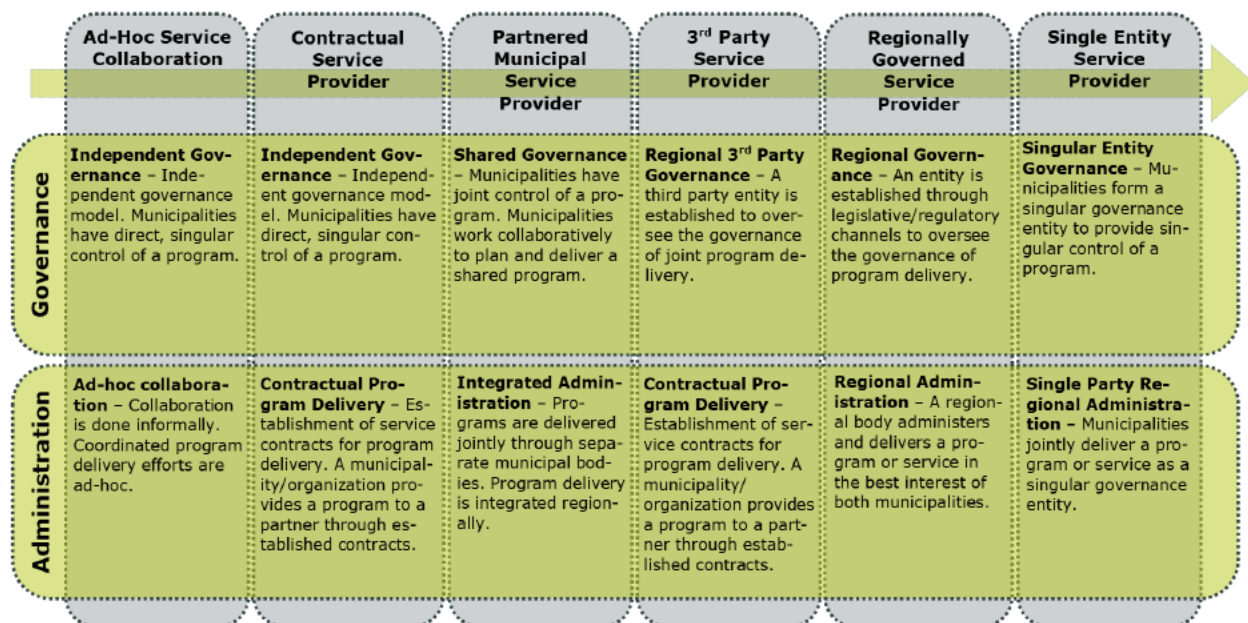
- Heartland Housing Foundation – (2013)
- Alberta's Industrial Heartland Association (AIHA) – (1998)
- River Valley Alliance (RVA) – (1996)

These initiatives have enjoyed well documented success due to good planning, management and governance and, above all, effective communication of expectations, goals and contributions.

A Spectrum of Collaboration

As illustrated in the Introduction above, there is no one single form of collaboration - organizations need to consciously select the appropriate partnering arrangement for the needs at hand. However, a framework/structure can be provided based on common municipal needs and linked it to the governance model that has become the touchstone of this project.

FIGURE 15 - COLLABORATION MODEL

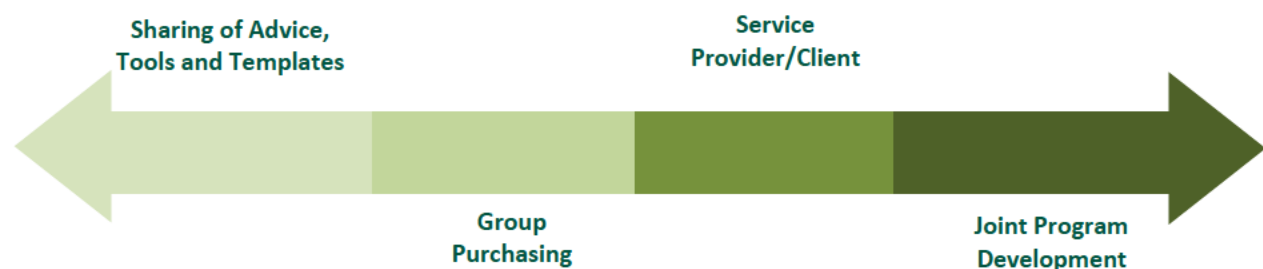


In reviewing the accepted model, true two-party municipal collaboration only occurs under the first 3 Governance options; Ad-hoc Service Collaboration, Contractual Service Delivery and Partnered Municipal Service Provider. From that point on in the spectrum (3rd Party Service Provider and Regionally Governed Service Provider) there are true, separate administrative and governance bodies responsible for the direction and operations as a whole and as such, it would be a stretch to describe them as an intermunicipal collaboration. For the purposes of this discussion, we will focus on the first 3 options.

Types of Collaboration

In a previous project, from 2015, Tantus had the good fortune to work with the Prairie Chapter - Municipal Information Systems Association (MISA) on a project, funded by the Government of Alberta, to explore means of collaboration among municipal entities. The project was primarily focused through the lens of information technology, but the 28 municipalities involved helped to create a more generic model (Figure 2 – next page) for types of collaborative opportunities available across municipal operations.

FIGURE 16 – GENERAL GROUPINGS OF COLLABORATIVE ACTIVITY



The above chart illustrates a spectrum of specific types collaboration, in which the various levels of cooperation range from simply sharing tools and templates, to complete joint program development. The data collected during our previous study revealed the majority of municipal collaboration in Alberta to be closer to the far left of the spectrum due to the close relationships of municipal staff.

Sharing of Advice, Tools and Templates relates to a spectrum of opportunities itself from encouraging more of the currently observed *ad hoc* approaches to formal groups (Communities of Practice) as a means to share best practices, lessons learned, policy, procedure, templates or tools. Examples of this may be advice when starting a project that the peer has already completed to gather lessons learned or sharing costing tools developed as inputs to the Priority Based Budgeting process.

In our previous study, municipalities were more inclined to limit the extent of their collaboration to the sharing of tools and templates. There was almost universal agreement on the value of sharing templates and documents such as RFPs and needs assessments to better leverage the format, structure and content.

Group Purchasing suggests opportunities for group purchasing to achieve more attractive pricing offered jointly as opposed to individually to the City of Fort Saskatchewan or Strathcona, on their own. This can range from the actual purchasing activity to the inclusion of contract clauses that allow other related parties to buy under the agreed contractual arrangements.

Service Provider/Client is synonymous with the Contractual Service Provider governance option described in Figure 1. An example would be the contracting of permit inspectors that is commonly done between municipalities in the province.

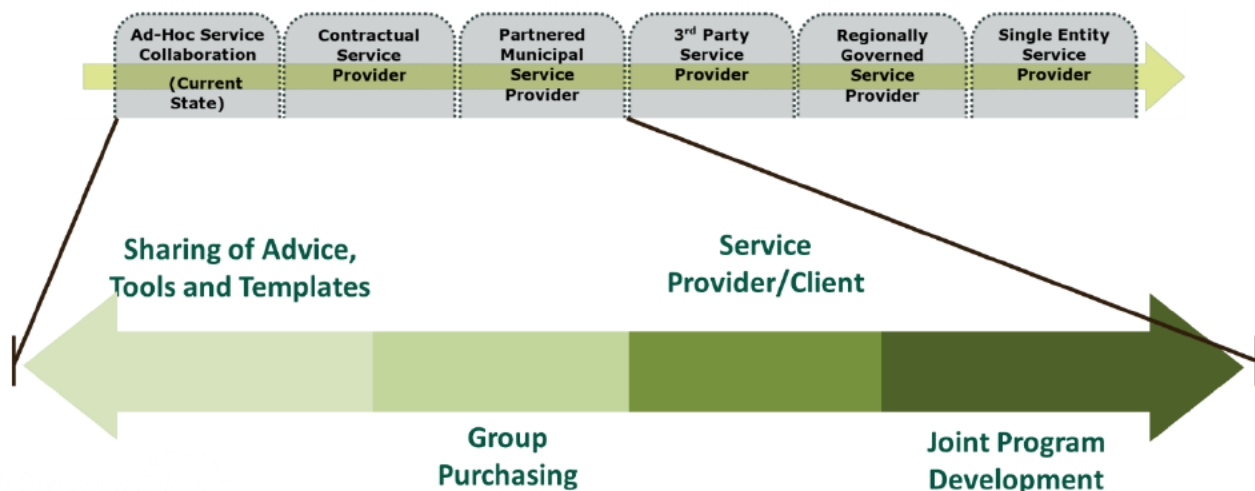
There is significant potential to enjoy economies of scale for a municipality that has already made significant investments in business support systems to offer service to other municipalities in need. Under this approach, a partner has the opportunity to recoup part of these investments and better leverage the capacity of the system.

Joint Program Development describes opportunities for municipalities to share systems, programs or service offerings to one another's residents via contracted arrangement or to jointly develop a means for the delivery of this service. In our previous work there was a degree of hesitation voiced by participants regarding joint program development, citing implementation challenges and the need for consistent business processes.

Fitting the Two Models Together

As we put the two models together there appears to be a fairly obvious convergence. The Sharing of Advice, Tools and Templates lends themselves very well to Ad Hoc Service Collaboration, as most of this sharing is currently done. This could become more formalized through various structures such as joint committees or communities of practice. Group purchasing can function adequately under an *ad hoc* relationship but could also provide more value under a contractual relationship as describe under the Contractual Service Provider governance option. The Service Provider/Client type, as well as the Joint Program Development, correspond to the Contractual Service Provider or Partnered Municipal Service Provider form moving from the first governance option to the later depending on the complexity and scope of the elements involved.

FIGURE 17 - MODEL CONVERGENCE



Factors that Support Successful Collaboration

Research suggests that while no collaboration formula is foolproof there are a number of characteristics that can improve the possibility of success in an intermunicipal partnership.

Clarity of Goals

Having clear and detailed definitions of success from all parties involved is critical when planning and structuring any type of formal collaboration projects or partnerships. It will provide excellent fodder for initial conversations and may clarify a number of misperceptions regarding why parties are involved in the process. For example, the offer to provide services by one municipality for another may be driven by a desire to recoup investment on a new information system, it may be a desire to more effectively use a full-time specialist staff position, or it may be hinge on a desire to drive more non-tax revenues. Regardless of the reason, deeper understanding of the goals can spur creativity in negotiations and maximize an opportunity for both parties.

Clear goals can also provide a solid basis for designing the interaction and should be seen as the key driver to determine roles and responsibilities. Who is in a better position to provide what role in the initiative? How will this be governed and reported? The collaboration can be better structured based on the definition of project success from the parties.

As the work begins, clear goals will facilitate an objective means to evaluate progress and make 'mid-course' corrections, especially in more complex initiatives that may make the difference between success and failure. Take an example where excess specialist capacity exists. The non-employing municipality could 'buy' a percentage of the staff members time and have them perform those duties on a contract basis. By monitoring use of the service and the value of the outputs, the parties can fine tune the volume of service required maximizing the value for both jurisdictions.

Almost as important is an understanding that things may change in the environment surrounding the collaboration. Provincial government policy change, economic shocks or emergency situations are all examples that can and have had dramatic effects on the goals, available resources or operations of a multi-municipal arrangement.

Complementary Benefits

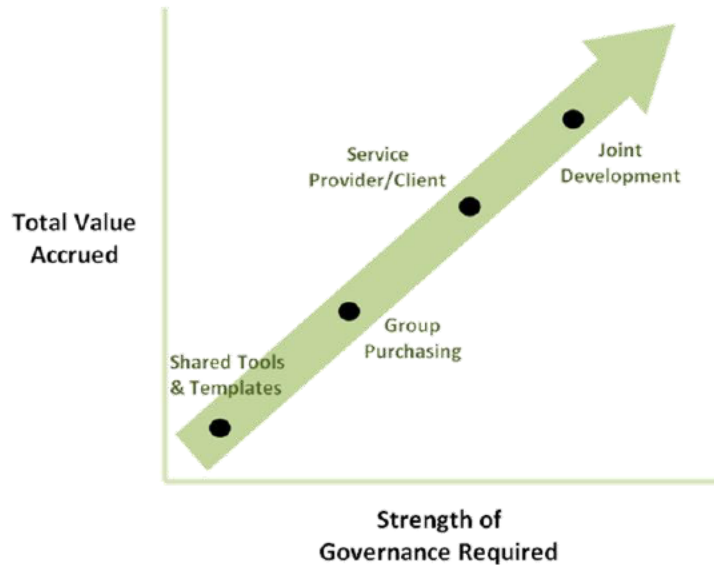
Effective long-lasting agreements are also characterized by the receipt of benefit by both parties. The public sector environment is known for the high levels of altruism exhibited by staff but in order to encourage the long-term sustainability of relationships, it is important that both parties receive definable, measurable benefit from the arrangements. Benefits do not have to be identical. One may achieve leverage of a current investment while the other receives a service expansion, but history has taught us that favours delivered under the auspices of being good neighbours are often challenged by changes in people, politics and financial positions.

Sometimes it is very challenging to derive valid, comparable descriptions of benefits, specifically when engaging in cross organization bartered deals. An exaggerated example could be one party agrees to clear snow in an industrial park and in exchange the other includes residents in a standing social service program. They are both receiving benefit from the relationship but the it is very difficult to determine the value of what each receives. At these times, it is sometimes best to determine 'fee for service' arrangements to standardize value.

Effective Operational Governance

This discussion relates to operational governance, not to be confused with strategic governance. Strategic governance is the domain of Council and directs the high-level goals of the municipality and is party in structuring overall frameworks for agreements among local government organizations. This factor deals with the governance or decision making that is critical to managing individual mechanisms to enact such collaborations. It can be argued that as we move along the spectrum of collaboration the total tangible value of the relationship accrues. However, with this increase in value, we can also observe a corresponding increase in the strength of governance required to guide these relationships.

FIGURE 18 - VALUE VS GOVERNANCE



In this context, strength is connoted to mean the ability to make decisions in a complex environment and oversee structure, common language and formal mechanisms for reporting and evaluation. The governance group must have a documented description of how it will operate and the scope of its decision-making authority. It should be guided by a mutually agreed upon set of guiding principles to be relied upon turning times of contentious decisions.

A typical set of principles would include statements regarding the nature of the agreement and outlining the meaning of the terms in this specific context. For instance, a principle of the relationship being participatory could describe both the entitlement of each party to be heard on elements that are in dispute but also the responsibilities of each party to be active and prepared for discussions. Other common principles include:

- Consensus oriented
- Accountable
- Transparent
- Responsive
- Effective and efficient
- Equitable and inclusive
- Follows a rule of law

Keep in mind that a listing of principles is rarely enough to manage such a relationship. In Appendix 4, we provide a sample Governance Charter that will offer more detail.

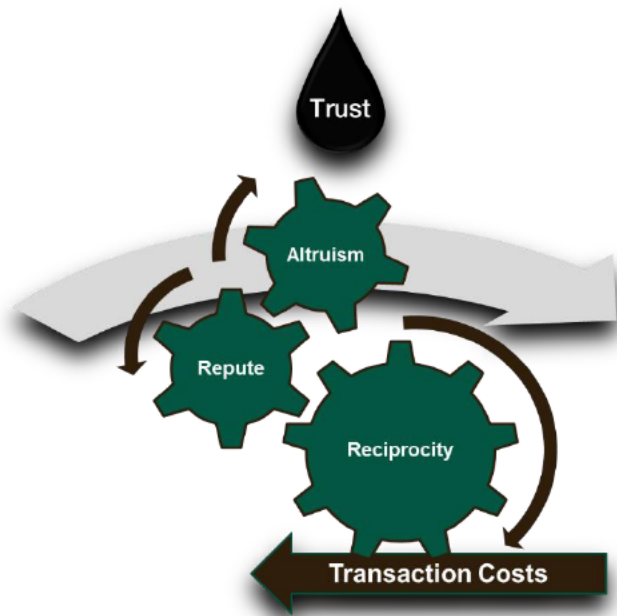
Trust

The most important characteristic of ongoing intermunicipal relationships is also the most challenging to establish - trust. Perhaps the best explanation of the impact of trust and the ways to build it comes from the seminal work of Nancy Dixon in her book, *Common Knowledge: How Companies Thrive by Sharing What They Know*, published in March 2000. Dr. Dixon was attempting to establish a way to describe the value of trust and a model of how it operated when describing the exchange of knowledge between individuals and groups and we feel that it is an effective description of how trust impacts inter-municipal partnerships and how you can use trust to build these relationships.

Dixon's metaphor describes the exchange of knowledge similar to exchanges in a marketplace. Those participating in the exchange are buyers and sellers of scarce resources; that is, they each have something that the other values. The buyers and sellers believe that they can derive some form of "utility" from the exchange of knowledge or they wouldn't be willing to participate but just as in other markets, people rarely give away valuable possessions without expecting something in return.

There are three factors that are involved in trust and collaboration between parties: *repute*, *reciprocity* and *altruism*. In the case of *repute*, parties share because they believe that it will reflect positively on their intelligence and knowledge. In the case of *reciprocity*, parties share in order to benefit in return. Lastly, in the case of *altruism*, parties share because they believe it is an honourable act. All three factors are held by a trust that, regardless, parties will reciprocate. Overall, because trust is built through shared experience, building relationships and working on ad hoc projects represent an effective means to building a degree of this trust.

FIGURE 19 – THE ROLE OF TRUST IN THE KNOWLEDGE MARKET



Identify Opportunities

Finding opportunities for collaboration is in itself a collaborative exercise but municipal parties need to do their own homework first to make the collaboration (and negotiation) sessions more productive. Identifying possibilities starts with your standard planning processes. Whether highly formal (Performance Reporting, Stakeholder Engagement, Council Priority Setting, Opportunity Analysis, Business Case, Budget Planning, Council Deliberation, Decision) or a more informal structure, municipalities should consider collaboration as a tool to achieve cost efficiencies and/or service enhancement.

Through your planning processes you should have a good idea of your strengths and weaknesses. You should be able to recognize where you have excess capacity or capacity deficits and have good insight into what services you want to introduce or service levels that you want to enhance. Then, collaboration should be evaluated with other internal options available for funding such as tax increases, user fees, revenue generation, grants, etc.

The unique aspect regarding collaboration is a limit to your control in decision making. This is no longer based solely on a thorough analysis and Council support. Partnership implies that you need to find a partner that sees value in the relationship and wants to collaborate. Just because it is a good deal and the preferred option for you, does not mean that you will be able to find a counterpart that desires the same.

Generic Strategies

When dealing with collaborative opportunities there are some generic strategies that can be deployed from both the provider (supplier) and the receiver (client) of the service. All of them boil down to three basic questions:

- **Net Benefit** - What is the net benefit that would could be gained through collaboration? This could be a financial analysis (revenue generation, cost savings) or a service enhancement analysis (service level increase, service scope expansion).
- **Priority Level** – How does this fit with the priorities of your organization? Good collaborative agreements are a lot of work. Is this a big enough priority for your municipality to expend the effort or resources required to do it right?
- **Readiness** – From a supplier perspective, it is also essential to determine the readiness level of your organization and specifically, the delivering unit. What will the impact on staffing be? Do we have the capacity and connectivity in our systems to take on the extra delivery requirements? What investments (time, money, staffing, competency building, etc.) will be required to deliver?

Once these dimensions are assessed, you can move on to select an appropriate strategic approach.

Receiver (Client) Strategies

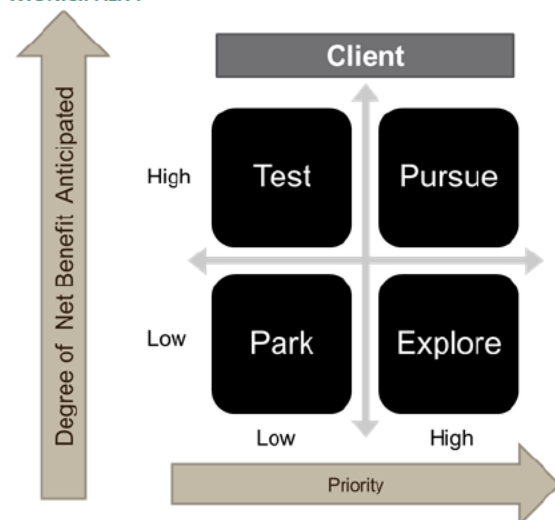
Test - This strategy is for opportunities that appear to have a high service improvement offering but have been rated as a low priority. Interest would suggest that there are opportunities for partnering or supplier/client relationships that would provide better service. Under this strategy, the municipality should test whether this is a priority area. Reflection may illustrate that this is an area to pursue.

Pursue - This strategy is for opportunities that appear to have a high service improvement offering, and that have been rated as a high priority. Municipalities should focus their limited time and resources in these areas.

Park - These are opportunity areas that have limited potential for improvement, given either your level of satisfaction with your current operations or limited enhancement opportunity from your potential partner. Either way this is a relatively low priority for your municipality. This area should be parked.

Explore - This quadrant highlights opportunities that are a high priority for your municipality, but your initial assessment would suggest that there is not much to be gained through collaboration. The lack of sources for service improvement would generally indicate a strategy of parking and 'making do' but while a customer-supplier

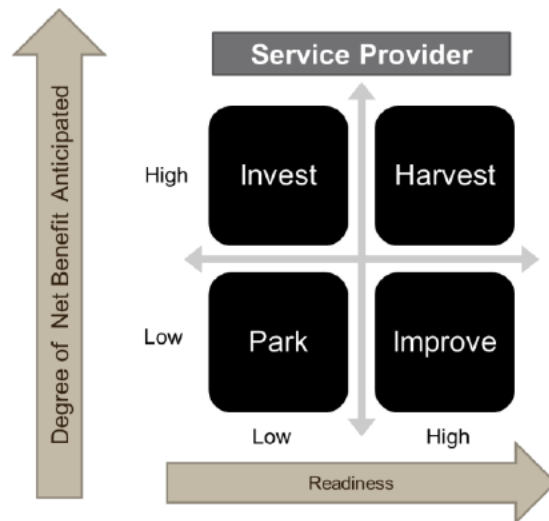
FIGURE 20 - POTENTIAL STRATEGIES FOR THE CLIENT MUNICIPALITY



relationship may not be available, this is an area to explore by testing your initial assumptions or potentially looking for another, more ready partner.

Provider (Supplier) Strategies

FIGURE 21 - POTENTIAL STRATEGIES FOR THE PROVIDER MUNICIPALITY



Invest - The Invest strategy is appropriate for services that rate high in terms of net benefit; that is, you have something to offer your peer municipalities, but you lack the readiness to take on the extra capacity. Under this strategy, time and/or money could be invested to better understand what would be required to offer this service to other municipalities.

Harvest - Opportunities here are characterized by high service improvement offering and high readiness levels. If it fits with your municipal philosophy to be a service provider, a plan should be assembled to see how to offer this as a service.

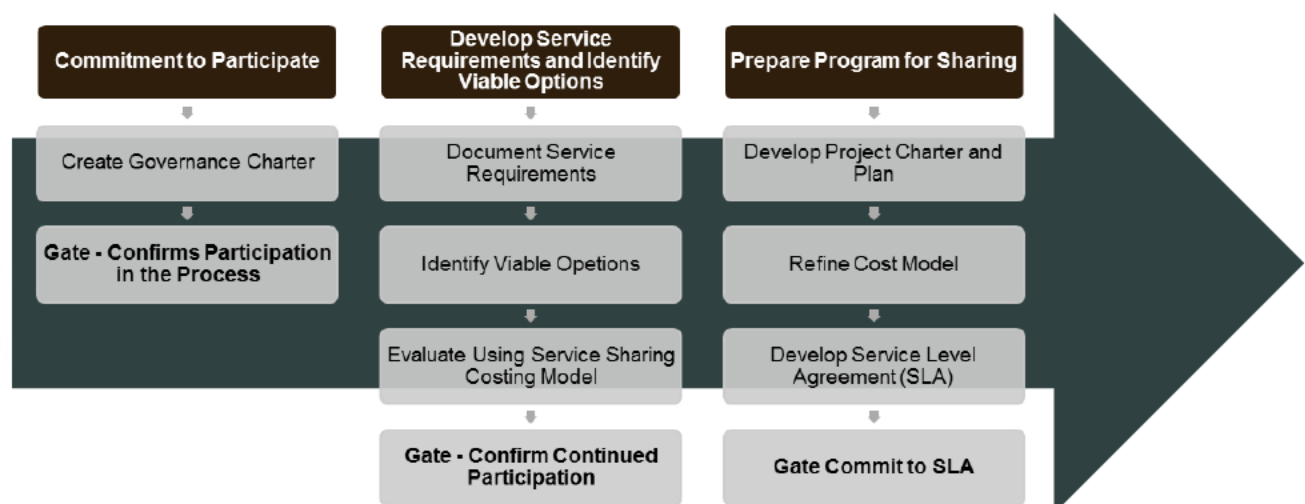
Park - Low net benefit potential and low readiness assessment suggests that these opportunities do not provide a great avenue for collaboration and should be parked.

Improve - This area is characterized by limited service improvement offerings but high readiness to share. This strategy would involve an investigation of current processes and tools to see if there are any quick win improvements available that would make the service marketable to your peers.

A Potential Process for Collaboration

There are a number of governance tools that can be deployed to provide a path forward for the municipalities to pursue collaborative opportunities. We have represented a standard package of tools based on a 'stage-gate' model that manages the risk of participation.

FIGURE 22 - POTENTIAL PROCESS FOR COLLABORATION



After each of the three defined stages, there is a proposed gate that will require the entities to test whether or not there is value for their municipality to proceed. This approach, combined with the strong emphasis on governance, will allow participants to know exactly what their roles and responsibilities are and will limit effort should one municipality determine that it is not in their best interest to continue.

After deciding on the implementation plan approach, the creation of the Governance Charter will allow municipalities to select and use the most appropriate governance tools for implementation. Municipalities should adapt the tools that will allow them to achieve the desired result.

How Could You Proceed from Here?

Collaboration is hard. The public sector in general, and municipal government in particular, is often characterized with a very low tolerance to risk. Risk implies mistakes and mistakes can be difficult in a political environment. In the case of collaboration, this 'unknown' is also accompanied by an internal hesitation to share information with potential rivals. These natural attributes speak to the limitations on a collaborative spirit, yet we are also presented with the evidence that municipalities have successfully collaborated for decades. How do we resolve this paradox?

There are some straightforward actions available to municipal leaders to encourage and reward collaborative behaviour. Some, the City of Fort Saskatchewan and Strathcona County have already embraced; others, in a more informal manner.

Endorse collaboration as an option for service enhancement, cost reduction or investment leverage – make this a valued, high profile option for municipal managers to consider as they conduct their ongoing evaluation and planning efforts.

Direct administration to encourage conversations among municipal peers – Trust builds, and opportunities are uncovered, through idea sharing and understanding. Continue to encourage inter-municipal interaction, not just at the senior level but throughout the organizations.

Start formalized sharing with low risk opportunities, such as document/template sharing – Sharing of Request for proposals, plans and templates is an easy low risk means to formalize the sharing relationship.

Conduct internal opportunity identification and analysis – Build collaboration as a formal means to be considered during budget and business planning work.

Act – Above all put action before planning with low risk opportunities. Continue to experiment with opportunities regarding collaboration.

*Coming together is
a beginning,*

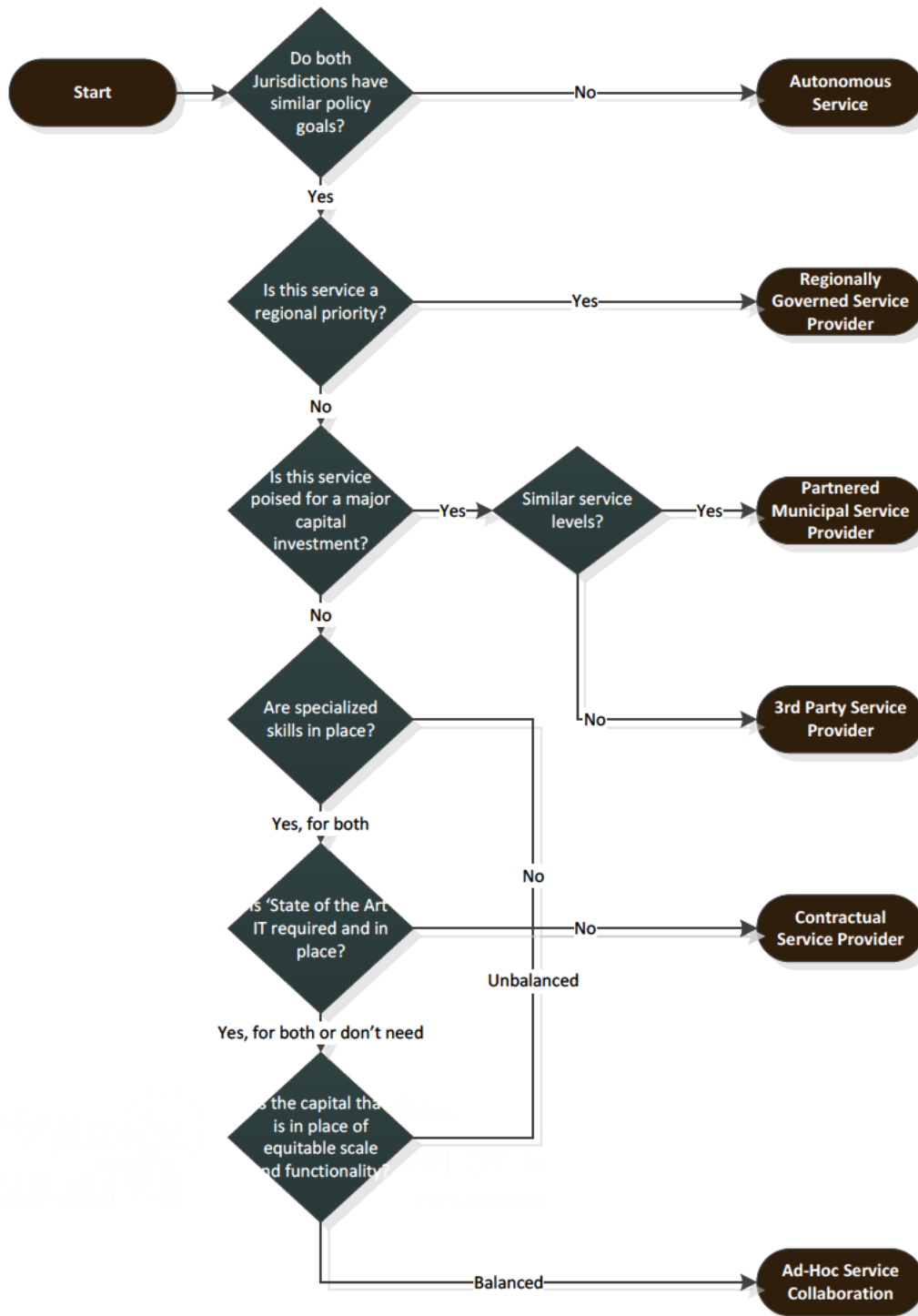
*Staying together is
progress,*

*and working
together is success.*

– Henry Ford

APPENDICES

Appendix 1 – Governance Option Sorting Decision Tree



Appendix 2 – Full Categorization of Program Areas

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision
Services (Full list)	<ul style="list-style-type: none"> Automated Tax Payment Business Planning Organizational Effectiveness Operational Budget Development Capital Budget Development Long-Range Financial Planning Community Events Commercial Attraction Business Expansion Services Business Retention Services Business Continuity Mutual Aid Partnerships Community Prevention and Preparedness Education Fire Prevention Fire Code Enforcement Fire Investigations In-Home Care Support Accident-Related Repairs Management Rental Vehicle Program Labour Relations Health and Safety Recruitment and Hiring 	<ul style="list-style-type: none"> Property Valuation Assessment Reporting Assessment Roll Maintenance Assessment and Tax Notices Tax Recovery Performance Measurement Business Process Management Organizational Project Management Small Business Seminars Business Owners One-on-One Support Business and Development Outreach Facility Lifecycle Program Facility Capital Planning and Construction Life and Safety Equipment/Systems Facility Technical Standards and Guidelines Energy Management Program Print and Bindery Services Fleet Acquisitions and Disposal Fleet Management Program (FMS) 	<ul style="list-style-type: none"> Financial Reporting, Compliance, and Controls Tangible Capital Asset Financial Management Treasury Management and Accounting Accounting Services and Support Accounts Receivable Accounts Payable Household Hazardous Waste Drop-off Billing Services 	<ul style="list-style-type: none"> Financial Enterprise Resource Planning Sustainment and Reporting Systems Management Road Maintenance 	<ul style="list-style-type: none"> Emergency Management Fire Rescue Enterprise Geographic Information System (GIS) Enterprise Data Management and Reporting Intermunicipal Transit Local Transit Mobility Bus - Local Transportation Modeling

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision
	<ul style="list-style-type: none"> • Employee Wellness • Census • Freedom of Information and Protection of Privacy • Public Procurement Process • Notice of Awarded Contracts • Proactive Policing • Traffic Enforcement • Traffic Safety Planning, Public Relations and Education • Commercial Vehicle Safety Compliance • Crime Prevention and Public Safety Education • Reactive Policing • (Drug Abuse Resistance Education) School Resource Program • Municipal Bylaw Enforcement • Municipal Operations Control Center • Turf / Trails • Outdoor Venues • Cultural Programs • Outdoor and Environmental Education Programs 	<ul style="list-style-type: none"> • Vehicle and Equipment Preventative Maintenance • Aerial, Ladder and Fire Pump Testing • Commercial Vehicle Inspection Program • Fleet and Corporate Inventory Procurement Management • Telematics GPS System • Talent Management • Learning and Development • Compensation Structure • Disability Management • Payroll • Benefit Plans and Administration • Job Evaluation • Business Solution Development • IT Business Systems • Information Technology Planning • IT Infrastructure Services • Enterprise Service Management Systems • Information Governance • Enterprise Content Management • Records Management Retention and Disposition • Customer Service Centre 			

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision
	<ul style="list-style-type: none"> • Playgrounds and Spray Parks • Festivals and Events • Aquatic Programs • Indoor Recreation Programs (Child/Youth) • Indoor Recreation Programs (Adult/Older Adult) • Public Art • Trail Maintenance • Sidewalk and Curb Repair • Right-of-Way Management - Urban • Snow Removal/Ice Control - Trails • Streetlight Maintenance • Street Sweeping - Urban • Sign Installation and Maintenance - Urban • Railway Crossing Maintenance • Drainage and Ditches • Pest Control • Parking Lot Maintenance • Traffic Safety Education and Outreach • Green Routine Residential Waste Collection Services 	<ul style="list-style-type: none"> • IT Asset Acquisition and Management Services • IT Security • Forms and Records Digitization • Election • Subdivision Application Review • Land Use Bylaw Amendments, Preparation and Review • Development Agreements • Application Review, Permit Issuance and Code Compliance for Development, Building, Plumbing, Electrical and Gas • Safety Codes Inspections • Environmental Monitoring and Assessment • Compliance Letters and File Searches • Land Use Bylaw Enforcement • Encroachments • Procurement Training • Procurement Consulting • Victim Services • Drugs and Organized Crime • Serious Crime Investigation • Major Multi-Purpose Recreation Facility 			

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision
	<ul style="list-style-type: none"> • Hydrant Spring/Fall Inspections • Water Infrastructure Repairs • Pumphouse and Reservoir Inspection, Maintenance and Cleaning • Truck Fill Inspection and Maintenance • Mainline Flushing • Camera Inspections of Utility Infrastructure • Wastewater Infrastructure Repairs • Lift Station Inspection, Maintenance and Cleaning • Stormwater Management Facility Inspections • Meter Installation • Sewer Back Up Response 	<ul style="list-style-type: none"> • District Indoor Recreation Facilities • Specialized Indoor Recreation Facilities • Neighbourhood Indoor Recreation Facilities • Cultural Venues • Horticulture / Forestry • History and Heritage Communications and Information Management • Snow Removal/Ice Control - Residential • Traffic Operations/Management • Asset Management - Urban • Outdoor Open Space Construction Project Management • Traffic Engineering • Design Services • Water Sampling • Utilities Asset Management • Source Control Program • Catch Basin Cleaning • Stormwater Infrastructure Repairs and Inspections 			

Appendix 3 - Detailed Cost/Benefit Analysis

Summary Cost-Benefit Scoring

* Note – due to rounding, summary figures do not show a perfect match to main results

	Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Staff Salary Impact Budget	\$ -	\$ 830,000	\$ 180,000	\$ -	\$ 230,000	\$ 3,610,000
Service Level Adjustment	\$ -	\$ -	\$ 3,730,000	\$ -	\$ 5,910,000	\$ 47,116,257
Capital Reduction	\$ -	\$ -	-\$ 220,000	-\$ 380,000	-\$ 1,730,000	-\$ 13,610,000
Procurement Gains	-\$ 1,520,000	-\$ 2,430,000	-\$ 170,000	-\$ 310,000	-\$ 1,380,000	-\$ 10,890,000
Efficiency Gains Staff Reduction	\$ -	-\$ 2,790,000	-\$ 300,000	-\$ 380,000	-\$ 1,430,000	-\$ 11,230,000
Total	-\$ 1,520,000	-\$ 4,390,000	\$ 3,220,000	-\$ 1,070,000	\$ 1,600,000	\$ 14,996,257
FTE Impacts	0	-23.2	-2.5	-3.2	-11.9	-93.4
Program Count	70	76	8	2	16	290

Key Cost-Benefit Analysis Assumptions

	Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Staff Salary Impact Budget	Status Quo	12%	12%	No Impact	12%	12%
Service Level Adjustment	Status Quo	Status Quo	Increases to highest levels - varies by services (10% reduction from max)	Status Quo	Increases to highest levels - varies by services (10% reduction from max)	Increases to highest levels - all services (10% reduction from max)
Capital Reduction	Status Quo	Status Quo	-20%	-20%	-20%	-20%
Procurement Gains	-2%	-4%	-4%	-4%	-4%	-4%
Efficiency Gains Staff Reduction	Status Quo	-8%	-8%	-8%	-8%	-8%

Detailed Costing

* Note – due to rounding, summary figures do not show a perfect match to main results

Department	Program	Ideal Model	Service Level			Capital Impact	Procurement	Staff Efficiency	
			Staff Cost Impact	Impact				Savings	
Assessment and Tax	Property Valuation	Contractual Service Provider	\$ 6,000	\$ -	\$ -	\$ -	\$ 42,000	-\$	34,000
Assessment and Tax	Assessment Reporting	Contractual Service Provider	Removed as duplicate	\$ -	\$ -	\$ -	\$ 17,000	-\$	7,000
Assessment and Tax	Assessment Roll Maintenance	Contractual Service Provider	\$ 15,000	\$ -	\$ -	\$ -	\$ 4,000	-\$	14,000
Assessment and Tax	Assessment and Tax Notices	Contractual Service Provider	\$ 11,000	\$ -	\$ -	\$ -	\$ 3,000	-\$	11,000
Assessment and Tax	Automated Tax Payment	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$	-
Assessment and Tax	Tax Recovery	Contractual Service Provider	\$ 11,000	\$ -	\$ -	\$ -	\$ 2,000	-\$	10,000
Communications	Public Engagement	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Communications	Stakeholder Relations	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Communications	Digital Media	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Communications	Brand Management	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Corporate Finance	Financial Reporting, Compliance, and Control	Partnered Municipal Service Provider	\$ 22,000	\$ 751,000	-\$ 22,000	-\$	\$ 18,000	-\$	31,000
Corporate Finance	Tangible Capital Asset Financial Management	Partnered Municipal Service Provider	\$ 12,000	\$ 266,000	-\$ 7,000	-\$	\$ 5,000	-\$	14,000
Corporate Finance	Treasury Management and Accounting	Partnered Municipal Service Provider	\$ 38,000	\$ 714,000	-\$ 25,000	-\$	\$ 20,000	-\$	41,000
Corporate Finance	Accounting Services and Support	Partnered Municipal Service Provider	Removed as duplicate	\$ 1,056,000	-\$ 34,000	-\$	\$ 27,000	-\$	48,000
Corporate Finance	Insurance Risk Management	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Corporate Finance	Accounts Receivable	Partnered Municipal Service Provider	\$ 31,000	\$ 283,000	-\$ 7,000	-\$	\$ 6,000	-\$	27,000
Corporate Finance	Accounts Payable	Partnered Municipal Service Provider	\$ 20,000	\$ 548,000	-\$ 14,000	-\$	\$ 11,000	-\$	25,000
Corporate Planning	Business Planning	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$	-
Corporate Planning	Organizational Effectiveness	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$	-
Corporate Planning	Operational Budget Development	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$	-
Corporate Planning	Capital Budget Development	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$	-
Corporate Planning	Long-Range Financial Planning	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$	-
Corporate Planning	Performance Measurement	Contractual Service Provider	\$ 8,000	\$ -	\$ -	\$ -	\$ 4,000	-\$	8,000
Corporate Planning	Financial Enterprise Resource Planning System	3rd Party Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 15,000	-\$	19,000
Corporate Planning	Business Process Management	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 11,000	-\$	8,000
Corporate Planning	Organizational Project Management	Contractual Service Provider	\$ 8,000	\$ -	\$ -	\$ -	\$ 13,000	-\$	19,000
Economic Development and Community Services	Community Events	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$	-
Economic Development and Community Services	Commercial Attraction	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$	-
Economic Development and Community Services	Small Business Seminars	Contractual Service Provider	\$ 12,000	\$ -	\$ -	\$ -	\$ 4,000	-\$	8,000
Economic Development and Community Services	Business Owners One-on-One Support	Contractual Service Provider	Removed as duplicate	\$ -	\$ -	\$ -	\$ 6,000	-\$	10,000
Economic Development and Community Services	Business Expansion Services	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$	-
Economic Development and Community Services	Business Retention Services	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$	-
Economic Development and Community Services	Business and Development Outreach	Contractual Service Provider	\$ 6,000	\$ -	\$ -	\$ -	\$ 10,000	-\$	6,000
Emergency Services	Emergency Management	regionally governed service	\$ 26,000	\$ 219,000	-\$ 9,000	-\$	\$ 7,000	-\$	22,000
Emergency Services	Business Continuity	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$	-
Emergency Services	Mutual Aid Partnerships	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$	-
Emergency Services	Community Prevention and Preparedness	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$	-
Emergency Services	Fire Prevention	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$	-
Emergency Services	Fire Code Enforcement	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 17,000	\$	-
Emergency Services	Fire	regionally governed service	\$ 94,000	\$ 822,000	-\$ 334,000	-\$	\$ 267,000	-\$	333,000
Emergency Services	Fire Investigations	Ad-Hoc Service Collaboration	\$ -	Removed as duplicate	\$ -	\$ -	\$ 20,000	\$	-
Emergency Services	Rescue	regionally governed service	\$ 69,000	\$ 567,000	-\$ 328,000	-\$	\$ 263,000	-\$	316,000
Facility Services	Facility Lifecycle Program	Contractual Service Provider	\$ 24,000	\$ -	\$ -	\$ -	\$ 156,000	-\$	147,000
Facility Services	Facility Capital Planning and Construction	Contractual Service Provider	\$ 25,000	\$ -	\$ -	\$ -	\$ 37,000	-\$	41,000
Facility Services	Life and Safety Equipment/Systems	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 13,000	-\$	14,000
Facility Services	Facility Technical Standards and Guidelines	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 8,000	-\$	8,000
Facility Services	Energy Management Program	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 42,000	-\$	44,000
Facility Services	Print and Bindery Services	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 4,000	-\$	4,000
Family and Community Services	Civic Engagement	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Family and Community Services	Community Social Framework Grants	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Family and Community Services	Counseling	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Family and Community Services	In-Home Care Support	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 28,000	\$	-
Fleet Services	Fleet Acquisitions and Disposal	Contractual Service Provider	\$ 29,000	\$ -	\$ -	\$ -	\$ 25,000	-\$	26,000
Fleet Services	Fleet Management Program (FMS)	Contractual Service Provider	\$ 23,000	\$ -	\$ -	\$ -	\$ 10,000	-\$	20,000
Fleet Services	Vehicle and Equipment Preventative Maintenance	Contractual Service Provider	Removed as duplicate	\$ -	\$ -	\$ -	\$ 191,000	-\$	201,000
Fleet Services	Aerial, Ladder and Fire Pump Testing	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 1,000	-\$	1,000
Fleet Services	Commercial Vehicle Inspection Program	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ 14,000	-\$	15,000
Fleet Services	Fleet and Corporate Inventory Procurement	Contractual Service Provider	\$ 17,000	\$ -	\$ -	\$ -	\$ 13,000	-\$	22,000
Fleet Services	Telematics GPS System	Contractual Service Provider	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
Fleet Services	Accident-Related Repairs Management	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$	-
Fleet Services	Rental Vehicle Program	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$	-

Human Resources	Labour Relations	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	8,000	\$	-
Human Resources	Health and Safety	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	18,000	\$	-
Human Resources	Talent Management	Contractual Service Provider	\$	-	\$	-	\$	-	\$	8,000	\$	9,000
Human Resources	Learning and Development	Contractual Service Provider	\$	13,000	\$	-	\$	-	\$	14,000	\$	21,000
Human Resources	Recruitment and Hiring	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	18,000	\$	-
Human Resources	Compensation Structure	Contractual Service Provider	\$	20,000	\$	-	\$	-	\$	7,000	\$	20,000
Human Resources	Disability Management	Contractual Service Provider	\$	32,000	\$	-	\$	-	\$	11,000	\$	31,000
Human Resources	Payroll	Contractual Service Provider	\$	23,000	\$	-	\$	-	\$	35,000	\$	38,000
Human Resources	Benefit Plans and Administration	Contractual Service Provider	Removed as duplicate	\$	-	\$	-	\$	-	23,000	\$	25,000
Human Resources	Job Evaluation	Contractual Service Provider	\$	20,000	\$	-	\$	-	\$	13,000	\$	26,000
Human Resources	Employee Wellness	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	4,000	\$	-
Information Technology	Serv Enterprise Geographic Information System	Regionally Governed Service	\$	9,000	\$	105,000	\$	58,000	\$	46,000	\$	50,000
Information Technology	Serv Enterprise Data Management and Reporting	Regionally Governed Service	\$	8,000	\$	107,000	\$	17,000	\$	13,000	\$	14,000
Information Technology	Serv Business Solution Development	Contractual Service Provider	\$	34,000	\$	-	\$	-	\$	37,000	\$	61,000
Information Technology	Serv IT Business Systems	Contractual Service Provider	Removed as duplicate	\$	-	\$	-	\$	-	27,000	\$	51,000
Information Technology	Serv Information Technology Planning	Contractual Service Provider	\$	7,000	\$	-	\$	-	\$	11,000	\$	17,000
Information Technology	Serv IT Infrastructure Services	Contractual Service Provider	\$	13,000	\$	-	\$	-	\$	36,000	\$	36,000
Information Technology	Serv Enterprise Service Management Systems	Contractual Service Provider	\$	-	\$	-	\$	-	\$	36,000	\$	38,000
Information Technology	Serv Information Governance	Contractual Service Provider	\$	7,000	\$	-	\$	-	\$	7,000	\$	13,000
Information Technology	Serv Enterprise Content Management	Contractual Service Provider	\$	-	\$	-	\$	-	\$	26,000	\$	27,000
Information Technology	Serv Records Management Retention and Disposition	Contractual Service Provider	\$	11,000	\$	-	\$	-	\$	15,000	\$	23,000
Information Technology	Serv Customer Service Centre	Contractual Service Provider	\$	29,000	\$	-	\$	-	\$	42,000	\$	60,000
Information Technology	Serv IT Asset Acquisition and Management Services	Contractual Service Provider	\$	34,000	\$	-	\$	-	\$	15,000	\$	38,000
Information Technology	Serv IT Security	Contractual Service Provider	\$	8,000	\$	-	\$	-	\$	11,000	\$	12,000
Information Technology	Serv Forms and Records Digitization	Contractual Service Provider	Removed as duplicate	\$	-	\$	-	\$	-	10,000	\$	11,000
Legislative and Legal Service	Bylaw and Policy Development and Management	N/A	\$	-	\$	-	\$	-	\$	-	\$	-
Legislative and Legal Service	Election	Contractual Service Provider	\$	-	\$	-	\$	-	\$	4,000	\$	5,000
Legislative and Legal Service	Census	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	18,000	\$	-
Legislative and Legal Service	Freedom of Information and Protection of Information	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	8,000	\$	-
Legislative and Legal Service	Boards and Committees	N/A	\$	-	\$	-	\$	-	\$	-	\$	-
Planning and Development	Municipal Development Plan and Land Use	N/A	\$	-	\$	-	\$	-	\$	-	\$	-
Planning and Development	Subdivision Application Review	Contractual Service Provider	\$	15,000	\$	-	\$	-	\$	8,000	\$	19,000
Planning and Development	Land Use Bylaw Amendments, Preparation	Contractual Service Provider	\$	21,000	\$	-	\$	-	\$	7,000	\$	21,000
Planning and Development	Development Agreements	Contractual Service Provider	\$	5,000	\$	-	\$	-	\$	5,000	\$	9,000
Planning and Development	Application Review, Permit Issuance and Conditions	Contractual Service Provider	\$	12,000	\$	-	\$	-	\$	49,000	\$	57,000
Planning and Development	Safety Codes Inspections	Contractual Service Provider	\$	10,000	\$	-	\$	-	\$	22,000	\$	28,000
Planning and Development	Environmental Monitoring and Assessment	Contractual Service Provider	\$	-	\$	-	\$	-	\$	3,000	\$	4,000
Planning and Development	Compliance Letters and File Searches	Contractual Service Provider	\$	14,000	\$	-	\$	-	\$	5,000	\$	14,000
Planning and Development	Land Use Bylaw Enforcement	Contractual Service Provider	\$	17,000	\$	-	\$	-	\$	15,000	\$	26,000
Planning and Development	Encroachments	Contractual Service Provider	\$	7,000	\$	-	\$	-	\$	3,000	\$	8,000
Procurement Services Branch	Public Procurement Process	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	11,000	\$	-
Procurement Services Branch	Procurement Training	Contractual Service Provider	\$	-	\$	-	\$	-	\$	3,000	\$	3,000
Procurement Services Branch	Procurement Consulting	Contractual Service Provider	\$	-	\$	-	\$	-	Removed as duplicate	Removed as duplicate		
Procurement Services Branch	Notice of Awarded Contracts	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	2,000	\$	-
RCMP and Enforcement Services	Proactive Policing	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	46,000	\$	-
RCMP and Enforcement Services	Traffic Enforcement	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	105,000	\$	-
RCMP and Enforcement Services	Traffic Safety Planning, Public Relations and	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	12,000	\$	-
RCMP and Enforcement Services	Commercial Vehicle Safety Compliance	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	12,000	\$	-
RCMP and Enforcement Services	Crime Prevention and Public Safety Education	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	3,000	\$	-
RCMP and Enforcement Services	Victim Services	Contractual Service Provider	\$	-	\$	-	\$	-	\$	19,000	\$	10,000
RCMP and Enforcement Services	Reactive Policing	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	273,000	\$	-
RCMP and Enforcement Services	Drugs and Organized Crime	Contractual Service Provider	\$	-	\$	-	\$	-	\$	71,000	\$	56,000
RCMP and Enforcement Services	Serious Crime Investigation	Contractual Service Provider	\$	-	\$	-	\$	-	\$	97,000	\$	83,000
RCMP and Enforcement Services	Drug Abuse Resistance Education (Schools)	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	42,000	\$	-
RCMP and Enforcement Services	Municipal Bylaw Enforcement	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	87,000	\$	-
RCMP and Enforcement Services	Municipal Operations Control Center	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	50,000	\$	-
Recreation, Parks and Culture	Major Multi-Purpose Recreation Facility	Contractual Service Provider	\$	-	\$	-	\$	-	\$	246,000	\$	259,000
Recreation, Parks and Culture	District Indoor Recreation Facilities	Contractual Service Provider	\$	-	\$	-	\$	-	\$	100,000	\$	105,000
Recreation, Parks and Culture	Specialized Indoor Recreation Facilities	Contractual Service Provider	\$	-	\$	-	\$	-	\$	105,000	\$	110,000
Recreation, Parks and Culture	Neighbourhood Indoor Recreation Facilities	Contractual Service Provider	\$	-	\$	-	\$	-	\$	63,000	\$	66,000
Recreation, Parks and Culture	Cultural Venues	Contractual Service Provider	\$	30,000	\$	-	\$	-	\$	64,000	\$	84,000
Recreation, Parks and Culture	Turf / Trails	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	113,000	\$	-
Recreation, Parks and Culture	Outdoor Venues	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	136,000	\$	-
Recreation, Parks and Culture	Cultural Programs	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	49,000	\$	-
Recreation, Parks and Culture	Outdoor and Environmental Education Programs	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	17,000	\$	-
Recreation, Parks and Culture	Playgrounds and Spray Parks	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	75,000	\$	-
Recreation, Parks and Culture	Horticulture / Forestry	Contractual Service Provider	\$	53,000	\$	-	\$	-	\$	88,000	\$	114,000
Recreation, Parks and Culture	Festivals and Events	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	46,000	\$	-
Recreation, Parks and Culture	Aquatic Programs	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	61,000	\$	-
Recreation, Parks and Culture	Indoor Recreation Programs (Child/Youth)	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	34,000	\$	-
Recreation, Parks and Culture	Indoor Recreation Programs (Adult/Older Adult)	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	28,000	\$	-
Recreation, Parks and Culture	History and Heritage Communications and	Contractual Service Provider	\$	10,000	\$	-	\$	-	\$	1,000	\$	7,000
Recreation, Parks and Culture	Public Art	Ad-Hoc Service Collaboration	\$	-	\$	-	\$	-	\$	7,000	\$	-

Transit	Intermunicipal Transit - Peak Service	Regionally Governed Service	\$ 11,000	\$ 2,002,000	-\$ 206,000	-\$ 165,000	-\$ 153,000
Transit	Intermunicipal Transit - Midday Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 105,000	-\$ 84,000	-\$ 69,000
Transit	Intermunicipal Transit - Evening Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 46,000	-\$ 37,000	-\$ 19,000
Transit	Intermunicipal Transit - Weekend Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 43,000	-\$ 34,000	-\$ 16,000
Transit	Local Transit - Peak Service	Regionally Governed Service	\$ 18,000	\$ 2,085,000	-\$ 218,000	-\$ 175,000	-\$ 170,000
Transit	Local Transit - Midday Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 140,000	-\$ 112,000	-\$ 104,000
Transit	Local Transit - Evening Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 74,000	-\$ 59,000	-\$ 48,000
Transit	Local Transit - Weekend Service	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 82,000	-\$ 65,000	-\$ 55,000
Transit	Mobility Bus - Local	Regionally Governed Service	\$ -	\$ -	-\$ 50,000	-\$ 40,000	-\$ 42,000
Transit	Mobility Bus - Rural	Regionally Governed Service	\$ -	\$ -	-\$ 8,000	-\$ 6,000	-\$ 6,000
Transportation and Agriculture	Road Maintenance - Urban	3rd Party Service Provider	\$ -	\$ -	-\$ 379,000	-\$ 303,000	-\$ 358,000
Transportation and Agriculture	Trail Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	3,000	\$ -
Transportation and Agriculture	Sidewalk and Curb Repair	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	18,000	\$ -
Transportation and Agriculture	Right-of-Way Management - Urban	Ad-Hoc Service Collaboration	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation and Agriculture	Snow Removal/Ice Control - Residential	Contractual Service Provider	\$ 52,000	\$ -	-\$ -	58,000	-\$ 84,000
Transportation and Agriculture	Snow Removal/Ice Control - Trails	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	6,000	\$ -
Transportation and Agriculture	Traffic Operations/Management	Contractual Service Provider	\$ 19,000	\$ -	-\$ -	67,000	-\$ 28,000
Transportation and Agriculture	Streetsight Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	112,000	\$ -
Transportation and Agriculture	Street Sweeping - Urban	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	49,000	\$ -
Transportation and Agriculture	Sign Installation and Maintenance - Urban	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	27,000	\$ -
Transportation and Agriculture	Asset Management - Urban	Contractual Service Provider	\$ -	\$ -	-\$ -	3,000	-\$ 3,000
Transportation and Agriculture	Railway Crossing Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	60,000	\$ -
Transportation and Agriculture	Drainage and Ditches	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	33,000	\$ -
Transportation and Agriculture	Pest Control	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	17,000	\$ -
Transportation and Agriculture	Parking Lot Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	67,000	\$ -
Transportation Planning and Infrastructure	Capital Road Construction Project Management	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Planning and Infrastructure	Outdoor Open Space Construction Project	Contractual Service Provider	\$ 25,000	\$ -	-\$ -	28,000	-\$ 32,000
Transportation Planning and Infrastructure	Traffic Safety Education and Outreach	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	34,000	\$ -
Transportation Planning and Infrastructure	Traffic Engineering	Contractual Service Provider	\$ 6,000	\$ -	-\$ -	33,000	-\$ 40,000
Transportation Planning and Infrastructure	Transportation Modeling	Regionally Governed Service	Removed as duplicate	Removed as duplicate	-\$ 12,000	9,000	-\$ 14,000
Transportation Planning and Infrastructure	Design Services	Contractual Service Provider	\$ -	\$ -	-\$ -	21,000	-\$ 22,000
Utilities	Infrastructure Planning	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	Green Routine Residential Waste Collection	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	201,000	\$ -
Utilities	Household Hazardous Waste Drop-off	Partnered Municipal Service Provider	\$ 9,000	\$ 27,000	-\$ 60,000	48,000	-\$ 52,000
Utilities	Water Sampling	Contractual Service Provider	\$ 42,000	\$ -	-\$ -	84,000	-\$ 104,000
Utilities	Hydrant Spring/Fall Inspections	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	75,000	\$ -
Utilities	Water Infrastructure Repairs	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	188,000	\$ -
Utilities	Pumphouse and Reservoir Inspection, Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	134,000	\$ -
Utilities	Truck Fill Inspection and Maintenance	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	25,000	\$ -
Utilities	Utilities Asset Management	Contractual Service Provider	\$ 3,000	\$ -	-\$ -	8,000	-\$ 11,000
Utilities	Capital Projects Construction	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	Mainline Flushing	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	82,000	\$ -
Utilities	Camera Inspections of Utility Infrastructure	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	55,000	\$ -
Utilities	Wastewater Infrastructure Repairs	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	142,000	\$ -
Utilities	Lift Station Inspection, Maintenance and Construction	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	67,000	\$ -
Utilities	Source Control Program	Contractual Service Provider	\$ 22,000	\$ -	-\$ -	67,000	-\$ 68,000
Utilities	Catch Basin Cleaning	Contractual Service Provider	\$ 14,000	\$ -	-\$ -	33,000	-\$ 32,000
Utilities	Stormwater Infrastructure Repairs and Inspection	Contractual Service Provider	Removed as duplicate	\$ -	-\$ -	45,000	-\$ 45,000
Utilities	Stormwater Management Facility Inspection	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	33,000	\$ -
Utilities	Meter Installation	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	86,000	\$ -
Utilities	Sewer Back Up Response	Ad-Hoc Service Collaboration	\$ -	\$ -	-\$ -	57,000	\$ -
Utilities	Billing Services	Partnered Municipal Service Provider	\$ 51,000	\$ 83,000	-\$ 46,000	37,000	-\$ 66,000
			\$ 1,240,000	\$ 9,640,000	-\$ 2,320,000	7,360,000	-\$ 4,900,000

Detail Costs Per Capita (Program)

Strathcona County			
Department	Program	Total Expense	Cost / Capita
Assessment and Tax	Assessment Reporting	128,477	1.31
Assessment and Tax	Property Valuation	1,081,372	10.99
Assessment and Tax	Assessment Roll Maintenance	145,385	1.48
Assessment and Tax	Assessment and Tax Notices	112,397	1.14
Assessment and Tax	Assessment Complaints/Hearings	143,267	1.46
Assessment and Tax	Tax Recovery	78,148	0.79
Assessment and Tax	Fee-for-Tax Information	103,953	1.06
Assessment and Tax	Automated Tax Payment	106,828	1.09
Assessment and Tax	Cashier Service	54,407	0.55
Communications	Public Engagement	431,279	4.38
Communications	Stakeholder Relations	385,196	3.92
Communications	Communications Consultation, Planning and Implementation	574,442	5.84
Communications	Digital Media	414,163	4.21
Communications	Brand Management	202,698	2.06
Corporate Finance	Financial Reporting, Compliance, and Controls	589,532	5.99
Corporate Finance	Tangible Capital Asset Financial Management	208,792	2.12
Corporate Finance	Treasury Management and Accounting	560,565	5.70
Corporate Finance	Accounting Services and Support	829,120	8.43
Corporate Finance	Insurance Risk Management	274,994	2.80
Corporate Finance	Accounts Receivable	222,110	2.26
Corporate Finance	Accounts Payable	429,867	4.37
Corporate Planning	Business Planning	403,113	4.10
Corporate Planning	Organizational Effectiveness	290,260	2.95
Corporate Planning	Operational Budget Development	483,186	4.91
Corporate Planning	Capital Budget Development	206,515	2.10
Corporate Planning	Long-Range Financial Planning	234,854	2.39
Corporate Planning	Performance Measurement	93,991	0.96
Corporate Planning	Business Process Management	270,539	2.75
Corporate Planning	Organizational Project Management	486,131	4.94
Corporate Planning	Financial Enterprise Resource Planning Sustainment and Rep	518,200	5.27
Council	Decision Making	491,080	4.99
Council	Strategic Visioning	140,309	1.43
Council	Community Outreach, Engagement and Communication	280,617	2.85
Council	Oversight of Administration	350,772	3.57
Council	Intergovernmental Advocacy	140,309	1.43
Economic Development	Industrial Attraction	549,112	5.58
Economic Development	Development Attraction	114,394	1.16
Economic Development	Community Events	81,310	0.83
Economic Development	Commercial Attraction	267,183	2.72
Economic Development	Sector Development	130,863	1.33
Economic Development	Business and Development Outreach	65,334	0.66
Economic Development	Market Research	94,279	0.96
Economic Development	Business Mentorship	43,401	0.44
Economic Development	Small Business Seminars	6,849	0.07
Economic Development	Business Expansion Services	139,645	1.42
Economic Development	Business Retention Services	116,836	1.19
Economic Development	Business Owners One-on-One Support	88,991	0.90
Emergency Services	Community Prevention and Preparedness Education	209,602	2.13
Emergency Services	Mutual Aid Partnerships	165,501	1.68
Emergency Services	Fire Code Enforcement	628,805	6.39
Emergency Services	Fire Prevention	419,203	4.26
Emergency Services	Fire	9,777,027	99.38
Emergency Services	9-1-1	1,455,997	14.80
Emergency Services	Emergency Medical Services	9,777,027	99.38
Emergency Services	Industrial Safety Practices Collaboration	524,005	5.33
Emergency Services	Fire Dispatch	1,455,997	14.80
Emergency Services	Rescue	9,777,027	99.38
Emergency Services	Specialized Rescue Operations	598,594	6.08
Emergency Services	Fire Investigations	314,403	3.20
Emergency Services	Emergency Management	165,501	1.68
Emergency Services	Business Continuity	82,750	0.84

Facility Services	Facility Lifecycle Program	4,735,513	48.13
Facility Services	Facility Capital Planning and Construction	987,909	9.03
Facility Services	Life and Safety Equipment/Systems	506,078	5.14
Facility Services	Corporate Radio Infrastructure	202,079	2.05
Facility Services	Facility Digital Technologies	362,355	3.99
Facility Services	Electrical and Lighting Systems	560,425	6.00
Facility Services	Mechanical Systems	1,285,197	12.86
Facility Services	Structural Systems	560,425	6.00
Facility Services	Facility Hygiene Program	2,024,315	20.58
Facility Services	Energy Management Program	1,602,582	16.29
Facility Services	Facility Technical Standards and Guidelines	295,970	3.01
Facility Services	Security / Loss Prevention	674,772	6.86
Facility Services	Tenant Services	674,772	6.86
Facility Services	Print Management Program	135,035	1.37
Facility Services	Parking Program	168,663	1.71
Facility Services	Community Centre Event Management	337,386	3.43
Facility Services	Mail and Courier Services	262,575	2.67
Facility Services	Print and Bindery Services	135,035	1.37
Family and Community	Civic Engagement	553,127	5.62
Family and Community	Social Innovation	465,796	5.04
Family and Community	Community Social Framework Grants	1,180,525	12.00
Family and Community	Systemic Design and Developmental Evaluation	465,796	5.04
Family and Community	Navigation	1,480,508	15.05
Family and Community	Mental Health Capacity Building	442,306	4.50
Family and Community	Early Years Navigation	1,735,386	17.64
Family and Community	Counseling	2,123,471	21.58
Family and Community	In-Home Care Support	1,066,596	10.84
Fleet Services	Fleet Management Program (FMS)	178,148	1.81
Fleet Services	Fleet Acquisitions and Disposal	237,531	2.41
Fleet Services	Vehicle and Equipment Preventative Maintenance	6,560,315	66.95
Fleet Services	Commercial Vehicle Inspection Program	534,444	5.43
Fleet Services	Ambulance Inspections	118,765	1.21
Fleet Services	Fleet and Corporate Inventory Procurement Management	380,655	3.87
Fleet Services	Telematics GPS System	0	0.00
Fleet Services	Aerial, Ladder and Fire Pump Testing	29,691	0.30
Fleet Services	Fueling Services	2,565,107	26.38
Fleet Services	Mechanical Refurbish Program	510,000	5.18
Fleet Services	Accident-Related Repairs Management	237,531	2.41
Fleet Services	Rental Vehicle Program	237,531	2.41
Fleet Services	Fabrication Services	29,691	0.30
Human Resources	Organizational Effectiveness	233,983	2.38
Human Resources	Health and Safety	605,204	6.15
Human Resources	Labour Relations	277,213	2.82
Human Resources	Learning and Development	457,165	4.65
Human Resources	Talent Management	310,250	3.15
Human Resources	Disability Management	368,460	3.75
Human Resources	Employee Relations	477,173	4.85
Human Resources	Recruitment and Hiring	607,067	6.17
Human Resources	Compensation Structure	242,255	2.46
Human Resources	Employment Terms and Conditions	215,773	2.19
Human Resources	Benefit Plans and Administration	368,304	3.74
Human Resources	Job Evaluation	447,755	4.55
Human Resources	Employee Wellness	143,854	1.46
Human Resources	Payroll	822,040	8.36
Human Resources	Employee and Family Assistance	874	0.01
Human Resources	Critical Incident Stress Management/Clinical Psychologist	307,768	3.13
Information Technology	Enterprise Geographic Information System (GIS)	1,611,052	16.38
Information Technology	IT Business Systems	1,028,534	10.45
Information Technology	Information Technology Planning	426,339	4.33
Information Technology	Enterprise Data Management and Reporting	333,020	3.39
Information Technology	Business Solution Development	1,388,521	14.11
Information Technology	Enterprise Service Management Systems	1,388,521	14.11
Information Technology	IT Infrastructure Services	1,012,125	10.29
Information Technology	Enterprise Content Management	975,272	9.91
Information Technology	Records Management Retention and Disposition	570,891	5.80
Information Technology	Customer Service Centre	1,469,213	14.93
Information Technology	IT Asset Acquisition and Management Services	555,036	5.64
Information Technology	IT Security	228,544	2.32
Information Technology	Information Governance	285,445	2.90
Information Technology	Enforcement and Emergency IT Services	1,337,094	13.59
Information Technology	Forms and Records Digitization	214,084	2.18
Intergovernmental Affairs	Intergovernmental Affairs	457,753	4.65
Intergovernmental Affairs	Intergovernmental Policy Analysis	298,368	3.03
Legislative and Legal Services	Council/Priorities Committee/Governance Advisory Committee	392,158	3.99
Legislative and Legal Services	Internal Legal Advice and Support	408,924	4.16
Legislative and Legal Services	Census	658,124	6.69
Legislative and Legal Services	Election	169,034	1.72
Legislative and Legal Services	Bylaw and Policy Development and Management	327,959	3.33
Legislative and Legal Services	Boards and Committees	197,823	2.01
Legislative and Legal Services	Freedom of Information and Protection of Privacy	327,996	3.33
Legislative and Legal Services	External Legal Support - Retention and Management	439,031	4.46
Legislative and Legal Services	Administrative Tribunals	207,453	2.11
PI D I M I I D I	PI L U B I	58.83	6

Planning and Develop Municipal Development Plan and Land Use Bylaw	158,831	1.61
Planning and Develop Land Use Bylaw Amendments, Preparation and Review	251,192	2.55
Planning and Develop Statutory Plan Application Review	550,321	5.59
Planning and Develop Subdivision Application Review	316,722	3.22
Planning and Develop Long Range Planning	497,003	5.05
Planning and Develop Environmental Planning and Review	139,306	1.42
Planning and Develop Municipal and Private Land Development Engineering Review	1,137,230	11.56
Planning and Develop Environmental Policy Development and Implementation	63,915	0.65
Planning and Develop Edmonton Metropolitan Region Board - Land Use Planning Ap	67,981	0.69
Planning and Develop Environmental Monitoring and Assessment	131,387	1.34
Planning and Develop Application Review, Permit Issuance and Code Compliance fo	1,771,990	18.01
Planning and Develop Safety Codes Inspections	760,989	7.74
Planning and Develop Beaver Hills Initiative	120,060	1.22
Planning and Develop Offsite Levis	89,711	0.91
Planning and Develop Construction Completion and Final Acceptance	446,557	4.54
Planning and Develop Environmental Management	235,563	2.39
Planning and Develop Easements and Utility Right of Way Agreements	202,828	2.06
Planning and Develop Development Agreements	198,346	2.02
Planning and Develop Corporate Property Acquisition and Disposition	249,986	2.54
Planning and Develop Land Licenses and Leases	141,904	1.44
Planning and Develop Land Use Bylaw Enforcement	546,749	5.56
Planning and Develop Customer Process Facilitation	1,023,648	10.40
Planning and Develop Compliance Letters and File Searches	167,127	1.70
Planning and Develop Civic Addressing and Naming	135,705	1.38
Planning and Develop Encroachments	126,719	1.29
Planning and Develop Unauthorized Use of County Land	86,373	0.88
Planning and Develop Crossing Agreements	125,525	1.28
Planning and Develop Technology and Data Management	542,895	5.52
Procurement Services Public Procurement Process	417,670	4.25
Procurement Services Procurement Consulting	104,418	1.06
Procurement Services Procurement Training	104,418	1.06
Procurement Services Notice of Awarded Contracts	69,612	0.71
RCMP and Enforceme Proactive Policing	1,742,976	17.72
RCMP and Enforceme Traffic Safety Planning, Public Relations and Education	429,966	4.37
RCMP and Enforceme Victim Services	369,097	3.75
RCMP and Enforceme Commercial Vehicle Safety Compliance	429,966	4.37
RCMP and Enforceme Crime Prevention and Public Safety Education	105,456	1.07
RCMP and Enforceme Traffic Enforcement	3,439,728	34.96
RCMP and Enforceme Public Relations	105,456	1.07
RCMP and Enforceme (Drug Abuse Resistance Education) School Resource Progra	896,377	9.11
RCMP and Enforceme RCMP Media Relations	281,216	2.86
RCMP and Enforceme Reactive Policing	6,971,903	70.87
RCMP and Enforceme Drugs and Organized Crime	2,014,105	20.47
RCMP and Enforceme Serious Crime Investigation	3,021,158	30.71
RCMP and Enforceme Municipal Operations Control Center	1,903,898	19.35
RCMP and Enforceme Municipal Bylaw Enforcement	2,743,589	27.89
RCMP and Enforceme Electronic Voice Entry Unit Operational Control Center	744,309	7.57
Recreation, Parks and Major Multi-Purpose Recreation Facility	9,372,339	95.27
Recreation, Parks and Outdoor Venues	5,004,076	50.86
Recreation, Parks and District Indoor Recreation Facilities	3,818,731	38.82
Recreation, Parks and Cultural Venues	2,331,536	23.70
Recreation, Parks and Specialized Indoor Recreation Facilities	3,989,014	40.55
Recreation, Parks and Neighbourhood Indoor Recreation Facilities	2,396,000	24.35
Recreation, Parks and Community Capacity Building and Engagement	925,403	9.41
Recreation, Parks and Festivals and Events	1,695,504	17.23
Recreation, Parks and Turf / Trails	4,186,252	42.55
Recreation, Parks and Outdoor and Environmental Education Programs	634,493	6.45
Recreation, Parks and Everybody Gets to Play	308,468	3.14
Recreation, Parks and Playgrounds and Spray Parks	2,673,851	27.18
Recreation, Parks and Horticulture / Forestry	2,849,212	28.96
Recreation, Parks and Aquatic Programs	2,091,162	21.26
Recreation, Parks and Cultural Programs	1,862,918	18.94
Recreation, Parks and Indoor Recreation Programs (Child/Youth)	1,300,656	13.22
Recreation, Parks and Indoor Recreation Programs (Adult/Older Adult)	1,085,635	11.04
Recreation, Parks and History and Heritage Communications and Information Manag	20	0.00
Recreation, Parks and Public Art	227,753	2.32
Transit Intermunicipal Transit - Peak Service	5,298,277	53.85
Transit Intermunicipal Transit - Midday Service	2,235,210	22.72
Transit Intermunicipal Transit - Evening Service	413,928	4.21
Transit Intermunicipal Transit - Weekend Service	331,142	3.37
Transit Local Transit - Peak Service	5,720,147	58.14
Transit Local Transit - Midday Service	3,336,752	33.92
Transit Local Transit - Evening Service	1,310,867	13.32
Transit Local Transit - Weekend Service	1,549,206	15.75
Transit Mobility Bus - Edmonton/Sherwood Park	586,239	5.96
Transit Mobility Bus - Local	1,524,221	15.49
Transit Mobility Bus - Rural	234,496	2.38
Transit External Public Events Transit	46,970	0.48
Transit Internal Bus Rentals - Charter Transit	40	0.00

Transit	Intermunicipal Transit - Peak Service	5,298,277	53.85
Transit	Intermunicipal Transit - Midday Service	2,235,210	22.72
Transit	Intermunicipal Transit - Evening Service	413,928	4.21
Transit	Intermunicipal Transit - Weekend Service	331,142	3.37
Transit	Local Transit - Peak Service	5,720,147	58.14
Transit	Local Transit - Midday Service	3,336,752	33.92
Transit	Local Transit - Evening Service	1,310,867	13.32
Transit	Local Transit - Weekend Service	1,549,206	15.75
Transit	Mobility Bus - Edmonton/Sherwood Park	586,239	5.96
Transit	Mobility Bus - Local	1,524,221	15.49
Transit	Mobility Bus - Rural	234,498	2.38
Transit	External Public Events Transit	46,970	0.48
Transit	Internal Bus Rentals - Charter Transit	40	0.00
Transportation and Agr	Agriculture Development and Strategic Planning	925,417	9.41
Transportation and Agr	Road Maintenance - Urban	10,882,285	110.81
Transportation and Agr	Road Maintenance - Rural	16,774,329	170.50
Transportation and Agr	Trail Maintenance	4,127	0.04
Transportation and Agr	Railway Crossing Maintenance	319,989	3.25
Transportation and Agr	Snow Removal/Ice Control - Trails	105,000	1.07
Transportation and Agr	Sidewalk and Curb Repair	572,110	5.82
Transportation and Agr	Snow Removal/Ice Control - Urban Roads	5,613,643	57.06
Transportation and Agr	Rural Outreach and Support	1,341,202	13.63
Transportation and Agr	Right-of-Way Management - Urban	60	0.00
Transportation and Agr	Traffic Operations/Management	569,355	5.79
Transportation and Agr	Snow Removal/Ice Control - Residential	1,766,193	17.95
Transportation and Agr	Snow Removal/Ice Control - Rural Roads	1,529,345	15.55
Transportation and Agr	Drainage and Ditches	838,788	8.53
Transportation and Agr	Vegetation Control	736,776	7.49
Transportation and Agr	Pest Control	360,642	3.67
Transportation and Agr	Right-of-Way Management - Rural	60	0.00
Transportation and Agr	Sign Installation and Maintenance - Urban	336,404	3.42
Transportation and Agr	Sign Installation and Maintenance - Rural	111,591	1.13
Transportation and Agr	Asset Management - Urban	119,614	1.22
Transportation and Agr	Weed Inspection and Enforcement	736,776	7.49
Transportation and Agr	Airport Management	156,699	1.59
Transportation and Agr	Streetlight Maintenance	2,307,828	23.46
Transportation and Agr	Soil and Water Conservation	81,898	0.83
Transportation and Agr	Asset Management - Rural	119,034	1.21
Transportation and Agr	Street Sweeping - Urban	1,167,664	11.87
Transportation and Agr	Street Sweeping - Rural	205,058	2.08
Transportation and Agr	Parking Lot Maintenance	573,948	5.83
Transportation and Agr	Airport Maintenance	156,699	1.59
Transportation Planning	Capital Road Construction Project Management	932,259	9.48
Transportation Planning	Outdoor Open Space Construction Project Management	543,924	5.53
Transportation Planning	Traffic Engineering	1,284,061	13.05
Transportation Planning	Traffic Safety Education and Outreach	1,281,788	13.03
Transportation Planning	Transportation Capital Planning	378,509	3.85
Transportation Planning	Strathcona County and Region Transportation Planning and C	633,603	6.44
Transportation Planning	Transportation Modeling	367,212	3.73
Transportation Planning	Design Services	796,134	8.09
Transportation Planning	Survey Services	644,553	6.55
Utilities	Infrastructure Planning	614,820	6.25
Utilities	Green Routine Residential Waste Collection Services	5,210,147	52.96
Utilities	Utilities Asset Management	322,529	3.28
Utilities	Source Control Program	1,914,817	19.46
Utilities	Water Sampling	2,773,063	28.19
Utilities	Lift Station Inspection, Maintenance and Cleaning	1,914,817	19.46
Utilities	Wastewater Infrastructure Repairs	5,361,488	54.50
Utilities	Mainline Flushing	3,063,707	31.14
Utilities	Capital Projects Construction	322,529	3.28
Utilities	Operations Contracted Services for the Alberta Capital Region	765,927	7.79
Utilities	Stormwater Infrastructure Repairs and Inspections	1,293,576	13.15
Utilities	Lagoon Inspection and Maintenance	1,148,890	11.68
Utilities	Catch Basin Cleaning	843,507	8.57
Utilities	Water Valve Turning	1,400,280	14.23
Utilities	Water Infrastructure Repairs	7,166,035	72.84
Utilities	Pumphouse and Reservoir Inspection, Maintenance and Clea	4,667,533	47.44
Utilities	Stormwater Management Facility Inspections	843,507	8.57
Utilities	Truck Fill Inspection and Maintenance	623,253	6.34
Utilities	Hydrant Spring/Fall Inspections	2,773,063	28.19
Utilities	Household Hazardous Waste Drop-off	1,665,409	16.93
Utilities	Utility Locates	2,223,942	22.61
Utilities	Camera Inspections of Utility Infrastructure	2,106,299	21.41
Utilities	Unidirectional Flushing Program	1,125,699	11.44
Utilities	Heating Services	914,445	9.29
Utilities	Sewer Back Up Response	1,531,854	15.57
Utilities	Recycling Drop-off	757,566	7.70
Utilities	Meter Installation	3,047,624	30.98
Utilities	Contracted Services for External Parties	494,209	5.02
Utilities	Residential Events	1,206,626	12.26
Utilities	Service Lateral Preventative Maintenance Program	1,340,372	13.62
Utilities	Billing Services	1,161,393	11.81

Fort Saskatchewan			Cost /
Department/Area	Program and Service Review Program	Total Cost	Capita
Corporate Communication	Advertising and Marketing	268,731	10.21
Corporate Communication	Communication Services	187,051	7.10
Corporate Communication	Communications Planning and Consulting	88,856	3.37
Corporate Communication	Production and Creative Services	195,151	7.41
Corporate Communication	Stakeholder Relations	23,514	0.89
Culture Services	Art Galleries and Public Art Program	66,507	2.53
Culture Services	Community Events (City Led)	181,507	6.89
Culture Services	Community Events (City Partner)	48,695	1.85
Culture Services	Community Events (Permitting)	47,937	1.82
Culture Services	Culture Programming	52,281	1.99
Culture Services	Fort Heritage Precinct Artifacts and Archives	109,484	4.16
Culture Services	Fort Heritage Precinct Public and School Programs	254,151	9.65
Culture Services	Heritage Building Preservation	29,150	1.11
Culture Services	Sheep Grazing Program	33,696	1.28
Culture Services	Theatre and Performing Arts Centre - Rental	312,160	11.86
Culture Services	Theatre and Performing Arts Centre Series	449,577	17.08
Culture Services	Ticketing Services Coordination	49,887	1.89
Culture Services	Tourism Advertising, Education and Visitor Information	124,489	4.73
Culture Services	Volunteer Management	82,438	3.13
Economic Development	Business Attraction	203,291	7.72
Economic Development	Business Licensing and Economic Data Management	100,190	3.81
Economic Development	Business Retention	188,862	7.17
Economic Development	Downtown Enhancement	66,604	2.53
Economic Development	Land/Lease Management	37,120	1.41
Economic Development	Regional Economic Initiatives Support	253,032	9.61
Elected Officials	Council Boards/Committees Governance/Decision Making	100,753	3.83
Elected Officials	Council Community Outreach/Constituent Services	94,961	3.61
Elected Officials	Council Governance/Decision Making	221,245	8.40
Elected Officials	Council Intergovernmental Advocacy	77,080	2.93
Family & Community Sup	Community Development, Planning, Engagement and Support	173,041	6.57
Family & Community Sup	Community Events	36,930	1.40
Family & Community Sup	Counselling Services	122,316	4.65
Family & Community Sup	Educational Workshops, Support Groups, Information Sessions	56,442	2.14
Family & Community Sup	Family School Liaison (FSL) Program	204,542	7.77
Family & Community Sup	FCSS Grants to Non-Profit Organizations	90,271	3.43
Family & Community Sup	Home Support	260,564	9.90
Family & Community Sup	Information and Referral	121,024	4.60
Family & Community Sup	Municipal Grants to Non-Profit Organizations	156,223	5.93
Family & Community Sup	Seniors Support Programs	68,208	2.59
Family & Community Sup	Volunteer Engagement	24,179	0.92
Family & Community Sup	Youth Support Programs	76,935	2.92
Financial Services	Accounting Services and Treasury Management	455,139	17.29
Financial Services	Accounts Payable	162,374	6.17
Financial Services	Accounts Receivable	261,989	9.95
Financial Services	Capital Budget and 10 Year Capital Plan	5,974,007	226.91
Financial Services	Financial Accounting, Reporting, Compliance and Controls	244,033	9.27
Financial Services	Operating Budget and 3 Year Financial Planning Operating Forecast	211,835	8.05
Financial Services	Property Assessment and Assessment Roll Changes	380,891	14.47
Financial Services	Property Tax Rates, Annual and Supplementary Property Taxes, Tax	92,828	3.53
Financial Services	Tangible Capital Asset Management	95,914	3.64
Financial Services	Utility Billing Services	585,886	22.25
Fire Services	Fire Code Enforcement	128,815	4.89
Fire Services	Fire Suppression	1,067,340	40.54
Fire Services	Hazardous Materials	575,426	21.86
Fire Services	Incident Prevention/Mitigation	284,274	10.80
Fire Services	Medical First Response	760,118	28.87
Fire Services	Mutual Aid Partnerships	62,417	2.37
Fire Services	Radio Network	74,332	2.82
Fire Services	Rescue	736,355	27.97

Fiscal Services	City Memberships	79,680	3.03
Fiscal Services	Internal Allocations (Fixed)	258,200	9.81
Fiscal Services	Library Grant	1,222,000	46.41
Fiscal Services	Office Supply and Furnishings Management	326,728	12.41
Fiscal Services	Property Tax & Requisition (Fixed)	14,309,622	543.51
Fiscal Services	Reserve Transfers	6,932,928	263.33
Fiscal Services	Utility User Rates (Fixed)	0	0.00
Fleet, Facilities and Engir	Building Maintenance and Operation	2,908,061	110.46
Fleet, Facilities and Engir	Capital Construction, Project Management, Planning, and Engineerin	558,098	21.20
Fleet, Facilities and Engir	Capital Procurement	216,614	8.23
Fleet, Facilities and Engir	Custodial Services	706,884	26.85
Fleet, Facilities and Engir	Development Engineering	190,506	7.24
Fleet, Facilities and Engir	Facility Life Cycle	989,506	37.58
Fleet, Facilities and Engir	Fleet and Equipment Planned/Preventative Maintenance	699,449	26.57
Fleet, Facilities and Engir	Fleet and Equipment Repairs	332,317	12.62
Fleet, Facilities and Engir	Interdepartmental Engineering Support	53,241	2.02
Fleet, Facilities and Engir	Lot Grading Program	14,496	0.55
Fleet, Facilities and Engir	Service Inspections	36,106	1.37
Fleet, Facilities and Engir	Traffic Safety	47,087	1.79
Information Technology	Corporate Application Support	668,336	25.39
Information Technology	Geographical Information Systems (GIS)	177,217	6.73
Information Technology	IT Consulting, Collaboration and Project Management ,Ai Internal De	290,882	11.05
Information Technology	IT Security and Data Management	181,459	6.89
Information Technology	Network Infrastructure	351,317	13.34
Information Technology	Technology Governance	58,824	2.23
Information Technology	User Systems Support	341,836	12.98
Legislative Services	Assessment Review Board	8,016	0.30
Legislative Services	Bylaw and Policy Development and Management	81,824	3.11
Legislative Services	Census	54,087	2.05
Legislative Services	Contract and Agreement Administration	117,592	4.47
Legislative Services	Council and Council Meeting Support	150,580	5.72
Legislative Services	Elections	-3,323	-0.13
Legislative Services	Freedom of Information and Protection of Privacy (FOIP)	23,116	0.88
Legislative Services	Insurance Administration and Risk Management	806,385	30.63
Legislative Services	Legislative and Legal Support	167,296	6.35
Legislative Services	Records Management	94,739	3.60
Legislative Services	Subdivision and Development Appeals Board	24,254	0.92
People Services	Classification and Compensation	189,528	7.20
People Services	Corporate Wide Training and Development	145,142	5.51
People Services	Health and Safety	307,709	11.69
People Services	Labour Relations	152,242	5.78
People Services	Payroll and Benefits Administration	535,809	20.35
People Services	Recruitment and Orientation	209,567	7.96
Planning and Developer	Building, Electrical, Plumbing and Gas Permit Review	162,447	6.17
Planning and Developer	Compliance Letters and File Searches	117,261	4.45
Planning and Developer	Development Agreements	47,705	1.81
Planning and Developer	Development Permit Review and Issuance	296,702	11.27
Planning and Developer	Encroachment Agreements	60,225	2.29
Planning and Developer	Joint Land Use Planning Agreement	75,533	2.87
Planning and Developer	Land Use Bylaw	185,469	7.04
Planning and Developer	Land Use Bylaw Enforcement	144,591	5.40
Planning and Developer	Municipal Development Plan	178,673	6.79
Planning and Developer	Regional Planning and Intermunicipal Collaboration	121,784	4.63
Planning and Developer	Safety Code Compliance	140,882	5.35
Planning and Developer	Safety Codes Inspections	145,741	5.54
Planning and Developer	Statutory Plan Development	145,671	5.53
Planning and Developer	Subdivision Application Review	127,534	4.84
Protective Services	Analysis	155,875	5.92
Protective Services	Animal Control	365,050	13.87
Protective Services	Automated Traffic Enforcement	172,255	6.54
Protective Services	Call Evaluation and Dispatch	646,249	24.55
Protective Services	Commercial Vehicle Safety Compliance	55,523	2.11
Protective Services	Community Policing/Domestic Violence (CPDV)	227,351	8.64
Protective Services	Conventional Traffic Enforcement	347,879	13.21
Protective Services	Court Liaison	295,937	11.24
Protective Services	Criminal Code Traffic Enforcement	243,151	9.24
Protective Services	Emergency Management and Preparation	269,662	10.24
Protective Services	Front Counter Services	278,315	10.57
Protective Services	General Duty Response to Calls & Criminal Investigations	2,259,773	85.83
Protective Services	General Investigations Section (GIS)	452,199	17.18
Protective Services	Information Management and Exhibit Custodian	109,163	4.15
Protective Services	Municipal Bylaw Enforcement	652,822	24.80
Protective Services	Policing Committee	19,767	0.75
Protective Services	Provincial Statute Enforcement	247,886	9.42
Protective Services	Public Relations and Education	68,833	2.61
Protective Services	School Resource Officer Program (SRO)	227,351	8.64
Protective Services	Special Event Crowd/Traffic Control	44,894	1.71
Protective Services	Traffic/Crime Reduction Unit (T/CRU)	495,410	18.82
Protective Services	Victim Services	227,211	8.63

Public Works	Cemetery Operations	87,242	3.31
Public Works	Commuter Transit Service	736,279	27.97
Public Works	Events and Festivals	135,053	5.13
Public Works	Litter and Garbage Control	164,789	6.26
Public Works	Local Transit Service	767,079	29.14
Public Works	Open Space Turf Maintenance	712,380	27.06
Public Works	Playgrounds and Outdoor Venue Maintenance	453,072	17.21
Public Works	Road and Bridge Maintenance	1,183,708	44.96
Public Works	Snow Clearing and Ice Control	732,243	27.81
Public Works	Storm Water Drainage and Ditches	383,071	14.55
Public Works	Traffic Control and Lighting	1,448,283	55.01
Public Works	Trails, Pathways and Sidewalk Clearing & Maintenance	536,081	20.36
Public Works	Tree and Shrub Maintenance and Horticulture	787,393	29.91
Senior Leadership	Community and Stakeholder Relations	119,900	4.55
Senior Leadership	Council Support/Advice	313,537	11.91
Senior Leadership	Divisional Organization Oversight/Leadership - General Managers	481,955	18.31
Senior Leadership	Intergovernmental Relations and Advocacy	162,093	6.16
Senior Leadership	Internal City Committee Management	69,073	2.62
Senior Leadership	Organization Oversight/Leadership - City Manager	194,437	7.39
Senior Leadership	Program and Service Review Program	108,023	4.10
Senior Leadership	Project Management and Project Sponsorship	71,118	2.70
Senior Leadership	Strategic, Corporate and Business Planning	94,777	3.60
Utilities	Bulk Water Station	288,535	10.96
Utilities	Curbside Waste Collection & Disposal (Residential)	1,840,711	69.91
Utilities	Household Hazardous Waste Drop-Off & Disposal	188,768	7.17
Utilities	Multi-Unit Collection & Disposal	309,089	11.74
Utilities	Sanitary Sewer Collection	606,175	23.02
Utilities	Sanitary Sewer Services Maintenance (Sewer Root Program)	121,321	4.61
Utilities	Sanitary Sewer Transmission and Treatment	4,654,242	176.78
Utilities	Transfer Station Drop-Off & Disposal	480,114	18.24
Utilities	Waste Collection Events	89,856	3.41
Utilities	Waste Infrastructure Lifecycle	24,515	0.93
Utilities	Water and Sanitary Sewer Infrastructure Lifecycle	73,263	2.78
Utilities	Water Distribution	630,945	23.96
Utilities	Water Hydrant Maintenance	183,017	6.95
Utilities	Water Meter Reading and Meter Maintenance	331,427	12.59
Utilities	Water Treatment and Supply	4,094,494	155.52
Utilities	Yard Waste Drop-Off & Processing	83,699	3.18
Recreation Services	Aquatics - Programs	647,666	24.60
Recreation Services	Aquatics - Rentals	497,176	18.88
Recreation Services	Aquatics - Spontaneous Use	624,878	23.73
Recreation Services	Child Minding Services	281,019	10.67
Recreation Services	Fitness Centre	449,241	17.06
Recreation Services	Grant Funding	28,573	1.09
Recreation Services	Gymnasium and Flex Hall Programs	285,230	10.83
Recreation Services	Gymnasium and Flex Hall Rentals	201,390	7.65
Recreation Services	Gymnasium and Flex Hall Spontaneous Use	203,540	7.73
Recreation Services	Indoor Ice Dry Surface Rentals	131,689	5.00
Recreation Services	Indoor Ice Rental	946,554	35.95
Recreation Services	Indoor Ice Spontaneous Use	261,138	9.92
Recreation Services	Indoor Soccer/Sports Field Programs	212,786	8.08
Recreation Services	Indoor Soccer/Sports Field Rental	201,023	7.64
Recreation Services	Indoor Soccer/Sports Field Spontaneous Use	174,503	6.63
Recreation Services	Leasing, Sponsorship and Advertising	79,983	3.04
Recreation Services	Meeting and Banquet Spaces (External & Internal) Rentals	543,276	20.63
Recreation Services	Outdoor Artificial Turf Sports Field Rentals	248,241	9.43
Recreation Services	Recreation and Program Accessibility - Everybody Plays/Accessibility	103,706	3.94
Recreation Services	Recreation Community Support	135,958	5.16
Recreation Services	Recreation Planning	148,874	5.65
Recreation Services	Summer Camp Programs - Registered General	137,907	5.24
Recreation Services	Summer Camp Programs - Registered Sport	7,393	0.28
Recreation Services	Wellness/Fitness Programs Registered	267,346	10.15
Recreation Services	Wellness/Fitness Programs Spontaneous Use	218,990	8.32

Appendix 4 – Sample Governance Charter



Governance Charter -Draft

Version x.x

November 20, 201X

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1 Document Tracking

1.1 Document Approval

Role	Name	Signature	Date

1.2 Revision History

Version Number	Revision Date	Author	Reason for Changes
1.0			
2.0			

2 Introduction

<A brief Introduction as to why this governance is being put into place and what it hopes to accomplish>

3 Glossary

Term	Definition

4 Purpose and Principles

4.1 Business Scope

<Governance is required for this initiative in order to help the business accomplish what goals>

4.2 Principles

<The following are several overall Principles that will drive behaviors>

4.3 Purpose of Governance

<insert text>

4.4 Governance Principles

<A brief description about membership and how the governance will be managed>

5 Governance

5.1 Organization Structure

The following diagram shows the main governance entities and their relationships.

<insert diagram>

5.2 Governance Entities

<Describe in detail all the levels of the structure>

5.2.1 Top Level

5.2.2 Executive Governance Committee

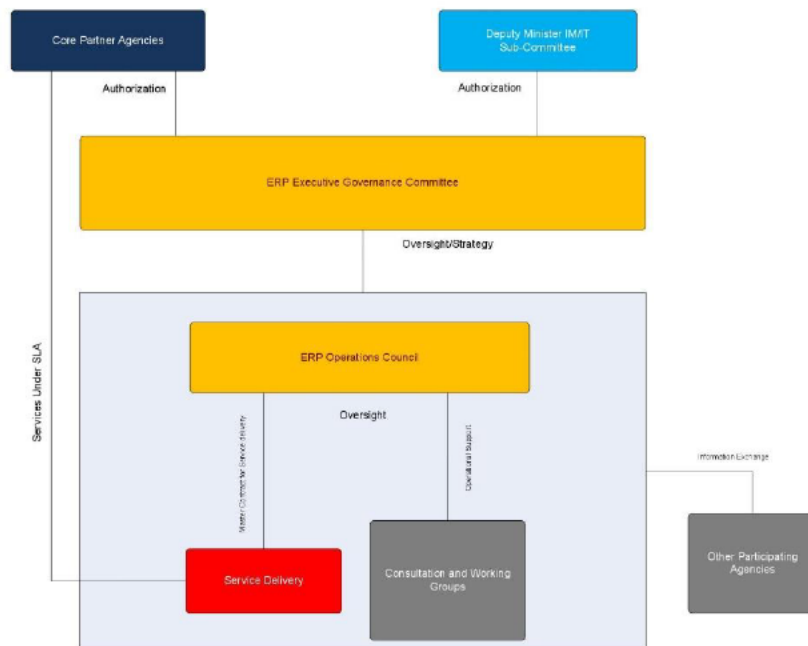
5.2.3 Operations Council

5.2.4 Other Operational Entities

5.3 Relationships and Authority

<Describe the governance relationships and how decisions are made. Here is a Sample from an ERP Governance>

Relationships and Authority



- 1 The authority for governance shall be provided to the Executive Governance Committee through the members of the DM IM/IT committee as Agents for the ERP Stakeholders.
 - a. The delegated authority will incorporate the purposes, participation, principles and structures defined in this Charter.
 - b. The authorizing instrument(s) shall be determined by DM IM/IT committee
- 2 The linkage between ERP governance and the Deputy Ministers Committee shall be through the Chair of the DM IM/IT committee.
 - a. ERP Executive Governance Committee shall be linked (responsible) to the Minister of Service Alberta and have the mandate to provide oversight of and leadership to corporate ERP Planning and Strategy.
- 3 The ERP Executive Governance Committee has authority to make policies and set standards for the operations of ERP across the Government of Alberta.
 - a. Governance Endorsement - This charter shall be authorized by the DM IM/IT Committee in accordance with its operating charter.
- 4 Internal Governance Authorization
 - a. The ERP Operations Council performs its duties under the authority and oversight of the ERP Executive Governance Committee.
 - b. ERP Executive Governance Committee and ERP Operating Council may from time to time, implement sub-committees and/or working groups, as they deem necessary to perform activates related to plan development, ERP project implementation, monitoring and quality assurance, or other working committees as deemed necessary to achieve the objectives of Governance.
 - i. This charter will authorize, at a minimum, the establishment of the Engagement consultation approaches set out in the "Structure" section of the charter.
 - ii. The ERP Executive Governance Committee may delegate duties, powers or responsibilities to any working groups, subject to proper oversight, except for the items listed in the Responsibilities section of this Charter.
 - iii. The ERP Operating Council may delegate duties, powers or responsibilities to any working groups, subject to proper oversight, except for the items listed in the Responsibilities section of this Charter.

- 5 Working groups (comprised of ERP Operations Council members and/or others, at council discretion) shall operate with an established terms of reference.
- 6 The ERP Executive Governance Committee shall have ultimate authority over the creation and dissolution of the working groups created by the other governance entities. It shall approve the Terms of Reference of the sub-committees and working groups.

5.4 Responsibilities

<Describe in the following section the proposed responsibilities for each of the governance committee members>

5.5 Governance User Representation

<Describe who is going to represent each area. Could be the roles, not necessarily actual names>

6 Governance Model

6.1 Consensus Principle

6.2 Dispute Resolution

Appendix 5 – End Notes

-
- ⁱ Houwelingen, P.V. 2017. "Political participation and municipal population size: a meta-study". *Local Government Studies*, Vol. 43, No. 3, 408-428.
- ⁱⁱ Boyd, Donald. 2008. "Layering of Local Governments and City-County Mergers: A Report to the New York State Commission on Local Government Efficiency and Competitiveness".
- ⁱⁱⁱ Spicer, Zachary. 2015. "Cooperation and Capacity: Inter-Municipal Agreements in Canada." *IMFG Papers on Municipal Finance and Governance*
- ^{iv} Feiorck, R. 2007. Rational Choice and Regional Governance. *Journal of Urban Affairs*, Volume 29, Number 1, pages 47 – 63
- ^v Walker, David B. 1987. "Snow White and the 17 Dwarfs" From Metro Cooperation to Governance." *National Civic Review* 76, 14-28.



Phase 3: Finance and Taxes

Final Phase Report

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September 16, 2019



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PHASE 3: SEPTEMBER 16TH IMRC UPDATE

This report highlights updated figures and content based on feedback from the August IMRC meeting. The updates include an update to Fort Saskatchewan's baseline growth projections, updated tables and figures for easier interpretation, as well as a change in how mill rate changes are presented. This material is intended to sit in a draft finalized form, and will be updated, or added to, if the IMRC Committee wants to conduct additional financial modeling in the future.

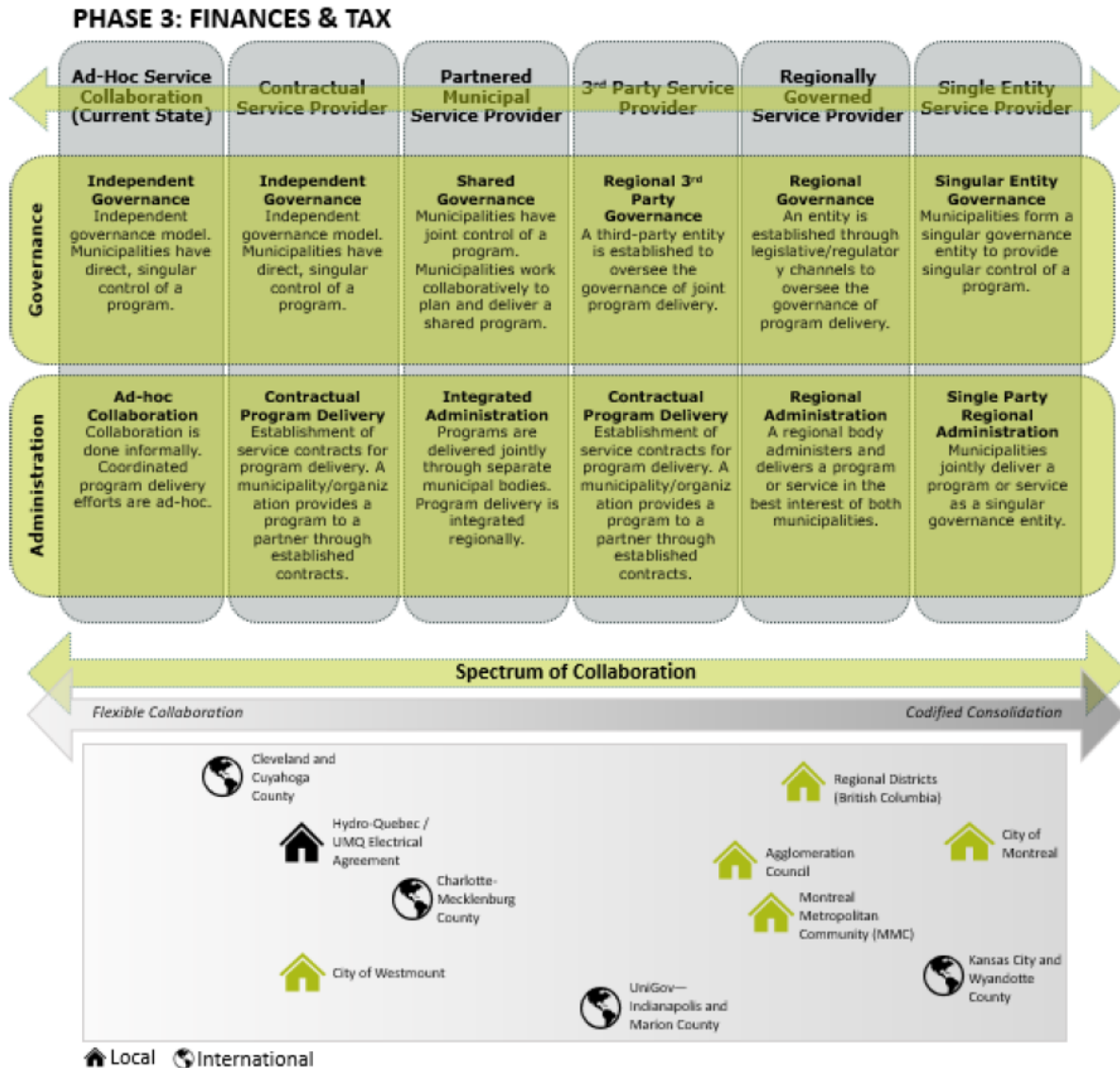
The Collaboration Framework: Finances and Tax

As a reminder, the Collaboration Framework introduced in previous phases comprises six service delivery models that include considerations for the method of governance and the method of administration that would be employed in each scenario.

- **Governance** considers where regulation and policy are set in the model. This includes who "owns" the decision making for the service and the degree of independence each municipality has in providing a service. It also considers where taxation and financial decision making occurs.
- **Administration** includes all "operational" components of delivering services or programs. This component also includes how collaboration works between municipal partners.

Figure 1 below maps additional research completed over the course of Phase 3 along the spectrum of collaboration. The following pages present the selected findings (in green) showcasing how the various research examples handle finance and taxation.

FIGURE 1 - SPECTRUM OF COLLABORATION



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The City of Montreal, The Agglomeration Council and the Montreal Metropolitan Community

History

- In 2000 there were more than 1,300 municipalities in Quebec—Quebec White Paper on Municipal Reform discussed **concerns of municipal fragmentation**: small size of municipalities imposed severe limits on capacity to address issues beyond their borders (the lack of a global vision), unproductive and unequal competition, multiplication of structures (additional costs), and fiscal disparities¹.
- Led to a wave of municipal reforms:
 - In 2002, the Parti-Quebecois forced the amalgamation of 28 independent municipalities (the Island of Montreal) into one **“megacity” of 1.8 million inhabitants**² (the City of Montreal or the Agglomeration).
 - Prior to the creation of the megacity the provincial government did not attempt to build up consensus with local mayors³.
 - Governance changes included a new territorial-management structure through **the creation of 27 boroughs** with legal authority over:
 - Urban planning
 - Fire prevention
 - Waste removal
 - Culture
 - Recreation
 - Social and economic development
 - Borough parks
 - Local roadwork
 - Condominium bylaws
 - **The boroughs have no taxation power**—their budget comes from City Council’s grants (administrative and consultative rather than decision-makers)
 - 2002, Bill 134: creation of the **Montreal Metropolitan Community (MMC)**—covers the census metropolitan region (as defined by Statistics Canada) including 3.4 million inhabitants. A strategic **supramunicipal tier of government dedicated to regional coordination and planning**
 - Includes 82 municipalities and the 14 agglomerated municipalities⁴
 - Jurisdiction is made up of 4,360 kilometres squared area, **51 percent of which is rural farmland**
- The most compelling criticism of this municipal reform was that it effectively involved the creation of a **three-tiered system of local government**⁶: the megacity, the boroughs and the MMC.
- In a 2004 referendum, under a new provincial government, 16 of the previously amalgamated municipalities voted to “de-merge” from the Agglomeration of Montreal; the de-merger came into effect in 2006.
 - Following the de-mergers the population of the City of Montreal dropped from 1.8 million to 1.6 million.
 - Certain shared services with the Agglomeration of Montreal remained following the “demerging”, including police and fire department, water and infrastructure work, and public transit services, as well as their membership to the Montreal Metropolitan Community (MMC)⁷

¹ Hamel, P. and Rousseau J. “Revisiting Municipal Reforms in Quebec and the New Responsibilities of Local Actors in a Globalizing World” in *Canada: The State of the Federation 2004 Municipal-Federal-Provincial Relations in Canada*, ed. Robert young and Christian Leuprecht (Queen’s University: McGill-Queen’s University Press), 148.

² Smith, D. *Inter-municipal collaboration through forced amalgamation*. (2007). NPC Project Workshop.

³ Hamel, P. and Rousseau J, 150.

⁴ Following the legislated amalgamations in 2002, 22 of the previously independent municipalities within the MMC held referendums which resulted in 14 independent, “de-merged” municipalities. These municipalities sit on the Agglomeration Council with leadership from the Agglomeration of Montreal, which was established to continue a collaborative governance model between the de-merged municipalities and the MMC. This Council was particularly needed due to the shared services (fire, police) that remained post de-amalgamation.

⁵ Metropolitan Economic Development Plan 2015 – 2020. (2015). Communauté métropolitaine de Montréal.

⁶ Sancton, Andrew. “Why Municipal Amalgamations? Halifax, Toronto, Montreal” in *Canada: The State of the Federation 2004 Municipal-Federal-Provincial Relations in Canada*, ed. Robert young and Christian Leuprecht (Queen’s University: McGill-Queen’s University Press).

⁷ Sargeant, T. *Demerged suburban cities cry foul over Montreal agglomeration payments* (2019). Global News.

Figures 1 and 2 on the following page provide a geographical overview of the separate entities.

FIGURE 2 - BOUNDARIES OF THE AGGLOMERATION OF MONTRÉAL & DE-MERGED CITIES⁸⁹¹⁰

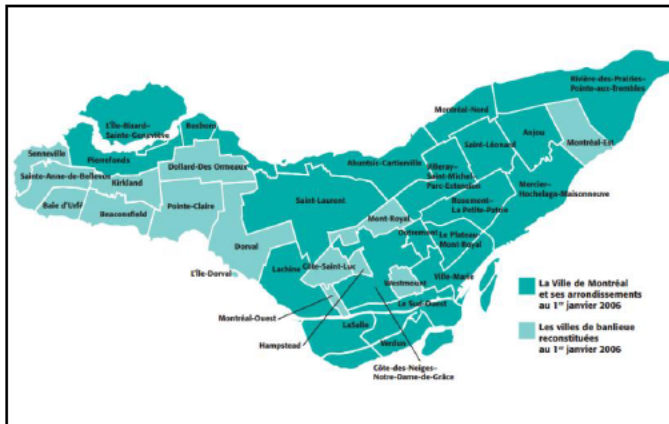


FIGURE 1 - BOUNDARIES OF THE MMC

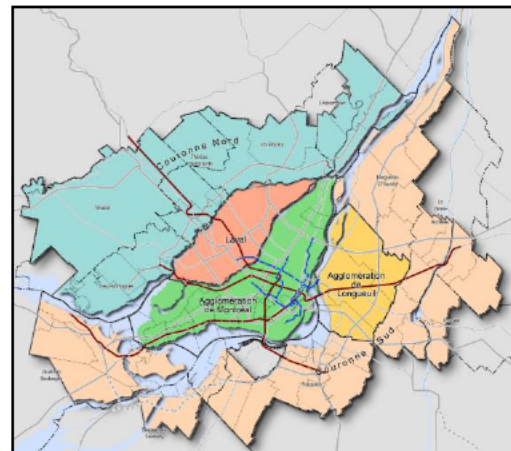


TABLE 2 - DIVISION OF SERVICES IN GREATER MONTREAL

Municipal Body	Authority	Taxation Base
Montreal Metropolitan Community	<ul style="list-style-type: none"> Economic development Social housing Land use and development planning Infrastructure services (as they relate to the region) Public transportation Metropolitan arterial road network Waste management Air and water purification 	<ul style="list-style-type: none"> Agglomeration of Montreal De-Merged Cities Other regional municipalities and agglomerations <p><i>Total municipalities included in tax base: 82</i></p>
Agglomeration Council	<ul style="list-style-type: none"> Police, fire, and public safety First responder services Municipal court Social housing Waste disposal and solid waste management Public transit Water supply Industrial parks 	<ul style="list-style-type: none"> Boroughs of Montreal De-Merged Cities <p><i>Total municipalities included in tax base: 22</i></p>
De-Merged Cities / Boroughs (Agglomerated Cities)	<ul style="list-style-type: none"> Environment Recreational activities and facilities Roads and maintenance Safety and security Taxation Claims Property assessment Corporate Services Urban Planning Water and Hydro Public Works (including solid waste)¹¹ 	<ul style="list-style-type: none"> De-merged cities: local residents Boroughs: None (budgets come from City of Montreal grants)¹² <p><i>Total municipalities included in tax base: 1</i></p>

⁸ 2019 Tax Rates (in \$ per \$100 of assessed value) (2019). City of Montreal.

⁹ Ville de Montréal Consolidated Financial Statements (2016). City of Montreal.

¹⁰ Sargeant, T. *Demerged suburban cities cry foul over Montreal agglomeration payments* (2019). Global News.

¹¹ *City of Westmount – Department directory* (n.d.). City of / Ville de Westmount. Accessed July 23, 2019.

¹² Hamel, P. and Rousseau, J, 150.

- The De-Merged Cities pay a portion of their tax revenue toward services shared with the Agglomeration of Montreal; this rate is determined by the Agglomeration Council, the inter-municipal regional governance body between the Agglomeration of Montreal and the De-Merged Cities.
 - The Agglomeration Council seats representatives of **the Agglomeration of Montreal (87% vote)** and from the **De-Merged Cities (13% vote)**¹³
 - **Payments from the municipalities** to the Agglomeration of Montreal **typically make up approximately half of municipal tax revenue for the De-Merged Cities(2019):**
 - Pointe-Claire: 51 percent
 - Mont-Royal: 52 percent
 - Westmount: 53 percent
 - Sennerville: 55 percent
 - Dorval: 56 percent
 - Bair-D'Urfe: 60 percent¹⁴
 - There is discontent between the level / quantity of services provided by the Agglomeration of Montreal for the above rates, particularly given the De-Merged Cities' non-majority voting position on the Agglomeration Council.¹⁵
 - In recent years it was discovered that the calculations used to prescribe the amount of tax owing to the Agglomeration was flawed resulting in overpayment—as a result an Agglomeration Credit was applied to municipalities.

KEY TAKEAWAYS:

- The City of Montreal, the later Agglomeration Council and the MMC were created in an attempt to address concerns around municipal fragmentation.
- The Agglomeration specifically was touted as a way to equalize benefits and taxes across the new city.
- The changes undertaken were highly political in nature and were enacted without the buy-in of local municipalities—with certain governance changes later being undone when a change in provincial government allowed demergers to take place.
- The de-merged cities regained the undisputed authority to tax their property-owners to pay for local services at their chosen tax rate; however, they have little say in spending decisions of the Agglomeration.

¹³ Smith, D. *Inter-municipal collaboration through forced amalgamation*. (2007). NPC Project Workshop.

¹⁴ Sargeant, T. *Demerged suburban cities cry foul over Montreal agglomeration payments* (2019). Global News.

¹⁵ Ibid.

Regional Districts of British Columbia

- The Regional Districts of British Columbia (BC) are part of a unique system of municipal planning that BC has deployed with success in their province. Each Regional District comprises several Local Authorities (LAs) including:
 - Municipalities
 - Electoral areas
 - First Nations communities
- Through the cooperation of these LAs, the Regional Districts are tasked with delivering services for the district.
- Regional Districts came into being in 1965 during the period of rapid expansion in Post-War BC.
 - Due to the nature of BC's landscape, province-wide service delivery proved very difficult in the face of spread out municipalities separated by mountains, and an overall lack of citizen access to critical services like Fire Protection and potable water prompted a radical change.
 - **Regional Districts were created to encourage effective and affordable service delivery on a local level designed to cater to what the individual LAs need.**

Service Delivery

- Services can be broken down into three services levels as listed in table 3 below:

TABLE 3 - SERVICE DELIVERY LEVELS IN REGIONAL DISTRICT

Service Levels	Description	Sample Services
Regional Services	Regional Services are delivered to every LA in the Regional District, and so every LA in the Regional District pays into these services.	<ul style="list-style-type: none"> • General government • Sewage treatment and disposal • Regional parks • Water supply • Regional planning • Solid waste management • Emergency 9-1-1 system
Inter-Municipal Services [supplied to two or more members within the region]	<p>Inter-Municipal Services are delivered to specific service areas within the Regional District, which can have whatever borders are decided upon in the establishing bylaw (every service in BC has its corresponding Bylaw).</p> <p>This service area can contain as many LAs as there are interested parties.</p>	<ul style="list-style-type: none"> • Recreation • Parks
Local Services [provided to rural areas of the regional district]	<p>Local Services are delivered to the rural regions of the Regional District (any LA that does not have a local government of its own).</p> <p>The Regional District acts as a local government for these un-incorporated LAs and provides small services like street lighting and house numbering, that other LAs would not need or pay into.</p>	<ul style="list-style-type: none"> • Community planning and land use regulation • Building inspection • Nuisance regulation • Community parks • Water distribution • Sewage collection • Fire protection • Street lighting • Recreation

Service Establishment

- The scope of service delivery is determined by bylaw, on a service-by-service basis, with no set limit to the amount of services to be delivered.
- Each service delivered by a Regional District is **paid for by the LAs via a requisition**.
- These bylaws specify the maximum amount (of taxes) that will be requisitioned by the Regional District from the member LAs to provide the agreed upon service, as well how the requisition amount will be built; the *Local Government Act [RSBC 2015]* states the following requirements:

“Under the legislation, all regional district service establishing bylaws must:

- *Describe the service: for example, provision of water, regional parks, sewer*
- *Define the service boundaries: for example, which properties are in the service*
- *Identify the participants: for example, which electoral areas or municipalities are included in the service to be delivered*
- *Indicate the method of cost recovery: for example, property value taxes, parcel taxes, fees and other charges*

Most regional district service establishing bylaws must also contain the maximum amount that the regional district may requisition (collect) for the service¹⁶.

- This means that each service varies by LA and can take on whatever qualities the LAs decide at the time of Bylaw creation.

Developing the Requisition

- As the Regional District is not a taxing authority, and thus cannot tax members directly, the Regional Districts take stock of all the services offered to all the LA members and comes up with an amount to requisition from each of them, leaving the taxing to the LAs themselves.
 - The requisition amount is based on the operating and capital costs of the services provided after all additional revenue has been accounted for (eg. user fees, membership fees, etc.)
 - Regional Districts do not calculate mill rates rather, member municipalities pay the determined requisition amount to the Regional District and utilizes their property tax bills and associated mill rates to cover the costs of services.
- The following are the steps the Regional District goes through to determine the requisition:
 - A list of all the services currently being supplied by the Regional District is created
 - For each service, the bylaw is reviewed to determine the cost recovery method and the LAs participating in the same service (the most common cost recovery model is based on relative proportion of assessment value, but as per the *Local Government Act* in BC the method can be anything the participating LAs agree on).
 - Should the method be assessment-based, the values of all the LAs participating in the service are added up into a total and, based on the proportion of the services the individual LAs take up of that assessment value, that same proportion of cost is allocated to the LA; for instance, an LA that takes up 20% of the total assessment value of everyone participating in the service will then pay for 20% of the service they are participating in.

¹⁶ <https://www2.gov.bc.ca/gov/content/governments/local-governments/governance-powers/bylaws/provincial-approval-of-bylaws/regional-district-service-establishing-bylaw-requirements>

- Finally, the requisition amount is determined annually and is based on the approved operating and capital budgets for services provided and utilizes annually updated assessments from the Province of BC.

Tax Allocation and Property Class Structures

- The structure of the tax allocation is decided at a municipal level, but generally it follows a structure set out in BC Reg. 426/2003 where each property class has a ratio comparing it to the tax rate decided on for residential properties (Class 1).
 - For instance, Utilities are taxed at 3.5 times the rate of the residential tax rate. These mill rates vary based on LA and taxing structure, but all follow the formula set out in Table 4 (unless otherwise expressly provided):
 - This schedule can be seen in the breakdown from various municipalities; for example, the mill rates set by the City of Delta in 2018 are in Table 5 below, for the purpose of collecting the requisition amount from its citizens:

TABLE 4 – PROPERTY CLASS TAXING RATIOS

Class of Property	Ratio to Class 1 Rate
1	1.0:1
2	3.5:1
3	1.0:1
4	3.4:1
5	3.4:1
6	2.45:1
7	3.0:1
8	1.0:1
9	1.0:1
[en. B.C. Reg. 336/2008.]	

TABLE 5 - CITY OF DELTA TAX RATES (BYLAW 7771)

Tax Rates (dollars of tax per \$1,000 taxable value) <i>City of Delta Bylaw 7771: Annual Rates (Other) 2018</i>	
Property Class	Metro Vancouver Regional District
Residential	0.0441
Utilities	0.1544
Supportive Housing	0.0441
Major Industry	0.1499
Light Industry*	0.1499
Business and Other*	0.1080
Recreation Property / Non-Profit Organization	0.0441
Farm	0.0441

**Note that the City of Delta imposed a subsequent bylaw (Bylaw 7772: a bylaw to provide the levying of tax rates to for the Tsawwassen Business Improvement Area) that established a flat rate for businesses within the Tsawwassen Business Improvement Area of \$0.4324 per \$1,000 of taxable assessed value.*

COMPARISON OF REGIONAL DISTRICTS

- As service delivery and the associated requisition details are determined on a case by case basis, we will take a closer look at the following regional districts to get a clearer picture:
 - Metro Vancouver
 - Thompson-Nicola
 - East Kootenay
 - Peace River

METRO VANCOUVER REGIONAL DISTRICT

- Metro Vancouver is the most populated Regional District in BC and only three of their LAs would be considered un-incorporated.
 - Because of this, Metro Vancouver nearly exclusively offers regional services only and each LA takes a part in each
- Table 6 outlines every service offered by Metro Vancouver, and a sample of LAs showing which services are received by which LA.

TABLE 6 – SERVICE DELIVERY TO SAMPLE LOCAL AUTHORITIES

METRO VANCOUVER REGIONAL DISTRICT Service Delivery to Sample Local Authorities										
	General Government	Regional Property	Regional Emergency Management	Air Quality	Labour Relations	Regional Parks	Regional Planning	Affordable Housing	E911 Emergency Telephone Services	Electoral & Joint Municipal
Cities:										
Delta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Pitt Meadows	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Vancouver	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Villages:										
Anmore	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
First Nation:										
Tsawwassen First Nation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗

- As can be seen from Table 6, nine of the ten services offered are Regional in Level, with every LA taking part in them. The only difference in service delivery here is in the Village of Anmore, which also pays in Electoral and Joint Municipal Services. This service is one of Local Government delivery, so where the bigger communities have the ability to install their own streetlights, Anmore may not. This ties into Table 7 (below), which outlines the amount requisitioned from each LA outlined in Table 6, as well as the percentage of their total tax amount that goes to the requisition, and the percentage of the total requisition that the LA pays.

TABLE 7 – METRO VANCOUVER REGIONAL DISTRICT TAX REQUISITION SUMMARY TO SAMPLE LOCAL AUTHORITIES

	Population	% of District Population	Total Tax Revenue Collected	Requisition Amount	% Tax Revenue to Regional District Requisition	% of Regional District Requisition Total
Delta	102,238	4.15%	\$231,201,222	\$2,262,854	0.98%	3.82%
Pitt Meadows	18,573	0.75%	\$32,045,662	\$310,943	0.97%	0.53%
Vancouver	631,486	25.63%	\$1,607,873,000	\$21,493,000	1.34%	36.32%
Anmore	2,210	.089%	\$5,144,075	\$280,439	5.45%	.446%
Tsawwassen First Nation	816	.033%	\$9,539,903	\$131,393	1.38%	.209%
Regional District Totals	2,463,431	100%	-	\$59,174,609	-	-

- As can be seen from Table 7 above, each LA pays a similar percentage of their tax base toward the Regional District due to identical service delivery.
 - The notable exception here is Anmore, which pays 5% compared to the others ~1%. This is due to the extra service Anmore receives.
- Table 8 on the following page outlines the relationship between assessment total and requisition total, showcasing the similarity between proportion of total assessment and proportion of requisition paid per sample LA.

TABLE 8 - ASSESSMENT VALUE AND RELATION OF ASSESSMENT VALUE TO REQUISITIONED AMOUNT

CALCULATED ASSESSMENT VALUE OF VARIOUS LOCAL AUTHORITIES Metro Vancouver Regional District			
	(Base for 2019) Revised 2019 Assessments	Percent of Assessment Total	Percent of Requisition Total
Cities:			
Delta	\$5,513,747,675	3.65%	3.82%
Pitt Meadows	\$727,485,288	0.48%	0.53%
Vancouver	\$54,782,405,685	36.23%	36.32%
Villages:			
Anmore	\$163,277,811	0.11%	0.446%
First Nation:			
Tsawwassen First Nation	\$331,099,404	0.22%	0.209%
Regional District Total:			
	\$151,194,424,199	100%	

- As highlighted above, the percentage values of an LAs Assessment value and the Percentage of the total requisition that an LA pays is nearly identical
 - The slight difference comes from budgetary undershoots and overshoots from the previous year, as well as not paying into one offered service that is being paid for by others
- The clear outlier is again Anmore, which can be explained again by the difference in service reception
 - They pay more than their fair share in assessment value simply because they are paying into a service without the other LAs contributing to that same service.
 - If every LA paid into the Electoral and Joint Municipal Service line as well, Anmore would have their proportion of Assessment equal the percent of the total requisition they pay.

THOMPSON-NICOLA REGIONAL DISTRICT

- Thompson-Nicola, in stark contrast to Metro Vancouver, is predominantly rural Regional District. Where Metro Vancouver has one Electoral Area and one First Nations community (with the rest being municipalities), Thompson-Nicola has 10 electoral areas in its borders.
- Thus, it follows that though Thompson-Nicola has regional services which it requires all members to participate in, it also has a wide variety of services that exist solely for the use of small municipal groups, at times with only one LA using a specific service.
- The Regional Services Provided are;
 - Thompson-Nicola Regional District Library System
 - General Government Services
 - Environmental Planning and Zoning
 - Film Commission
 - Fraser Basin
 - Search and Rescue
 - Regional Parks
 - Regional Solid waste management plan

Table 9 below shows examples of varying requisition rates depending on additional services provided.

TABLE 4 - THOMPSON-NICOLA REQUISITION SUMMARY FOR SAMPLE LOCAL AUTHORITIES

THOMPSON-NICOLA REGIONAL DISTRICT Tax Requisition – Summary for Sample Local Authorities								
	Population	% of District Population	Total Tax Revenue Collected	Requisition Amount	% Tax Revenue to Regional District Requisition	% of Regional District Requisition Total	Additional Services Delivered	
Cities:								
Kamloops	90,280	68.05%	\$165,397,000	\$6,393,000	3.87%	26.4%	Mosquito control	Thompson River Watershed Management
Merritt	7,113	5.36%	\$14,935,091	\$1,317,684	8.82%	5.44%	Mosquito control E911	Solid waste management Crime Stoppers Program
Chase	2,286	1.72%	\$3,393,318	\$517,771	15.26%	2.14%	Crime Stoppers Program Mosquito Control Emergency Preparedness Program	Cemeteries Thompson River Watershed Management
Villages:								
Clinton	641	0.48%	\$683,797	\$102,173	14.94%	0.42%	E-911 Solid Waste Management Crime Stoppers Program	Gold Country Communities Grant in aid Cemeteries Emergency Preparedness Program
Electoral Area:								
Electoral Area A	1,493	1.13%		\$1,144,194		4.72%	E-911 Solid Waste Management Noxious Weed Control Building Standard Electoral Area Administration Crime Stoppers Program Emergency Preparedness Program Mosquito Control Area A	Community Parks Television Search and Rescue Grants-in-aid Clearwater & District Highway Rescue Service Dangerous Dog Recreation & Culture Grant-in-aid Cemeteries Economic Development & Tourism Critical Intersections – Street Lighting

- In practice, the more rural a district, the higher the percentage of their tax revenue that goes toward the Regional District.
 - This is generally because the smaller municipalities request more day to day services than the larger municipalities, who generally run the services themselves.
 - For instance, Kamloops has its own local solid waste management program, where both Merritt and the Village of Chase pay the Regional District to provide that management program for them.
 - Due to the much higher assessed value of Kamloops compared to the rest of the Regional District, Kamloops is paying a large portion of the total requisition amount
 - They pay 26.4% of the total requisition amount without partaking in every service. As a result, they pay a much higher percentage of the services they are involved in
- Just like Metro Vancouver, the requisitioned amounts are heavily based on the assessed value of the LA.
- To further highlight how a total requisition amount is broken down by the LA and taxed, table 10 below shows every service that Electoral Area A is involved in and the mill rates that gets applied accordingly.

TABLE 5 - ELECTORAL AREA A TAX REQUISITION BREAKDOWN

Thompson Nicola Regional District 2019 Electoral Area A Tax Requisition Breakdown				
Service	Residential Rates			Budget 2019
	Tax on \$100,000	Cost per \$1,00	Requisition 2019	
Electoral Area “A”				
General Services: (All Participate)				
1. Thompson-Nicola Regional District Library System	\$ 20.96	\$ 0.21	\$ 62,537	\$ 9,049,163
2. General Government Services	6.51	0.07	19,412	3,904,708
3. Environmental Planning and Zoning	9.74	0.1	29,069	1,535,611
4. Film Commission	0.84	0.01	2,503	416,799
5. Fraser Basin	0.08	0.00	236	40,000
6. Search and Rescue – All Members	0.20	0.00	584	156,910
7. Regional Parks	0.07	0.00	203	257,850
8. Regional Solid Waste Management	-	-	-	42,750
	\$38.40	\$0.38	\$114,544	\$15,661,004
Local Services: (Specific Participants)				
Common Services:				
9. E-911	4.46	0.04	13,300	763,519
10. Solid Waste Management	55.93	0.56	166,850	11,463,911
11. Noxious Weed Control	4.68	0.05	13,956	1,046,455
12. Building Standard	6.53	0.07	19,479	1,111,928
13. Electoral Area Administration	12.25	0.12	36,549	7,204,911
14. Crime Stoppers Program	0.18	0.00	543	25,675
15. Emergency Preparedness Program	2.13	0.02	6,356	825,584

Thompson Nicola Regional District
2019 Electoral Area A Tax Requisition Breakdown

Service	Residential Rates			Budget 2019
	Tax on \$100,000	Cost per \$1,00	Requisition 2019	
	\$86.16	\$0.86	\$257,033	\$22,441,983
Electoral Area Services:				
16. Mosquito Control Area A	16.02	0.16	47,799	139,539
17. Community Parks	34.60	0.35	103,208	290,272
18. Television	-	-	-	-
19. Search and Rescue Grants-In-Aid	0.99	0.01	2,960	19,570
20. Clearwater & District Highway Rescue Service	1.51	0.02	4,491	19,395
21. Dangerous Dog	0.71	0.01	2,131	181,919
22. Recreation & Culture Grant-In-Aid (Sction 804(2)(g))	3.78	0.04	11,275	12,875
23. Cemeteries	2.04	0.02	6,077	6,077
24. Economic Development & Tourism	8.73	0.09	26,052	47,028
25. Critical Intersections – Street Lighting	-	-	-	-
	\$68.38	0.68	203,993	\$716,675
Total =	\$192.24	\$1.93	\$575,570	\$38,562,449
Area Services Tax Requisition			\$568,624	
Tax Requisition – General Electoral Area Services & Local Services			\$1,144,194	

- The “cost per \$1000” column is the mill rate dictated by TNRD for each individual service.
 - In this way, the Regional District is charging exclusively on assessment values.
 - By charging based on service, the amount of requisition paid by an LA varies based on services received.
 - Metro Vancouver does a very similar thing, just on a much smaller scale due to universally received services
- In this case, TNRD acts as a local government for the Electoral area, so the amount of services the area pays for and is involved is much greater than that of Kamloops.
 - For instance, while Kamloops runs its own operations, Electoral Area A has no dedicated body with which to install and run street lighting.
 - In this way, the Electoral Area has a local government of its own in the Regional District.

EAST KOOTENAY REGIONAL DISTRICT

- Having looked at Thompson-Nicola and Metro Vancouver, East Kootenay can show the potential for a different form or taxation (though it does not actually utilize it)
- East Kootenay is a smaller Regional District, with a population of only 60,439.
- In this make up is Cranbrook, which is the largest city, but unlike other regional districts where one city takes more than half the population, Cranbrook only makes up a third. This is shown in the % each City pays of the regional district total, which is relatively divided between the three of them.
- Table 11 shows the breakdown of requisition amounts, and shows a unique situation where a town with a smaller population pays more tax requisition due to their assessed value

TABLE 6 - EAST KOOTENAY TAX REQUISITION SUMMARY FOR SAMPLE LOCAL AUTHORITIES

EAST KOOTENAY REGIONAL DISTRICT Tax Requisition – Summary							
	Population	% of District Population	Total Tax Revenue Collected	Requisition Amount	% Tax Revenue to Regional District Requisition	% of Regional District Requisition Total	Sample of Services Delivered
Cities:							
Cranbrook	20,047	33.17%	\$37,435,700	\$2,197,831	5.87%	12.34%	911, Emergency Programs Solid Waste and Recycling Planning Invasive Plant Program Regional Parks General Admin
Kimberly	7,425	12.29%	\$14,333,701	\$770,490	5.38%	4.33%	911 Emergency Programs Solid Waste and Recycling Planning Invasive Plant Program Regional Parks General Admin
Fernie	5,249	8.68%	\$15,827,519	\$1,304,811	8.24%	7.33%	911 Emergency Programs Solid Waste and Recycling Planning Invasive Plant Program Regional Parks General Admin Transit Airport Victims Service

- This is an interesting case study of a town that has less population, but more wealth than another (Fernie vs. Kimberly). In this case, it could be argued that due to the assessment value, the citizens of Fernie are paying more per capita than the others in the Regional District
 - It is this inequality that the customization rules exist for. It is however noted by Burke van Drimmelen (and may be why we see this disparity here) that Regional Districts are not appropriately using the tools at their disposal¹⁷.
 - Built into the Bylaws of BC is the ability to customize any aspect of a service agreement, including basing the requisition on population instead of assessed value.
 - Though the municipalities are amicable with this method, a fairer method to Fernie exists in BC Bylaw, and is not currently being utilized in this case.
 - It should also be noted however, that Fernie pays for the airport nearby. Though not a large airport, this could be contributing to a larger than normal share

PEACE RIVER REGIONAL DISTRICT

- Another interesting Regional District to look at is Peace River, which Table 12 can show as having one LA pay an inordinate amount of taxes toward the Regional District.
- Regional Services supplied to every LA:

<ul style="list-style-type: none"> ○ Legislative (Regional) ○ Administration ○ Administration (Fiscal and Other) ○ Regional District Development ○ Management of Development ○ Grants – to community organizations 	<ul style="list-style-type: none"> ○ Regional Solid Waste Management ○ Invasive Plants ○ Regional Parks ○ Regional Recreation ○ Economic Development ○ 911
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¹⁷ Drimmelen, Burke Van. *Customizing Service Arrangements: A Study On Regional District Service Establishment*. BC: Simon Fraser University, 2010.

TABLE 7 - PEACE RIVER REGIONAL DISTRICT TAX REQUISITION SUMMARY FOR SAMPLE LOCAL AUTHORITIES

PEACE RIVER REGIONAL DISTRICT Tax Requisition – Summary							
	Population	% of District Population	Total Tax Revenue Collected	Requisition Amount	% Tax Revenue to Regional District Requisition	% of Regional District Requisition Total	Additional Services Delivered
Cities:							
Fort St. John	22,000	34.95%	\$48,777,577	\$3,049,358	6.25%	11.31%	North Peace Leisure Pool
Dawson Creek	10,994	17.47%	\$26,471,374	\$1,650,216	6.23%	6.12%	Sub-regional recreation and Cultural Services South Peace Multiplex
District of Chetwynd	2,633	4.18%	\$6,149,497	\$1,179,953	19.19%	4.38%	Chetwynd Recreation Complex Chetwynd Arena Chetwynd Leisure Centre Chetwynd Library Chetwynd & Area TV Rebroadcasting Chetwynd and Area Scramblevision
Village of Pouce Coupe	739	1.17%	\$970,952	\$76,616	7.89%	0.28%	Sub-regional recreation and Cultural Services South Peace Multiplex

- Peace River is similarly small to East Kootenay, with a population of 60,439.
- It is immediately obvious here that something is different with the District of Chetwynd
 - They are the only LA to break the trend of around 6-7% tax revenue toward the district and are paying much more than their fair share in assessment value.
- When looking at the services, it is easy to see why this is
 - Chetwynd has several services, and expensive ones, that only it pays for (like the recreation complex).
 - These local services have the cost entirely allocated to Chetwynd, with the only offsetting factor being the user fees that citizens pay to use the facility.
 - This makes it so while the average for the other LAs is around \$70-80 of additional annual property tax on a \$100,000 home, the average for Chetwynd slightly above \$200 on that same home.¹⁸

BOTTOM LINE

- Regional Districts have been designed to be inherently flexible and as a result are functionally able to do whatever the municipalities that comprise them want.
 - While some Regional Districts focus exclusively on the delivery of Regional Services, like Metro Vancouver, some have hundreds of bylaws that describe individual services laid out in many different areas of its boundaries.

¹⁸ http://prrd.bc.ca/board/agendas/2019/2019-10-481394103/pages/documents/10-B-06Board-Report_2019BudgetLBSTHSD.pdf

- The costs are shared in a variety of different ways as well, from being based solely on assessment value to being based solely on population or parcel tax, or a mix of the two.
- Taxes get requisitioned from municipalities based on assessed value; the higher the assessment value, the greater the requisition burden from the Regional District. This can cause issues for low population municipalities with a high assessed value.
 - This was solved by making the bylaws for services extremely customizable. It can be 50/50 assessed value to population, assessed value/land area/population, just population, or any other metric the municipalities agree on being fair.
- Regional Districts are not taxing authorities and are unable to tax members directly—the municipalities must agree on the taxation structure first, and then the Regional District issues a requisition to the municipalities for the services provided. The municipalities then collect the tax how best works for them.
- Regardless, in all situations the cost of the service provided is shared among those that participate ensuring reduce barriers for smaller municipalities in accessing services.
- The Regional District Model places a lot of trust in both the locally elected officials and citizens of a municipality. The model assumes that they will undertake activities for mutual benefit.
 - “...given the diversity in local service conditions there does not seem to any reasonable alternative—it is probably the best we can do. It does, after all, provide a practical solution to the problem of how to deal with varying service area boundaries and provides a practical example of possible improvement for those concerned with polycentric political systems elsewhere”¹⁹ Bish, 2008

“For forty years, the province’s innovative regional district system has lowered the cost of cooperation among neighboring jurisdictions, encouraged fiscal equivalence, and improved the performance of local government”²⁰

- Bish, Robert L., 2006

Financial Model Overview

Introduction/Methodology

The current financial model encompasses a comprehensive financial baseline for each municipality. The financial model includes a 5-year projection (starting in 2019) for:

- Assessment Base
- Revenues
- Operating Costs
- Capital Plans

These projections were developed using historical operating and capital budgets for each municipality, as well as stated projected budgets. Capital plans and assessment information were also used from each municipality to determine projections.

The model outlines a hypothetical future financial scenario for each municipality separately, and includes a “joint” municipal projection. The model includes a dashboard view that can adjust key model inputs, tax rates, assessment growth scenarios, and collaboration savings/cost factors.

¹⁹ Local Government in British Columbia, 4th edition, 2008, Robert L. Bish, Eric G. Clemens

²⁰ Inter-municipal Cooperation in British Columbia, 2006, Robert L. Bish

The model projects the following financial categories based on 5-year projection, 5-year total, and 5-year average:

- Total Assessment Base (Residential, Farmland, Non-Residential, M&E, Linear)
- Total Property Tax Revenue (Residential, all Non-Residential, Other)
- Other revenue sources
- Operating Cost items
- Capital Cost items
- Operating Balance
- Debt Levels Added
- Reserve Levels

SOURCES CONSIDERED:

- Past and future operating budgets for each municipality
- Future capital plans for each municipality, with funding sources
- Long-term growth projections for each municipality
- Historical and future assessment information for each municipality
- Direct feedback and input from Administration

KEY ASSUMPTIONS

There are a number of key assumptions applied to the models:

- No changes to mill rates are projected into the baseline projections, only growth rates to assessment bases are applied. Potential mill rate changes are projected based on any future operating balance losses that may be modeled.
- Growth rates include both a general pricing inflationary component and a growth component. They are however shown as one single (blended) growth rate. Both municipalities target approximately 2% population growth.
- Models use a mix of historical budget and assessment base information as well as projected figures from each municipality
- Models use specific growth rates for each line item, not general growth rates
- No Bremner impacts included in this projection time frame
- No Annexation impacts included in this projection window, based on indication that property tax and operating cost amounts would be largely immaterial during this time frame
- No changes to Industrial Heartland Association, or other regional agreements included in this model – indications that most agreements are based on stable items like populations, etc. which would not change in any governance model, and could easily be combined.
- Only fairly “solid” future commercial/industrial assessment base additions are included in baseline projections

Growth Inputs

A key component of the financial modeling was determining growth rates for assessment base and tax growth, revenue items and operating cost items. The financial modelling process involved a validation session with each administration to discuss suitable growth inputs to the financial models. The growth inputs for each municipality are highlighted below.

FORT SASKATCHEWAN GROWTH RATES

The growth rates from the City of Fort Saskatchewan have been selected and identified by administration, including staff from the City's Financial Services department who are closely involved in budgeting and financial planning efforts. The growth rates are shown in the following table:

TABLE 13 – FORT SASKATCHEWAN MODEL GROWTH INPUTS

Growth Model Input	Fort Saskatchewan Factor	Comment
Assessment Growth Inputs		
Residential / Farmland Assessment Growth Rate	2%	Based on historical and projected budget information – validated by Administration
Non-Res Assessment Growth Rate	2%	Based on historical and projected budget information – validated by Administration
M&E Assessment Growth Rate	2%	Based on historical and projected budget information – validated by Administration
Linear Assessment Growth Rate	2%	Based on historical and projected budget information – validated by Administration
Revenue Growth Inputs		
Utility Rates & Charges Growth Rate	5.5%	Based on historical and projected budget information – validated by Administration
Fines & Penalties Growth Rate	0%	Based on historical and projected budget information – validated by Administration
User Fees & Charges Growth Rate	0.5%	Based on historical and projected budget information – validated by Administration
Government Grants Growth Rate	-1.9%	Based on historical and projected budget information – validated by Administration
Investment Income Growth Rate	0%	Based on historical and projected budget information – validated by Administration
Other Revenues Growth Rate	-9.5%	Based on historical and projected budget information – validated by Administration
Operational Cost Growth Inputs		
Salaries/Benefits/Staffing Costs Growth Rate	3.1%	Based on historical and projected budget information – validated by Administration
Purchased from Other Governments	5.2%	Based on historical and projected budget information – validated by Administration

Growth Model Input	Fort Saskatchewan Factor	Comment
Contracted Services	7.5%	Based on historical and projected budget information – validated by Administration
Transfer to Reserves	-4.8%	Based on historical and projected budget information – validated by Administration
Debentures	-0.3%	Based on historical and projected budget information – validated by Administration
Utilities	-0.8%	Based on historical and projected budget information – validated by Administration
Materials & Supplies	4.9%	Based on historical and projected budget information – validated by Administration
Grants to Organizations	1.1%	Based on historical and projected budget information – validated by Administration
Transfer to Capital	5.3%	Based on historical and projected budget information – validated by Administration
Service Maintenance Contracts	-0.8%	Based on historical and projected budget information – validated by Administration
Advertising & Printing	1.8%	Based on historical and projected budget information – validated by Administration
Training & Development	1.1%	Based on historical and projected budget information – validated by Administration
Insurance	-0.2%	Based on historical and projected budget information – validated by Administration
Phones & Postage	2.1%	Based on historical and projected budget information – validated by Administration
Other Expenses	2.5%	Based on historical and projected budget information – validated by Administration
Memberships	3.1%	Based on historical and projected budget information – validated by Administration

STRATHCONA COUNTY GROWTH RATES

The growth rates for Strathcona County were determined and selected based on an analysis of future budget projections as well as historical budget patterns. The validation session with administration highlighted concerns, context and commentary for identifying growth inputs, but did not indicate a preference for preferred rates. The table below shows the historical and future growth rates considered, as well as the growth rate ultimately selected, with a rationale for its selection.

TABLE 14 – STRATHCONA COUNTY MODEL GROWTH INPUTS

Growth Model Input	Historic Growth Averages (2015-19)	Future Projections Averages (2019-22)	All Year Growth Averages (2015-22)	Growth Rate Used	Comment
Residential / Farmland Assessment Growth Rate	N/A	1.5%	1.5%	1.5%	Consistent with growth rate used in future assessment projections
Non-residential Assessment Growth Rate	N/A	1.5%	1.5%	1.5%	Consistent with growth rate used in future assessment projections
Machinery and Equipment Assessment Growth Rate	N/A	7%	7%	7%	Consistent with growth rate used in future assessment projections
Linear Assessment Growth Rate	N/A	2%	2%	2%	Consistent with growth rate used in future assessment projections
Revenue Assumptions					
Utility User Rates & Charges	1.67%	2.88%	2.19%	2%	Approximate conservative estimate based on projected and historical growth rates
Fines & Penalties	4.81%	0.00%	2.75%	1%	Approximate conservative estimate based on projected and historical growth rates
User Fees & Charges	-0.11%	1.28%	0.48%	0.5%	Approximate conservative estimate based on projected and historical growth rates
Government Grants	6.80%	0.11%	3.93%	0%	Approximate conservative estimate based on projected and historical growth rates
Investment Income	9.00%	4.85%	7.22%	5%	Approximate conservative estimate based on projected and historical growth rates
Funding From Reserves	3.42%	-0.32%	1.82%	1%	Approximate conservative estimate based on projected and historical growth rates
Other Revenues	2.20%	3.51%	2.76%	2.5%	Approximate conservative estimate based on projected and historical growth rates
Operating Costs Assumptions					
Salaries & Wages	4.18%	0.99%	2.81%	2%	Estimate based on projected and historical growth rates

Growth Model Input	Historic Growth Averages (2015-19)	Future Projections Averages (2019-22)	All Year Growth Averages (2015-22)	Growth Rate Used	Comment
Benefits	4.64%	0.96%	3.06%	2%	Estimate based on projected and historical growth rates
Training & Development	3.06%	0.82%	2.10%	2%	Estimate based on projected and historical growth rates
Business Expenses	4.50%	1.62%	3.26%	2%	Estimate based on projected and historical growth rates
Advertising & Printing	-1.84%	2.12%	-0.14%	1%	Estimate based on projected and historical growth rates
Professional Services	4.88%	-13.89%	-3.16%	0%	Estimate based on projected and historical growth rates
Insurance	-3.83%	3.88%	-0.53%	0%	Estimate based on projected and historical growth rates
Rentals and Leases	-2.27%	4.02%	0.42%	1%	Estimate based on projected and historical growth rates
Contracted Services	2.76%	1.85%	2.37%	2%	Estimate based on projected and historical growth rates
Materials & Supplies	2.72%	3.66%	3.12%	3%	Estimate based on projected and historical growth rates
Repairs and Maintenance	0.96%	0.98%	0.97%	1%	Estimate based on projected and historical growth rates
Equipment	-0.75%	0.19%	-0.35%	0%	Estimate based on projected and historical growth rates
Utilities	0.56%	4.40%	2.21%	2%	Estimate based on projected and historical growth rates
Telecommunications	3.52%	0.64%	2.28%	2%	Estimate based on projected and historical growth rates
Debentures	-3.07%	-1.75%	-2.50%	-2%	Estimate based on projected and historical growth rates
Grants to Organizations	9.29%	0.66%	5.59%	2%	Estimate based on projected and historical growth rates
Other Expenses	5.46%	80.63%	37.67%	5%	Estimate based on projected and historical growth rates
Amortization Expense	5.20%	-3.71%	1.38%	2%	Estimate based on projected and historical growth rates

Trends, Considerations and Limitations

There are a number of key considerations for the financial modeling that need to be considered in order to interpret the results of the analyses. The financial modeling was conducted at a high level, and is intended to establish a baseline to show the scale and magnitude of potential changes in financial status from the subsequent analyses. This modelling is not intended to be a detailed budgeting process for the municipalities, and it is very likely that future budgeting efforts will differ significantly from the projections included in these models.

Note: These results are not intended to indicate any evaluation or analysis on the financial well-being of either municipality. They are simply an application of the growth inputs outlined above, and provide a basis to determine positive and negative outcomes in the subsequent analyses conducted in this section.

CITY OF FORT SASKATCHEWAN

5 Year Financial Projections	Current Budget (2019)	2020	2021	2022	2023	2024	5 year total	5 Year Average
Assessment Base								
Residential	3,508,290,450	3,578,456,259	3,650,025,384	3,723,025,892	3,797,486,410	3,873,436,138	18,622,430,083	3,724,486,017
Farmland	904,300	922,386	940,834	959,650	978,843	998,420	4,800,134	960,027
Non-Residential	1,157,675,190	1,180,828,694	1,204,445,268	1,228,534,173	1,253,104,856	1,278,166,954	6,145,079,945	1,229,015,989
Machinery & Equipment	1,503,572,820	1,533,644,276	1,614,317,162	1,646,603,505	1,679,535,575	1,713,126,287	8,187,226,806	1,637,445,361
Linear	100,186,290	102,190,016	104,233,816	106,318,492	108,444,862	110,613,760	531,800,946	106,360,189
Total Assessment Base	6,270,629,050	6,396,041,631	6,573,962,464	6,705,441,713	6,839,550,547	6,976,341,558	33,491,337,913	6,698,267,583
Revenues								
Property Taxes - Residential	\$ 18,492,969	\$ 18,862,828	\$ 19,240,084	\$ 19,624,886	\$ 20,017,384	\$ 20,417,732	\$ 98,162,914	\$ 19,632,583
Property Taxes - Non-Residential	\$ 26,166,004	\$ 26,689,324	\$ 27,696,886	\$ 28,250,824	\$ 28,815,840	\$ 29,392,157	\$ 140,845,031	\$ 28,169,006
Property Taxes - Other	\$ 1,171,799	\$ 1,195,235	\$ 1,228,483	\$ 1,253,053	\$ 1,278,114	\$ 1,303,676	\$ 6,258,560	\$ 1,251,712
Utility User Rates & Charges	\$ 18,622,395	\$ 19,646,627	\$ 20,727,191	\$ 21,867,187	\$ 23,069,882	\$ 24,338,725	\$ 109,649,612	\$ 21,929,922
Fines & Penalties	\$ 2,504,700	\$ 2,504,700	\$ 2,504,700	\$ 2,504,700	\$ 2,504,700	\$ 2,504,700	\$ 12,523,500	\$ 2,504,700
User Fees & Charges	\$ 6,502,666	\$ 6,535,179	\$ 6,567,855	\$ 6,600,695	\$ 6,633,698	\$ 6,666,866	\$ 33,004,293	\$ 6,600,859
Government Grants	\$ 1,776,523	\$ 1,742,769	\$ 1,709,656	\$ 1,677,173	\$ 1,645,307	\$ 1,614,046	\$ 8,388,951	\$ 1,677,790
Investment Income	\$ 1,214,400	\$ 1,214,400	\$ 1,214,400	\$ 1,214,400	\$ 1,214,400	\$ 1,214,400	\$ 6,072,000	\$ 1,214,400
Funding From Reserves	\$ 850,143	\$ 900,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 6,100,000	\$ 1,220,000
Other Revenues	\$ 16,550	\$ 14,978	\$ 13,555	\$ 12,267	\$ 11,102	\$ 10,047	\$ 61,949	\$ 12,390
Total Revenues	\$ 77,318,148	\$ 79,306,039	\$ 82,202,811	\$ 84,305,184	\$ 86,490,426	\$ 88,762,349	\$ 421,066,810	\$ 84,213,362
Operational Expenses								
Salaries, Wages & Benefits	\$ 29,698,102	\$ 30,618,743	\$ 31,567,924	\$ 32,546,530	\$ 33,555,472	\$ 34,595,692	\$ 162,884,361	\$ 32,576,872
Purchased from Other Governments	\$ 14,303,679	\$ 15,047,470	\$ 15,829,939	\$ 16,653,096	\$ 17,519,057	\$ 18,430,047	\$ 83,479,609	\$ 16,695,922
Contracted Services	\$ 6,557,143	\$ 7,048,929	\$ 7,577,598	\$ 8,145,918	\$ 8,756,862	\$ 9,413,627	\$ 40,942,934	\$ 8,188,587
Transfer to Reserves	\$ 7,302,832	\$ 6,952,296	\$ 6,618,586	\$ 6,300,894	\$ 5,998,451	\$ 5,710,525	\$ 31,580,752	\$ 6,316,150
Debentures	\$ 4,552,108	\$ 4,538,452	\$ 4,524,836	\$ 4,511,262	\$ 4,497,728	\$ 4,484,235	\$ 22,556,513	\$ 4,511,303
Utilities	\$ 3,094,058	\$ 3,069,306	\$ 3,044,751	\$ 3,020,393	\$ 2,996,230	\$ 2,972,260	\$ 15,102,940	\$ 3,020,588
Materials & Supplies	\$ 2,913,927	\$ 3,056,709	\$ 3,206,488	\$ 3,363,606	\$ 3,528,423	\$ 3,701,316	\$ 16,856,542	\$ 3,371,308
Grants to Organizations	\$ 1,684,781	\$ 1,703,314	\$ 1,722,050	\$ 1,740,993	\$ 1,760,144	\$ 1,779,505	\$ 8,706,005	\$ 1,741,201
Transfer to Capital	\$ 1,273,700	\$ 1,341,206	\$ 1,412,290	\$ 1,487,141	\$ 1,565,960	\$ 1,648,956	\$ 7,455,553	\$ 1,491,111
Service Maintenance Contracts	\$ 3,809,679	\$ 3,779,202	\$ 3,748,968	\$ 3,718,976	\$ 3,689,224	\$ 3,659,711	\$ 18,596,081	\$ 3,719,216
Advertising & Printing	\$ 641,451	\$ 652,997	\$ 664,751	\$ 676,717	\$ 688,897	\$ 701,298	\$ 3,384,660	\$ 676,932
Training & Development	\$ 821,820	\$ 830,860	\$ 839,999	\$ 849,239	\$ 858,581	\$ 868,026	\$ 4,246,706	\$ 849,341
Insurance	\$ 748,616	\$ 747,119	\$ 745,625	\$ 744,133	\$ 742,645	\$ 741,160	\$ 3,720,681	\$ 744,136
Phones & Postage	\$ 446,478	\$ 455,854	\$ 465,427	\$ 475,201	\$ 485,180	\$ 495,369	\$ 2,377,031	\$ 475,406
Other Expenses	\$ 236,800	\$ 242,720	\$ 248,788	\$ 255,008	\$ 261,383	\$ 267,917	\$ 1,275,816	\$ 255,163
Memberships	\$ 422,357	\$ 435,450	\$ 448,949	\$ 462,866	\$ 477,215	\$ 492,009	\$ 2,316,490	\$ 463,298
Total Operational Expenses	\$ 78,507,531	\$ 80,520,626	\$ 82,666,970	\$ 84,951,973	\$ 87,381,452	\$ 89,961,652	\$ 425,482,673	\$ 85,096,535
Net Surplus/Deficit	-\$ 1,189,383	-\$ 1,214,587	-\$ 464,159	-\$ 646,789	-\$ 891,026	-\$ 1,199,302	-\$ 4,415,863	-\$ 883,173
Capital Costs								
New Capital Assets Added	\$ 14,215,435	\$ 16,228,500	\$ 17,064,900	\$ 15,962,475	\$ 20,726,383	\$ 22,678,751	\$ 92,661,009	\$ 18,532,202
Asset Disposal	\$ 156,500	\$ 145,700	\$ 87,400	\$ 89,100	\$ 446,900	\$ 92,700	\$ 861,800	\$ 172,360
Reserve Withdrawn	\$ -	\$ 6,051,800	\$ 7,891,167	\$ 7,579,490	\$ 6,947,700	\$ 7,395,032	\$ 35,865,189	\$ 7,173,038
To Reserves	\$ 7,302,832	\$ 6,952,296	\$ 6,618,586	\$ 6,300,894	\$ 5,998,451	\$ 5,710,525	\$ 31,580,752	\$ 6,316,150
Grants Used	\$ 4,782,067	\$ 4,691,208	\$ 4,602,075	\$ 4,514,635	\$ 4,428,857	\$ 4,344,709	\$ 22,581,484	\$ 4,516,297
Debt Added	\$ -	\$ -	\$ -	\$ -	\$ 8,795,783	\$ 7,919,495	\$ 16,715,278	\$ 3,343,056
Reserve Balance*	\$ 33,000,000	\$ 34,101,719	\$ 32,829,138	\$ 31,550,541	\$ 30,601,292	\$ 28,916,785	\$ 157,999,476	\$ 31,599,895

TABLE 15 – FORT SASKATCHEWAN OPTIMIZED FUTURE MILL RATE INCREASES

Optimized Mill Rate Impact (Increase Needed)	Average Mill Rate (Increase Needed)	Comment
2020	2.6%	Approximate mill rate increase (from current rates) to cover Net Operating Balance based on baseline projections and growth inputs. Assumes no additional growth in other non-property tax revenues outside of what is projected.
2021	1.0%	
2022	1.3%	
2023	1.8%	
2024	2.3%	

Other Notes

1. Current reserves are estimated at approximately \$33M. Future years calculate a balance of reserves based on reserve transfers, versus transfers withdrawn for capital activities.
2. Other Capital Cost items are based on future budget projects in the City's Capital Plan, and not other growth projections or assumptions were applied.

STRATHCONA COUNTY

5 Year Financial Projections	Current Budget (2019)	2020	2021	2022	2023	2024	5 year total
Assessment Base							
Residential	17,511,238,980	17,773,907,565	18,129,385,716	18,491,973,430	18,861,812,899	19,239,049,157	92,496,128,767
Farmland	33,106,590	33,603,189	34,107,237	34,618,845	35,138,128	35,665,200	173,132,599
Non-Residential	5,373,011,920	5,453,607,099	5,535,411,205	5,618,442,373	5,702,719,009	5,788,259,794	28,098,439,481
Machinery & Equipment	10,144,887,810	10,855,029,957	11,614,882,054	12,427,923,797	13,297,878,463	14,228,729,956	62,424,444,227
Linear	839,436,230	856,224,955	873,349,454	890,816,443	908,632,772	926,805,427	4,455,829,050
Total Assessment Base	33,901,681,530	34,972,372,764	36,187,135,665	37,463,774,889	38,806,181,271	40,218,509,534	187,647,974,122
Revenues							
Property Taxes - Residential	\$ 74,151,177	\$ 75,263,444	\$ 76,768,003	\$ 78,302,642	\$ 79,867,964	\$ 81,464,580	\$ 391,666,633
Property Taxes - Non-Residential	\$ 143,790,797	\$ 150,889,436	\$ 158,438,634	\$ 166,469,197	\$ 175,014,079	\$ 184,108,526	\$ 834,919,872
Property Taxes - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility User Rates & Charges	\$ 56,874,759	\$ 58,471,228	\$ 60,155,794	\$ 61,931,070	\$ 63,169,691	\$ 64,433,085	\$ 308,160,869
Fines & Penalties	\$ 6,527,571	\$ 6,527,571	\$ 6,527,571	\$ 6,527,571	\$ 6,592,847	\$ 6,658,775	\$ 32,834,335
User Fees & Charges	\$ 39,048,248	\$ 39,363,645	\$ 40,400,364	\$ 40,555,890	\$ 40,758,669	\$ 40,962,463	\$ 202,041,031
Government Grants	\$ 6,995,166	\$ 7,002,566	\$ 7,010,066	\$ 7,017,784	\$ 7,017,784	\$ 7,017,784	\$ 35,065,984
Investment Income	\$ 8,440,913	\$ 8,831,851	\$ 9,224,851	\$ 9,729,851	\$ 10,216,344	\$ 10,727,161	\$ 48,730,057
Funding From Reserves	\$ 17,065,778	\$ 15,393,337	\$ 15,590,085	\$ 14,303,838	\$ 14,446,876	\$ 14,591,345	\$ 74,325,482
Other Revenues	\$ 8,690,587	\$ 8,667,969	\$ 8,954,333	\$ 8,596,486	\$ 8,682,451	\$ 8,769,275	\$ 43,670,514
Total Revenues	\$ 361,584,996	\$ 370,411,047	\$ 383,069,701	\$ 393,434,330	\$ 405,766,705	\$ 418,732,995	\$ 1,971,414,777
Operational Expenses							
Salaries & Wages	\$ 151,848,953	\$ 154,112,790	\$ 156,025,510	\$ 156,386,907	\$ 159,514,645	\$ 162,704,938	\$ 788,744,790
Benefits	\$ 29,850,251	\$ 30,161,785	\$ 30,546,438	\$ 30,713,647	\$ 31,327,920	\$ 31,954,478	\$ 154,704,268
Training & Development	\$ 2,881,930	\$ 2,912,834	\$ 2,933,434	\$ 2,953,755	\$ 3,012,830	\$ 3,073,087	\$ 14,885,940
Business Expenses	\$ 1,129,110	\$ 1,150,352	\$ 1,269,041	\$ 1,175,835	\$ 1,199,352	\$ 1,223,339	\$ 6,017,918
Advertising & Printing	\$ 2,451,915	\$ 2,560,290	\$ 2,622,803	\$ 2,609,952	\$ 2,636,052	\$ 2,662,412	\$ 13,091,509
Professional Services	\$ 6,013,505	\$ 5,258,365	\$ 4,188,740	\$ 3,821,409	\$ 3,821,409	\$ 3,821,409	\$ 20,911,332
Insurance	\$ 1,785,814	\$ 1,839,434	\$ 1,924,672	\$ 2,001,580	\$ 2,001,580	\$ 2,001,580	\$ 9,768,846
Rentals and Leases	\$ 2,903,312	\$ 3,120,174	\$ 3,208,751	\$ 3,265,132	\$ 3,297,783	\$ 3,330,761	\$ 16,222,601
Contracted Services	\$ 44,094,307	\$ 44,667,159	\$ 47,014,891	\$ 46,538,860	\$ 47,469,637	\$ 48,419,030	\$ 234,109,577
Materials & Supplies	\$ 43,524,382	\$ 45,350,199	\$ 47,123,267	\$ 48,482,028	\$ 49,936,489	\$ 51,434,584	\$ 242,326,566
Repairs and Maintenance	\$ 6,999,478	\$ 7,069,728	\$ 7,125,878	\$ 7,206,262	\$ 7,278,325	\$ 7,351,108	\$ 36,031,300
Equipment	\$ 2,130,676	\$ 2,058,717	\$ 2,092,191	\$ 2,140,975	\$ 2,140,975	\$ 2,140,975	\$ 10,573,833
Utilities	\$ 8,118,629	\$ 8,380,503	\$ 8,944,629	\$ 9,235,099	\$ 9,419,801	\$ 9,608,197	\$ 45,588,229
Telecommunications	\$ 1,108,129	\$ 1,124,642	\$ 1,132,035	\$ 1,129,525	\$ 1,152,116	\$ 1,175,158	\$ 5,713,475
Debentures	\$ 6,462,648	\$ 6,683,055	\$ 6,622,625	\$ 6,109,426	\$ 5,987,237	\$ 5,867,493	\$ 31,269,836
Grants to Organizations	\$ 2,776,463	\$ 2,776,963	\$ 2,803,802	\$ 2,831,302	\$ 2,887,928	\$ 2,945,687	\$ 14,245,682
Other Expenses	\$ 1,761,236	\$ 4,252,139	\$ 6,932,754	\$ 9,526,340	\$ 10,002,657	\$ 10,502,790	\$ 41,216,680
Amortization Expense	\$ 60,810,125	\$ 56,024,113	\$ 52,380,127	\$ 54,082,161	\$ 55,163,804	\$ 56,267,080	\$ 273,917,286
Total Operational Expenses	\$ 354,607,880	\$ 361,860,266	\$ 373,876,407	\$ 393,078,669	\$ 401,745,889	\$ 410,635,953	\$ 1,959,339,669
Less Capital Activities	\$ 38,767,142	\$ 38,381,137	\$ 41,364,946	\$ 56,950,635	\$ 58,659,154	\$ 60,418,929	
Net Surplus/Deficit	\$ 6,977,116	\$ 8,550,781	\$ 9,193,294	\$ 355,661	\$ 4,020,816	\$ 8,097,042	\$ 30,217,593
Capital Costs							
New Capital Assets Added	\$ 59,690,245	\$ 103,537,025	\$ 39,507,276	\$ 40,518,222	\$ 42,598,542	\$ 42,598,542	\$ 268,759,607
Asset Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Withdrawn	\$ 11,993,490	\$ 52,502,069	\$ 35,719,155	\$ 37,650,797	\$ 41,957,466	\$ 41,957,466	\$ 209,786,953
To Reserves	\$ 45,491,641	\$ 42,435,189	\$ 44,845,660	\$ 59,246,305	\$ 61,023,694	\$ 62,854,405	\$ 270,405,253
Grants Used	\$ 45,006,716	\$ 48,177,460	\$ 3,836,700	\$ 2,965,500	\$ 715,500	\$ 715,500	\$ 56,410,660
Debt Added	\$ 3,466,059	\$ 1,877,476	\$ 826,139	\$ 830,600	\$ 936,454	\$ 936,454	\$ 5,407,123
Reserve Balance*	\$ 350,000,000	\$ 339,933,120	\$ 349,059,625	\$ 370,655,133	\$ 389,721,361	\$ 410,618,300	\$ 1,859,987,539

TABLE 16 – STRATHCONA COUNTY OPTIMIZED FUTURE MILL RATE INCREASES

Optimized Mill Rate Impact (Increase Needed)	Average Mill Rate (Increase Needed)	Comment
2020	N/A	Based on the positive operating balance position, Strathcona County appears to be able to sustain growth in operations without the need for additional mill rate increases.
2021	N/A	
2022	N/A	
2023	N/A	Assumes projections in industrial projects adding to assessment base are realized as projected.
2024	N/A	

Other Notes

1. Based on input from Administration, the Amortization expense is not used to calculate operating costs for the County in this model, instead Non-operating, Capital Activities, including principal repayment and actual reserve transfers are used (amount is shown in the Capital Activities line item).
2. Current reserves are estimated at approximately \$350M based on approximate indications from Administration. Future years calculate a balance of reserves based on reserve transfers, versus transfers withdrawn for capital activities.
3. Other Capital Cost items are based on future budget projects (three-year) for the County. Years 4 and 5 are projected using the average growth rate of the first three years.

1. How are taxes, assessment bases, and mill rates affected under different governance models?

Overview

Overall, there is little in the research or our engagement with administration, that would indicate significant impacts on the assessment bases and subsequent tax revenue based on the different governance models outlined in Phase 2. Over a longer-term, larger-scale regional collaboration has been shown to positively impact business and investment attraction to increase assessment bases, but it is unclear if Fort Saskatchewan and Strathcona would constitute a large enough market/organization to have significant impacts on the assessment base. This is especially true considering both municipalities are already a part of the Heartland Alliance, which has had a significantly positive impact on industrial development in the region.

Where the different governance models may have a large impact is on mill rates and property tax changes due to mill rate changes. These would be driven by changes in the underlying cost of municipal service, either through efficiency gains reducing costs, or staff salary and service level escalations increasing costs. Of course, significant reductions in costs, and subsequent tax decreases, could drive business attraction in the municipalities, but both municipalities are already competitive in their tax rates for the region.

In addition, there are possible impacts to “other” sources of revenue, including user fees and charges and government grants that could be impacted if services with revenues attached to them are included in 3rd party or regional entities that may or may not be recovered by the municipalities.

The table below shows a high-level breakdown of potential assessment, tax and mill rate impacts.

TABLE 17 – TAXES, ASSESSMENT BASES, MILL RATE IMPACTS FROM GOVERNANCE MODELS

Assessment Area	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Taxes	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations
Assessment Bases	<ul style="list-style-type: none"> No expected impact 	<ul style="list-style-type: none"> No expected impact 	<ul style="list-style-type: none"> No expected impact 	<ul style="list-style-type: none"> No expected impact 	<ul style="list-style-type: none"> No expected impact 	<ul style="list-style-type: none"> Possible long-term harmonization of property values based on similar services offered
Mill Rates	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential efficiencies could result in downward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations 	<ul style="list-style-type: none"> Potential service level inflation could result in upward pressure on taxes required to fund operations
Other	<ul style="list-style-type: none"> No expected impacts 	<ul style="list-style-type: none"> No expected impacts 	<ul style="list-style-type: none"> No expected impacts 	<ul style="list-style-type: none"> The use of a 3rd Party entities may impact the User fees collected by the municipality, or government grants available, depending on what services are offered in a 3rd party manner 	<ul style="list-style-type: none"> The outsourcing to a regional governance entity may impact the User fees collected by the municipality, or government grants available, depending on what services are regionalized 	<ul style="list-style-type: none"> Few expected impacts Possible impacts to government grants depending on grant factors

Model 1: Ad Hoc Collaboration Impacts

Based on Phase 2 work, there is an expectation of joint procurement savings through efficiency gains and economies of scale. The IMRC Committee decided to not pursue detailed modeling of this scenario during the August 26th meeting.

Model 2: Contracted Service Provision Impacts

Based on Phase 2 work, there is an expectation of joint procurement savings, and general efficiencies including staff reduction potential. The IMRC Committee decided to not pursue detailed modeling of this scenario during the August 26th meeting.

Model 3: Partnered Municipal Service Provider Impacts

Based on Phase 2 work, there is an expectation of general efficiencies to be realized, but also impacted by a harmonization (and inflation) of overall service levels, driving up costs. The IMRC Committee decided to not pursue detailed modeling of this scenario during the August 26th meeting.

Model 4: Third Party Service Provider Impacts

Based on Phase 2 work, there is an expectation of joint procurement savings, and general efficiencies including staff reduction potential, as well as a possibility to defer some capital expenditures. The IMRC Committee decided to not pursue detailed modeling of this scenario during the August 26th meeting.

Model 5: Regional Service Provision Impacts

Based on Phase 2 work, there is an expectation of general efficiencies to be realized from regional service provision, plus potential to defer capital expenditures, but also impacted by a harmonization (and inflation) of overall service levels, driving up costs. The IMRC Committee decided to not pursue detailed modeling of this scenario during the August 26th meeting.

Model 6: Single Entity Service Provision Impacts

OVERVIEW

Model 6 shows the impacts of a Single Entity Service Provision for both municipalities. The model effectively combines the financial projections of both municipalities into one financial model. That combined financial model then has the preliminary financial impacts from Phase 2 applied to it to determine the new cost model of harmonizing staffing and service levels, along with expected efficiencies that would be realized.

The model is based on the following key assumptions:

1. Baseline revenues, costs and capital items are simply based on combining Fort Saskatchewan and Strathcona projections together – includes the use of each municipalities mill rates for their respective assessment bases
2. Service Level escalation uses the maximum service level escalation figure from Phase #2 (not finalized) at \$47,384,190, and applies a 10% reduction as a mid-point from the Phase 2 sensitivity analysis

3. Procurement savings are applied to 'influenceable' expenditures and only applies to
 - a. Advertising & Printing
 - b. Professional Services
 - c. Insurance
 - d. Rentals and Leases
 - e. Contracted Services
 - f. Materials & Supplies
 - g. Equipment
 - h. Telecommunications

The analysis for Model 6 uses the following cost/benefit assumptions from the Phase 2 work:

TABLE 18 – MODEL 6: SINGLE ENTITY GOVERNANCE COST FACTOR INPUTS FROM PHASE 2

Scenario 6 - Single Entity Governance Model Inputs	#
Fort Saskatchewan Staff Salary Escalation	12%
Service Level Escalation (Reduction from max)	-10%
Potential Joint Procurement Savings	-4%
Capital Spend Reductions (max)	-10%
Staff Efficiency Reductions	-8%

Note: This assessment assumes a 10% reduction from the maximum possible service level increase. Based on Phase 2 results, this figure is likely too high and is very conservative due to limitations of the service level comparison analysis. In addition, governance decisions made to reduce service level inflation could dramatically alter this analysis. A reduction of service level inflation could dramatically reduce the operating cost increases shown in this analysis, and improve the operating balance for the hypothetical single entity municipality.

RESULTS

The results of Model 6 show the following financial impacts on a hypothetical Single Entity compared to its baseline projection:

TABLE 19 – MODEL 6: SINGLE ENTITY GOVERNANCE FINANCIAL ANALYSIS RESULTS

Financial Area	Single Entity	Comment
Change in Residential Mill Rates	N/A	
Change in Non-Residential Mill Rates	N/A	
Total Assessment Base (5 year Average)	\$44,227,862,407	No change from governance model 6
% Change	0.0%	
Total Tax Revenue (5 year Average)	\$294,370,602	No change from governance model 6
% Change	0.0%	
Other revenue sources (5 year Average)	\$184,125,715	No change from governance model 6
% Change	0.0%	
Operating Costs (5 year Average)	\$490,125,036	Additional costs from service level escalations increased overall operating costs
% Change	3.5%	
Capital Costs (5 year Average)	\$65,055,711	Reduction based on Capital Cost Avoidance assumption of Phase 2
% Change	-10.0%	
Operating Balance (5 year Average)	-\$11,628,718 (per year AVG)	Additional costs from service level escalations created a negative overall Operating Balance (without Mill Rate increases described below)
Change in Operating Balance from Baseline (5 year Average)	-\$16,789,064	

The results of Model 6 would have the following impact on a Single Entity's mill rates:

TABLE 20 – SINGLE ENTITY OPTIMIZED FUTURE MILL RATE INCREASES

Optimized Mill Rate Impact (Increase Needed)	Average Mill Rate (Increase Needed)	Comment
2020	4.2%	Approximate mill rate increase (from current rates) to cover additional operating costs (and subsequent operating losses) from service level increase cost inflation.
2021	3.3%	
2022	5.7%	
2023	4.1%	
2024	2.6%	

DETAILED CALCULATIONS

5 Year Financial Projections	Current Budget (2019)	2020	2021	2022	2023	2024	5 year total	5 Year Average
Assessment Base								
Residential	21,019,529,430	21,352,363,824	21,779,411,100	22,214,999,322	22,659,299,309	23,112,485,295	111,118,558,849	22,223,711,770
Farmland	34,010,890	34,525,575	35,048,070	35,578,496	36,116,971	36,663,620	177,932,732	35,586,546
Non-Residential	6,530,687,110	6,634,435,793	6,739,856,473	6,846,976,546	6,955,823,865	7,066,426,748	34,243,519,425	6,848,703,885
Machinery & Equipment	11,648,460,630	12,388,674,233	13,229,199,216	14,074,527,303	14,977,414,039	15,941,856,242	70,611,671,032	14,122,334,206
Linear	939,622,520	958,414,970	977,583,270	997,134,935	1,017,077,634	1,037,419,187	4,987,629,996	997,525,999
Total Assessment Base	40,172,310,580	41,368,414,395	42,761,098,129	44,169,216,602	45,645,731,818	47,194,851,092	221,139,312,035	44,227,862,407
Revenues								
Property Taxes - Residential	\$ 92,644,145	\$ 94,126,272	\$ 96,008,087	\$ 97,927,528	\$ 99,885,347	\$ 101,882,312	\$ 489,829,547	\$ 97,965,909
Property Taxes - Non-Residential	\$ 169,956,801	\$ 177,578,760	\$ 186,135,520	\$ 194,720,021	\$ 203,829,920	\$ 213,500,683	\$ 975,764,903	\$ 195,152,981
Property Taxes - Other	\$ 1,171,799	\$ 1,195,235	\$ 1,228,483	\$ 1,253,053	\$ 1,278,114	\$ 1,303,676	\$ 6,258,560	\$ 1,251,712
Utility User Rates & Charges	\$ 75,497,154	\$ 78,117,855	\$ 80,882,985	\$ 83,798,257	\$ 86,239,573	\$ 88,771,811	\$ 417,810,481	\$ 83,562,096
Fines & Penalties	\$ 9,032,271	\$ 9,032,271	\$ 9,032,271	\$ 9,032,271	\$ 9,097,547	\$ 9,163,475	\$ 45,357,835	\$ 9,071,567
User Fees & Charges	\$ 45,550,914	\$ 45,898,824	\$ 46,968,219	\$ 47,156,585	\$ 47,392,367	\$ 47,629,329	\$ 235,045,325	\$ 47,009,065
Government Grants	\$ 8,771,689	\$ 8,745,335	\$ 8,719,722	\$ 8,694,957	\$ 8,663,091	\$ 8,631,830	\$ 43,454,935	\$ 8,690,987
Investment Income	\$ 9,655,313	\$ 10,046,251	\$ 10,439,251	\$ 10,944,251	\$ 11,430,744	\$ 11,941,561	\$ 54,802,057	\$ 10,960,411
Funding From Reserves	\$ 17,915,921	\$ 16,293,337	\$ 16,890,085	\$ 15,603,838	\$ 15,746,876	\$ 15,891,345	\$ 80,425,482	\$ 16,085,096
Other Revenues	\$ 8,707,137	\$ 8,682,947	\$ 8,967,888	\$ 8,608,753	\$ 8,693,553	\$ 8,779,322	\$ 43,732,463	\$ 8,746,493
Total Revenues	\$ 438,903,144	\$ 449,717,087	\$ 465,272,512	\$ 477,739,514	\$ 492,257,131	\$ 507,495,344	\$ 2,392,481,587	\$ 478,496,317
Operational Expenses								
Salaries & Wages	\$ 181,547,055	\$ 173,333,320	\$ 176,071,058	\$ 177,411,899	\$ 181,329,032	\$ 185,335,944	\$ 893,481,253	\$ 178,696,251
Benefits	\$ 29,850,251	\$ 27,748,842	\$ 28,102,723	\$ 28,256,555	\$ 28,821,686	\$ 29,398,120	\$ 142,327,927	\$ 28,465,585
Training & Development	\$ 4,126,107	\$ 3,844,813	\$ 3,884,592	\$ 3,924,592	\$ 4,000,736	\$ 4,078,471	\$ 19,733,204	\$ 3,946,641
Business Expenses	\$ 1,129,110	\$ 1,150,352	\$ 1,269,041	\$ 1,175,835	\$ 1,199,352	\$ 1,223,339	\$ 6,017,918	\$ 1,203,584
Advertising & Printing	\$ 3,093,366	\$ 3,084,756	\$ 3,156,052	\$ 3,155,202	\$ 3,191,951	\$ 3,229,161	\$ 15,817,122	\$ 3,163,424
Professional Services	\$ 12,570,648	\$ 11,815,002	\$ 11,295,685	\$ 11,488,634	\$ 12,075,140	\$ 12,705,634	\$ 59,380,096	\$ 11,876,019
Insurance	\$ 2,534,430	\$ 2,483,091	\$ 2,563,485	\$ 2,635,885	\$ 2,634,456	\$ 2,633,030	\$ 12,949,946	\$ 2,589,989
Rentals and Leases	\$ 2,903,312	\$ 2,995,367	\$ 3,080,401	\$ 3,134,527	\$ 3,165,872	\$ 3,197,531	\$ 15,573,697	\$ 3,114,739
Contracted Services	\$ 62,207,665	\$ 60,954,078	\$ 63,930,046	\$ 64,234,495	\$ 65,930,801	\$ 67,688,437	\$ 322,737,856	\$ 64,547,571
Materials & Supplies	\$ 46,438,309	\$ 46,470,632	\$ 48,316,565	\$ 49,771,809	\$ 51,326,315	\$ 52,930,463	\$ 248,815,784	\$ 49,763,157
Repairs and Maintenance	\$ 10,650,894	\$ 10,545,876	\$ 10,435,171	\$ 10,356,709	\$ 10,277,550	\$ 10,206,370	\$ 51,821,676	\$ 10,364,335
Equipment	\$ 5,782,092	\$ 5,313,470	\$ 5,185,425	\$ 5,079,765	\$ 4,934,592	\$ 4,796,388	\$ 25,309,640	\$ 5,061,928
Utilities	\$ 11,212,687	\$ 11,449,809	\$ 11,989,380	\$ 12,255,492	\$ 12,416,031	\$ 12,580,457	\$ 60,691,169	\$ 12,138,234
Telecommunications	\$ 1,554,607	\$ 1,517,276	\$ 1,533,563	\$ 1,540,537	\$ 1,571,804	\$ 1,603,706	\$ 7,766,886	\$ 1,553,377
Debtentures	\$ 11,014,756	\$ 11,221,507	\$ 11,147,461	\$ 10,620,688	\$ 10,484,966	\$ 10,351,728	\$ 53,826,349	\$ 10,765,270
Grants to Organizations	\$ 4,461,244	\$ 4,480,277	\$ 4,525,852	\$ 4,572,295	\$ 4,648,072	\$ 4,725,192	\$ 22,951,686	\$ 4,590,337
Other Expenses	\$ 1,998,036	\$ 4,494,859	\$ 7,181,542	\$ 9,781,348	\$ 10,264,040	\$ 10,770,707	\$ 42,492,496	\$ 8,498,499
Capital Items	\$ 40,040,842	\$ 35,750,109	\$ 38,499,512	\$ 52,593,999	\$ 54,202,603	\$ 55,861,096	\$ 236,907,319	\$ 47,381,464
Total Operational Expenses	\$ 475,520,042	\$ 461,058,065	\$ 474,572,185	\$ 494,394,894	\$ 504,879,630	\$ 515,720,405	\$ 2,238,602,025	\$ 490,125,036
Net Surplus/Deficit	-\$ 36,616,898	-\$ 11,340,978	-\$ 9,299,673	-\$ 16,655,381	-\$ 12,622,499	-\$ 8,225,061	-\$ 58,143,592	-\$ 11,628,718
Capital Costs								
New Capital Assets Added	\$ 73,905,680	\$ 107,788,973	\$ 50,914,958	\$ 50,832,627	\$ 56,992,433	\$ 58,749,564	\$ 325,278,554	\$ 65,055,711
Asset Disposal	\$ 156,500	\$ 145,700	\$ 87,400	\$ 89,100	\$ 446,900	\$ 92,700	\$ 861,800	\$ 172,360
Reserve Withdrawn	\$ 11,993,490	\$ 58,553,869	\$ 43,610,322	\$ 45,230,287	\$ 48,905,166	\$ 49,352,498	\$ 245,652,142	\$ 49,130,428
To Reserves	\$ 52,794,473	\$ 49,387,485	\$ 51,464,246	\$ 65,547,199	\$ 67,022,145	\$ 68,564,930	\$ 301,986,005	\$ 60,397,201
Grants Used	\$ 49,788,783	\$ 52,868,668	\$ 8,438,775	\$ 7,480,135	\$ 5,144,357	\$ 5,060,209	\$ 78,992,144	\$ 15,798,429
Debt Added	\$ 3,466,059	\$ 1,877,476	\$ 826,139	\$ 830,600	\$ 9,732,237	\$ 8,855,949	\$ 22,122,401	\$ 4,424,480
Reserve Balance	\$ 383,000,000	\$ 374,034,839	\$ 381,888,763	\$ 402,205,674	\$ 420,322,653	\$ 439,535,086	\$ 2,017,987,015	\$ 403,597,403

Mill Rate Comparison Analysis

As a supplementary analysis to Question 1, we have set up the model to test the impacts of the use of different mill rates. This analysis shows the potential impacts on Fort Saskatchewan and Strathcona County separately, as well as the 'joint' financial model used for Model 6 in the previous analysis.

MILL RATE OVERVIEW

The following table shows the detailed breakdown of current and potential mill rates for a variety of scenarios. The table shows current base municipal mill rates for residential and non-residential properties. In addition, the table shows current library tax rates, and other tax rates (only for the Dow Centennial Centre). The table also shows an approximate baseline average tax burden for residential and non-residential properties in each municipality.

Note: the average tax burden is based on approximate average property values and is intended for comparison. They do not include any other requisitions that property owners would also receive as a part of their tax notice.

Finally, the table includes two additional scenarios for comparison: one showing a mid-point between the rates of both municipalities, and one showing a weighted average mid-point, where each municipality's relative assessment base size is used as a weighting factor.

TABLE 21 –MILL RATE SCENARIO COMPARISON

Mill Rates	Strathcona County	Fort Saskatchewan	MidPoint	Weighted Average
Municipal Residential	0.004227	0.005270	0.004748	0.004401
Municipal Non-Residential	0.008791	0.009476	0.009133	0.008889
Municipal Res/NonRes Ratio	2.08	1.80	1.92	2.02
Library (Residential)	0.000145	N/A	N/A	N/A
Library (Non-Residential)	0.000412	N/A	N/A	N/A
Other (Dow Centennial Centre)	N/A	0.000187	N/A	N/A
Average Assessment Value (Residential)*	\$440,000	\$396,000	\$418,000	\$433,654
Average Assessment Value (Non-Residential)**	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Average Tax Impact (Residential)***	\$1,924	\$2,161	\$2,042	\$1,958
Average Tax Impact (Non-Residential)***	\$9,202	\$9,662	\$9,432	\$9,269

*Average residential values are based on recent tax information provided by each municipality. Strathcona's approximate urban residential average is used for comparison.

**An average commercial value of \$1,000,000 for each municipality for easy comparison. The nature of Strathcona County's industrial base would likely increase the average over and above this level.

***Average tax impact only shows the base municipal, library, and "other" municipal tax burden. It does not include any other requisitions including Provincial Education Requisitions, Heartland Housing Foundation, etc.

FORT SASKATCHEWAN MILL RATES ANALYSIS

The use of Fort Saskatchewan's mill rates has the following results on Strathcona County and the hypothetical single entity municipality.

TABLE 22 – FORT SASKATCHEWAN MILL RATE ANALYSIS RESULTS

Financial Area	Strathcona County	Fort Saskatchewan	Single Entity	Comment
Change in Residential Mill Rates (from current)	+23.87%	N/A	N/A	As the highest mill rate of the two, using Fort Saskatchewan's mill rates has a significant positive impact on Strathcona's financial projections, as well as a hypothetical Single Entity organization which sees higher tax revenue than its baseline projections, which use each municipality's mill rates for their respective assessment bases.
Change in Non-Residential Mill Rates (from current)	+7.44%	N/A	N/A	
Change in Average tax burden (Residential)	+\$459.08	N/A	N/A	
Change in Average tax burden (Non-Residential)	+\$684.91	N/A	N/A	
Total Assessment Base (5 year Average)	\$37,529,594,824	N/A	\$44,227,862,407	
% Change from baseline	0.0%	N/A	0.0%	
Total Tax Revenue (5 year Average)	\$277,665,212	N/A	\$326,718,513	
% Change from baseline	13.2%	N/A	11.0%	
Other revenue sources (5 year Average)	\$148,965,654	N/A	\$184,125,715	
% Change from baseline	0.0%	N/A	0.0%	
Operating Costs (5 year Average)	\$388,239,437	N/A	\$490,125,036	
% Change from baseline	0.0%	N/A	0.0%	
Capital Costs (5 year Average)	\$53,751,921	N/A	\$65,055,711	
% Change from baseline	0.0%	N/A	0.0%	
Operating Balance (5 year Average)	\$38,391,429	N/A	\$35,323,746	
Change in Operating Balance from Baseline (5 year Average)	+\$32,347,911	N/A	+\$32,347,911	

STRATHCONA MILL RATES

The use of Strathcona County's mill rates has the following results on Fort Saskatchewan and the hypothetical single entity municipality:

TABLE 23 – STRATHCONA COUNTY MILL RATE ANALYSIS RESULTS

Financial Area	Strathcona County	Fort Saskatchewan	Single Entity	Comment
Change in Residential Mill Rates (from current)	N/A	-19.12%	N/A	As the lower mill rate of the two, using Strathcona's mill rates has a significant negative impact on Fort Saskatchewan's revenue and financial projections, as well as a minor impact to the hypothetical Single Entity organization.
Change in Non-Residential Mill Rates (from current)	N/A	-7.09%	N/A	
Change in Average tax burden (Residential)	N/A	-\$413.17	N/A	
Change in Average tax burden (Non-Residential)	N/A	-\$684.91	N/A	
Total Assessment Base (5 year Average)	N/A	\$6,698,267,583	\$44,227,862,407	
% Change from baseline	N/A	0.0%	0.0%	
Total Tax Revenue (5 year Average)	N/A	\$43,130,195	\$288,447,496	
% Change from baseline	N/A	-12.1%	-2.0%	
Other revenue sources (5 year Average)	N/A	\$35,160,061	\$184,125,715	
% Change from baseline	N/A	0.0%	0.0%	
Operating Costs (5 year Average)	N/A	\$85,096,535	\$490,125,036	
% Change from baseline	N/A	0.0%	0.0%	
Capital Costs (5 year Average)	N/A	\$18,532,202	\$65,055,711	
% Change from baseline	N/A	0.0%	0.0%	
Operating Balance (5 year Average)	N/A	-\$6,806,279	-\$17,551,825	
Change in Operating Balance from Baseline (5 year Average)	N/A	-\$5,923,106	-\$5,923,106	

MID-POINT MILL RATES

The use of a mid-point rate between each municipality's current rates has the following results for each municipality and the hypothetical single entity municipality.

TABLE 24 – MID-POINT MILL RATE ANALYSIS RESULTS

Financial Area	Strathcona County	Fort Saskatchewan	Single Entity	Comment
Change in Residential Mill Rates (from current)	+11.93%	-9.56%	N/A	Using a mid-point between the two rates has a mixed result. Strathcona has an increase from current mill rates and sees a positive impact on its financial projections. On the other hand, the rates are lower for Fort Saskatchewan, which sees a negative impact. The hypothetical Single Entity organization sees higher tax revenue because Strathcona's positive results account for a greater amount than Fort Saskatchewan's losses in this scenario.
Change in Non-Residential Mill Rates (from current)	+3.72%	-3.54%	N/A	
Change in Average tax burden (Residential)	+\$229.54	-\$206.59	N/A	
Change in Average tax burden (Non-Residential)	+\$342.46	-\$342.46	N/A	
Total Assessment Base (5 year Average)	\$37,529,594,824	\$6,698,267,583	\$44,227,862,407	
% Change from baseline	0.0%	0.0%	0.0%	
Total Tax Revenue (5 year Average)	\$261,491,256	\$46,091,748	\$307,583,004	
% Change from baseline	+6.6%	-6.0%	+4.5%	
Other revenue sources (5 year Average)	\$148,965,654	\$35,160,061	\$184,125,715	
% Change from baseline	0.0%	0.0%	0.0%	
Operating Costs (5 year Average)	\$388,239,437	\$85,096,535	\$490,125,036	
% Change from baseline	0.0%	0.0%	0.0%	
Capital Costs (5 year Average)	\$53,751,921	\$18,532,202	\$65,055,711	
% Change from baseline	0.0%	0.0%	0.0%	
Operating Balance (5 year Average)	\$22,217,474	-\$3,844,726	\$1,583,684	
Change in Operating Balance from Baseline (5 year Average)	\$16,173,955	-\$2,961,553	\$13,212,402	

WEIGHTED AVERAGE MILL RATES

The use of a weighted average mid-point rate between each municipality's current rates has the following results on each municipality and the hypothetical single entity municipality. (Note: the weighted average was calculated based on each municipality's relative assessment base contribution to a hypothetical joint municipality assessment base):

TABLE 25 – WEIGHTED AVERAGE MID-POINT MILL RATE ANALYSIS RESULTS

Financial Area	Strathcona County	Fort Saskatchewan	Single Entity	Comment
Change in Residential Mill Rates (from current)	+3.98%	-15.93%	N/A	This scenario has similar results to the previous mid-point, though the weighted average mid-point is much closer to Strathcona's current rates, as it contributes a greater amount to the hypothetical joint assessment base. This scenario has a small positive gain for Strathcona, a larger negative result for Fort Saskatchewan, and a very small gain for the hypothetical Single Entity.
Change in Non-Residential Mill Rates (from current)	+1.07%	-6.07%	N/A	
Change in Average tax burden (Residential)	+\$76.62	-\$344.21	N/A	
Change in Average tax burden (Non-Residential)	+\$98.78	-\$586.13	N/A	
Total Assessment Base (5 year Average)	\$37,529,594,824	\$6,698,267,583	\$44,227,862,407	
% Change from baseline	0.0%	0.0%	0.0%	
Total Tax Revenue (5 year Average)	\$250,421,296	\$44,072,619	\$294,493,916	
% Change from baseline	+2.1%	-10.2%	+0.0%	
Other revenue sources (5 year Average)	\$148,965,654	\$35,160,061	\$184,125,715	
% Change from baseline	0.0%	0.0%	0.0%	
Operating Costs (5 year Average)	\$388,239,437	\$85,096,535	\$490,125,036	Note: This scenario is essentially an 'optimized' mill rate between the two municipalities.
% Change from baseline	0.0%	0.0%	0.0%	
Capital Costs (5 year Average)	\$53,751,921	\$18,532,202	\$65,055,711	
% Change from baseline	0.0%	0.0%	0.0%	
Operating Balance (5 year Average)	\$11,147,514	-\$5,863,854	-\$11,505,405	
Change in Operating Balance from Baseline (5 year Average)	+\$5,103,995	-\$4,980,682	+\$123,314	

2. How is tax revenue from future growth impacted by different governance models

Similar to the findings for Q1, the research and indications from administration do not point to significant impacts on future growth by any particular governance model.

Similarly, there may be longer term benefits to working regionally or as a single entity to promote development and attract business investment, but the existence and current success of the Heartland Alliance may limit the potential growth benefits of greater regional collaboration compared to what has been seen in other jurisdictions.

TABLE 26 – TAX REVENUE IMPACTS FROM GOVERNANCE MODELS OVERVIEW

Service & Service Delivery Analysis	1. Ad-Hoc Service Collaboration	2. Contracted Service Provision	3. Partnered Municipal Service Provider	4. 3rd Party Service Provider	5. Regionally Governed Service Provision	6. Single Entity Service Provision
Future Tax Revenue from Growth	Limited expected impact	Limited expected impact	Limited expected impact	Limited expected impact	Limited expected impact	Possible long-term harmonization of property values based on similar services offered

Indications from Administration

There are a number of other concerns that administrations from each municipality have noted may have more impact on future revenue, growth and overall financial health of the municipality than any of the existing governance models. Some of the items for consideration that were mentioned by administration were:

- Potential impacts of Bill 7 on municipalities in the region and long-term non-residential taxation rates
- Volatility in the Industrial Assessment process and potential revenue losses (especially for large projects)
- Unclear impact of Bremner area project on growth potential – long-term development towards one contiguous urban zone along Highway 21
- Significant new growth could impact potential risk of regional/provincial attempt to gain control of industrial tax base.

Impacts of New Projects

As a supplementary analysis, we used the financial model to test new growth impacts of the assessment bases of each municipality. This analysis includes the addition of potential new commercial/industrial projects over and above what has been projected in the baseline growth.

STRATHCONA COUNTY

These projects are identified by Strathcona County, but are considered low-probability at least in the short to mid term.

TABLE 27 – STRATHCONA COUNTY POTENTIAL INDUSTRIAL PROJECTS

Potential Project Considered	Approx. Value
s. 16(1)	

The results of some subset of these projects being realized are included in the table below. For simplicity, we assessed the impact of \$200M, \$2B and \$4B worth of projects being realized as a low/mid/high growth scenario. This is not a reflection of which projects have a higher likelihood of being realized. The financial impacts on Strathcona County from these projects is shown below:

TABLE 28 – STRATHCONA COUNTY LOW/MID/HIGH PROJECT VALUE ANALYSIS RESULTS

Financial Area	Low Project Value (\$200M)	Mid Project Value (\$2B)	High Project Value (\$4B)
Change in Residential Mill Rates (from current)	0.00%	0.00%	0.00%
Change in Non-Residential Mill Rates (from current)	0.00%	0.00%	0.00%
Total Assessment Base (5 year Average)	\$37,775,726,454	\$39,990,911,121	\$42,452,227,417
% Change from baseline	0.7%	6.6%	13.1%
Total Tax Revenue (5 year Average)	\$247,480,946	\$266,953,748	\$288,590,195
% Change from baseline	0.9%	8.8%	17.6%
Other revenue sources (5 year Average)	\$148,965,654	\$148,965,654	\$148,965,654
% Change from baseline	0.0%	0.0%	0.0%
Operating Costs (5 year Average)	\$388,239,437	\$388,239,437	\$388,239,437
% Change from baseline	0.0%	0.0%	0.0%
Capital Costs (5 year Average)	\$53,751,921	\$53,751,921	\$53,751,921
% Change from baseline	0.0%	0.0%	0.0%
Operating Balance (5 year Average)	\$8,207,163	\$27,679,966	\$49,316,413
Change in Operating Balance from Baseline (5 year Average)	+\$2,163,645	+\$21,636,447	+\$43,272,894

FORT SASKATCHEWAN

Fort Saskatchewan does not currently have the same prospective list of potential projects as Strathcona County (other than a projected addition in 2021). As a result, we have used three hypothetical assessment growth values to test their relative impact.

TABLE 29 – FORT SASKATCHEWAN POTENTIAL INDUSTRIAL PROJECTS

Potential Project Considered	Value
New assessment growth value 1	\$50M
New assessment growth value 2	\$150M
New assessment growth value 3	\$250M

The financial impacts of these potential assessment growth scenarios on the City of Fort Saskatchewan's financials is shown below:

TABLE 30 – FORT SASKATCHEWAN LOW/MID/HIGH PROJECT VALUE ANALYSIS RESULTS

Financial Area	Low Project Value	Mid Project Value	High Project Value
Change in Residential Mill Rates (from current)	0.00%	0.00%	0.00%
Change in Non-Residential Mill Rates (from current)	0.00%	0.00%	0.00%
Total Assessment Base (5 year Average)	\$6,751,348,792	\$6,910,592,421	\$7,175,998,469
% Change from baseline	0.8%	3.2%	7.1%
Total Tax Revenue (5 year Average)	\$49,566,192	\$51,104,865	\$53,669,320
% Change from baseline	1.0%	4.2%	9.4%
Other revenue sources (5 year Average)	\$35,160,061	\$35,160,061	\$35,160,061
% Change from baseline	0.0%	0.0%	0.0%
Operating Costs (5 year Average)	\$85,096,535	\$85,096,535	\$85,096,535
% Change from baseline	0.0%	0.0%	0.0%
Capital Costs (5 year Average)	\$18,532,202	\$18,532,202	\$18,532,202
% Change from baseline	0.0%	0.0%	0.0%
Operating Balance (5 year Average)	-\$370,282	+\$655,500	+\$1,681,282
Change in Operating Balance from Baseline (5 year Average)	+\$512,891	+\$1,538,673	+\$2,564,455

Other Assessment Base Changes

An additional analysis was conducted to test a range of potential impacts of changes to the assessment bases from future growth, or contraction, in each municipality. This analysis includes changes to assessment base growth rates and property market values. This analysis is effectively a 'stress test' of each municipality to a variety of market and economic scenarios that could have negative financial impact.

STRATHCONA COUNTY

The following inputs were used to conduct a 'stress test' of the County's financials, and reflect contractions in the economy impacting residential and non-residential assessment bases.

TABLE 31 – STRATHCONA COUNTY ASSESSMENT BASE CHANGE ANALYSIS INPUTS

Assessment/Tax Impacts Considered	Number
Residential Assessment Base Growth (Replace Growth Rate)	0%
Non-Residential Assessment Base Contraction (Replace Growth Rate)	-1%
One-time Change in Average Housing Price	-5%

The following table highlights the results of these contraction scenarios on the County's financial projections:

TABLE 32– STRATHCONA COUNTY ASSESSMENT BASE CHANGE ANALYSIS RESULTS

Financial Area	Residential Slow Down	Non-Residential Contraction	Residential Market Loss
Total Assessment Base (5 year Average)	\$37,254,687,322	\$34,406,962,213	\$36,602,902,211
% Change from baseline	-0.7%	-8.3%	-2.5%
Total Tax Revenue (5 year Average)	\$244,155,405	\$217,867,487	\$241,400,635
% Change from baseline	-0.5%	-11.2%	-1.6%
Other revenue sources (5 year Average)	\$148,965,654	\$148,965,654	\$148,965,654
% Change from baseline	0.0%	0.0%	0.0%
Operating Costs (5 year Average)	\$388,239,437	\$388,239,437	\$388,239,437
% Change from baseline	0.0%	0.0%	0.0%
Capital Costs (5 year Average)	\$53,751,921	\$53,751,921	\$53,751,921
% Change from baseline	0.0%	0.0%	0.0%
Operating Balance (5 year Average)	\$4,881,622	-\$21,406,296	\$2,126,852
Change in Operating Balance from Baseline (5 year Average)	-\$1,161,897	-\$27,449,814	-\$3,916,666

FORT SASKATCHEWAN

The following inputs were used to conduct a 'stress test' of the City's financials, and reflects contractions in the economy impacting residential and non-residential assessment bases.

TABLE 33 – FORT SASKATCHEWAN ASSESSMENT BASE CHANGE ANALYSIS INPUTS

Assessment/Tax Impacts Considered	Number
Residential Assessment Base Growth (Replace Growth Rate)	0%
Non-Residential Assessment Base Contraction (Replace Growth Rate)	-1%
One-time Change in Average Housing Price	-5%

The following table highlights the results of these contraction scenarios on the County's financial projections:

TABLE 34 – FORT SASKATCHEWAN ASSESSMENT BASE CHANGE ANALYSIS RESULTS

Financial Area	Residential Slow Down	Non-Residential Contraction	Residential Market Loss
Total Assessment Base (5 year Average)	\$6,482,016,289	\$6,444,537,627	\$6,511,995,280
% Change	-3.2%	-3.8%	-2.8%
Total Tax Revenue (5 year Average)	\$47,873,276	\$46,601,665	\$48,036,863
% Change	-2.4%	-5.0%	-2.1%
Other revenue sources (5 year Average)	\$35,160,061	\$35,160,061	\$35,160,061
% Change	0.0%	0.0%	0.0%
Operating Costs (5 year Average)	\$85,096,535	\$85,096,535	\$85,096,535
% Change	0.0%	0.0%	0.0%
Capital Costs (5 year Average)	\$18,532,202	\$18,532,202	\$18,532,202
% Change	0.0%	0.0%	0.0%
Operating Balance (5 year Average)	-\$2,063,198	-\$3,334,809	-\$1,899,611
Change in Operating Balance from Baseline (5 year Average)	-\$1,180,025	-\$2,451,636	-\$1,016,438

OTHER ASSESSMENT CHANGES ANALYSIS SUMMARY

Unsurprisingly, both municipalities showed negative financial impacts to the contraction scenarios identified. While both municipalities were impacted by stagnation or a one-time contraction of the residential market, the largest impacts were felt by a slow-down and contraction in their non-residential tax bases. A sustained contraction of the non-residential tax base in both municipalities would dramatically impact each municipality's financial outlook. This impact was felt even greater in Strathcona County, whose high rates of non-residential assessment growth is a key source of its long-term financial well-being.



Phase 4: Optimizing Growth and Quality of Life

Final Phase Report

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PHASE 4: SUMMARY OF FINDINGS

This report presents the research findings for Phase 4: Optimizing Growth and Quality of Life, to inform discussion by the IMRC. The findings presented here are based on the four questions posed by IMRC that have been used to guide work completed to-date. The findings are divided into two sections representing (1) considerations for *Optimizing Growth* and (2) additional research into defining *Quality of Life*.

TABLE 1 - FOUR IMRC QUESTIONS USED TO GUIDE PHASE 4 WORK

Question	Addressed in this report	Section
<ul style="list-style-type: none"> Which risks and benefits need to be considered? 	✓	OPTIMIZING GROWTH
<ul style="list-style-type: none"> What are the potential impacts of future growth under different forms of governance? 	✓	OPTIMIZING GROWTH
<ul style="list-style-type: none"> How could different governance models impact citizens' quality of life? 	✓	OPTIMIZING GROWTH / QUALITY OF LIFE
<ul style="list-style-type: none"> Which trends and forecasts exist and how do they interact with various Master Plans? 	✓	OPTIMIZING GROWTH

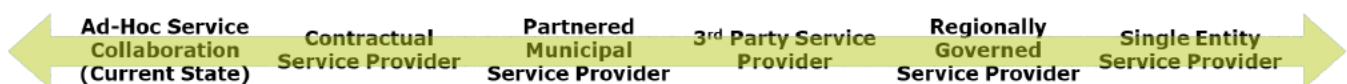
OPTIMIZING GROWTH

This section includes a review of the risks, benefits and impacts associated with the design and delivery of infrastructure services followed by an overview of local trends and forecasts related to anticipated growth.

Infrastructure Servicing

Associated Engineering has extensive experience in municipal infrastructure planning, design, construction, maintenance and operations having worked for various municipalities in Canada and abroad, and has delivered these services under various delivery and governance models. Associated Engineering was tasked with the completion of a desk top assessment of the risks, benefits and impacts of each governance model along the spectrum of collaboration as they relate to infrastructure servicing.

FIGURE 1 - SPECTRUM OF COLLABORATION



Methodology

A workshop was held with Associated Engineering's senior engineers.

In this report infrastructure refer to **water, sanitary, transportation** and **stormwater drainage** services, as defined below:

TABLE 2 - TYPES OF INFRASTRUCTURE SERVICES

Water services	Treatment of raw water and distribution of potable water.
Sanitary services	Collection of wastewater/sewage, treatment and disposal or recycling.
Transportation services	Provision of safe vehicle and pedestrian routes within the municipalities and access to regional and provincial highways.
Stormwater drainage	Collection, attenuation and disposal of stormwater.

Within these infrastructure categories, the impact of each governance model was assessed based on the following typical service areas:

- Planning and Delivery—infrastructure planning;
- Capital Projects—projects that help maintain or improve municipal infrastructure assets; and,
- Maintenance and Operations—municipal services necessary to maintain level of services

During the workshop the risks, benefits and impacts of each governance model to infrastructure service delivery was assessed. For each governance model, based on the experience and judgement of the engineers, the following criteria were utilized:

TABLE 3 - EVALUATION CRITERIA FOR INFRASTRUCTURE SERVICE DELIVERY

Perceived increased risk/negative impact
No change
Perceived decreased risk/positive impact

In addition to the above criteria, a review of relevant precedents from other jurisdictions was undertaken. A review of the Regional Municipality of Wood Buffalo (RMWB), City of Toronto and Regional Districts of British Columbia (BC).

Assessment Findings

The assessment findings were divided into three sections based on the questions posed by IMRC:

- Risk and benefits;
- Impacts on future growth; and,
- Impact on quality of life.

TABLE 4 - ASSESSMENT FINDINGS RELATED TO INFRASTRUCTURE SERVICING

Infrastructure Type	Area of Impact	1. What <u>risks</u> and <u>benefits</u> need to be considered?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Water	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Sanitary	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Transportation	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Storm Water	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Benefits		<ul style="list-style-type: none"> More autonomy—allows municipalities to retain autonomy while being responsive to residents Less red tape 		<ul style="list-style-type: none"> Joint planning and delivery of infrastructure services resulting in potential efficiency savings and benefits from economies of scale 		Potential for: <ul style="list-style-type: none"> Coordination of infrastructure service delivery and improved maintenance of services – regional economic driver Facilitates expansion of services to geographic areas that may otherwise not been considered for servicing under other models 	

Infrastructure Type	Area of Impact	1. What <u>risks and benefits</u> need to be considered?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
						<ul style="list-style-type: none"> • Efficiencies through economies of scale • Fair/equitable cost and budget sharing 	
	Risks	<ul style="list-style-type: none"> • Localized infrastructure planning could result in inefficient duplication and overlapping of services. Could miss out on potential economies of scale. • Limited financial capacity may hinder expansion of infrastructure. • May be difficult to meet EMRB objectives. 		<ul style="list-style-type: none"> • Misaligned levels of service and policies may require harmonization, which can result in increased costs. • Some degree of loss of autonomy to 3rd party for planning (tasking someone else to make strategic decisions). Typically occurs only in communities with limited capacity. 		<ul style="list-style-type: none"> • Decision making may take longer, which could affect infrastructure service delivery. • Experience shows that there are strong initial upward pressures on costs after an amalgamation. • Perception of inequitable budget allocation or service delivery is a possibility. 	

ANALYSIS OF THE CONSIDERATION OF RISK AND BENEFITS

Generally speaking, the more formal collaboration involved in the delivery of infrastructure services, the more benefits are realized by municipalities. Examples of this include:

- Improved maintenance and upkeep of services for citizens' use, e.g. road maintenance.
- Improved level of services for rural communities. For example, infrastructure service expansion or recreation amenities that would not typically exist in smaller communities (e.g. RMWB and Ardrossan).
- The EMRB takes a regional approach and has identified agreed upon targets that municipalities may need to meet—a regionally governed or single entity is in a position to more efficiently meet these targets. For example, the EMRB has agreed to higher density targets for municipalities. The ability to meet these targets will rely on the supporting infrastructure including transportation, water, sanitary services.

Nevertheless, there are also several risks associated with working towards collaboration:

- Misaligned service levels and policies can be extremely costly as entities work to achieve coordination—this is most apparent at the infrastructure planning stage with the need to address engineering standards, service agreements, etc. However, these risks may also impact capital projects as well as maintenance and operations depending on how far the municipalities decide to go with harmonization.

- There are no two municipalities with existing service levels and policies that match each other, and so some degree of realignment is necessary which often results in increased costs at the outset of coordination.
- The attempt to provide equitable service delivery may result in the perception of inequitable budget allocation. Equity has the goal of providing everyone with the full range of opportunities and benefits, but in the context of infrastructure, the concept of equity means that some communities will require a larger proportion of money spent, just to provide the coordinated benefits that everyone “should” have.
- Inequitable budget/service delivery may be a perception that the residents hold; however, it’s a risk that will have to be managed. This is typically experienced more in smaller communities, where residents may feel that their municipality is not spending enough to improve their quality of life.

TABLE 5 - ASSESSMENT FINDINGS RELATED TO INFRASTRUCTURE SERVICING (CONT.)

Infrastructure Type	Area of Impact	2. What are different potential <u>impacts of future growth</u> under different forms of governance?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Water	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Sanitary	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Transportation	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Storm Water	Planning and Delivery						
	Capital Projects						

Infrastructure Type	Area of Impact	2. What are different potential <u>impacts of future growth</u> under different forms of governance?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
	Maintenance and Operations						
	Benefits	<ul style="list-style-type: none"> Future infrastructure demands may be easier to plan at a local level. 		<ul style="list-style-type: none"> Joint/coordinated infrastructure service planning to meet future growth effectively. 		Potential for: <ul style="list-style-type: none"> Coordinated infrastructure service planning and delivery. Stronger voice in regional and provincial infrastructure development. Consistent and coordinated regional stormwater management. 	
	Risks	<ul style="list-style-type: none"> Difficult to implement regional infrastructure vision (for e.g. transportation services) Uncoordinated infrastructure/service planning and delivery could hinder the ability to meet future capacity requirements. 		<ul style="list-style-type: none"> Difficult to implement regional infrastructure vision (e.g. transportation services) Costs associated with service delivery could limit future infrastructure expansion and could result in assets being pushed to their limit (sweating the assets). 		<ul style="list-style-type: none"> Prioritization of infrastructure that is competing for funding (budget constraints) may negatively impact growth and economic development in some communities. 	

ANALYSIS OF THE POTENTIAL IMPACTS TO FUTURE GROWTH

Overall, significant opportunity can be realized by coordinating efforts related to infrastructure servicing for all types of infrastructure outlined in this report. The greatest opportunity is in the areas of infrastructure planning and delivery as this ensures an inclusive and coordinated vision going forward. This forward-thinking and consolidated approach focuses on both proper infrastructure asset management (prolonging the lifecycle of assets) and adequate preparation towards future municipal growth. Thus, by not coordinating activities in this way municipalities may experience increased negative impacts such as overusing existing assets and failure to meet future capacity requirements resulting in lower service levels and increased costs.

This ties into the equitable budget allocation. Typically, municipalities are forced to prioritize infrastructure spending because of budget constraints. During times of constraint, infrastructure associated with a higher risk of negative consequences (e.g. aging or inadequate infrastructure) would likely be prioritized

ahead of community amenities that lead to improved quality of life or to support future growth. Without a regional/single entity service provider, the community/municipality would have additional autonomy to prioritize infrastructure that is highly attractive to their citizens in the immediate time frame, without having the long-term focus and plan for future growth for their citizens.

TABLE 6 - ASSESSMENT FINDINGS RELATED TO INFRASTRUCTURE SERVICING (CONT.)

Infrastructure Type	Area of Impact	3. How could different governance models impact citizens' <u>quality of life</u> ?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Water	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Sanitary	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Transportation	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Storm Water	Planning and Delivery						
	Capital Projects						
	Maintenance and Operations						
Positive		<ul style="list-style-type: none"> Municipalities' current sizes are such that they can be very responsiveness to citizen's needs. They can also respond to variations in local demands. 		<ul style="list-style-type: none"> Efficient service delivery driven by contractual obligations. 		Potential for: <ul style="list-style-type: none"> Improved access to infrastructure services for rural communities. Equalization of local infrastructure services so that citizens can enjoy the same level of service. 	

Infrastructure Type	Area of Impact	3. How could different governance models impact citizens' <u>quality of life</u> ?					
		Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
	Negative	<ul style="list-style-type: none"> Potential lower levels of service in municipalities with high budget constraints. Slow expansion of services (heavy financial burden). 		<ul style="list-style-type: none"> 3rd party service delivery may result in individual municipalities being perceived as less accountable to citizens, since it is not always clear who is responsible for which services. 		<ul style="list-style-type: none"> Municipality/Single entity may be too big to be very responsive to citizen's infrastructure needs. Perceived unequitable benefit by residents. 	

ANALYSIS OF THE POTENTIAL IMPACT TO QUALITY OF LIFE

Similar to impacts related to growth, there is significant potential to improve citizens' quality of life via the coordination of infrastructure services. As in the previous examples, the above graphic shows that generally speaking, the more coordination that exists the more improved the outcomes. For example:

- The more formalized and collaborative service delivery is, the more efficient services tend to be throughout. There are similarities with privatization of utility services; research shows that the privatization of service delivery often results in increased efficiencies.
- With collaboration, improved access to infrastructure services often follows, particularly for those in rural communities—in the case of RMWB, with amalgamation came an increase/equalization of services to rural communities (via the creation of a new community centre). Without the amalgamation these communities could never have afforded the centre individually.

Conversely, there is the potential for negative impacts associated with a third party responsible for the delivery of infrastructure services as it could result in confusion over who (which municipality) is ultimately responsible. Similarly, regionally governed service provision may result in residents' *perception* that they are experiencing inequitable benefits. This in fact was a finding out of a 2010 Rural Service Delivery Review in the RMWB. Finally, the larger the organization the harder it is to be responsive to local citizens' needs.

Finally, in examples of intermunicipal collaboration there is the potential for both positive and negative outcomes: "Intermunicipal cooperation would allow local governments to remain small and retain more autonomy while permitting them to be more responsive to the wishes of local residents. At the same time, intermunicipal cooperation may make it harder to develop and implement a regional vision and may make individual municipalities less accountable to citizens, since it is not always clear who is responsible for which services¹".

¹ "Merging Municipalities: Is Bigger Better?" Slack & Bird 2013

Infrastructure Servicing Key Considerations

TABLE 7 - INFRASTRUCTURE SERVICING KEY CONSIDERATIONS

Collaboration Models	Ad-Hoc Service Collaboration	Contractual Service Provider	Partnered Municipal Service Provider	3rd Party Service Provider	Regionally Governed Service Provider	Single Entity Service Provider
Key Considerations	<ul style="list-style-type: none"> Ad-Hoc Service Collaboration (current state) and Contractual Service Provider model allow municipalities to retain autonomy while being responsive to residents' infrastructure services needs. Consideration should be given to the risks and impacts of localized vs joint/coordinated infrastructure planning, implementation of regional infrastructure vision (e.g. transportation), potential inefficient duplication and overlap of services, economies of scale, expansion of infrastructure and levels of service. 		<ul style="list-style-type: none"> Partnered Municipal Service Provider and 3rd Party Service Provider models can facilitate joint/coordinated infrastructure service planning and potential efficient service delivery driven by contractual obligations. Consideration should be given to risks and impacts of misaligned levels of service and policies, implementation of regional infrastructure vision and accountability to citizens. 		<ul style="list-style-type: none"> Research and experience suggest that Regionally Governed Service Provider and Single Entity Service Provider models can facilitate coordination of infrastructure service delivery with benefits such as efficiencies, stronger voice in regional and provincial infrastructure planning/development and expansion of services. Consideration should be given to the potential initial upward pressures on costs, responsiveness to citizen's infrastructure needs and perceived inequitable benefit by residents. 	

Trends, Forecasts and Master Plans

Historical Population/Demographic Trends

The overall trend in Alberta, the region, and for both municipalities has been sustained growth in population. Like much of the province, both municipalities have fairly low median ages, with a high proportion of working-age population and young families. Population growth is generally tied to economic opportunity and perceived quality of life, and have been subject to long-term, cyclical growth patterns in the past, making projection more difficult over a longer time frame.

AREAS CONSIDERED

There are a number of key areas that generally get tracked for population and demographic projections. These can include:

- Population
- Population median age
- Percentage of Female Youth Population (<18)
- Percentage of Male Youth Population (<18)
- Percentage of Female Senior Population (>60)
- Percentage of Male Senior Population (>60)
- Percentage of Female Adult Population (18-60)
- Percentage of Male Adult Population (18-60)
- Total dwellings
- Housing starts
- Development permits (#)
- Building permits (\$)
- Average house prices
- Average Household Income (\$)
- Farmland (acres)

PRELIMINARY GROWTH TRENDS

POPULATION

Looking at a number of areas of population growth and demographic growth, we can see that both municipalities have seen significant long-term growth. However, the growth has not always been consistent and is largely tied to long-term economic cycles, which suggests that future growth will also largely be dependent on the economic environment in the region.

The following charts show the long-term growth trends of the two municipalities. We can see a similar trajectory for each with significant growth through the 1970's, much slower growth through the 1980's, and a revitalization of growth through the late 1990's and into the 2010's, though Fort Saskatchewan's growth cycle was a little more delayed than Strathcona County's.

FIGURE 2 - STRATHCONA COUNTY HISTORICAL POPULATION GROWTH - FROM BREMNER GROWTH MANAGEMENT STRATEGY 2014

Urban & Rural Population: 1951-2012

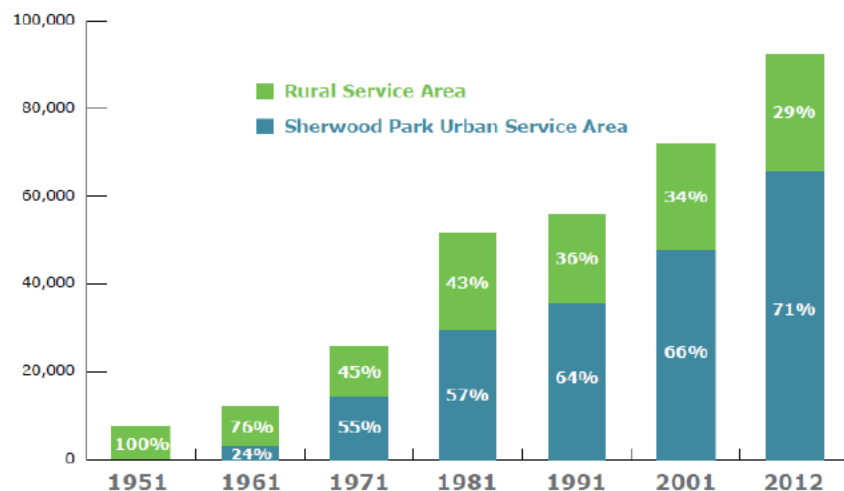
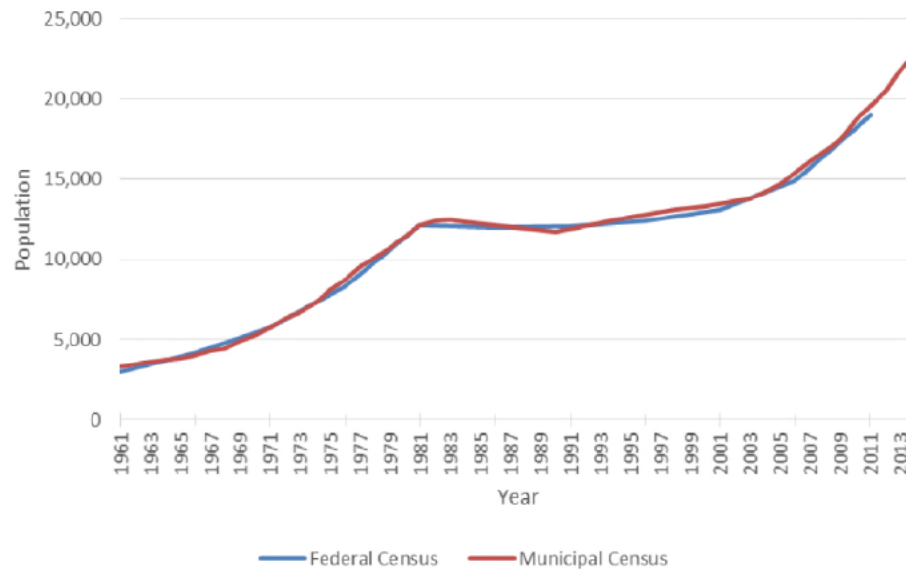


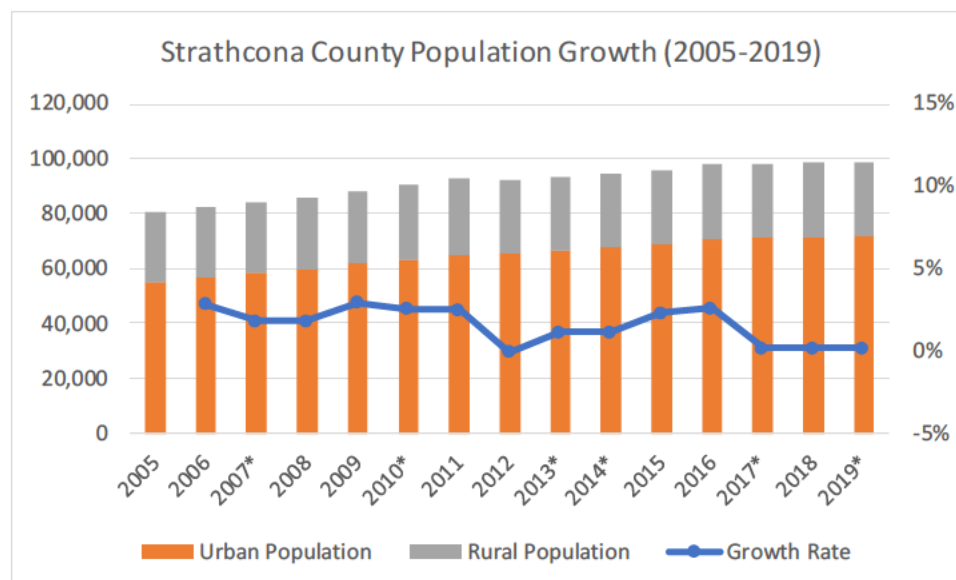
FIGURE 3 - CITY OF FORT SASKATCHEWAN HISTORICAL POPULATION GROWTH (FEDERAL VS. MUNICIPAL CENSUS RESULTS) - FROM GROWTH STUDY 2015

Figure 1: Historic Population Growth, 1961 – 2014



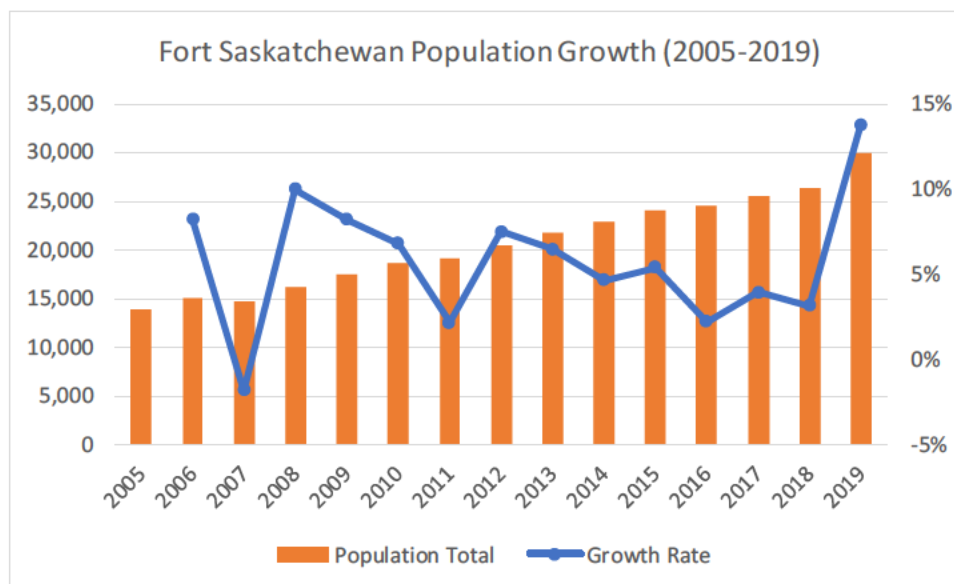
Unfortunately, both of these charts were slightly outdated and did not show more recent growth trends. In order to focus on more recent growth trends between the two municipalities, we have included updated population numbers from 2005. The following figures show these more short-term growth patterns of each municipality.

FIGURE 4 - STRATHCONA COUNTY HISTORICAL POPULATION GROWTH (2005-2019) – FROM FEDERAL AND MUNICIPAL CENSUS FIGURES



*Years without census results. Figures estimated as mid-points between census years. 2019 estimated based on previous year's growth rate

FIGURE 5 - FORT SASKATCHEWAN HISTORICAL POPULATION GROWTH (2005-2019) – FROM FEDERAL AND MUNICIPAL CENSUS FIGURES



Of late, both municipalities have seen continued growth in population, similar to historical levels. Notably though, this growth has sustained during economic ‘down’ cycles in ways that were not seen historically. Strathcona County has seen more moderate growth and a slight ‘cooling off’ of population growth rates, however Fort Saskatchewan has seen significant recent growth. The more tepid economic forecasts for the region may temper future population growth projections somewhat. However, the continued growth and investment of the Alberta Industrial Heartland bodes well for the sustained growth of both municipalities.

In current planning documentation, both municipalities have long-term growth projections that involve significant growth expectations in terms of population. In fact, “high” growth estimates could see the region growing over 200,000 in a fairly short time frame.

DEMOGRAPHICS

Alberta overall is a young province, with a large proportion of working-age population and young families. The economic opportunities and cost of living offered by the region are attractive to this population, and both municipalities are well within the range of expected median age. The chart below shows a sub-regional comparison for each municipality. Fort Saskatchewan is on the younger end of the sub-regional spectrum, with Strathcona being on the older end. However, Strathcona has just as many children per household and more people per household, indicating it is still a desirable location for young families, comparable to anywhere in the sub-region.

TABLE 8 - REGIONAL DEMOGRAPHIC COMPARISON – RECREATED FROM CITY OF FORT SASKATCHEWAN GROWTH STUDY 2015

Demographic Characteristics	Beaumont	Edmonton	Fort Saskatchewan	Leduc	Spruce Grove	St. Albert	Stony Plain	Strathcona
Median Age of Population	32.3	36.0	35.4	34.0	33.7	40.2	37.7	39.1
Average Children per Census Family	1.3	1.1	1.1	1.1	1.1	1.1	1.0	1.1
Average Persons in Private Households	3.0	2.5	2.6	2.6	2.7	2.7	2.5	2.8
Percent Low Density Residential Dwellings	92%	57%	76%	75%	83%	81%	76%	90%
Total Occupied Private Dwellings	4,370	324,755	7,330	9,290	9,620	22,515	5,820	33,130
Low Density Residential Dwellings	4,010	184,625	5,575	6,975	8,010	18,170	4,395	29,860
Other Residential Dwellings	360	140,135	1,760	2,315	1,625	4,340	1,430	3,255
Average Household Total Income, 2010 (\$)	117,853	90,340	103,041	100,265	101,518	121,499	94,330	131,487

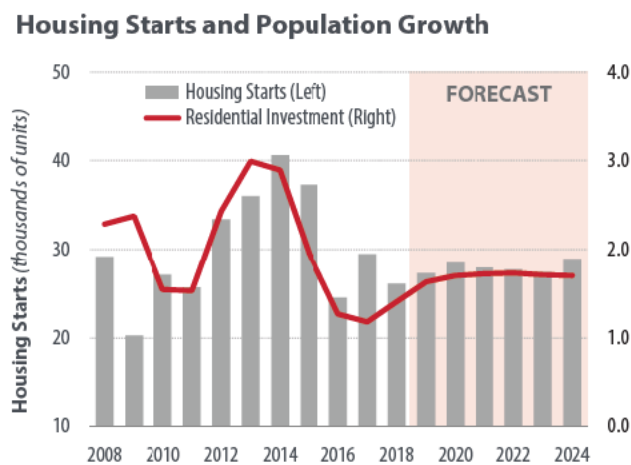
The longer-term growth projections for each municipality, and for the province overall, tend to not predict dramatic differences in median age, the relative size of cohorts, or significant changes in the number of young families. As such, growth projections tend to add population to all age groups fairly consistently. This is likely due to the economic opportunities in the region continuing to attract younger families through net migration.

HOUSING

The housing market has been fairly volatile for both municipalities, and the province overall, in the last years. The uncertain economic projections for the region will only add to the potential volatility. The housing market is strongly tied to the overall Edmonton Metropolitan sub-region, with housing prices, housing starts and development activity impacting all municipalities in the region fairly similarly. Fort Saskatchewan and Strathcona are no exception, and the adoption of the EMRB Growth Plan will only increase the degree of influence the entire region's housing market will have on each municipality.

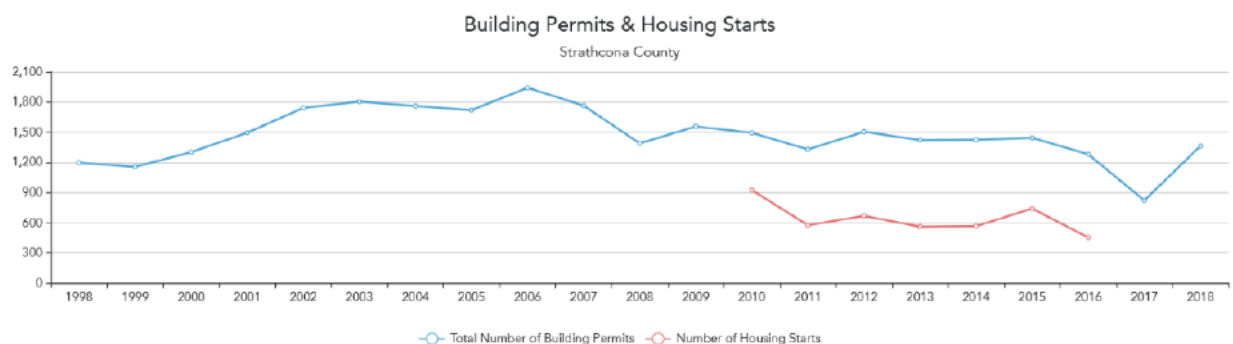
The following charts show the volatility of the housing market overall in the province. However, the numbers shown for Strathcona County indicate the region may be less volatile overall due to the strong economic activity of the Alberta Industrial Heartland. In these charts Strathcona (and, likely, by extension Fort Saskatchewan) shows a much flatter drop-off from the 2015 recession relative to the province overall.

FIGURE 6 - ALBERTA PROJECTED HOUSING STARTS – FROM CITY OF CALGARY: CALGARY AND REGIONAL ECONOMIC OUTLOOK SPRING 2019



Source: Statistics Canada, Alberta Treasury Board and Finance, Stokes Economics, Corporate Economics.

FIGURE 7 - STRATHCONA HISTORICAL HOUSING STARTS AND BUILDING PERMITS – FROM STRATHCONA COUNTY ECONOMIC DEVELOPMENT BUSINESS CLIMATE DASHBOARD



Medium-term projections for housing starts and the real estate market overall, are relatively flat and steady due to tempered economic expectations. Strathcona and Fort Saskatchewan may be in a better position to absorb any future volatility in the housing market compared to other regions of the province due to the relatively better performance of the region in the last downturn.

IMPACTS ON QUALITY OF LIFE

The preliminary projections all point to steady, constant growth in both municipalities that is well-aligned to overall economic activity growth. This means that many factors of quality of life will remain unchanged, as median ages, age group proportions and the number of families should stay fairly consistent.

The largest potential impact on quality of life is the general density, business growth and congestion that could come with added population to the region. At the highest potential growth projection, regional population could nearly double in a fairly short time frame. This would result in significant housing, land use, retail, commercial and traffic impacts in the region that would need to be addressed to meet the needs of a growing population.

Historical Economic/Business Trends

The economy of the province, region and of each municipality is quite volatile, subject to significant swings, making projection difficult and filled with uncertainty. However, the success of the Alberta Heartland Agreement has resulted in strong, sustained growth for both municipalities, and the region, and the region performed better than other areas of the province during the latest downturn.

AREAS CONSIDERED

There are a number of key areas that generally get tracked for economic and business trends. These can include:

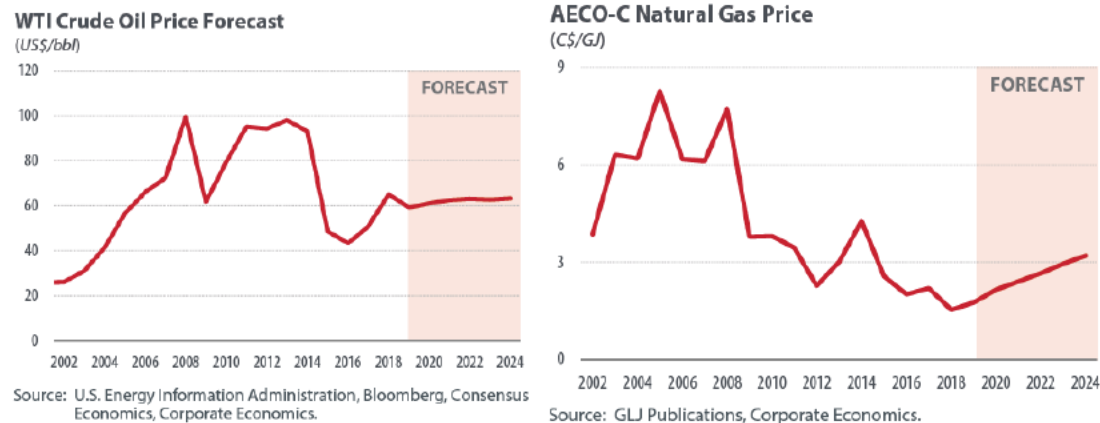
- Oil/Energy prices
- GDP growth
- New business investment
- New businesses started
- Employment growth
- Employment percentages
- General inflation

PRELIMINARY GROWTH TRENDS

ENERGY PRICES

A key driver of economic growth in the province, and specifically in the region, energy prices are prone to significant volatility, as highlighted by the figures below. This volatility inherently makes any projections difficult. However, over a much longer-term view, there is an expectation of a more “stable” energy price environment, though not likely reaching the heights of previous economic boom times.

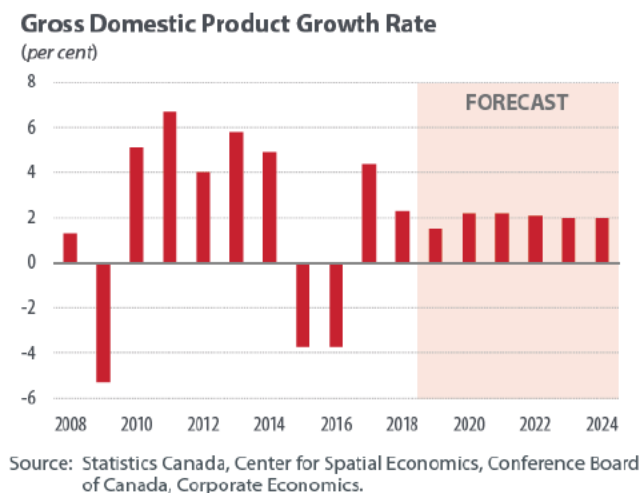
FIGURE 8 - ENERGY FORECASTS – FROM CITY OF CALGARY: CALGARY AND REGIONAL ECONOMIC OUTLOOK SPRING 2019



GDP GROWTH

Alberta's, and the region's, economies are significantly linked to the Oil and Gas sector, so it is not surprising to see GDP growth tracking very similarly to energy prices above. The past years have seen significant volatility. However, future projections tend to be more stable and steadier, with lower but more constant levels of growth that could provide a stable base for investment attraction.

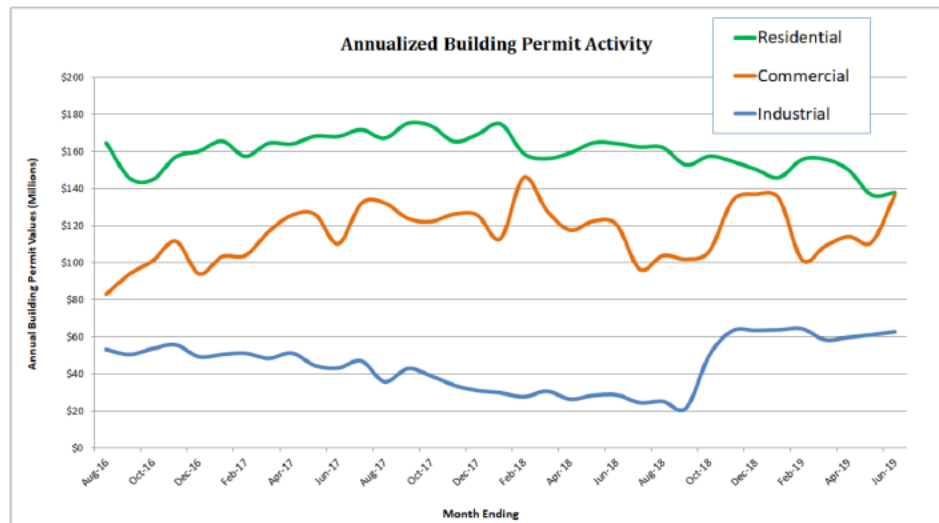
FIGURE 9 - PROJECTED ALBERTA GDP GROWTH – FROM CITY OF CALGARY: CALGARY AND REGIONAL ECONOMIC OUTLOOK SPRING 2019



INVESTMENT ACTIVITY

At a local level, the past volatility of the larger provincial economy has been felt by both municipalities in terms of investment volatility. One way to show this is through building permit activity. The following chart shows the historical building permit activity for Strathcona County since the last recession. As seen, even in a moderately stable (though somewhat depressed) economic environment, there has still been significant volatility. Investors in the region will likely remain very sensitive to the larger economic environment, and volatility in investment in both municipalities will likely track closely with overall provincial economic forecasts.

FIGURE 10 - STRATHCONA HISTORICAL BUILDING PERMIT ACTIVITY – FROM AUGUST 2019 ECONOMIC DEVELOPMENT AND TOURISM ECONOMIC UPDATE



EMPLOYMENT

Employment has been a strength of each municipality, even in a more difficult provincial labour market. The strength of the Alberta Industrial Heartland in terms of providing steady work to both municipalities has insulated the region from some of the worst of the labour impacts during the last recession. The following charts show the contribution of the Industrial Heartland to employment in the region, as well as some of the larger volatility in the labour market at a provincial level.

Figure 11 in particular shows the strong employment amounts in each municipality in Alberta's Industrial Heartland (AIH). The percentages indicate what percentage of all AIH employees reside in each municipality in the larger sub-region. Despite their relatively small populations compared to Edmonton, both municipalities contribute over 20% of all workers to the AIH.

FIGURE 11 - PERCENT OF ALBERTA INDUSTRIAL HEARTLAND OPERATIONS WORKERS RESIDING IN SURROUNDING COMMUNITIES – FROM ALBERTA INDUSTRIAL HEARTLAND REGIONAL LABOUR PROFILE

Where Operations Workers Live

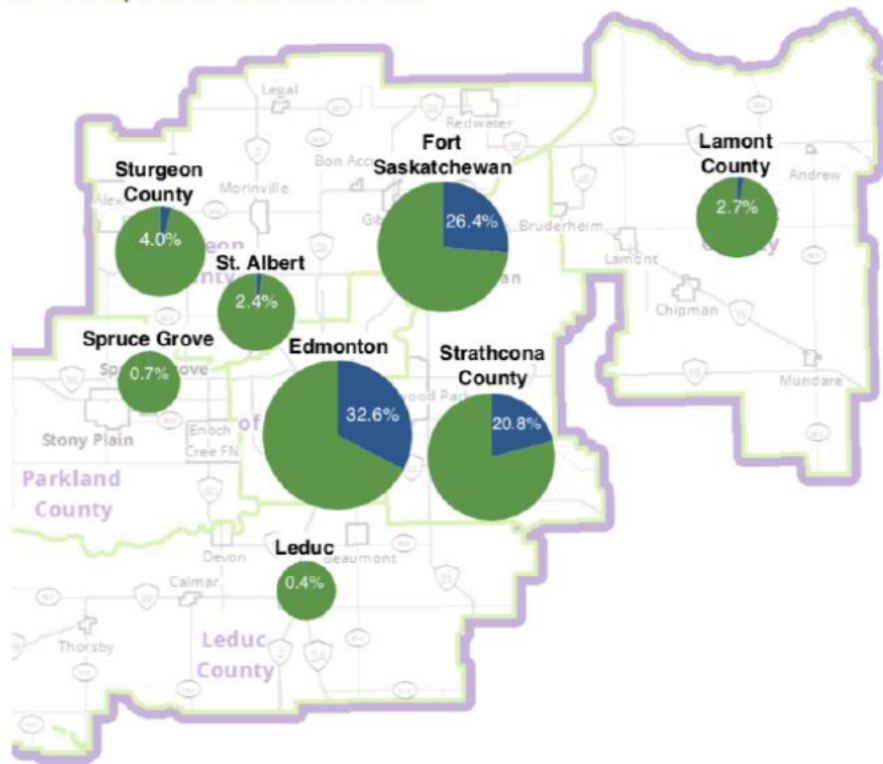


FIGURE 12 - HISTORICAL UNEMPLOYMENT RATE – FROM STRATHCONA COUNTY ECONOMIC DEVELOPMENT BUSINESS CLIMATE DASHBOARD

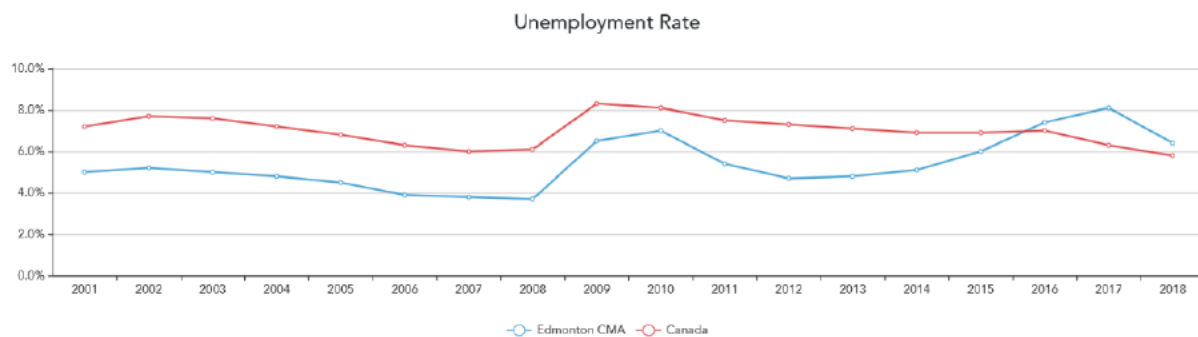
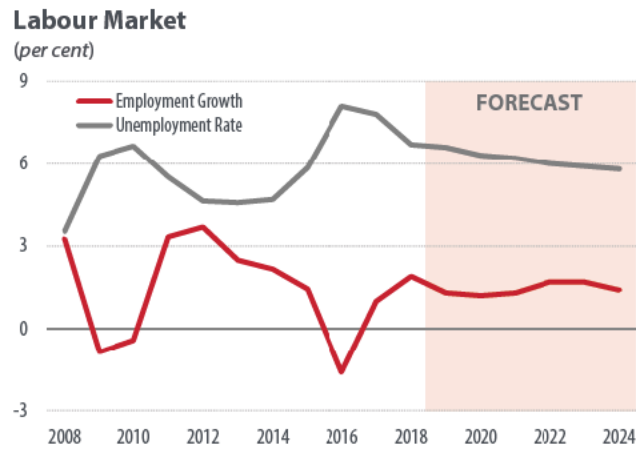


FIGURE 13 - ALBERTA LABOUR MARKET FORECAST – FROM CITY OF CALGARY: CALGARY AND REGIONAL ECONOMIC OUTLOOK SPRING 2019



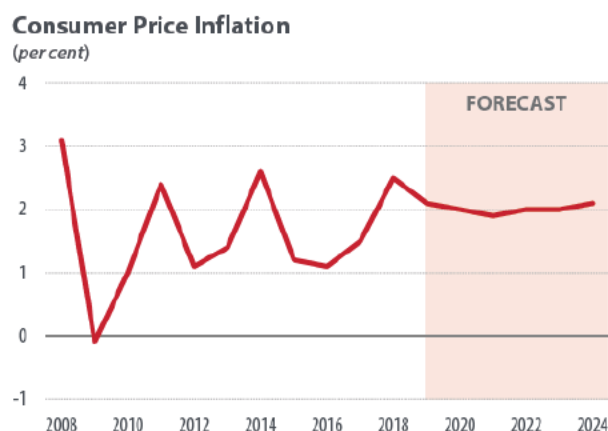
Source: Statistics Canada, Corporate Economics.

The charts above point to the Edmonton Metropolitan Region overall, and Fort Saskatchewan and Strathcona County specifically, performing better than the larger province during the last downturn. While some impacts were certainly felt in terms of the unemployment rate, the shock was less severe than it was for the rest of the province. The steadiness of the Alberta Industrial Heartland should help the region to continue to outperform some very tepid projections in the overall labour market.

INFLATION

Inflation has been steadier than other factors in the province, and there is little reason to believe that the ‘flatter’ forecast shown below will not continue. There is little reason to think that inflation will have significant impact on either municipality unless very serious, unforeseen economic boom/bust cycles occur.

FIGURE 14 - CONSUMER PRICE INFLATION FORECAST - FROM CITY OF CALGARY: CALGARY AND REGIONAL ECONOMIC OUTLOOK SPRING 2019



Source: Statistics Canada, Corporate Economics.

IMPACTS ON QUALITY OF LIFE

Overall, most economic indicators point to a steadier economic forecast for the province and the region. This stabilization would likely bode well for each municipality. Though it may limit some of the 'high' growth scenarios for the region, it would likely provide a steady investment environment that would provide constant, sustainable growth. This type of economic environment would maintain the Alberta Industrial Heartland's success and desirability for young families, allowing both municipalities to continue to attract new population, businesses and investment over the long term.

The 'steady' nature of growth will also likely mitigate any high-inflation scenarios where residents would be significantly impacted by an increase in the cost of living.

Historical Municipal Governance Trends

Both municipalities have a reputation for strong municipal governance, responsible financial management and good sub-regional participation. Based on the strong population and steadier economic forecasts, municipal governance will require a commitment to responsible development, strong land use and responsible financial management to meet the economic and quality of life needs of the growing population in the region.

AREAS CONSIDERED

There are a number of areas that are suitable to track and project municipal governance. These can include:

- Interest rates (%)
- Inflation (MPI)
- Tax base reliance (% revenue residential)
- Residential assessment base
- Farmland assessment base
- Non-Residential assessment base
- M&E assessment base
- Linear assessment base

PRELIMINARY GROWTH TRENDS

TAX BASE RELIANCE

Both municipalities have a healthy industrial tax base to help offset residential tax revenues to some degree. The existence of the Alberta Industrial Heartland allows both municipalities to set tax rates much lower than many other municipalities in the Edmonton Metropolitan Region, or even in the province. There are some differences in the mix of tax base reliance, however, with Fort Saskatchewan moving to a more balanced reliance on residential and non-residential taxes over the years in the following figure. Strathcona has a larger reliance on non-residential tax revenue, as seen in Figure 16. However, this is largely due to the significant growth in the non-residential tax base in the County, as the mill rates ratio between residential and non-residential taxes is very similar in both municipalities.

FIGURE 15 - CITY OF FORT SASKATCHEWAN TAX BASE RELIANCE – FROM GROWTH STUDY 2015

Figure 7: Municipal Assessment Split History, 2002 – 2013

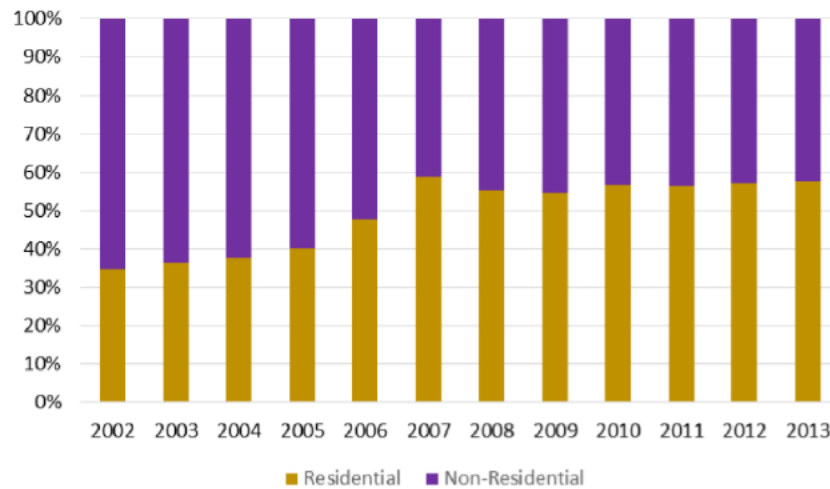
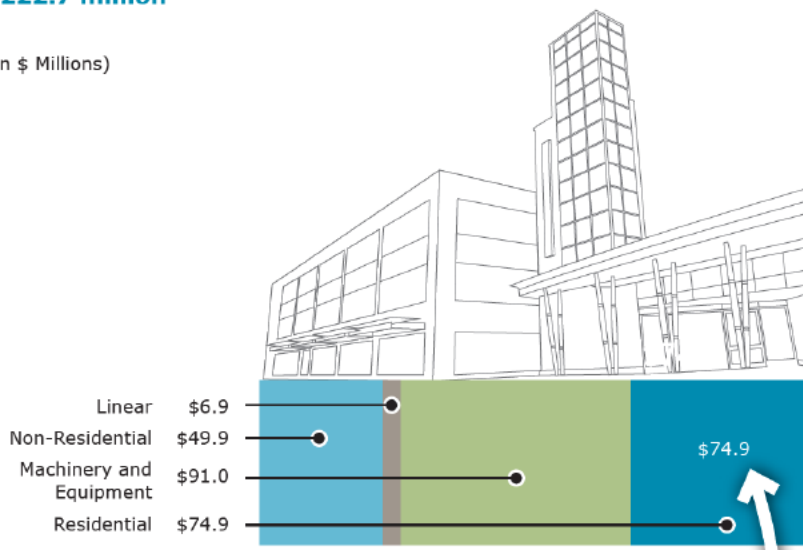


FIGURE 16 - CURRENT STRATHCONA COUNTY TAX BASE RELIANCE – FROM 2018 ANNUAL REPORT

**2018 Municipal Property Tax Revenue
\$222.7 million**

(In \$ Millions)



Overall, both municipalities have managed their balance of tax base reliance to provide projectable revenues, though Strathcona County's is potentially more prone to volatility in the economic environment, due to this slightly higher reliance on non-residential, and particularly Machinery and Equipment, assessment base.

Note: Figure 15 shows a slightly outdated view of Fort Saskatchewan's residential tax base reliance. Since 2013 (the latest year in the chart), the City has moved back to a larger reliance on non-residential tax base, though it is still slightly less reliant than Strathcona County.

DEBT

Debt and debt servicing costs are risks to many public sector organizations, even in an era of prolonged low interest rates. In many ways, both municipalities have been able to 'buck' this trend, and have been able to limit their borrowing, maintaining similar levels against their respective debt limits. Both municipalities use a healthy balance of reserves, grants from other governments and responsible borrowing for their capital investments.

FIGURE 17 - STRATHCONA COUNTY DEBT VS. DEBT LIMITS – FROM 2018 ANNUAL REPORT

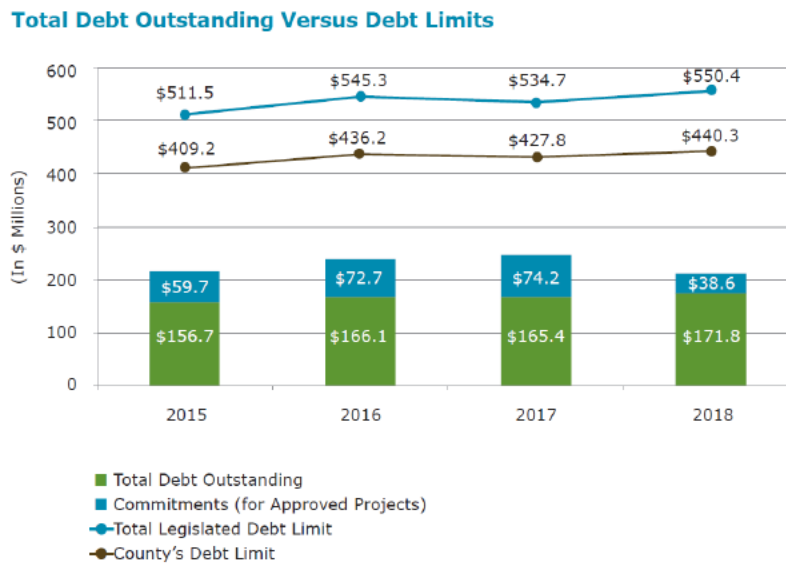
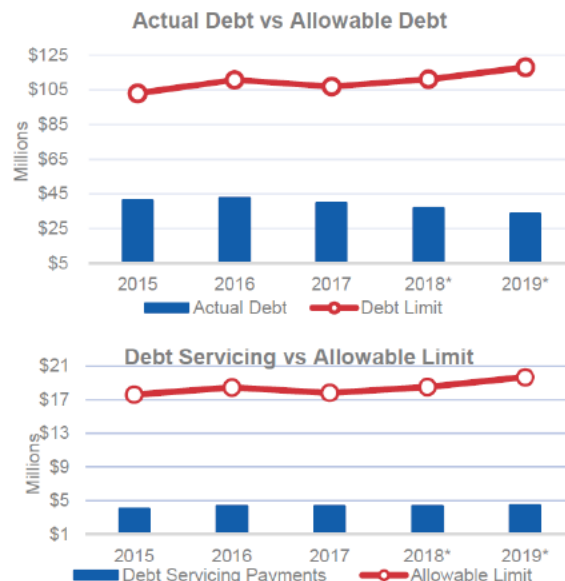


FIGURE 18 - CITY OF FORT SASKATCHEWAN DEBT V. DEBT LIMITS – FROM APPROVED 2019 BUDGET



As these decisions are codified in policy and organizational practices, there is limited risk in projecting the financial well-being of both municipalities from a debt and debt servicing perspective.

IMPACTS ON QUALITY OF LIFE

While good municipal governance may or may not have a significant impact on quality of life, bad municipal governance certainly can. Unsustainable debt, relying on volatile revenue sources and not investing in capital upkeep can all impact the finances of a municipality, forcing unpalatable tax hikes on residents, which would significantly impact resident's quality of life.

Both municipalities have shown strong fiscal management and have processes and policies in place to ensure that continues. Residents in both municipalities can safely expect to enjoy competitive tax rates within the larger metropolitan sub-region, adding to the desirability of each municipality as a destination for young families and new residents.

Regional Economic Forecast Model

INTRODUCTION/METHODOLOGY

The Regional Economic Forecast Model is an attempt to determine a more detailed view on how these various projection factors will impact each municipality, and the region as a whole. The model is intended to provide an up to date baseline of figures explored in the preliminary trends section above, and to identify expected 10-year projections.

Other forecast models tend to focus on population and economic factors. Based on the importance to quality of life, we have included a range of factors across municipal governance and community/social areas. While economic factors are important, larger social and community connection are also key contributors to the concept of 'Quality of Life'.

GROWTH INPUTS

The following growth inputs were used for the Regional Economic Forecast Model. A preliminary set of factors was discussed and validated through sessions with both administrations to determine feasible and useful factors.

The table below shows the growth factors explored in the model, as well as a definition of what data/measures are generally used to calculate each factor.

TABLE 9 - REGIONAL ECONOMIC FORECAST MODEL GROWTH INPUTS

Economic Model Input	Definition
Population and Housing	
Population	<i>Total population based on municipal and federal census results</i>
Population median age	<i>Median population age based on municipal and federal census results</i>
Percentage of Female Youth Population (<19)	<i>Percent of population based on federal census results</i>
Percentage of Male Youth Population (<19)	<i>Percent of population based on federal census results</i>
Percentage of Female Senior Population (>55)	<i>Percent of population based on federal census results</i>

Economic Model Input	Definition
Percentage of Male Senior Population (>55)	<i>Percent of population based on federal census results</i>
Percentage of Female Adult Population (19-55)	<i>Percent of population based on federal census results</i>
Percentage of Male Adult Population (19-55)	<i>Percent of population based on federal census results</i>
Total dwellings	<i>Total residential dwellings (all types)</i>
Housing starts	<i>New residential housing starts in a calendar year (projected for 2019)</i>
Development permits (#)	<i>New development permits initiated in calendar year (projected for 2019)</i>
Building permits (\$)	<i>Value of building permits initiated in calendar year (projected for 2019)</i>
Average house prices	<i>2019 average housing value for municipality (single family homes)</i>
Average Household Income (\$)	<i>Average pre-tax household income</i>
Farmland (Ha)	<i>Amount of existing cultivated agriculture land in the municipality</i>
Economy & Business	
Oil Price	<i>Will use an external projection</i>
GDP growth (%)	<i>Difficult to measure and project, but will likely slightly outperform forecasts for the larger region</i>
New businesses / business licenses	<i>Difficult to measure – new business license applications, or known business openings in calendar year (2019 projected)</i>
Value of new business investment (\$)	<i>Difficult to measure – some combination of building permits and assessment base growth is the only measurable proxies</i>
Employment percentage	<i>Difficult to measure – Federal Census results will inform</i>
New Employment Added (%,#)	<i>Difficult to measure and project, but will likely slightly outperform forecasts for the larger region</i>
General inflation (CPI)	<i>Will use an external projection</i>
Municipal Government	
Interest rates (%)	<i>Expected yield rates for municipal investments – borrowing rates are the same through province</i>
Inflation (MPI)	<i>Internal inflation measures used for budgeting purposes (different sources)</i>
Tax base reliance (% revenue residential)	<i>Percent of total property tax collected from residential assessment base</i>

Economic Model Input	Definition
Residential assessment base	<i>Total Residential assessment base and projected 10-year growth</i>
Farmland assessment base	<i>Total Farmland assessment base and projected 10-year growth</i>
Non-Residential assessment base	<i>Total Non-Residential assessment base and projected 10-year growth</i>
M&E assessment base	<i>Total M&E assessment base and projected 10-year growth</i>
Linear assessment base	<i>Total Linear assessment base and projected 10-year growth</i>
Community/Social	
Community events	<i>All community hosted, and municipal hosted events (Event Permits, Event Grants, Estimated Community Hosted Events)</i>
Active Non-profits	<i>The number of active community organizations in the community, as a proxy for community engagement</i>
Local Transit ridership	<i>Number of local transit riders in a calendar year (2019 projected)</i>
Commuter Transit ridership	<i>Number of commuting transit riders in a calendar year (2019 projected)</i>
Crime rates and safety	<i>Crime Severity Index (from RCMP stats)</i>
Solid Waste Diversion	<i>Percent of solid waste diverted through recycling programs (current performance)</i>
Cultural Diversity	<i>Percent of non-Caucasian population (through Federal Census)</i>
Green Space / Trails Added	<i>Total length (KM's) of trails</i>
Net school additions planned (#)	<i>New schools expected to be added (minus older schools closed / repurposed)</i>
Volunteer participation (%)	<i>Current volunteer participation rates (self-reported citizen responses)</i>
Net substantial community facility additions	<i>New major community-focused municipal facilities to be added (minus older facility closures or repurposing)</i>

MODEL RESULTS

The model results shows 10-year projections for each of the factors above, as well as current 2019 baseline levels. For each section of the model, projections are shown for Strathcona County, Fort Saskatchewan, as well as the entire sub-region which is effectively both municipalities combined. The projections also include a summary discussion section, which compares and contrasts results compared to the preliminary results shown above.

Note: In many cases, both administrations noted the difficulty of projecting growth factors based on the high number of external influences that could impact projections. These influences include economic, government decision making at all levels, regional pressures, industry trends, social trends, etc. (many of these pressures are explored in Phase 5 work). As a result, these projections are very approximate in nature, and often rely on

historical trends to look at what growth has been achieved over the last years. In other cases, the projections may be speculative in nature, as solid data is not available to conduct trending analyses.

Further, these results are not necessarily aligned with each municipality's more formal planning and projections based on the need to use a common set of factors, data and definitions between the two municipalities.

POPULATION AND HOUSING RESULTS

The following results are based on the estimates for 10-year growth projected by each municipality. In some cases, a high, medium and low projection were provided (all shown as year-10 figures after growth projections are applied), while in others only one likely growth rate is included (shown as a medium scenario). There are also areas that were deemed to be not applicable for projection based on the difficulty in projecting outcomes, or challenges with current data.

TABLE 10 - REGIONAL ECONOMIC FORECAST MODEL GROWTH RESULTS – POPULATION AND HOUSING

Population and Housing												
	Strathcona County				Fort Saskatchewan				Sub-Region			
	Current	Low	Med	High	Current	Low	Med	High	Current	Low	Med	High
Year	2019	10-Year			2019	10-Year			2019	10-Year		
Population	98,381	100,736	113,502	116,331	26,942	33,492	35,684	38,004	125,323	134,228	149,186	154,335
Population median age	41.0	-	41.5	-	32.5	-	32.5	-	39.2	-	39.6	-
Percentage of Female Youth Population (<19)	10,674	-	10,890	-	3,240	-	4,805	-	13,914	-	15,695	-
Percentage of Male Youth Population (<19)	10,969	-	11,080	-	3,376	-	4,617	-	14,345	-	15,697	-
Percentage of Female Senior Population (>55)	11,658	-	12,878	-	2,899	-	4,129	-	14,557	-	17,007	-
Percentage of Male Senior Population (>55)	11,068	-	12,226	-	2,691	-	3,851	-	13,759	-	16,077	-
Percentage of Female Adult Population (19-55)	26,858	-	24,536	-	6,014	-	7,090	-	32,872	-	31,627	-
Percentage of Male Adult Population (19-55)	27,153	-	25,311	-	6,343	-	6,788	-	33,496	-	32,099	-
Total dwellings	33,130	-	-	-	11,136	12,301	12,924	13,575	44,266	45,431	46,054	46,705
Housing starts	248	-	248	-	173	-	173	-	421	-	421	-
Development permits (#)	596	-	596	-	334	-	407	-	930	-	1,003	-

Population and Housing												
	Strathcona County				Fort Saskatchewan				Sub-Region			
	Current	Low	Med	High	Current	Low	Med	High	Current	Low	Med	High
Year	2019	10-Year			2019	10-Year			2019	10-Year		
Building permits (\$)	\$195,200,000	-	\$195,200,000	-	\$63,285,042	\$69,906,058	\$73,444,875	\$77,144,113	\$258,485,042	-	\$268,644,875	-
Average house prices	\$469,436	-	\$-	-	\$397,674	\$359,649	\$397,674	\$439,279	\$454,009	-	-	-
Average Household Income (\$)	\$201,993	-	\$240,614	-	\$140,283	-	\$194,092	-	\$188,727	-	\$230,613	-
Farmland (Hectares)	81,182	-	-	-	8,695	6,750	6,412	6,089	89,877	-	-	-

SUMMARY DISCUSSION:

There are a number of implications, trends and observations from the regional model above:

- **Population growth:** Much like the preliminary projections, population growth is expected to continue steadily. Fort Saskatchewan projects to grow at a slightly higher rate than Strathcona overall, between 2.2% and 3.5%, compared to 1.19% and 1.69% on the high-end, respectively. The entire sub-region could add between 9,000 or nearly 30,000 people over the next 10 years based on the low-end and high-end projections
- **Population median age:** The difference in median age between the two municipalities has widened from the preliminary projections. This is expected to continue based on each municipality's projections, as Strathcona is projected to age slightly, with no change projected for Fort Saskatchewan. The sub-region projection uses a weighted average to each municipality's current population.
- **Percentage of Female Youth Population:** The female youth population in both municipalities is projected to grow, with a small amount of growth in Strathcona County, but a much higher rate of growth in Fort Saskatchewan. The youth population is anticipated to outpace overall population growth in Fort Saskatchewan.
- **Percentage of Male Youth Population:** Similar to above, the male youth population is expected to grow in both municipalities, with high growth projected in Fort Saskatchewan.
- **Percentage of Female Senior Population:** While the municipalities used slightly different age cut-offs for the senior population, both expect to see growth in this demographic grouping. Again, Fort Saskatchewan expects to outpace overall population growth, with Strathcona falling a bit below overall population growth projections.
- **Percentage of Male Senior Population:** There is very little difference expected between female and male senior populations from either municipality, with nearly the exact same growth rates projected for male and female senior populations. Both municipalities have slightly smaller current male senior populations, so overall growth projections are slightly lower, despite having similar growth rates.
- **Percentage of Female Adult Population:** The female working age population is expected to decrease in Strathcona County, and to grow at a low level, well below overall population growth levels, in Fort Saskatchewan. Based on the expected reduction in Strathcona County, the overall level of working age female population is actually expected to decline by over 1,000 in the entire Sub-region over a 10 year period.
- **Percentage of Male Adult Population:** Similar to above, the male working age population is expected to decline in Strathcona and grow slowly in Fort Saskatchewan. Interestingly, the growth rate for male working age population is higher than the female working age population in Strathcona, but lower in Fort Saskatchewan. This projection may indicate a slowing of working age male population moving to Fort Saskatchewan for work.
- **Total dwellings:** Total dwellings are expected to grow as development continues in the region. Strathcona did not indicate a growth projection, however Fort Saskatchewan indicated a growth range between 1% and 2% per year. It can be reasonably expected that both municipalities would see growth in total dwellings as development continues. Both administrations noted that projections in this area are subject to economic pressures and could be variable over a 10-year period.

- **Housing starts:** Housing starts are not projected to change dramatically from current levels over the 10 years in either municipality. Both administrations noted that projections in this area are subject to external EMRB and economic pressures that make projections difficult.
- **Development permits (#):** Development permit numbers were expected to grow slightly in Fort Saskatchewan over the projection window, but Strathcona did not project growth above current levels. Similarly, both administrations noted that projections in this area are subject to external pressures that make projections difficult
- **Building permits (\$):** Building permit values were treated the same by both municipalities as Development permits above. Similarly, both administrations noted the external pressures that could impact projections in this area.
- **Average house prices:** Average house prices were not projected to change dramatically, with Fort Saskatchewan showing a slightly negative 'low-end' projection and a slightly positive 'high-end' projection. Strathcona County did not provide a growth projection due to the uncertainty in the long-term housing market. Both administrations noted that positive growth in this area is not necessarily positive for overall quality-of-life as it impacts affordability. Current average house prices indicate that affordability is a larger concern in Strathcona County currently, though Fort Saskatchewan's 'high-end' projection could lead to similarly priced housing to Strathcona County over the longer-term.
- **Average Household Income (\$):** Household incomes in both municipalities are fairly high compared to the region as was seen in the preliminary projections, though Strathcona stands out as having particularly high average household earnings. Over time, both municipalities project to see increased average household income, though Strathcona County is expected to increase at a slightly lower rate as Fort Saskatchewan begins to 'catch up.'
- **Farmland (Hectares):** There will be a transfer of farmland between the municipalities in the first year of the projection based on the annexation process. However, as a specialized municipality, Strathcona County will continue to have significantly higher levels of cultivated farmland. While it was difficult to provide a projection, Fort Saskatchewan anticipates that it will continue to 'absorb' farmland within its boundaries. As an urban municipality, there is no zoned agricultural land in the City, though some commercial and industrial land is currently cultivated and assessed as farmland. Similarly, the annexed land will be absorbed to residential and commercial development over time. Strathcona County, short of major new development in Bremner (which was excluded from this time frame), will likely maintain much of its current farmland, though exact projections are challenging to determine.

ECONOMY AND BUSINESS RESULTS DISCUSSION

The following results are based on the estimates for 10-year growth projected by each municipality. In some cases, a high, medium and low projection were provided, while in others only one likely growth rate is included. There are also areas that were deemed to be not applicable for projection based on the difficulty in projecting outcomes, or challenges with current data.

TABLE 11 - REGIONAL ECONOMIC FORECAST MODEL GROWTH RESULTS – ECONOMY AND BUSINESS

Economy and Business												
	Strathcona County				Fort Saskatchewan				Sub-Region			
	Current	Low	Med	High	Current	Low	Med	High	Current	Low	Med	High
Year	2019	10-Year			2019	10-Year			2019	10-Year		
Energy prices	-	-	-	-	-	-	-	-	-	-	-	-
GDP growth	2%	-	-	-	-	-	-	-	-	-	-	-
New businesses/ business licenses	12,237	-	-	-	1,130	1,594	1,673	1,755	13,367	-	-	-
Investment (\$)	-	-	-	-	\$341M	-	-	-	-	-	-	-
Employment percentage	67%	-	-	-	1	-	-	-	1	-	-	-
Employment growth	39,888	-	47,819	-	15,100	-	-	-	54,988	-	-	-
General inflation (CPI)	\$100 (Base)	\$104	\$123.1	\$126	\$100 (Base)	-	\$122	-	\$100 (Base)	-	\$122.5	-

SUMMARY DISCUSSION:

There are a number of implications, trends and observations from the regional model above:

- **Energy prices:** As seen in the preliminary projections, energy prices are forecasted to have slow, steady increases over time, though long-term forecasts are very difficult. Neither administration is using energy pricing as a significant forecasting factor, and both noted that the local industrial economies are less sensitive to energy prices than other areas of the province, based on the highly integrated operations in refining activity, and the prevalence of petrochemical activities.
- **GDP growth:** GDP growth is difficult to accurately measure and predict at a local level. While Strathcona County noted approximately 2% current growth, both administrations noted that projections were nearly impossible based on the various external political and economic factors that could impact that figure. The region will likely follow the slower, steadier growth projections for the entire province, as seen in the preliminary projections.
- **New businesses/business licenses:** Both municipalities noted difficulty in data capture and projections for new business activity. Strathcona does not conduct business licensing and relies on voluntary and external information sources. Fort Saskatchewan can measure business licenses, but business with multiple locations are only required a single license, so data is still voluntary. Both municipalities noted potential weaknesses in the data.
- **Business Investment:** Similar to business activity above, new business investment relies heavily on voluntary and external data sources and both administrations expressed the difficulty in projecting. It is anticipated that business investment will track closely with the overall GDP trends and the larger economic cycle of the energy sector, with many external factors that could impact it.
- **Employment percentage:** Similar to above, municipalities use a variety of voluntary and StatsCan data to determine employment percentages. Data quality challenges, and significant uncertainty due to larger economic factors makes projection very challenging.
- **Employment growth:** Employment levels use nearly the same data as Employment percentage above, and the same data quality challenges and uncertainty makes projection very challenging.
- **General inflation (CPI):** A baseline of \$100 is used to show the impact of inflation, based on each municipality's inflation forecasts. Both forecasts are very similar, which makes sense given the closeness and similarities in both municipalities. Critically for Quality of Life, inflation will have an impact on affordability for citizens. The inflation forecasts are nearly identical with what was projected for the overall province, which suggests that there are no unique affordability concerns facing the sub-region.

MUNICIPAL GOVERNANCE RESULTS DISCUSSION

The following results are based on the estimates for 10-year growth projected by each municipality. In some cases, a high, medium and low projection were provided, while in others only one likely growth rate is included. There are also areas that were deemed to be not applicable for projection based on the difficulty in projecting outcomes, or challenges with current data.

TABLE 12 - REGIONAL ECONOMIC FORECAST MODEL GROWTH RESULTS – MUNICIPAL GOVERNANCE

Municipal Governance												
	Strathcona County				Fort Saskatchewan				Sub-Region			
	Current	Low	Med	High	Current	Low	Med	High	Current	Low	Med	High
Year	2019	10-Year			2019	10-Year			2019	10-Year		
Interest rates	-	-	-	-	N/A				-	-	-	-
MPI	1.70%	1.74%	2.01%	-	2.73%	-	-	-	-	-	-	-
Tax base reliance	34%	-	32%	-	41%	-	-	-	-	-	-	-
Residential assessment base	\$17,511,238,990	-	\$20,322,507,745	-	\$3,549,779,790	\$3,921,165,296	\$4,119,664,366	\$4,327,161,756	\$21,061,018,780	-	\$24,442,172,111	-
Farmland assessment base	\$33,106,590	-	\$33,106,590	-	\$888,400	\$981,346	\$1,031,024	\$1,082,955	\$33,994,990	-	\$34,137,614	-
Non-Residential assessment base	\$5,373,011,920	-	\$6,549,671,549	-	\$1,143,547,690	-	\$1,263,188,080	-	\$6,516,559,610	-	\$7,812,859,629	-
M&E assessment base	\$10,144,887,810	-	\$16,524,953,243	-	\$1,522,891,300	-	\$1,949,429,616	-	\$11,667,779,110	-	\$18,474,382,859	-
Linear assessment base	\$839,436,230	-	\$1,023,268,080	-	\$124,910,470	-	\$152,265,166	-	\$964,346,700	-	\$1,175,533,246	-

SUMMARY DISCUSSION:

There are a number of implications, trends and observations from the regional model above:

- Interest rates:** Both municipalities face the same borrowing costs from the province on deficit spending, so there are no meaningful differences between the two in terms of debt interest rates, and will not be in the future. In terms of interest investments, Strathcona County has a dedicated investment function in the organization which maximizes returns in a way that Fort Saskatchewan indicated is difficult for the City to achieve. These differences were not projected, but will likely continue until the City has a dedicated investment function.
- Municipal Inflation (MPI):** The MPI is a commonly used measure for projecting municipal cost inflation on common goods and services. There are a number of different MPI calculations and many organizations undertake their own studies. Fort Saskatchewan indicated a tendency to look to the City of Edmonton's MPI figures for projection purposes, while Strathcona undertakes their own MPI process. The results are a difference in terms of baseline projections, with Strathcona indicating a smaller inflation factor by approximately 1 percentage point.
- Tax base reliance:** Currently Strathcona County has a larger reliance on its non-residential property tax base compared to its residential tax base, compared to Fort Saskatchewan. However, in terms of regional context, both municipalities are fairly reliant on non-residential property tax base based on the significant Industrial Heartland presence in both. This is slightly different than what was seen in the preliminary projections above, where Fort Saskatchewan had moved to a more equal balance during the trend years examined. Both administrations noted the difficulty in projecting what future tax base reliance may look like based on the large number of economic and governance factors that could impact those numbers. However, as seen in the assessment base projections below, the growth in non-residential assessment areas has led Strathcona County to indicate a slightly lower residential tax base reliance over time, moving down 2% over the timeframe.
- Residential assessment base:** The residential assessment base is expected to continue growing at a stable pace. Fort Saskatchewan indicated an expected assessment base growth rate of between 1% to 2% over the 10-year window. Strathcona effectively indicated the same preferred growth rate of 1.5% over the 10-year time frame. It is reasonable to assume that similar levels of development and price inflation in the region will have similar impacts on assessment base growth.
- Farmland assessment base:** The farmland assessment base had similar results as above, with Fort Saskatchewan indicating an expected assessment base growth rate of between 1% to 2%. Strathcona indicated a 0% growth rate, with no change over the 10-year timeframe. Over the longer term, it may be reasonable to expect that the absorption of farmland in the region would begin to have a negative growth effect in this area, though major impacts are not expected over this projection window.
- Non-Residential assessment base:** Non-residential assessment is similar to above, with Fort Saskatchewan indicating an expected growth rate of 1%, which is slightly lower than residential assessment growth. Strathcona indicated a preferred growth rate of 2% which indicates strong growth over time. Overall, the sub-region could over \$1B in non-residential assessment base over 10 years with these growth rates.

- M&E assessment base:** Machinery & Equipment assessment base is an area where higher growth is expected. Fort Saskatchewan indicated an expected growth rate of 2.5%, which is the highest growth projection across all assessment types. Strathcona indicated a preferred growth rate of 5% over the 10-year time frame. This growth would indicate strong continued industrial development in the region. Overall, the sub-region could expect to add nearly \$7B in M&E assessment base over 10 years based on these growth rates.
- Linear assessment base:** Linear assessment base is also expected to grow at a fairly high rate over the projection time frame. Fort Saskatchewan indicated a growth rate of 2%, just under M&E and higher than residential growth. Strathcona indicated the same preferred growth rate at 2% indicating similar growth expectations across the sub-region.

COMMUNITY AND SOCIAL RESULTS DISCUSSION

The following results are based on the estimates for 10-year growth projected by each municipality. In some cases, a high, medium and low projection were provided, while in others only one likely growth rate is included. There are also areas that were deemed to be not applicable for projection based on the difficulty in projecting outcomes, or challenges with current data.

TABLE 13 - REGIONAL ECONOMIC FORECAST MODEL GROWTH RESULTS – COMMUNITY AND SOCIAL

Community and Social												
	Strathcona County				Fort Saskatchewan				Sub-Region			
	Current	Low	Med	High	Current	Low	Med	High	Current (2019)	Low (10-Year)	Med (10-Year)	High (10-Year)
Year	2019	10-Year			2019	10-Year			2019	10-Year		
Community events	111	-	-	-	80	-	80	-	-	-	-	-
Active Non-profits	238	-	-	-	114	-	114	-	-	-	-	-
Local Transit ridership	327,000	-	398,611	-	64,596	80,300	85,556	91,119	391,596	-	484,167	-
Commuter Transit ridership	1,345,000	-	1,639,547	-	40,100	49,849	53,111	56,565	1,385,100	-	1,692,659	-
Crime rates and safety (CSI)	55.0	-	55.0	-	86.1	-	86.1	-	-	-	-	-
Solid Waste Diversion	59%	-	59%	-	56%	-	-	-	-	-	-	-
Cultural Diversity (% of immigrants)	10%	-	10%	-	8.0%	-	8.8%	-	9.6%	-	9.7%	-
Green Space / Trails Added	9,153	-	-	-	N/A				-	-	-	-
Net school additions planned	-	-	-	-	N/A				-	-	-	-
Volunteer participation (%)	22%	-	22%	-	28%	-	28%	-	23.2%	-	23.2%	-
# of planned substantial community facility additions	-	-	-	-	-	1	2	3	-	-	-	-

SUMMARY DISCUSSION:

There are a number of implications, trends and observations from the regional model above:

- **Community events:** The number of community organized and municipal organized events were not projected to change dramatically, with Fort Saskatchewan estimating no change at all. Strathcona County did not provide a specific growth projection due to the uncertainty in funding, organization and political decisions regarding events. Both administrations noted that even if event numbers stay the same, the size and complexity of them tends to increase over time.
- **Active Non-profits:** Similar to above, the number of active non-profits is not expected to change dramatically. Fort Saskatchewan projected no change over 10 years, and conversations with administration even indicated that a consolidation of non-profits in the community may occur, as larger and more sophisticated organizations are needed to meet the needs of the growing community. Again, both municipalities noted the challenges with data collection in this area, and noted the difficulty in making projections.
- **Local Transit ridership:** Local Transit ridership is expected to continue growing, even above the pace of population growth for Fort Saskatchewan, with a projected growth rate between 2.2% and 3.5%. Strathcona also expects to see approximately 2% growth in local transit ridership, which will outpace their population growth projections. Overall, the sub-region expects to add nearly 100,000 local transit riders over the 10-year window.
- **Commuter Transit ridership:** Similar to local transit ridership above, commuter transit ridership is expected to continue growing, with Fort Saskatchewan indicating the same projected growth rate between 2.2% and 3.5%. Strathcona also noted the same projected growth rate 2%. Overall, the sub-region could add over 300,000 additional commuter transit riders over the 10-year timeframe.
- **Crime rates and safety (CSI):** The Crime Severity Index is readily available and used by both municipalities as a measure of community safety. Currently there is a gap between CSI scores between the two municipalities. Overall, no significant change could be reasonable projected for Fort Saskatchewan, and Strathcona County did not provide an expected projection based on the uncertainty of projecting these figures.
- **Solid Waste Diversion:** Diversion indicated the percentage of solid waste that can be successfully diverted from landfills to recycling programs. In this case, Strathcona indicated no expectation of long-term change, while Fort Saskatchewan did not provide a projection due to the uncertainty. Both administrations noted the potential governance and service decisions that could be made which would make projection difficult. Currently, both municipalities are diverting comparable amounts of solid waste.
- **Cultural Diversity (% of immigrants):** The level of non-Caucasian population is similar in both municipalities, at 10% and 8% for Strathcona and Fort Saskatchewan, respectively. Fort Saskatchewan indicated an expected growth to this rate, though not at a significant enough level to catch up to Strathcona over the 10 years.
- **Green Space / Trails Added:** Both municipalities indicated a strong focus on recreation and green space, though the data proved to be difficult to collect within the timeframes of the modeling exercise. However, Strathcona was able to define current zoned park (green) space, and KM's of trails. Both municipalities indicated the difficulty in projecting these figures, as much of it is related to the level of

newly developed areas over the 10 year window. Strathcona noted a ‘missing link’ initiative that may fill in additional trail space throughout existing developed areas, while Fort Saskatchewan considered its trail system fairly mature and complete, with the exception of to-be developed areas.

- **Net school additions planned (#):** Neither municipality was able to confidently project the number of net new schools in the community over a 10 year window, due to the external nature of decision making on the issue. Both municipalities indicated growth patterns would likely warrant new schools over the time frame, but projections remain uncertain.
- **Volunteer participation (%):** Both municipalities have started to capture this figure, though the data is voluntary and subject to some uncertainty. The levels of self-reported volunteerism in both communities are fairly similar, with Fort Saskatchewan having a slightly higher figure. Both administrations noted the difficulty in projecting volunteerism trends, due to the lack of control or influence the municipality has over this factor, though both municipalities they would not expect significant change from current levels over the projection time frame. The sub-region figure uses a weighted average of both municipality’s current populations.
- **Planned community facility additions:** The number of community-focused municipal facilities added over the 10-years was difficult to project for both municipalities, based on the governance and financial pressures that may impact these decisions. However, Fort Saskatchewan, though its current capital planning efforts was able to project between 1 and 3 potential new facility additions in low-end and high-end scenarios. Due to the uncertainty, Strathcona was not able to provide a projection on this factor.

A Review and Analysis of *Re-Imagine. Plan. Build.* (Edmonton Metropolitan Region Board Growth Plan)

Reviewed Documents

- Re-Imagine. Plan. Build. Edmonton Metropolitan Region Growth Plan. Effective October 2017, Edmonton Metropolitan Region Board.

Overview

- Strathcona County and Fort Saskatchewan are located within the Edmonton Metropolitan Region. In 2017, the Edmonton Metropolitan Region Board (EMRB) adopted the *Re-Imagine. Plan. Build. Edmonton Metropolitan Region Growth Plan* (the ‘plan’ or EMRGP) to guide how growth occurs in the Region over the next 30 years. The purpose of the EMRGP is to promote growth and development in the region in a responsible manner through compact and contiguous development, minimizing the expansion of the Region’s development footprint.
- The EMRGP recognizes Sherwood Park and Bremner in Strathcona County as well as Fort Saskatchewan as “Urban Centres”, with both Sherwood Park and Fort Saskatchewan being Built-Up Urban Areas, where as Bremner is not currently developed.
- Urban Centres are significant ‘urban communities’ intended to provide sub-regional level of services and accommodate mixed use development at higher intensities. All three Urban Centres (Fort Saskatchewan, Sherwood Park, Bremner) are located in the Metropolitan Policy Tier of the EMRGP. Generally, the policies for Metropolitan Area support:

- Compact, contagious growth
- Intensification
- Mix of land uses, including major employment areas
- Urban levels of servicing
- With the exception of the two urban areas, the majority of Strathcona County is located in the EMRGP “Rural Area”. This area has a very different growth strategy than the Metropolitan Area, where limited Country Residential is permitted, however growth is generally directed toward other areas in the region.
- Both municipalities have “Major Employment Areas” in their boundaries. In the northern parts of this sub region, both municipalities are partners in the Alberta Industrial Heartland. Strathcona County has as second Major Employment Area, Refinery Row, located in the north and western parts of Sherwood Park. These employment areas are regionally significant.

Policy Summary from EMRGP

The EMRGP provides several key directions and policies to promote sustainable regional growth and development. Key policies applicable to these two municipalities include the following sentiments:

- Fragmentation of agricultural land should be avoided.
- Growth should be directed towards the land within the Metropolitan Area.
- New greenfield development should be contiguous with existing, urban development.
- Country residential development should be restricted.
- Greenfield areas should be developed as complete communities, with a range of housing, services and other amenities.
- The Urban Centres should be planned and developed with a mix of land uses and housing types, and multimodal transportation access.
- New (greenfield) development should meet a minimum density target of **40 du/nrha in Strathcona County and 35 du/nrha Fort Saskatchewan** (compared to 45 du/nrha in Edmonton).
- Both municipalities have significant aspirational intensification targets—percentage of new dwelling units to be developed in existing, built-up urban areas - set by the EMRGP. These targets are 15% for Fort Saskatchewan and 17.5% for Strathcona County.

TABLE 14 - POPULATION AND EMPLOYMENT PROJECTIONS (FROM EMRGP)

	Population Projections			Annual Growth Rate		Employment Projections		
	2014	Low 2044	High 2044	Low 2044	High 2044	2014	2044	Annual Growth
Fort Saskatchewan	22,800	43,600	63,500	2.18%	3.47%	12,341	21,275	1.83%
Strathcona County	96,800	138,000	160,000	1.19%	1.69%	39,888	68,671	1.83%

Key Findings:

- Strathcona's population is over 4x that of Fort Saskatchewan.
- Strathcona's Municipal Development Plan (MDP) noted approximately 72% of their 2016 population was located in the County's Urban Service Area, while the remaining 28% of the population is located in the Rural Service Area.
- Fort Saskatchewan is anticipated to grow more quickly (%) than Strathcona County.
- All of Fort Saskatchewan's population growth will be located in an urban service area. It is unclear how much of Strathcona County's population growth will be located in the Urban vs. Rural areas, however it is anticipated that the majority of growth will occur in the Urban Service Area.
- Employment growth is anticipated to be comparable between the two municipalities.

Master Plan (MDP) Comparison

Reviewed Documents:

- *Forwarding our future. Together. Municipal Development Plan.* Bylaw 20-2017. Consolidated June 13, 2018 – Strathcona County
- City of Fort Saskatchewan Municipal Development Plan 2010 – 2030. Bylaw C16-10. Adopted September 14, 2010. - Fort Saskatchewan

Industrial

- Fort Saskatchewan:
 - Significant industrial base located in north, part of the Alberta Industrial Heartland.
 - Industrial areas are separated into light/medium industrial uses and heavy industrial uses.
 - The City uses risk standards and risk assessments to support industrial land use decision making.

- Strathcona County:
 - Significant industrial bases located in Alberta Industrial Heartland and Refinery Row. New, undeveloped Light/Medium Industrial area planned west of Bremner.
 - An additional, potential, industrial area is located south of Bremner in the “Local Employment Policy Area” of the County’s MDP.
 - In the Alberta Industrial Heartland, light, medium and heavy industrial uses are permitted, with light/medium acting as a buffer between the heavy industrial Heartland uses and adjacent uses.
 - Refinery Row is predominantly heavy industrial uses.
 - Strathcona County uses risk standards and risk assessments to support industrial land use decision making.

Commercial

- Fort Saskatchewan:
 - Commercial land base is concentrated in the Downtown and along Highways 15 and 21.
 - Large format, vehicle-oriented uses are directed to areas adjacent to the highways.
 - Policies support redevelopment of underutilized sites (mall, old hospital).
 - Policies support intensification and diversification of uses in the Downtown.
 - Policies promote the Downtown as the preferred location for office development.
 - A residential mixed-use centre is identified in several existing and planned communities. The intent of this land use is to promote mixed use (commercial and residential) development.
- Strathcona County:
 - Existing planned commercial areas exist in the built-up urban area in Sherwood Park. Additional commercial areas are anticipated in the Bremner to support the future population in this urban centre.
 - Current policies support the intensification and diversification in existing commercial areas.
 - Policies support intensification and diversification of uses in the Urban Centre Policy Area within Sherwood Park. These policies encourage compact, mixed use development, including expansion of commercial uses, in this key area.
 - Policies support intensification and diversification of the existing vehicle oriented commercial areas in the Compact Development Policy Area within Sherwood Park. These policies encourage the intensification of these existing development areas as compact, mixed use developments.

Residential

- Fort Saskatchewan:
 - Greenfield:
 - Density target of 35 du/nrha for new greenfield development (EMRGP).
 - Neighbourhood are to be design for people, with emphasis on human-scaled development, walkable neighbourhoods and the provision of amenities at the neighbourhood level (residential mixed-use centres).
 - Development should be phased appropriately, and leapfrogging should be avoided.

- Encourage complete neighbourhood by including a range of dwelling unit types, density and supporting services.
- Redevelopment
 - Has intensification (infill) target of 15% new dwelling units (EMRGP).
 - Policies support the sensitive infill and redevelopment in the City, to retain the existing neighbourhood character.
- Strathcona County:
 - Greenfield:
 - Has density target of 40 du/nrha for new greenfield development (EMRGP).
 - New development must consider the following objectives:
 - Diversity of housing
 - Provide services and open spaces for residents
 - Incorporate multi-modal transportation
 - New development should consider principles of transit-oriented development (compact growth) where appropriate.
 - The future Urban Centre of Bremner is currently unplanned but is envisioned to be designed as a complete community that is green, connected and diverse.
 - Redevelopment
 - Has intensification (infill) target of 17.5% new dwelling units (EMRGP).
 - Policies support the intensification and diversification in several key policy areas (Commercial, Compact Development and Urban Centre) to include a greater mix of uses, including residential.
 - Country Residential
 - Country Residential Policy Area identifies where new Country Residential development is permitted.
 - Country Residential is intended for single family dwellings and may accommodate some home-based businesses, if deemed appropriate.
 - Country Residential development is to be clustered (multi-parcel) and requires an ASP to be developed.

Agricultural

- Fort Saskatchewan:
 - Within the urban municipality of Fort Saskatchewan, all lands are identified for future urban growth. Agriculture is permitted as an interim land use only.
- Strathcona County:
 - Strathcona County has a substantial area of land identified for agriculture, with various policies protecting these agricultural uses.

Environment

- Fort Saskatchewan:
 - Lands adjacent to the North Saskatchewan River are deemed to be aesthetically, historically, ecologically, and culturally important. These lands are protected and development in this area is restricted (River Valley Greenbelt).
- Strathcona County:
 - Beaver Hills, in Strathcona County, is provincially recognized and protect as a key wildlife and biodiversity zone. Development in this area is restricted.

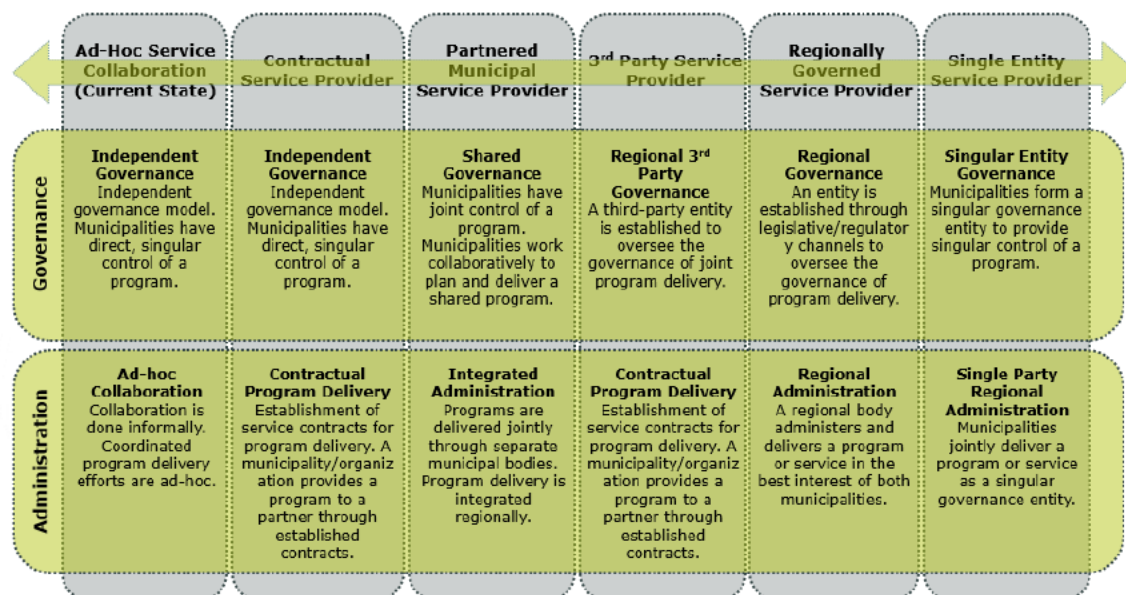
Key Findings

- Both municipalities have similar approaches to planning and development of industrial lands.
- Both municipalities are actively seeking to increase densities and diversify land uses within their communities.
- Fort Saskatchewan's historic downtown is unique, with the Urban Centre Policy Area in Sherwood Park providing some similar development approaches and opportunities.
- Strathcona County is actively seeking to redevelop some of their automobile-oriented commercial areas.
- Strathcona County has a greater emphasis on transit and transit-oriented development in their new communities.

Spectrum of Collaboration

Below we return to the graphic we have utilized in the previous phases as a reminder of how we have defined various ways to collaborate across a spectrum:

FIGURE 19 - SPECTRUM OF COLLABORATION



Land Use Planning Services under Different Governance/Administrative Models

The following table provides an overview of the way different land use planning services could be provided under different governance models.

TABLE 15 - EXAMPLES OF LAND USE PLANNING SERVICES UNDER VARIOUS FORMS OF COLLABORATION

	Ad-Hoc Collaboration / Contractual Service Provided	Partnered Service Provider	3 rd Party Service Provider / Regionally Governed Service Provider	Single Entity Service Provider
	<p><i>Collaboration on “big picture” planning; Approvals and Reviewers are independent;</i></p> <p><i>Opportunities for shared resources (e.g. GIS; other programs etc.)</i></p>	<p><i>Shared Administration SMEs and/or 3rd Party Contractors for Independent planning Services</i></p>	<p><i>Shared Administration SMEs and/or 3rd Party Contractors for Independent planning Services and additional Layer of Regional Government</i></p>	<p><i>One municipality</i></p>
Policy Development – Development and approval of statutory plans; policies; bylaws that impact growth and development in the municipalities				
	<p>Municipality’s share information and are consulted as stakeholders in the development of each other’s policies, particularly on lands adjacent to the other municipality;</p>	<p>Municipalities undertake joint planning projects and alignment, where feasible. Joint policies are adopted by each municipality independently and are applied by each municipality independently</p>	<p>A Sub-Regional Government develops planning policies that apply equally to each municipality by the regional government. Each municipality will also have their own planning policies that must also be adhered to.</p> <p>NOTE: EMRB is currently acting somewhat as a ‘regional’ approval body for statutory plans/policies</p>	<p>Policies are developed for entire sub-region, without boundaries and applied equally by the regional government. There are no independent municipal policies</p>
Policy Development – Governance (approvals)	Independent Municipal Councils		Sub-Regional Government and Independent Municipal Councils	Sub-Regional Government Council

	Ad-Hoc Collaboration / Contractual Service Provided	Partnered Service Provider	3 rd Party Service Provider / Regionally Governed Service Provider	Single Entity Service Provider
Policy Development – Administration (reviewer)	Collaboration between Independent municipal Administration SME		Sub-Regional Administration’s SME and Independent Municipal Administration’s SME	Sub-Regional Administration SME
Rezoning – Approvals by appropriate government bodies and based on the growth plans, community vision and policies. Opportunity for shared service delivery (Regional Administration) for efficiency and consistency in sub-region.				
	Municipality’s share information and are consulted as stakeholders, particularly on lands adjacent to the other municipality. Approvals are ultimately up to independent municipality (or a per IDP)	Municipality’s share information and are consulted as stakeholders, particularly on lands adjacent to the other municipality. Approvals are vetted through the Sub-Regional Government with final approval by the independent municipality (or a per IDP)	One, sub-regional Zoning/Land Use Bylaw applied consistently across the entire Sub-Region.	
Rezoning – Governance (approvals)	Independent Municipal Councils	Sub-Regional Government and Independent Municipal Councils	Sub-Regional Government Council	
Rezoning – Administration (reviewer)	Municipal Administration SME	Regional and/or Municipal Administration SME	Sub-Regional Administration SME	
Subdivision – Approvals by a designated officer and are based on technical merits and requirements. Opportunity for shared service delivery (Regional Administration) for efficiency and consistency in sub-region.				
	Municipality’s share information and are consulted as stakeholders, particularly on lands adjacent to the other municipality. Approvals by the independent municipality.	Regional Administration reviews subdivision applications against policies and procedures of the region, and Municipal	Administration reviews subdivision applications against policies and procedures,	

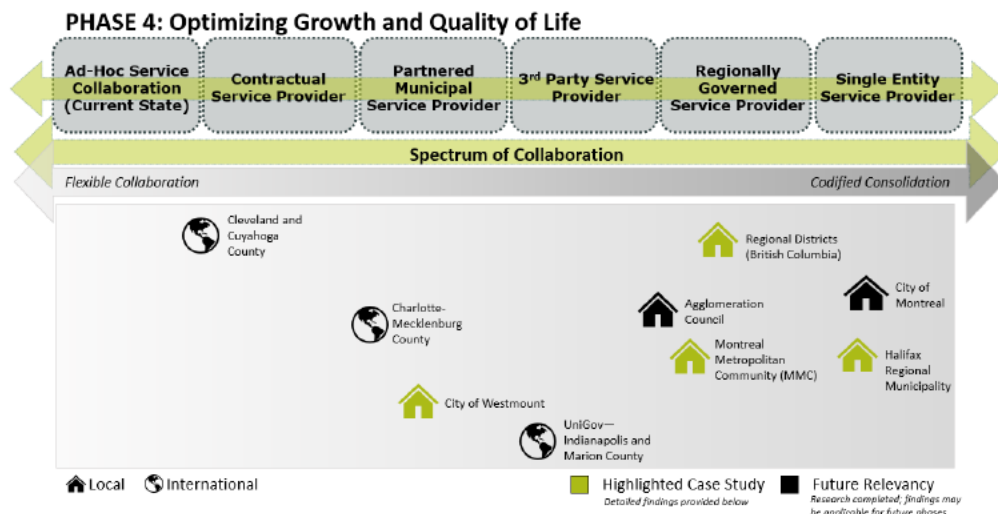
	Ad-Hoc Collaboration / Contractual Service Provided	Partnered Service Provider	3 rd Party Service Provider / Regionally Governed Service Provider	Single Entity Service Provider
			Administration reviews subdivision applications against policies and procedures of the municipality, as well as Zoning/Land Use requirements. Approval by designated officer.	as well as Zoning/Land Use requirements. Approval by regional designated officer.
Subdivision – Governance (approvals)	Designated Officer of the Municipality		Designated Officer	Designated Officer of the Sub-Region
Subdivision – Administration (reviewer)	Municipal Administration SME		Regional Administration SME	Sub-Regional Administration SME
Development Permits — Approvals by a designated officer and are based on technical merits and requirements. Opportunity for shared service delivery (Regional Administration) for efficiency and consistency in sub-region.				
	Municipality's share information and are consulted as stakeholders, particularly on lands adjacent to the other municipality. Approvals by the independent municipality.		Regional Administration reviews subdivision applications against policies and procedures of the region, and Municipal Administration reviews subdivision applications against policies and procedures of the municipality, as well as Zoning/Land Use requirements. Approval by designated officer.	Administration reviews subdivision applications against policies and procedures, as well as Zoning/Land Use requirements. Approval by regional designated officer.
Development Permits – Governance (approvals)	Designated Officer of the Municipality			Designated Officer of the Sub-Region

	Ad-Hoc Collaboration / Contractual Service Provided	Partnered Service Provider	3 rd Party Service Provider / Regionally Governed Service Provider	Single Entity Service Provider
Development Permits – Administration (reviewer)	Municipal Administration SME		Administration SME	Sub-Regional Administration SME
Other Permits – review and approvals of permits (building, electrical, etc.) are based on provincial legislation and are not impacted by municipal governance model. Service delivery of these permits could change based on the administrative model.				
Other Permits— Governance (approvals)	Designated Officer of the Municipality or 3 rd Party			
Other Permits— Administration (reviewer)	Designated Officer			

Case Studies Along the Collaboration Framework

Figure 20 below provides an overview of the research completed throughout Phase 2. It highlights a number of collaborative relationships that exist and places them along the spectrum of collaboration. Following Figure 20 are

FIGURE 20 - CASE STUDIES ALONG THE SPECTRUM OF COLLABORATION



Regional Districts of British Columbia

HISTORY²

- Written into law in 1965, Regional Districts were a solution to British Columbia's unique geographical challenges.
 - Service delivery was previously provided by independent contractors, which had very little political accountability and eventually led to a lack of citizen access to critical resources like Fire Protection and Potable Water.
 - This also passed all the costs of a service, regardless of size, onto the citizens of the (sometimes quite small) Local Authorities that required the service.
 - By 1970, every area of land, save a few small parts in the extreme north, had adopted the Regional District model and today the province is made up of 29 different districts, seen in the figure below:

²A Primer on Regional Districts in BC

https://www.regionaldistrict.com/media/28095/Primer_on_Regional_Districts_in_BC.pdf

FIGURE 21 - NUMBERED MAP OF BC REGIONAL DISTRICTS



FUNCTION

- Regional Districts are meant to provide regional governance and services to the individual regions they comprise.
 - They only have as much authority as they are given by the Local authorities that build them.
 - They are not another level of governing body; they are a collaboration limited by what Local Authorities agree upon.
- Within a region, any combination of Local Authorities can jointly decide to provide services and recover costs from the beneficiaries.
- In the absence of a municipality, Regional Districts act as the local government for rural areas.
 - They provide community planning and land use regulation, as well as common municipal services like street lighting and house numbering.
 - This gives residents in un-incorporated areas of the province access to services they otherwise never would have had, as well as a voice in the governing of their province.
- Emphasis on each of these roles varies greatly by Regional District.
 - Metro Vancouver is very focused on Regional Services while Thompson-Nicola is very focused on Rural Government Services.

KEY MILESTONES IN THE DEVELOPMENT OF REGIONAL DISTRICTS (ADDED BY THE PROVINCIAL GOVERNMENT)³

- Hospital Districts Act (1967)
 - Introduced “fairness” to regional hospital financing; prior to this the closest municipality paid for hospital that the entire region used.

³ A Primer on Regional Districts in BC

https://www.regionaldistrict.com/media/28095/Primer_on_Regional_Districts_in_BC.pdf

- Municipal Finance Authority Act (1970)
 - Created the ability for local governments to pool resources and borrowing requests and collectively approach service marketplace.
 - Introduced economies of scale into the service provision market, saving smaller municipalities from going broke and allowing smaller municipalities the chance to participate in a service they could have not otherwise afforded (like regional pools and parks⁴).
- Waste Management Act Amendments (1989)
 - Mandated the Regional Districts to develop solid waste management plans (By 1995).
 - Not well accepted at time, but there has been acceptance since then that waste management is best done in BC on regional scale, due again to the unique geographical challenges presented by the province.
- Growth Strategies Statutes Amendment Act (1995)
 - Collaboration between provincial and local governments on the need for inter-jurisdictional co-ordination to manage regional growth and planning (voluntary for regions).

ISSUES WITH REGIONAL DISTRICTS

- Regional Districts are relatively incapable of dealing with zero-sum or highly contentious issues.
- Though they attempt to tax fairly, they are still susceptible to free-rider problems with services delivered at the regional level.
- Reviews of Regional Districts have also pointed to problems of;
 - Complexity
 - Regional Districts are often pointed at for being needlessly complicated in both their operation and explanation, despite having a rather simple goal.
 - Accountability
 - Board members are not directly elected, and instead are members of elected municipal councils who are appointed to the RD board by the council.
 - Only in-direct accountability to the public, who must rely on the municipal councils to monitor and remove appointed board members when they fail to act in the best interests of the municipality and council.

BOTTOM LINE

- Regional Districts were created specifically to offer service delivery to remote and segregated parts of the province.
- However, they have evolved to be much more.

⁴ "Of 283 activities, 80 (28%) were identified as having economies of scale due to the need for specialized equipment or personnel." Additionally, 14 (3.5%) were identified as having economies of scale due to the need of a large capital facility, like jails, landfills, rec centres, water supply, etc. - Bish, Robert L., *Local Government Service Production in the Capital Region*. Victoria, B.C.: University of Victoria, Local Government Institute, School of Public Administration, 1999.

- They allow citizens access to services their community would have never been able to afford on their own.
- They maintain reasonable power in a citizen's vote.
- They keep healthcare and hospital costs low.
- They act as a local government for un-incorporated areas of the province, allowing those citizens a similar quality of life to those living within a municipality.
- Started as an innovation to a unique geographical problem, British Columbia has continued to utilize and update Regional Districts throughout the years, with the province adding acts and amendments as seen fit.
- In 2017 Harold Wolman, in an attempt to answer the question of whether Regional Districts in British Columbia have been successful, came to the conclusion that though there are noted problems of accountability a lack of ability to solve contentious issues, Regional Districts, in his opinion, can be seen as having been effective in achieving their objectives.⁵

Regional District of Metro Vancouver—an Example of Optimizing Growth through Density Bonus Zoning Incentives

PREVALENCE

- Density bonus zoning incentives (DBIs) are used throughout the Regional District of Metro Vancouver including within the City of Vancouver, the City of Burnaby, and the City of Coquitlam.
- Permitted by the British Columbia Local Government Act (2015):
 - DBIs are a way to address uniquely local needs, concerns, or strategies – DBIs within the Regional District of Vancouver vary significantly from one municipality to another, and even within the municipalities themselves⁶.
 - This legislation is not “prescriptive”, meaning that municipalities are not constrained to a specific framework or model for implementation of density bonus zoning⁷.

PURPOSE

- DBIs allow higher-than-permitted density within a municipality in exchange for a contribution to the municipality either in the form of cash in-kind or direct community investment (e.g. affordable housing, neighbourhood amenities, etc.)⁸.
- Because of existing parameters as to how standard development rates (often known as development cost charges) can be spent, DBIs are a way for municipalities to generate additional income for local services and amenities in exchange for zoning exemptions⁹.

⁵ Harold Wolman, Looking at Regional Governance Institutions in Other Countries as a Possible Model for U.S. Metropolitan Areas: An Examination of Multipurpose Regional Service Delivery Districts in British Columbia, 2017

⁶ Personal correspondence (phone) with City of Vancouver. July 24, 2019.

⁷ Mattison, A. *Dealing with Density* (2015). Ryerson University.

⁸ Ibid.

⁹ *Funding for Growth* (2018). City of Coquitlam.

- DBIs are used to offset the effects of increased density on a community (decreased greenspace, etc.)¹⁰.
- Typically, DBIs are used by a municipality to lower barriers for development (and consequently, incentivize developers) to develop in a certain area. Conversely, DBIs are also paid to permit developers to build in desirable, central areas where density allowances are already at capacity under current zoning.¹¹
- There are three types:
 - **Target rate rezoning:** Where “the municipality expects a certain dollar value of amenities based on how much additional area (or how many units) the developer would be getting through the rezoning [for greater density]... Rates may apply across the entire city, or may vary depending on neighbourhood as determined by community need or demand”¹².
 - **Uplift-based rezoning:** “Based on the concept of how much more the land would be worth with the additional density permitted. This format has the potential to capture market changes in land value” without changing standing development rates or zoning bylaws¹³.
 - **Density bonus zoning:** “A zoning tool that permits developers to build more floor space than normally allowed, in exchange for amenities and affordable housing needed by the community”¹⁴.

The table below provides an overview of some of the different types of DBI programs run throughout Metro Vancouver. While this table is not exhaustive within the region, it showcases the potential earnings associated with targeted local growth strategies.

TABLE 16 - EXAMPLES OF DBI REVENUES IN METRO VANCOUVER (2018)

Municipality	Type(s) of Density Bonus Incentive Used	Year Initiated	Reported Developers Contribution ¹⁵
City of Vancouver	<ul style="list-style-type: none"> ● Density bonus zoning ● Target rate rezoning¹⁶ 	2014	\$101.5M ¹⁷
City of Coquitlam ¹⁸	<ul style="list-style-type: none"> ● Density bonus zoning ● Uplift-based rezoning 	2013 ¹⁹	\$30.4M ²⁰
City of Burnaby ²¹	<ul style="list-style-type: none"> ● Uplift-based zoning 	1997 ²²	\$95M ²³

¹⁰ Mattison, A. *Dealing with Density* (2015). Ryerson University.

¹¹ Ibid.

¹² *Density Benefit Incentives in Metro Vancouver: Lessons for the Greater Golden Horseshoe* (2015). Ryerson University – Policy Report.

¹³ Ibid.

¹⁴ *City of Vancouver – Density Bonus Zoning* (n.d.). Accessed July 18, 2019.

¹⁵ Note that Developers Contribution includes both development charges and density bonus zoning revenues.

¹⁶ Density bonus zoning (n.d.). City of Vancouver. Accessed July 23, 2019.

¹⁷ *Statement of Financial Position* (2018). City of Vancouver

¹⁸ Note: the City of Coquitlam refers to both density bonus zoning and the Community Amenity Contribution Program, both of which are types of DBIs

¹⁹ *Presentation to Council: Proposed Community Contribution (CAC) Program Expansion* (2015). City of Coquitlam.

²⁰ *Notes to Consolidated Financial Statements* (2018). City of Coquitlam.

²¹ Note: the City of Burnaby refers to DBIs as the “Community Benefit Bonus Policy”

²² Community Benefit Bonus Policy. (n.d.) City of Burnaby. Accessed July 23, 2019.

²³ *Consolidated Statement of Operations and Accumulated Surplus* (2018). City of Burnaby.

ECONOMIC EFFECTIVENESS

- Creation an additional municipal revenue stream.
- Reduces the barriers to entry for residential, commercial, and / or industrial developers within a municipality.
- Creates certainty and transparency for existing and potential business investment / activity.
- Allows for the financing of further community “value” (libraries, parks, recreation amenities, affordable housing, etc.).
- Future-growth conscious – allows for strategic management of population and economic growth.

IMPACT ON QUALITY OF LIFE

- Increased value for citizens at no additional cost to taxpayers.
- Offset impacts of increased density to local residents.
- Additional community resources provided to residents that may not have been possible or prioritized without DBI revenue.
- Creates certainty and transparency for residents as to the future of their communities, property value, and other planning-related concerns.

POSSIBLE CHALLENGES

- Requires education to inform the public about appropriate trade-offs for increased density in some areas²⁴.
- To achieve a DBI that is attractive to developers, a city may adopt restrictive underlying densities that make development unattractive.²⁵

KEY TAKEAWAY

Density bonus zoning incentives are a mutually beneficial means to generate revenue, manage growth, increase density, and benefit residents. If structured correctly, municipalities can use DBIs to fund local infrastructure and incentive ongoing local development.

While most DBIs are relatively new to Metro Vancouver, the differences in their use and application across municipal borders can be strategic in nature, and as DBIs have become a significant revenue source for the municipalities that employ them. This suggests potential competition may occur between municipalities using DBIs. Conversely, the opportunity to standardize DBIs across municipalities may offer greater revenue opportunities and attract development to the region as a whole as a predictable market with strong investment incentives.

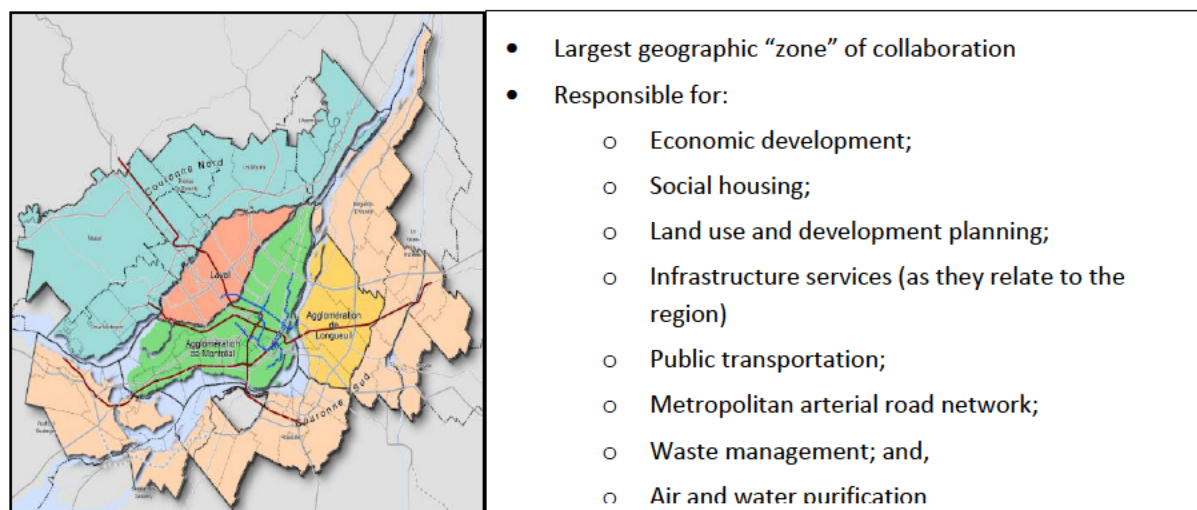
²⁴ <https://planningforhazards.com/density-bonus>

²⁵ *Incentive Strategies: Density Bonuses, Fee Waivers & Expedited Approvals*. https://www.law.ufl.edu/_pdf/academics/centers-clinics/clinics/conservation/resources/incentive_strategies.pdf

Montreal Metropolitan Community (MMC)

- Formed in 2002 and includes 82 municipalities and 14 agglomerated municipalities^{26,27}.
- Jurisdiction is made up of 4,360 kilometres squared area, 51 percent of which is rural farmland.
- Covers the census metropolitan region (as defined by Statistics Canada) including 3.4 million inhabitants.
- There were five key goals in establishing the MMC:
 - 1) The issue of fiscal equity. The government sought to reallocate costs and taxes in a progressive tax format that was “fairer” to those who benefited from the services of the central city. (In other words, make the suburbs pay more for the benefits they accrued from Montreal.)
 - 2) A response to pressures of increasing globalization by granting the mega-city more centralized decision-making power. The mega-city was also considered a solution to inter-municipal competition for investment, which benefited none of the municipalities.
 - 3) Perceived increases in efficiency by providing area wide services and eliminating fragmentation.
 - 4) Consolidation was conceived by the government as a mechanism to improve the quality and consistency of services throughout the metropolitan region.
 - 5) There was a belief that the clarity of having a single local authority on the island would make it easier for citizens to understand what was going on and to hold their elected officials accountable.”²⁸
- There are multiple levels of inter- and intra-governmental collaboration surrounding Montreal. For context the geographical and governance structures of the MMC are as follows²⁹:

FIGURE 22 - GEOGRAPHIC BOUNDARIES AND RESPONSIBILITIES OF THE MMC



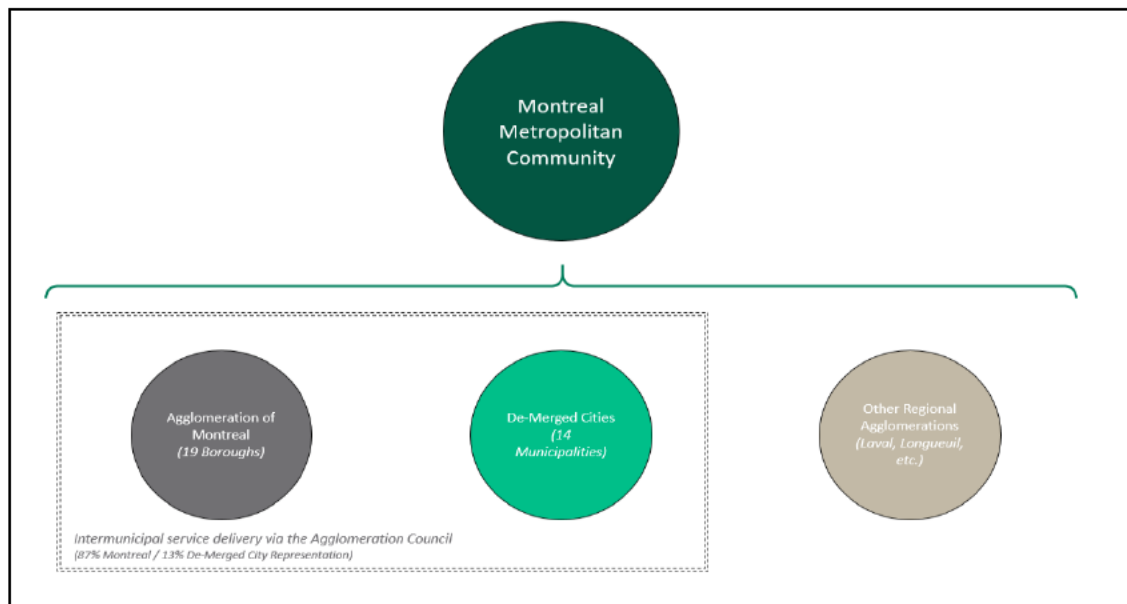
²⁶ 14 independent, “de-merged” municipalities sit on the Agglomeration Council with leadership from the Agglomeration of Montreal, which was established to continue a collaborative governance model between the de-merged municipalities and the MMC. This Council was particularly needed due to the shared services (fire, police) that remained post de-amalgamation.

²⁷ Metropolitan Economic Development Plan 2015 – 2020. (2015). Communauté métropolitaine de Montréal.

²⁸ Vengroff, Richard and Whelan, Robert K. Municipal consolidation Quebec style: a comparative North American perspective. Canadian-American Public Policy. April 1, 2005.

²⁹ Smith, D. *Inter-municipal collaboration through forced amalgamation*. (2007). NPC Project Workshop.

FIGURE 23 - GOVERNANCE STRUCTURE OF MUNICIPAL BODIES WITHIN MONTREAL



ECONOMIC EFFECTIVENESS OF THE MMC

- Focus on “holistic” approach to growth drives sustainable and inclusive development.
- Economic development is centred around industry “clusters”³⁰ that work to increase the productivity, innovation, and expansion of local business.
 - Due to support from the MMC and other government bodies, industry clusters benefit from the financial and administrative advantages (policy, grants, etc.) of operating within the MMC.
 - Collaboration within and between clusters and other local organizations increases effectiveness of industry participants and spurs innovation and strong value chain development.
 - Ownness is put on industry to take initiative and innovate, but support from the MMC increases participation and outcomes.
 - Collaborative approach between industry and government had made cluster industries more competitive on the world stage and more attractive to new business and investment.
 - The Conference Board of Canada ranked Montreal the highest economic performer in Canada in 2018³¹.

³⁰ “Geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery, and services, and providers of specialized infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technologies, or common inputs. Finally, many clusters include governmental and other institutions—such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations (Porter, M.E. (1998). “Clusters and the New Economics of Competition,” *Harvard Business Review*, November-December, 1998.). Each cluster benefits from the support of a secretariat, financed by the private sector, the MMC, and the Quebec government. Cluster secretariats include firms, business associations, Emploi-Québec’s sectoral workforce committees, the Quebec and Canada governments and research and training institutions. The secretariats bring together key industry players designated by the community.” There are 10 clusters in Montreal: aerospace, aluminum, clean technology, fashion, film and television, financial services, information and communications technology, life sciences, and logistics and transportation. (Montreal Clusters website, accessed July 22, 2019).

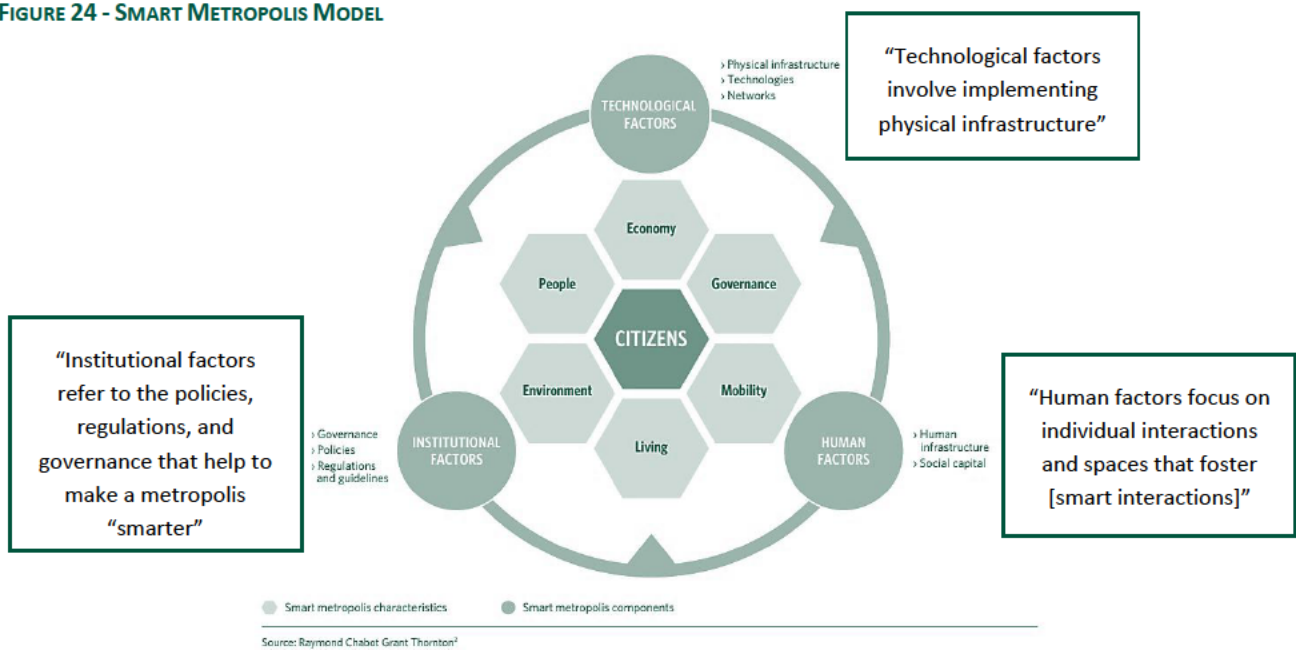
³¹ *Montreal is the Top Economic Performer in 2018* (2018). The Conference Board of Canada.

- The largest critique of the creation of the MMC is that it, in effect, resulted in a three-tiered local government structure.

IMPACT ON QUALITY OF LIFE

- Integration of economic strategy centred around the citizen experience through the “Smart Metropolis” model (pictured below). A Smart Metropolis is defined as: *“an urban environment where public authorities, citizens, and other stakeholders operate using collaborative models, which leverage information and communications technology, to improve quality of life, foster sustainable development, and optimize services and use of resources”*.³²
- Economic development is aimed at engaging its citizens, increasing innovation and entrepreneurship, while addressing sociocultural issues and provides a space for educational, creative, and social involvement³³.

FIGURE 24 - SMART METROPOLIS MODEL



KEY TAKEAWAY

The MMC is an example an advanced Regionally Governed Service Provider with components of Ad-hoc Service Collaboration (for specialized, region-specific projects). In this model, municipal strategy takes a holistic approach and closely aligns economic priorities with quality of life outcomes. The MMC employs the “Smart Metropolis” model, which considers growth and sustainability to be centred around the citizen for all aspects of municipal operations.

Economic development is centred around select industry groups, known as industrial clusters, that are supported through local and provincial funding and policy. The MMC’s industrial cluster economic strategy increases competitive advantage of locally developed industries and of their market strengths, making the MMC an

³² Metropolitan Economic Development Plan 2015 – 2020. (2015). Communauté métropolitaine de Montréal.

³³ Ibid.

attractive market for national and international investment and business operations. This approach has proven effective, with the **greater Montreal real GDP growing 4 percent from 2018 to 2019, increasing jobs by 2 percent (41,000).**³⁴ This growth was **primarily driven by the industry clusters** (technology, finance) at the centre of the MMC's economic strategy.³⁵

City of Westmount

COMMUNITY PROFILE

- The City of Westmount is a de-merged city on the Island of Montreal encompassing 4.02 kilometres of land and home to approximately 20,400 residents³⁶.
 - The City of Westmount, like many de-merged cities, is surrounded on all sides by the Agglomeration of Montreal.
- Westmount residents report a higher median income than those of surrounding boroughs within Montreal (earning approximately 88% more [\$37,000] than the mean Island of Montreal income)³⁷.
- The community has well-established municipal and non-profit organizations targeted at the needs of residents that focus on interconnectedness and inclusion within the community³⁸.
- 70 percent of the population has post-secondary education and there are 15 educational institutions within Westmount, including two of the four English-language colleges on the Island of Montreal³⁹.
- Recent City Council priorities have been focused on the promotion of community-based initiatives, community walkability, sustainable development, and environmental protection⁴⁰.
- Business and commercial activity in the region is diverse⁴¹.

GROWTH AND DEVELOPMENT

- Collaborative service delivery and land use planning within the Montreal region comes as a necessity of municipalities operating within close proximity of one another. With one of the highest urban densities and population growth rates in the county, the Montreal region addresses this growth as a region at all levels of government:
 - At the local level, aspects of growth are managed as follows:
 - City planning is very strict within the municipality, and regulations regarding housing typologies, land use, floor area ratio and other criteria that preserved the “garden suburb” vision of the City have been in place since the late 1960s⁴².

³⁴ Diallo, A. D. *Greater Montreal leads the pack for economic growth in Canada* (2019). Montreal International.

³⁵ Ibid.

³⁶ Beitel, D., Lance, J., Bornstein, L. *Westmount Baseline Study* (2010). McGill University School of Urban Planning.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Beitel, D., Lance, J., Bornstein, L. *Westmount Baseline Study* (2010). McGill University School of Urban Planning.

- Property value and local identity are closely tied to the heritage and land use model developed within the City, making further growth and development a focus of residents and administration⁴³.
- Due to the unique “green” qualities of the City of Westmount (approximately 10 percent of all land use is public parks, with additional prohibitions protecting the treed areas throughout the community⁴⁴), community programs, and consequently quality of life, are closely tied to land use and land use planning; with minimal opportunities for densification in the area, the Westmount Planning Programme has nine priority areas for urban development:
 - 1) Quality of the residential neighbourhoods
 - 2) Protection and enhancement of parks and greenspace
 - 3) Community and institutional facilities
 - 4) Industrial and commercial areas
 - 5) Quality of the environment
 - 6) Transportation and walkability
 - 7) Heritage, architecture, and urban form
 - 8) Protection of views and landscapes
 - 9) Quality of public spaces⁴⁵
- At the regional level (Agglomeration Council / Montreal Metropolitan Community) aspects of growth are managed as follows:
 - Because of its small land area and unique location within the Agglomeration of Montreal, the City of Westmount relies on regional collaboration to provide comprehensive service to its residents.
 - Approximately half (51 percent) of tax revenue is paid to the Agglomeration of Montreal, wherein:
 - The Agglomeration provides:
 - First responder services (fire, police, emergency medical services)
 - Development and management of arterial roads and associated infrastructure
 - Municipal courts system
 - The Agglomeration contributes a portion of the City of Westmount’s tax revenue to the regional transit authority, which oversees the comprehensive transit system throughout the Montreal region⁴⁶.

KEY TAKEAWAY

The City of Westmount is uniquely positioned as an independent municipality within the geographic surrounding of the Agglomeration of Montreal. Because of its small size, the City of Westmount leverages local partnerships

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Personal communication (email) City of Westmount. July 24, 2019.

with multiple Regional Governance bodies (MMC, Agglomeration of Montreal) to best capture regional growth opportunities and provide high quality services to its residents. The City of Westmount has developed strong local land use planning strategies in addition to those implemented at the regional level that have helped to maintain local priorities and interests while also capitalizing on the benefits and efficiencies of the region's economic strength and partnering to deliver services to residents that are not possible at the local level.

Halifax Regional Municipality

HISTORY

- In the 1990s, four Municipalities governed the region:
 - 1) Halifax
 - 2) Dartmouth
 - 3) The Town of Bedford
 - 4) Halifax County
- To save on costs, reduce duplication of administrative overhead and create efficiencies between the smaller urban section and the sprawling rural community, the province soon approached the idea of consolidation with the Conservative government in 1992 calling for amalgamation.
- In 1996, the Liberal government arranged a forced merger of the four municipalities with the creation of the Halifax Regional Municipality.
 - The government at the time predicted a savings of \$18 million annually.
 - The unilateral approach taken did resemble mergers elsewhere in Canada, but due to its forced nature it bred "resentment" between the different levels of government.
 - Almost immediately it was faced with the challenge of "serving both urban and rural residents simultaneously."⁴⁷

SUMMARY

- Ultimately the changes did not reduce costs and the transition expenses ran around \$25-30 million with no provincial compensation.
- Sentiments preceding the merger describe a lack of transparency and communication between government levels.
- A notable division occurred between attracting development within the urban core, which commands a strong section of the governing cabinet, versus the largely rural sections of the municipality that received significantly less focus.
- High rise development, port upgrades and roadway proposals began taking precedence over green space and heritage preservation.
- The merger did reduce competition for economic investment and allowed a rational policy to promote growth.

⁴⁷ Finbow, Robert G. "Resistance Is Futile"? Halifax's Experiences with Multi-level Governance in Four Policy Fields. Dalhousie University, 2009.

- Public sentiments indicate improvements to the following services: libraries, recreation, and policing receiving public satisfaction.

QUALITY OF LIFE

As noted in the preliminary findings, investigations into defining quality of life must take into account a wide breadth of materials. Important are large, universal definitions of quality of life that consider statistical sampling and the identification of trends across large geographical areas. Equally important is how local citizens define quality of life. We have broken the remainder of this report into (1) universal and (2) place-based definitions of quality of life.

Defining “Quality of Life”

Quality of life can be defined in many ways, making its measurement and incorporation into scientific study difficult. One study by the Wharton School of the University of Pennsylvania ranked Canada first in a survey measuring a countries quality of life on nine attributes: affordability, a good job market, economically stable, family friendly, income equality, politically stable, safe, well-developed public education system and well-developed public health system. This study looks more towards a macro outlook on a country’s quality of life.

Blue Zones

- Another outlook on quality of life, can be drawn from looking at the world’s “Blue Zones”. Blue zones, a term trademarked by researcher Dan Buettner, are regions in the world in which people live both healthier and significantly longer than others.
- There are five identified blue zones in the world in which a large percentage of people live to 100 and with aging populations remaining active well into their 80 and 90’s.
- The identified regions are: Ikaria, an island in Greece; Okinawa, an island in Japan; the Barbagia region of Sardinia, Italy; Loma Linda, a small Seventh-day Adventists city in California, and the Nicoya peninsula in Costa Rica.
- Buettner and his team of researchers identified 9 key factors that attribute to their higher quality of life.
 - They move naturally – walking, gardening, and doing housework.
 - There is purpose in their life – knowing why you wake up in the morning makes you a healthier happier person.
 - Normalization stress relief – blue zones have stress relieving rituals built into their daily routines such as prayers, naps, or even happy hour.
 - Food behaviour– people in blue zones stop eating when their stomachs are 80% full, with their smallest meal in the evening.
 - Types of food – beans, vegetables, fruit, and whole grains are the primary diet of people in blue zones
 - Wine— moderate but regular consumption of wine with friends are a regular occurrence for blue zone residents.
 - Belonging – blue zone residents have a strong sense of community, typically faith-based that can extend up to 14 years of life.

- Loved ones come first – Prioritizing close and strong family connections are common for people in blue zones.
- Right Tribe -the worlds longest living people have close friends and strong social networks.

8-80 Rule

- Another outlook related to an improved quality of life is the 8-80 rule; if something in the community is designed for an eight-year-old and an 80 year old, it will be accessible for all people.
- The not for profit organization 8 80 Cities⁴⁸ aims to incorporate this exact mindset when executing their projects and asks the question: *how can they meaningfully engage people in urban transformation?*
- Some of the projects that 880 have undertaken include building solutions for safer and more vibrant streets. An example includes expanded pedestrian space, protected bike lanes, parklets (a sidewalk extension with added space or amenities), street furniture, and community programming for all ages.
- Another example of an 8-80 strategy is to increase a child's independent mobility, allowing a child to move around their neighbourhood or city on their own, typically by walking, biking, and/or public transit. There is abundant research that recognizes that both outdoor free play and independent mobility are important to children's physical, social, cognitive and emotional well-being.

Universal Definitions

The Wharton School of Business at the University of Pennsylvania defines nine attributes of quality of life (see Figure 25). These attributes are largely citizen-centric in the sense that these are the types of qualities that individuals may look for when choosing a place to live.

Other definitions of quality of life are more municipality-centric meaning they take into account important considerations for urban management; these types of attributes are no less important to citizens, rather, they may be the types of attributes that citizens could take for granted.

A good example of a municipality-centric definition is the Safe Cities Index (SCI)—a benchmarking tool that takes into account the importance of security and urban resilience when it comes to citizens' quality of life. The SCI identifies four pillars of urban safety (see below) including select associated activities that municipalities may undertake as well as indicators of safety linked to them.

FIGURE 25 WHARTON SCHOOL, 9 ATTRIBUTES OF QUALITY OF LIFE

Nine attributes of Quality of Life (*Wharton School, University of Pennsylvania*):

1. Affordability
2. Good job market
3. Economically stable
4. Family friendly
5. Income equality
6. Politically stable
7. Safe
8. Well-developed public education system
9. Well-developed public health system

⁴⁸ 8 80 Cities operates out of Toronto, Ontario and works with interested municipalities around the world to transform their urban space into "healthier, happier, and more equitable communities". <https://www.880cities.org/about-8-80-cities/>

TABLE 17 - SCI Pillars and Indicators of Urban Safety

	Four Pillars of Urban Safety			
	Digital Security	Infrastructure Security	Health Security	Personal Security
Municipal Activities (what cities are doing to provide safety)	<ul style="list-style-type: none"> Privacy policy Citizen awareness of digital threats Public-private partnerships Level of technology employed Dedicated cyber-security teams 	<ul style="list-style-type: none"> Enforcement of transport safety Pedestrian friendliness Disaster management/business continuity plan 	<ul style="list-style-type: none"> Environmental policies Access to healthcare Access to safe and quality food Quality of health services 	<ul style="list-style-type: none"> Level of police engagement Community-based-patrolling Available street-level crime data Use of data-driven techniques for crime Private security measures Gun regulation and enforcement Political stability risk Effectiveness of criminal justice system Hazard monitoring
Indicators of Safety (how safe a city currently is)	<ul style="list-style-type: none"> Risk of local malware threats % of computers infected % with internet access 	<ul style="list-style-type: none"> Deaths from natural disasters Road traffic deaths Institutional capacity and access to resources Catastrophe insurance Disaster-risk informed development Road network Power network Cyber-security preparedness 	<ul style="list-style-type: none"> Air quality (Coarse particles (PM) 2.5 levels) Water quality Life expectancy Infant mortality Cancer mortality rate Emergency services in the city 	<ul style="list-style-type: none"> Prevalence of petty crime Prevalence of violent crime Organised crime Level of corruption Rate of drug use Gender safety (female homicide) Perceptions of safety

Many of the activities and indicators identified here would not typically be identified by citizens' as affecting their quality of life though clearly, they are important attributes. Next we turn to place-based definitions to highlight the more citizen-centric focus.

Place-based Definitions

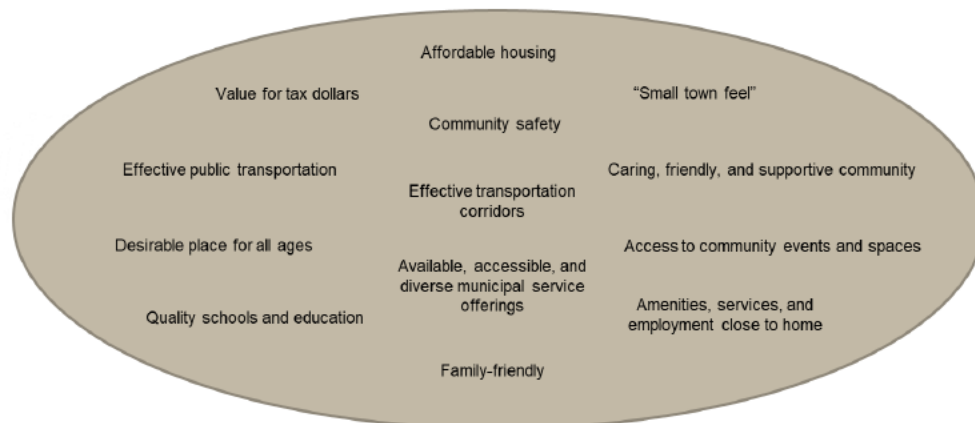
Placed-based definitions of quality of life take into account the unique local characteristics of a community—the history, environment, culture and economy of a particular place. Citizens themselves are responsible for defining what quality of life means to them.

Understanding how citizens perceive their own quality of life helps decision makers to shape strategies for maintaining and improving quality of life. Therefore, examining these resident perspectives it is a critical starting point in defining quality of life in both Fort Saskatchewan and Strathcona County.

How Do Your Residents Define Quality of Life?

- We reviewed municipal engagement surveys from Fort Saskatchewan (“My Fort, My city, My say”) and from Strathcona County (“Strathcona County Fall 2017 Public Survey Research Results, Recreation and Culture Strategy Public Engagement Overview”)
 - It is important to note that neither municipality has formally defined quality of life and as such, inferences were made surrounding what aspects of public engagement responses should be considered to pertain to quality of life. Furthermore, the review of the above referenced documents was a qualitative exercise that selected values important to residents based on specific written responses, highly rated categories, and frequency of responses related to a particular value.
 - For example, the value a “caring, friendly, and supportive community” may be extrapolated from response references to a “sense of community” or from a high number of “highly agree” ratings to a question asking if residents know their neighbours.
- The analysis conducted informed key aspects, mutual or unique, of quality of life that are important to residents of the respective municipalities.
- This review was supplemented by interviews conducted with representatives from both Fort Saskatchewan and Strathcona County. These findings are depicted below in Figure 28.

FIGURE 26 - ASPECTS OF QUALITY OF LIFE IMPORTANT TO RESIDENTS



**Note that while affordable housing does not vary greatly in concept between Fort Saskatchewan and Strathcona County, each community has different needs for affordable housing facilities. In Fort Saskatchewan, affordable housing is more often designed as starter homes, targeted at young families. In Strathcona County, however, there is an increasing need to service the aging demographic who have lived in the community for an extensive time and require affordable housing into the later stages of retirement. These differences, among other considerations, make affordable housing distinctly unique quality of life issues between Fort Saskatchewan and Strathcona County.*

- The demonstrated overlap between the quality of life attributes discussed above leads to the question: “Does collaboration between municipalities provide opportunity for improvement in quality of life for residents?”.
- Acknowledging that resident responses were not synonymous between municipalities, it is apparent that quality of life is closely tied to community identity and therefore is potentially more effectively addressed at the local level.
- This considered, the aspects of quality of life that are important to both Fort Saskatchewan and Strathcona County may be examined as potential collaborative opportunities.
- A central part of understanding these opportunities for collaboration is examining what municipal strategies or services contribute to the attributes listed by residents as important to quality of life.
 - For example, both municipalities have emphasized the importance of a safe community. “Community safety” is a broad category including services such as policing (both urban and rural), traffic and road safety, community and family services, and many others that are integrated within municipal service delivery across departments.
 - As this complexity persists across most aspects of quality of life identified by residents, further detailed assessment may clarify what collaboration on these aspects would look like for each municipality.
- Upon initial review, collaboration opportunities pertaining to quality of life require further definition and more detailed investigation. During a working session that took place during the September 16, 2019 IMRC Meeting, representatives from both municipalities provided further insight into how the values in Figure 26 aligned with collaboration opportunities. This working session asked the following question:
 - *How might increased collaboration or the sharing of services negatively affect the values [in Figure 28]? What are the risks of not collaborating?*
- The aggregated responses to this question are summarized in the table below. Note that this table *does not* summarize all risks of collaboration or non-collaboration; rather, it reports on key topics discussed during the session.

TABLE 18 - KEY TOPICS DISCUSSED DURING THE SESSION

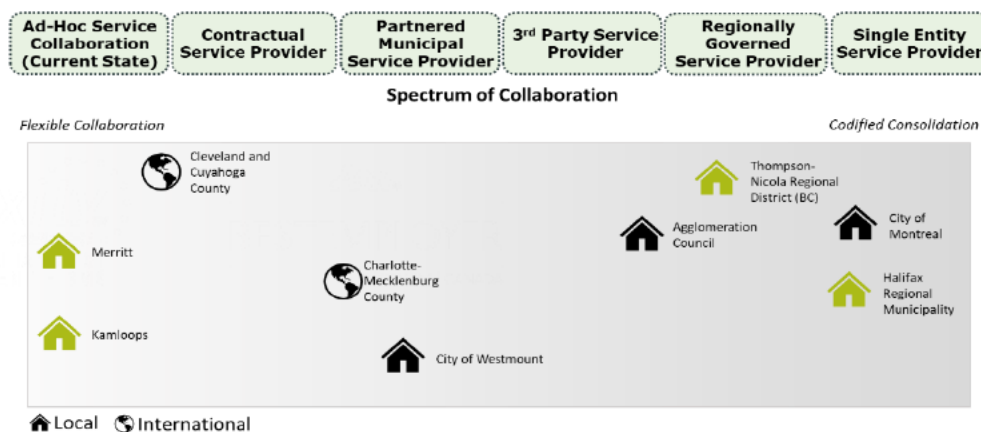
Quality of Life Value	Risks of Collaboration	Risks of Not Collaborating
Value for tax dollars	<ul style="list-style-type: none"> • Increased time to deliver • “Lag” in decision making (red tape) 	<ul style="list-style-type: none"> • N/A
Desirable place for all ages	<ul style="list-style-type: none"> • Limit the services / housing available • Potential inability to meet needs of resident to best capability 	<ul style="list-style-type: none"> • Seniors / low-income affordable housing is contingent on collaboration

Quality of Life Value	Risks of Collaboration	Risks of Not Collaborating
Effective public transportation	<ul style="list-style-type: none"> Governance may change - loss of control due to magnitude of a larger system Strathcona County has more services than Fort Saskatchewan - disproportionate 	<ul style="list-style-type: none"> N/A
Affordable housing	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> (As above) Seniors / low-income affordable housing is contingent on collaboration
Available, accessible, and diverse municipal service offerings	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Intermunicipal Collaboration Framework (ICF) requirement
Good job market	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Alberta Industrial Heartland Association requires and fosters ongoing collaboration
Good roads / transportation	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Municipalities must otherwise compete with one another for infrastructure funding

Case Studies Along the Collaboration Framework

Figure 27 below provides an overview additional research completed for Phase 4. Following are selected research findings showcasing how various collaborative relationships may influence quality of life.

FIGURE 27 - PHASE 4 CASE STUDIES & THE SPECTRUM OF COLLABORATION



Halifax Regional Municipality

- In 1996 the provincial government arranged a forced merger of Halifax, Dartmouth, the Town of Bedford and Halifax County resulting in the creation of the Halifax Regional Municipality (HRM).
- The municipal reform objectives for the province were:
 - To preserve and develop vital urban centres with a wide range of services, including social, educational, commercial, cultural, governmental and recreational amenities.
 - To deliver services to the communities of Nova Scotia based upon their needs, taking into account the differences in population, environmental circumstances and type of community.
 - To achieve an equitable, effective and fiscally sound system of municipal government to deliver community services.
- Three surveys were conducted⁴⁹ before, during and after the creation of HRM to understand the level of support for, or opposition to amalgamation.

TABLE 19 - SUPPORT AND OPPOSITION TO HRM AMALGAMATION

Support and Opposition to Amalgamation—Before and After ⁵⁰			
	1995 Pre-Merger Survey (%)	1997 HRM Citizen Survey (%)	1999 HRM Citizen Survey (%)
Oppose/Strongly Oppose	42	59	66
Neither favour nor oppose	19	20	20
Favour/Strongly Favour	39	21	14
Total Respondents	1,267	1981	743

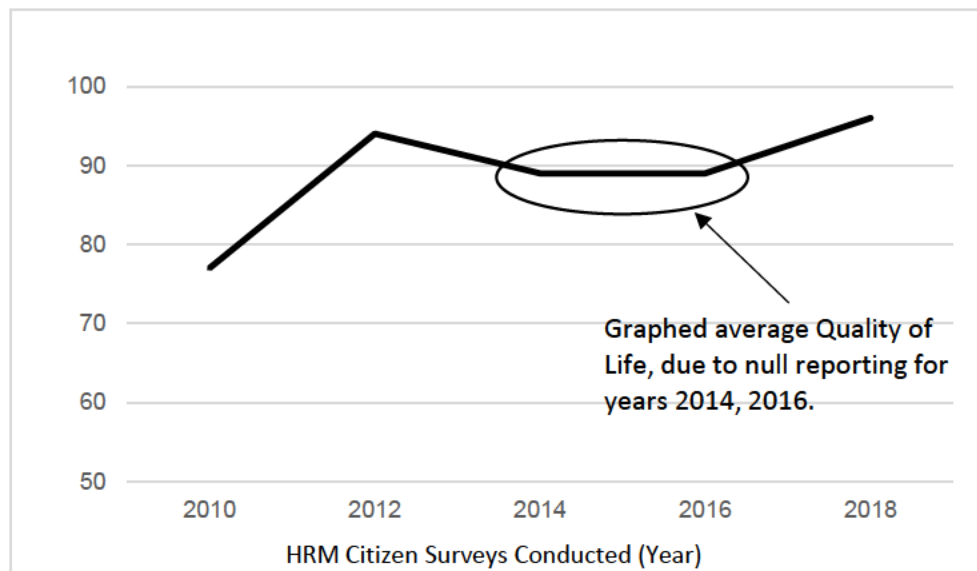
- In the period of time immediately surrounding the creation of HRM the residents of the area were strongly divided on the topic with opposition to the merger rising.
- As noted in the 1999 Halifax Regional Municipality Citizen Survey, three years post-amalgamation, an increased opposition to the decision remained, favoring a vote to undo amalgamation. A small majority of citizen respondents; however, believed that it was “here to stay” and that political leaders should “make it work.”
- Four years after the creation of HRM citizen interest seemed to wane with those responding totaling less than 40% of respondents from the previous year; for those that did respond opposition grew.
- In the years following amalgamation, Administration undertook a number of citizen surveys to gauge community priorities and expectations to inform policy, decision-making and community investments going forward; one question posed was specific to quality of life.
 - Citizen surveys allow the Municipality to determine trends and level of emphasis when making decisions about where to allocate efforts and expenditures.
- Improvements in municipal service delivery in the following service areas: libraries, solid waste management (refuse, recycling, organic collection) and police services were noted, with about half of the survey respondents (47%) indicating an improved service delivery.

⁴⁹ The 1995 survey was conducted for a committee of the CAOs of the former municipalities in their counter-amalgamation efforts.

⁵⁰ *Amalgamation Perspectives: Citizen Responses to Municipal Consolidation* (Poel 2000)

- Respondents identified that service delivery remained the same in majority of services areas, such as recreation, social programs, parks and playgrounds, and Metro transit services.
- In respect to public opinion on municipal performance, a high percentage of citizens were uncertain about the performance of the Council as a whole, their specific Councillor and the Mayor.
 - 25% of the respondents agreed that the Mayor was providing strong leadership for the whole amalgamated region and 17% agreed that the Council was working successfully to deal with citizens' local issues.
 - 56% of the respondents disagreed that the services they received were good value for their tax dollars, and 30% of the respondents neither agreed nor disagreed.

FIGURE 28 - REPORTED QUALITY OF LIFE FINDINGS IN CITIZEN SURVEYS



The overall quality of life as reported by adult citizens in the HRM has steadily improved. In the survey result for the year 2010, which involved the greatest sample of respondents at 2,420 adults, 77% of the residents ranked HRM's quality of life as "good" to "very good."

- 81% of the respondents indicated that the HRM is a very good place to live and 70% said it's a good place to raise their kids. Nearly half (44%) of HRM respondents feel the quality of life has remained the same over the last five years.
- In the survey results for year 2012, citizens unanimously (94%) reported in their opinion that the quality of life is at least "good." Nearly one-quarter (24%) reported the quality of life as "very good." Majority (53%) felt the quality of life has remained the same over the past five years.
- A strong sense of community belonging, with most residents reporting that they liked their neighbourhood and felt very safe in spaces where they shop, work and recreate.
- In the survey conducted for the year 2014, citizens were asked to suggest ways to improve the quality of life further, instead of reporting on the quality of life experienced that year. (Note: Average value of reported quality of life was used in the graph above, due to null reporting.)
 - Also, there was no citizen survey conducted for the year 2016. (Note: Average value of reported quality of life was used in the graph above, due to null reporting.)

- In the 2018 survey, almost all respondents (96%) reported the overall quality of life as at least “good,” which is unchanged from 2012 (94%). Additionally, 38% of the respondents noted that the Halifax region’s quality of life was improved over the past five years, which is higher in proportion to 2012 (19%).
- Residents in the highest income category (over \$125,000 annually) were most likely to rate their quality of life as very good, while those in the two lowest income groups (less than \$50,000 and between \$50,000 to \$75,000) were least likely to rate their overall quality of life as very good.
- Homeowners were more likely than renters to rate their quality of life as very good.

KEY TAKEAWAYS

- Forced amalgamation can alienate citizens resulting in negatives perceptions.
- When reviewing the suitability of collaboration, it is important to keep the long-term outcomes in mind; as evidenced in HRM, in the time immediately surrounding amalgamation, survey respondents had a very poor perception of the change but as time went on their feelings towards amalgamation improved.
 - 22 years post-amalgamation in the HRM region, 96% of citizens report feeling their quality of life was at least “good.”
 - The key factors that impacted citizen satisfaction within the HRM region, were improved service quality, safety, access and sense of value received for taxes, largely as the immediate result of the citizen surveys – impacting increased sense of voice, participation and engagement in larger municipal issues.

Regional District of Thompson Nicola (British Columbia): Cities of Kamloops & Merritt

In previous materials, the Regional Districts in British Columbia have been studied for the delivery of municipal services under a regional governance model. This section explores how municipalities of differing size, demographics, and geographic operating as part of the Regional Districts delivery services and programs as they pertain to quality of life. In particular, the below case studies examine municipal service delivery in nine key categories, defined as the nine attributes of quality of life by the Wharton School (University of Pennsylvania).

Affordability

- | | |
|----------------------|-----------------------------------|
| ● Good Job Market | ● Political Stability |
| ● Economic Stability | ● Safety |
| ● Family Friendly | ● Well-Developed Public Education |
| ● Income Equality | ● Well-Developed Public Health |

CITY OF KAMLOOPS

The City of Kamloops is a municipality located within the Thompson Nicola Regional District. As the largest municipality within the Regional District making up 68% of the regional population, the City of Kamloops also makes the largest percentage contribution to the Regional District via requisitions (as described in the August 26 Phase 4 IMRC Package).

The below section describes what programs and services are delivered by the City of Kamloops that contribute to improved quality of life within the community. For each quality of life attribute, how the attribute’s programs or services are provided is categorized into municipal contribution or regional / provincial contribution. For many

programs and services, both the municipality and the Regional District (or other bodies) contribute to delivery, reflective of the collaborative nature governance bodies in British Columbia.

TABLE 20 - QUALITY OF LIFE SUMMARY - CITY OF KAMLOOPS

Quality of Life Summary: City of Kamloops			
Key Findings: <ul style="list-style-type: none"> Affordability is a focus for the City of Kamloops: affordable homes, accessible employment, and an attractive business environment are centred in municipal strategy and public engagement feedback. Partnerships with the Regional District and Province (or provincial arms) allow the City of Kamloops to deliver services and programming that meet the needs and strategic objectives of the municipality and its residents. A significant (six out of nine) number of quality of life attributes were delivered in part or in full through collaboration with regional / provincial authorities. 			
Quality of Life Attribute	Overview	Municipal Contribution	Regional / Provincial Contribution
Affordability	<ul style="list-style-type: none"> Kamloops ranked second as the most affordable housing market in British Columbia relative to median income, one of only four British Columbia housing markets where housing prices aligned with local earnings⁵¹) Affordable Housing Strategy targeted at housing affordability, housing diversity, and housing for vulnerable populations to meet population growth needs, create inclusive neighbourhoods, and provide options for residents with income or ability limitations⁵² 	<ul style="list-style-type: none"> Municipal planning, strategy, and Affordable Housing Reserve Fund administered by the City 	<ul style="list-style-type: none"> Regional District funding and program support is provided for affordable housing and homelessness initiatives⁵³ Affordable housing income is split between federal, provincial, and municipal contribution in Thompson Nicola at 38% / 38% / 24%⁵⁴
Good Job Market	<ul style="list-style-type: none"> Diverse, skilled labour force 2012 Labour Demand Study indicated high demand for jobs across industries, particularly in construction, 	<ul style="list-style-type: none"> Kamloops Economic Development delivers Labour Attraction Partnership Program, dedicated to 	N/A

⁵¹ Graham, P. *Can You Afford a Home in These BC Housing Markets?* (2018). Zoocasa.

⁵² *Affordable Housing Strategy* (2018). City of Kamloops.

⁵³ *Regional Breakdown: Thompson-Nicola Regional District* (n.d.). BC Non-Profit Housing Association.

⁵⁴ *Regional Breakdown: Thompson-Nicola Regional District* (n.d.). BC Non-Profit Housing Association.

Quality of Life Summary: City of Kamloops

	finance, healthcare, and tourism ⁵⁵	address labour demand in key sector ⁵⁶	
Economic Stability	<ul style="list-style-type: none"> Strong industrial economy with close access to rail and highway network Primary sectors include mining, forestry, agriculture, and transportation / logistics⁵⁷ 	<ul style="list-style-type: none"> Economic development initiatives are focused on incentivizing business attraction through low tax rates / tax reimbursements and reduced administrative burdens⁵⁸ Kamloops ranked second in British Columbia for municipal tax fairness for business⁵⁹ 	N/A
Family-Friendly	<ul style="list-style-type: none"> Access to diverse recreational programming, park spaces, natural features (mountains, lakes), and amenities (golfing, skiing, etc.) Arts and culture includes live theatre and music, art gallery 	<ul style="list-style-type: none"> Provision and maintenance of public facilities, sports fields Adaptive Program Support providing assistance and support for disabled residents participating in municipal programs⁶⁰ 	<ul style="list-style-type: none"> Mosquito control provided by Regional District (through Requisition funds)⁶¹ Strategic Health Alliance (SHA) partnership between Interior Health⁶² and the City of Kamloops dedicated to promoting exercise and healthy activity for residents⁶³ Regionally-delivered library services are partnered with the City of Kamloops Museum & Archives⁶⁴ Regional parks are funded by Regional requisition⁶⁵
Income Equality	<ul style="list-style-type: none"> Median income: \$54,955, average income: \$62,724 	<ul style="list-style-type: none"> Affordable Recreation for Community Health (ARCH) 	<ul style="list-style-type: none"> CityPASS Program is jointly funded by the City and BC

⁵⁵ *Kamloops Labour Demand Study (2012)*. Venture Kamloops.

⁵⁶ Labour Attraction Partnership Program (n.d.). Venture Kamloops.

⁵⁷ *Kamloops and Region Key Industries & Economic Sectors (n.d.)*. Venture Kamloops.

⁵⁸ *Doing Business in Kamloops (n.d.)*. Venture Kamloops.

⁵⁹ *Property Tax Fairness for BC Small Business (2018)*. Canadian Federation of Independent Business.

⁶⁰ *Accessible Recreation (n.d.)*. City of Kamloops.

⁶¹ IMRC Phase 3 Findings – August 4th, 2019.

⁶² Publicly funded regional health authority for the Health Boundaries of Thompson Cariboo Shuswap, Okanagan, Kootenay Boundary, and East Kootenay.

⁶³ *Strategic Health Alliance (2017)*. Seniors Raising the Profile.

⁶⁴ *Library Branches (n.d.)*. Thompson Nicola Regional District.

⁶⁵ *Thompson Nicola Regional District 2019 Tax Requisition (2019)*. Thompson Nicola Regional District.

Quality of Life Summary: City of Kamloops

	<p>(average total two-person+ household income: \$103,508)⁶⁶</p> <ul style="list-style-type: none"> 12.6% of residents are considered to be low income⁶⁷ <p>Note: low-income for Kamloops population in a one-person household is \$17,536 and in a two-person household is \$21,344⁶⁸</p>	Program subsidizes access to facilities and programs for low-income residents ⁶⁹	Transit to deliver affordable transit to low-income residents ⁷⁰
Political Stability	<ul style="list-style-type: none"> City of Kamloops belongs to the Regional District of Thompson Nicola 	N/A	N/A
Safety	<ul style="list-style-type: none"> Includes monitoring of disease control, drinking water, waste management, and public space accessibility 	<ul style="list-style-type: none"> Local RCMP, bylaw, fire rescue, emergency preparedness, road safety, crime prevention programs and Crime Stoppers administered by the City of Kamloops 	<ul style="list-style-type: none"> Thompson River Watershed Management provided by Regional District (through Requisition funds)⁷¹ Disaster relief and fire management delivered by provincial government⁷² 911 services (including search and rescue) delivered regionally⁷³ Red light cameras administered by ICBC, a provincial crown corporation
Well-developed Public Education	<ul style="list-style-type: none"> Diverse primary and secondary education options (including French immersion, autism programs, etc.) University (Thompson Rivers University) 	N/A	<ul style="list-style-type: none"> Primary and secondary education is funded by the Ministry of Education Post-secondary funding is subsidized by the provincial government

⁶⁶ Census Profile, 2016 Census: Kamloops (Population centre) (2016). Statistics Canada.

⁶⁷ Fortems, C. *Census: percentage of low-income households in Kamloops remains steady at 12.8% (2017)*. Kamloops This Week.

⁶⁸ Low income cut-offs (LICOs) before and after tax by community size and family size, in current dollars (2017). Statistics Canada.

⁶⁹ ARCH Program (n.d.). City of Kamloops.

⁷⁰ CityPASS Program (n.d.). City of Kamloops.

⁷¹ IMRC Phase 3 Findings – August 4th, 2019.

⁷² Emergency Response & Recovery (n.d.). Government of British Columbia.

⁷³ E911 (n.d.). Thompson Nicola Regional District.

Quality of Life Summary: City of Kamloops

Well-developed Public Healthcare System	<ul style="list-style-type: none"> Regional hospital (Royal Inland Hospital)⁷⁴ Access to numerous speciality clinics 	N/A	<ul style="list-style-type: none"> Healthcare is funded through the Ministry of Health and the Canada Health Transfer (federal funding)⁷⁵ and delivered through provincial program and regional health authorities (e.g. Interior Health)⁷⁶
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CITY OF MERRITT

The City of Merritt is also located within the Thompson Nicola Regional District. Merritt is the second-largest municipality within the region, with a population approximately one-twelfth the size of Kamloops. The City of Merritt's requisition makes up approximately 5% of the Regional District's requisitions.

Similar to that above, the below section describes what programs and services are delivered by the City of Merritt that contribute to improved quality of life within the community. For each quality of life attribute, how the attribute's programs or services are provided is categorized into municipal contribution or regional / provincial contribution. For many programs and services, both the municipality and the Regional District (or other bodies) contribute to delivery, reflective of the collaborative nature governance bodies in British Columbia.

TABLE 21 - QUALITY OF LIFE SUMMARY - CITY OF MERRITT

Quality of Life Summary: City of Merritt

Key Findings:

- Local resources and services are limited due to community size and population – significant focus on “small town” qualities of community and connectedness are central to the definition of quality of life within the City of Merritt.
- Partnerships with the Regional District and Province (or provincial arms) are critical to the City of Merritt for the municipality deliver services and programming that met the needs and strategic objectives of the municipality and its residents.
- A significant (eight out of nine) number of quality of life attributes were delivered in part or in full through collaboration with regional / provincial authorities.

Quality of Life Attribute	Overview	Municipal Contribution	Regional / Provincial Contribution
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⁷⁴ *A Healthy & Robust Community (n.d.)* Venture Kamloops.

⁷⁵ *Health Funding Explained (2017)*. Auditor General of British Columbia.

⁷⁶ *Health Funding Explained (2017)*. Auditor General of British Columbia.

Quality of Life Summary: City of Merritt

Affordability	<ul style="list-style-type: none"> • Low income housing options throughout the community⁷⁷ • Seniors a primary demographic for affordable housing needs 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Subsidized housing provided through BC Housing, an affordable housing organization funded by provincial ministries, non-profits, and community groups⁷⁸
Good Job Market	<ul style="list-style-type: none"> • Aging population has increased labour demand – attraction of young labour force is a municipal priority⁷⁹ 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Wage subsidy programs provided by provincial and federal organizations / programs⁸⁰
Economic Stability	<ul style="list-style-type: none"> • Located along a key transportation corridor⁸¹ • Key industry activity: forestry, mining, construction, manufacturing, services⁸² 	<ul style="list-style-type: none"> • Municipal strategy is aimed at private business attraction through low tax rates and other incentive programs⁸³ 	<ul style="list-style-type: none"> • Provincial government wage subsidy, mining exploration, training, and scientific research and experimental development tax credits are available for business activities within Merritt⁸⁴
Family-Friendly	<ul style="list-style-type: none"> • Small population that is “just the right size”⁸⁵ • Recreation programs, community groups, and community events are core service offerings⁸⁶ 	<ul style="list-style-type: none"> • Provision of recreation programming, municipal facilities, and municipal parks⁸⁷ 	<ul style="list-style-type: none"> • Regional District library services administered by the region through requisition funding⁸⁸ • Regional parks are funded by Regional requisition⁸⁹
Income Equality	<ul style="list-style-type: none"> • Median income: \$54,239, average income: \$60,159 (average total two-person+ household income: \$87,158)⁹⁰ • 12.5% of economic families and 35% of individuals are considered to be low income⁹¹ 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Access Income and Disability Assistance Services ⁹³are provided by the provincial government for subsidization for seniors, transit, and other community services

⁷⁷ *A Great Place to Live (n.d.)*. City of Merritt.

⁷⁸ *BC Housing – Our Organization (n.d.)*. BC Housing.

⁷⁹ *Economic Development (n.d.)*. City of Merritt.

⁸⁰ *Wage Subsidy Programs (n.d.)*. City of Merritt.

⁸¹ *Economic Development (n.d.)*. City of Merritt.

⁸² *City of Merritt & Area Investment-Ready Community Profile (n.d.)*. City of Merritt.

⁸³ *Economic Development (n.d.)*. City of Merritt.

⁸⁴ *Business Tax Credit Programs (n.d.)*. City of Merritt.

⁸⁵ *A Great Place to Live (n.d.)*. City of Merritt.

⁸⁶ *A Great Place to Live (n.d.)*. City of Merritt.

⁸⁷ *Recreation & Facilities (n.d.)*. City of Merritt.

⁸⁸ Thompson Nicola Regional District 2019 Tax Requisition (2019). Thompson Nicola Regional District.

⁸⁹ Thompson Nicola Regional District 2019 Tax Requisition (2019). Thompson Nicola Regional District.

⁹⁰ *Census Profile, 2016 Census: Merritt (Population centre) (2016)*. Statistics Canada.

⁹¹ *2006 City of Merritt Community Profile (2006)*. Community Information Database.

⁹³ *Access Income and Disability Assistance Services. (n.d.)* Government of British Columbia.

Quality of Life Summary: City of Merritt

	<ul style="list-style-type: none"> Note: low-income for Kamloops population in a one-person household is \$17,536 and in a two-person household is \$21,344⁹² 		
Political Stability	<ul style="list-style-type: none"> The City of Merritt belongs to the Regional District of Thompson Nicola 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Safety	<ul style="list-style-type: none"> Major safety services (emergency deployment, disaster relief, crime prevention) delivered with regional support 	<ul style="list-style-type: none"> Community policing, bylaw, fire rescue, emergency preparedness, road safety, crime prevention programs provided at the municipal level⁹⁴ 	<ul style="list-style-type: none"> Thompson River Watershed Management provided by Regional District (through Requisition funds)⁹⁵ Disaster relief and fire management delivered by provincial government⁹⁶ 911 services (including search and rescue) delivered regionally⁹⁷ Crime Stoppers administered by the Regional District
Well-developed Public Education	<ul style="list-style-type: none"> Nicola Valley Institute of Technology Primary and secondary education Private learning centres 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Primary and secondary education is funded by the Ministry of Education Post-secondary funding is subsidized by the provincial government
Well-developed Public Healthcare System	<ul style="list-style-type: none"> Nicola Valley General Hospital Immediate, extended, and seniors assisted living / care⁹⁸ Local physicians and specialists 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Healthcare is funded through the Ministry of Health and the Canada Health Transfer (federal funding)⁹⁹ and delivered through provincial program and regional health authorities (e.g. Interior Health)¹⁰⁰ SharedCare Child and Youth Mental Health and Substance

⁹² Low income cut-offs (LICOs) before and after tax by community size and family size, in current dollars (2017). Statistics Canada.

⁹⁴ Community Policing (n.d.). City of Merritt.

⁹⁵ IMRC Phase 3 Findings – August 4th, 2019.

⁹⁶ Emergency Response & Recovery (n.d.). Government of British Columbia.

⁹⁷ E911 (n.d.). Thompson Nicola Regional District.

⁹⁸ A Great Place to Live (n.d.). City of Merritt.

⁹⁹ Health Funding Explained (2017). Auditor General of British Columbia.

¹⁰⁰ Health Funding Explained (2017). Auditor General of British Columbia.

Quality of Life Summary: City of Merritt

			Use Collaborative (CYMHSUC) between municipalities throughout British Columbia - funding in collaboration with the provincial government and healthcare associations ¹⁰¹
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KEY TAKEAWAYS

- In both communities, collaboration with the Regional District, provincial government, and provincial bodies / organizations have enabled the municipalities to deliver higher quality of life to its citizens than it would be able to without collaboration, based on the attributes described above.
- The importance and benefits of collaboration, particularly for services that are administrative- or resource-heavy, such as affordable housing, income subsidies, and emergency deployment, are particularly apparent for smaller municipalities within the Regional District, such as the City of Merritt.
- It is clear that the City of Kamloops does not have the same level of reliance on the Regional District as the City of Merritt when it comes to delivering services and programming that relate to quality of life. While both municipalities benefit from regional service delivery (as well as provincial programs support), it is likely that quality of life in the City of Merritt would be significantly lower without support for the Regional District. Conversely, the City of Kamloops data indicates that collaboration makes sense primarily for areas of mutual interest (e.g. Thompson River Watershed).
- Unique demographics and experiences in each municipality impact municipal priorities as they pertain to quality of life. These local values make municipality-specific influence over the programs, services, and strategies offered to residents an important aspect of quality of life.

¹⁰¹ CYMHSU Collaborative (n.d.). SharedCare.

Appendix: Detailed Municipal Responses

The following responses show the administration completed worksheet for the regional economic model. An earlier worksheet was also completed for the preliminary model factors by both municipalities before validation sessions were held to confirm reasonable factors to be included.

Strathcona County Response

TABLE 22 - REGIONAL ECONOMIC FORECAST MODEL MUNICIPAL WORKSHEET RESULTS – STRATHCONA COUNTY

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Population and Housing			
Population growth	98,381	1.19%-1.69%	No action required
Population median age	41	0.12% annual change	
Percentage of Female Youth Population (Under 18)	21.7%	0.2% annual growth	22.7% after 5 years
Percentage of Male Youth Population (Under 18)	22.3%	0.1% annual growth	22.8% after 5 years
Percentage of Female Senior Population (Over 60)	23.7%	1.0% annual growth	28.7% after 5 years.
Percentage of Male Senior Population (Over 60)	22.5%	1% annual growth	27.8% after 5 years
Percentage of Female Adult Population (19-59)	54.6%	-0.9% annual decline	50.1% after 5 years.
Percentage of Male Adult Population (19-59)	55.2%	-0.7% annual decline	51.7% after 5 years
Total dwellings	33,130	Not completed	
Housing starts	248 (dwelling units)	594.6 (2014-18 avg)	No change is expected
Development permits (#)	596 (to Aug 31/19)	1138 (2014-18 avg)	No change is expected.
Development permits (\$)	\$195.2M (to August 31, 2019)	\$364.7M (2014-18 avg)	No change is expected.

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Average house prices	\$469,436 (July 2019)	44.91% (absorption rate)-	No action needed
Average Household Income (\$) **	\$201,993	1.765%	**Statistics Canada has a variety of different ways of defining household income. Some of the permutations are one person households, two or more person households, single parent family households, economic families, etc. For this chart, economic families was used (the combination of relatives that comprise a family). As the 2016 Federal census used 2015 data, the average annual rate of inflation for 2016 - 2018 was applied to come up with an estimate for 2019.
Farmland (acres)	200,604 acres (81,182 ha)	*	<p>- farmland total is based on the Provincial definition in our regulations (Matters Relating to Assessment and Taxation).</p> <p>-we review this data periodically (best practice is to review each parcel every 5 years).</p> <p>-the total includes all farmland, not only arable acres.</p> <p>* The growth is impossible to measure from our data. The assessment roll is live, so</p>

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
			<i>only reflects what is measured today. We do not maintain an historical record of farmland acres. I don't even have any suggestions how you may estimate this change.</i>
Economy & Business			
Oil Price	55.09 (WTI)		<i>N/A – will look to external projections and include discussion around the difficulty of projections</i>
GDP growth (%)	2% projected	1.5%-2%	<i>N/A – will look to external projections and include discussion around the difficulty of projections</i>
New businesses / business licenses	12,237		<i>N/A – will look to external projections and include discussion around the difficulty of projections</i>
Value of new business investment (\$)			<i>N/A – will look to external projections and include discussion around the difficulty of projections</i>
Employment percentage	67.4%		<i>N/A – will look to external projections and include discussion around the difficulty of projections</i>
Employment growth (%,#)	39,888	1.83%	<i>N/A – will look to external projections and include discussion around</i>

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
			<i>the difficulty of projections</i>
General inflation (CPI)	2.3% - 2018 1.9% (last 12 mos)-	Not completed	
Municipal Government			
Interest rates (%)	Investment Yield Rates 2018 - 2.68%. 2019 forecast yield 2.83% 2020 forecast yield 2.76% Debenture rates: 2.7% (15 yr), 3.01% (25 yr)		N/A
Inflation (MPI)	2019: 1.3% Municipal, 1.7% Consolidated	Not completed	
Tax base reliance (% revenue residential)	34.02%	32%	32% would be the average percentage residential municipal taxes (34-34-33-32-30)...as a best guess over the next five years....I rounded down to 32% as a mean average. If you want to represent that as a (- 0.5%) downward trend over the same time period, same outcome.
Residential assessment base	\$17,511,238,980	1.5%	
Farmland assessment base	\$33,106,590	0%	
Non-Residential assessment base	\$5,373,011,920	2.0%	
M&E assessment base	\$10,144,887,810	5.0%	

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Linear assessment base	\$839,436,230	2.0%	
Social (Optional to include)			
Community events	92 (block parties - FCS) 15 (RPC) 4 Municipal	Not tracking this as multiple depts.	We may have even missed some departments we did not think to ask, i.e. Transportation and Agriculture Services. Statistics never compiled or look at in combination.
Active Non-profits	238	No longer tracking this data at Volunteer Strathcona	
Local Transit ridership	2018 327,000	2.0%	
Commuter Transit ridership	2018 1.345M	2.0%	
Crime rates and safety (CSI)	55 CSI	Not completed	
Solid Waste Diversion	2018 59% diversion from landfill	*2018 - 59% 2017 - 60% 2016 - 61% 2015 - 59% 2014 - 60%	2018 Organics 12,218 T Waste 13,763 T Recycling 5,341 T Enviroservice 632 T Scrap Metal Collected 367 T * 2018 was the introduction of our recycling changes, however we introduced in September so we only saw a few months of reduced tonnages there, which means that 2019 will be the first full year and most likely will drop by a per cent or two..

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Cultural Diversity	https://www.strathcona.ca/files/files/at-edt-census-imm-ethno2016.pdf		Rely on Stats Can for this information – see link.
Green Space / Trails Added	9,153 acres zoned recreation 289 km trails	No figure available	
Net school additions planned (#)	0	n/a	
Volunteer participation (%)	21.9%	No change expected	
# of planned substantial community facility additions	0	n/a	

City of Fort Saskatchewan Model Results

TABLE 23 - REGIONAL ECONOMIC FORECAST MODEL MUNICIPAL WORKSHEET RESULTS – FORT SASKATCHEWAN

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Population and Housing			
Population growth	26,942	2.2% - 3.5%	
Population median age	32.5	No change	
Percentage of Female Youth Population (Under 19)	3240	4.02%	Municipal Census Average 5-year trend
Percentage of Male Youth Population (Under 19)	3376	3.18%	Municipal Census Average 5-year trend
Percentage of Female Senior Population (Over 55)	2899	3.60%	Municipal Census Average 5-year trend
Percentage of Male Senior Population (Over 55)	2691	3.65%	Municipal Census Average 5-year trend
Percentage of Female Adult Population (20-54)	6014	1.66%	Municipal Census Average 5-year trend
Percentage of Male Adult Population (20-54)	6343	0.68%	Municipal Census Average 5-year trend
Total dwellings	11,136	1% - 2%	CMHC
Housing starts	173	No change	CMHC / Planning & Development Department
Development permits (#)	334	2%	Planning & Development Dept
Building permits (\$)	\$63,285,042	1% - 2%	Planning & Development Dept
Average house prices	\$397,674	-1% - 1%	Edmonton Real Estate Board
Average Household Income (\$)	\$140,283	3.3%	2019 & 2015 Retail Market Gap Analysis
Farmland (acres)	8695.1 ha	-2.5% - -3.5%	

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Economy & Business			
Oil Price	64.85	-	N/A – external projections
GDP growth (%)	-	-	N/A – external projections
New businesses / business licenses	1130	3.5%-4.5%	N/A – external projections
Value of new business investment (\$)	\$341 million	-	N/A – external projections
Employment percentage	92.9%	-	N/A – external projections
Employment growth (%,#)	15,100	-	N/A – external projections
General inflation (CPI)	2.0%	No change	
Municipal Government			
Interest rates (%)	-	-	N/A
Inflation (MPI)	2.73%	0.06%	No action needed
Tax base reliance (% revenue residential)	41.41%	No change	Financial Services Department
Residential assessment base	\$3,549,779,790	1% - 2%	Financial Services Department
Farmland assessment base	\$888,400	1% - 2%	Financial Services Department
Non-Residential assessment base	\$1,143,547,690	1%	Financial Services Department
M&E assessment base	\$1,522,891,300	2.5%	Financial Services Department
Linear assessment base	\$124,910,470	2%	Financial Services Department
Community/Social			
Community events	70 10 Municipal	No Change	
Active Non-profits	114	No Change	
Local Transit ridership	64,596	2.2% - 3.5%	Fort Sask Transit
Commuter Transit ridership	40,100	2.2% - 3.5%	Fort Sask Transit

Economic Model Input	Baseline (2019) Numbers	Long-term Growth Factor (Ideal Annual % Change)	Comments / Context
Crime rates and safety (CSI)	86.1 CSI	No change	RCMP
Solid Waste Diversion	56%	Unclear (from Administration)	2019 curbside waste collection 56% waste diversion rate
Cultural Diversity (% of immigrants)	8%	+1%	2016 NHS
Green Space / Trails Added	Unclear (from Administration)	Unclear (from Administration)	No data provided by Administration based on current availability/reliability of data
Net school additions planned (#)	Unclear (from Administration)	Unclear (from Administration)	No data provided by Administration based on current availability/reliability of data
Volunteer participation (%)	28%	No change	2019 Municipal Census
# of planned substantial community facility additions	1	1 - 3	Fort Saskatchewan 10-Year Capital Plan



Phase 5: Sub-Regional Pressures

Final Phase Report

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INTRODUCTION & OVERVIEW

Phase 5 is focused on the sub-regional pressures that are currently or are anticipated to impact Strathcona County and the City of Fort Saskatchewan in the near-to-mid-term. Our task was defined as answering these three questions:

1. What are the key external pressures on the sub-region (Fort Saskatchewan / Strathcona County)?
2. What are their impacts?
3. Will changes support the positions / positioning of the sub-region?

While it was not difficult to identify pressures that have potential impact on Strathcona County and the City of Fort Saskatchewan, framing them in a manner that provided a comparison of strategies available based on the spectrum of governance models was challenging. To provide some illustration into the benefits or limitations of each of the potential governance structures required us to define potential strategic response options for each pressure, and each governance structures, to highlight the relative effectiveness of each governance option.

In order to support this phase of work, we conducted research, engaged administration in interviews, conducted analysis on each municipality's strategic information. Specifically, we conducted the following steps:

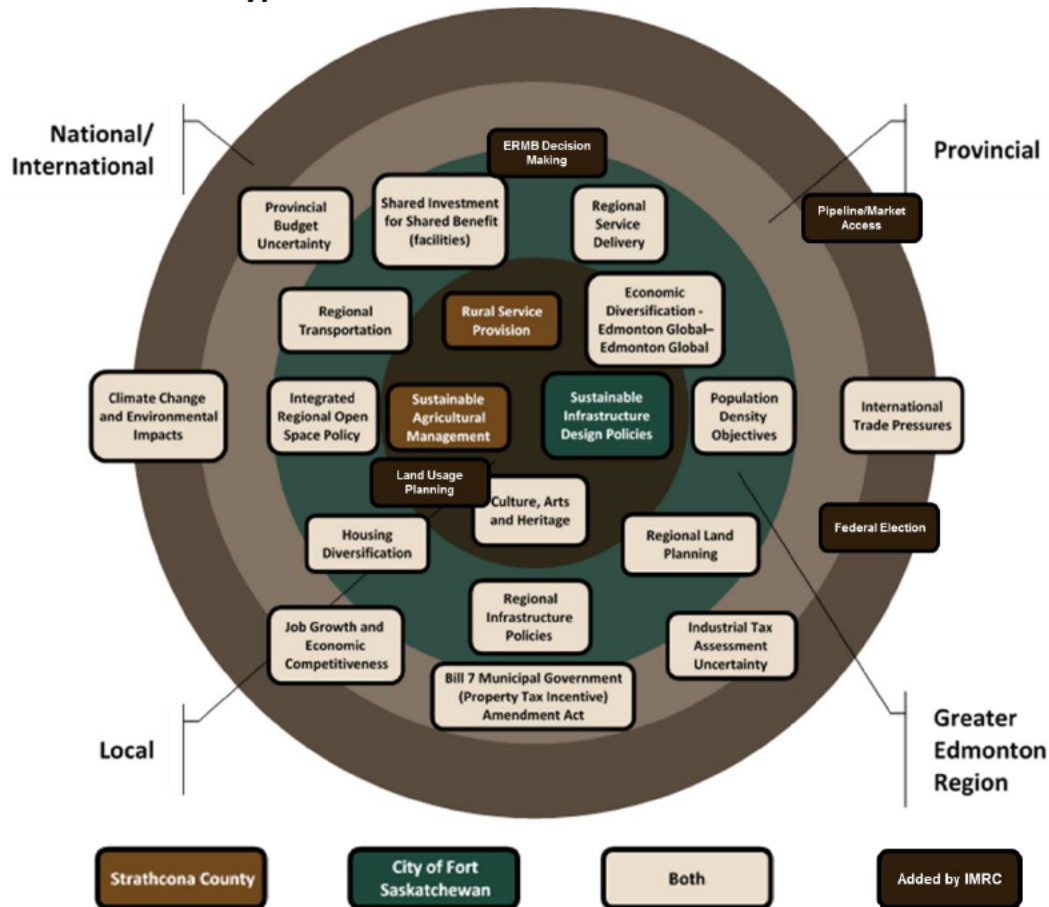
- Public research on international, national, provincial and regional pressures on local governments
- Administration interview engagement with both municipalities
- Facilitated workshop with IMRC members to refine (and expand) the list of pressures under consideration and rank the potential impact of each.
- Thought experiment in comparing governance options based on potential strategic responses

Materials for Phase 5 were presented at the September and October IMRC meetings. Feedback and edits were incorporated at all meetings, helping to evolve the materials in the section.

RESEARCH

The information for this section was consolidated from direct interviews with City and County Senior Staff and a review of publicly available documentation from the Government of Alberta, the Edmonton Metropolitan Region Board, the City of Fort Saskatchewan, Strathcona County and other news/policy sources. It was reviewed and supplemented by IMRC input provided at the September 16th, 2019 Committee meeting.

1. What are the key external pressures on the sub-region (Fort Saskatchewan / Strathcona County)?



The following table shows the detailed descriptions of the pressures identified in the figure above. Each pressure has been categorized along four distinct layers:

- **National/International** – Pressures felt across Canada from sources outside of Alberta and/or Canada. These pressures are not unique to the sub-region and are pressures felt by other regions throughout the country. These pressures range in impact and there is very little the region can do on their own to mitigate their effects.
- **Provincial** – Pressures felt across Alberta. These pressures are not unique within Alberta and are pressures common with all regions of the province. These pressures are primarily political in nature and require work with other bodies to mitigate these pressures.

- **EMRB** – Pressures felt across the Edmonton region. The pressures in this category are more tactical than the provincial or national pressures. Pressures in this category typically involve planning and strategic service delivery. The sub-region has a greater degree of influence over these pressures and has the capability to mitigate some pressures in this category.
- **Local** – Pressures felt within or adjacent to the sub-region. Pressures in this category typically stem from resident demands and personal plans or policies. The sub-region has the greatest degree of control over these pressures.

Indicates that this topic was added by IMRC members during September 16, 2019 workshop

Bold Indicates a Top 11 pressure for further exploration

Pressure	Layer	Description
International Trade Pressures	National/ International	A substantial portion of the tax base of the sub-region is composed of several large industrial corporations. Due to increased trade pressures with the USA, international trade for these corporations has been restricted. Trade for these organizations will impact profits and reduce tax revenues for the sub-region. Prolonged trade issues may cause permanent operational reductions.
Climate Change and Environmental Impacts	National/ International	In response to continued international pressure, the Edmonton Metropolitan Region has set an objective to protect natural living systems and environmental assets. This includes conserving and restoring existing ecological networks, protecting regional watershed health, water quality and quantity, environmentally conscious development, and mitigating the impacts of regional growth. The sub-region will be required to provide environmental and technical studies for future development in the region and consider the impacts of resource extraction or development in significant detail.
Pipeline/Market Access	National/ International	The sub-region is in an advantageous position to capitalize on future pipeline and market access improvements. Both members of the sub-region have a large industrial tax base, and additional pipeline or market access expansion could greatly increase business success and drive further growth for both municipalities.
Federal Election	National/ International	The 2019 Federal Election is scheduled to take place on October 21st, 2019. The election will bring significant uncertainty to municipal governments across the Country. Changes in federal governance will bring new uncertainties including trade relations, funding, and industry growth. The sub-region may need to adopt new strategies or responses to manage changes in funding that may occur.
Bill 7 Municipal Government (Property Tax Incentive) Amendment Act	Provincial	Bill 7: The Municipal Government (Property Tax Incentives) Amendment Act has been designed to attract investment and development by giving municipalities the power to offer stronger property tax incentives to business and industry clients. The multi-year tax incentives will provide a tool for economic development and additional incentives for brownfield property redevelopment to revitalize communities.

Pressure	Layer	Description
Provincial Budget Uncertainty	Provincial	<p>The United Conservative Party (UCP) won the 2019 Alberta General Election and unseated the New Democrat Party (NDP). The financial pressures on the provincial government will likely lead to fiscal policies that will reduce funding available to municipalities. Specifically, the Municipal Sustainability Initiative (MSI) will come to an end in 2021-2022. MSI funding has been used to build and rehabilitate infrastructure, utilities, and other municipal priorities.</p> <p>The recently released 'Report and recommendations : Blue Ribbon Panel on Alberta's Finances', though not fully analyzed at this point, makes a number of recommendations to the Government of Alberta (GoA) that will impact municipalities, directly through "Recommendation 15: Examine its legislative framework for capital funding to municipalities" and indirectly through a number of the other recommended austerity measures.</p> <p>To this point the GoA has not directly responded to the recommendations but anecdotal comments from the Minister of Finance and the Premier suggest at least tacit endorsement of the report's recommendations.</p>
Industrial Tax Assessment Uncertainty	Provincial	<p>The change in provincial government has introduced uncertainty regarding the current methods of industrial taxation. The GoA may bring in legislation to reduce the tax rate on industrial entities and has changed how industrial assessments are performed. If tax revenue is reduced or industrial assessments are conducted at a provincial level the sub-region may lose a large quantity of available revenue from their large industrial tax base.</p>
Job Growth and Economic Competitiveness	Provincial	<p>The both the GoA and the Edmonton Metropolitan Region (EMRB) have set an objective to promote job growth and the competitiveness of the Region's employment base. The region will seek to accommodate job growth and competitiveness within areas of the sub-region and will support employment intensive land use, planning and promoting intensification and increased employee density, and planning and coordinating infrastructure support. Further growth will be reviewed by the region through municipal development plans if a sufficient need is demonstrated.</p>
Regional Transportation	EMRB	<p>The EMRB has set an objective to develop a multi-modal, integrated regional transportation system. The transportation system will require coordinated policies and initiatives for all EMRB members. In addition, the system may alter the existing flow of goods throughout the region.</p>
Shared Investment for Shared Benefit (facilities)	EMRB	<p>The EMRB has begun exploring opportunities for "Shared Investment for Shared Benefit (facilities)". The region collectively is seeking new ways to attract and share the benefits of new facility construction. Specifically, the region is looking to explore shared facilities between municipal members. The sub-region should be aware of any current or future shared benefit agreements and should be aware of any redundant sub-regional shared benefit facilities.</p>

Pressure	Layer	Description
Housing Diversification	EMRB	The EMRB has set an objective to develop a diverse set of housing options in communities across the region with easy access to transportation, employment, parks, and community amenities. Housing will be planned to meet the changing demographics in the region and will support all levels of lifestyle and income. The City of Edmonton provides 90% of the affordable housing options in the region. Centres with existing or planned regional infrastructure will be considered for additional housing options. The centres of Fort Saskatchewan and Strathcona County are likely candidates for consideration and will need to consider the impacts of increasingly economically diverse population.
Economic Diversification – Edmonton Global	EMRB	<p>The EMRB and the sub-region have established objectives to promote economic diversification and are members of multiple economic diversification boards, such as Edmonton Global. The sub-region has planned to ensure there are industrial and commercial lands to support a variety of economic developments.</p> <p>In addition, the Edmonton Metropolitan area has planned future infrastructure to support sites for economic diversification. The sub-region may feel pressure to invest in diversification initiatives that may not be a best fit for the community.</p>
Sustainable Agricultural Management	EMRB	The EMRB has set an objective to ensure the wise management of prime agricultural resources. As the region continues to grow and expand, the EMRB will encourage the conservation of prime agricultural resources required to support a thriving agricultural sector. The region will identify and conserve an adequate supply of agricultural lands and minimize the fragmentation and conversion of land for non-agricultural uses. The sub-region will be restricted in land development opportunities in agricultural areas. Most of Strathcona County is classified as Class 2 Soil (Prime) and is a regional target for agricultural conservation.
Integrated Regional Open Space Policy	EMRB	The EMRB has identified a future work item to develop a regional strategy to connect parks, open spaces, greenways, and trails. The strategy will demarcate recreation corridors, meet regional recreation needs, advance coordinated regional recreation, and minimize adverse environmental impacts. The regional open space policy will potentially restrict developments for the sub-region and may identify additional areas of investment.
Regional Infrastructure Policies	EMRB	The EMRB has set multiple regional infrastructure objectives. Regional infrastructure and energy corridors will be developed collaboratively across the region and will include planning, investing and strategically developing infrastructure. By collaboratively developing infrastructure the region hopes to enhance competitiveness through the efficient movement of people, goods and services to and from the region. The sub-region will feel pressure to comply with existing regional infrastructure and strategic planning.

Pressure	Layer	Description
Population Density Objectives	EMRB	The EMRB has identified an objective to achieve compact growth that optimizes existing infrastructure investments. Growth will be prioritized around existing infrastructure. Planned infrastructure will be optimized for areas of high growth or density. Existing urban centres will be targets for increased population density, and optimization of existing infrastructure will be prioritized over an expanded development footprint. The sub-region will be pressured to minimize expansion development and encouraged to improve existing infrastructure.
EMRB Decision Making	EMRB	The EMRB has established regional planning initiatives to collaboratively develop future strategies and the action plans. The sub-region themselves is involved in multiple regional planning boards. The sub-region will face pressures to comply with existing policies and strategies in place that may conflict with future collaboration plans. In addition, the sub-region will feel pressured by the region to comply with regional practices and methodologies.
Regional Service Delivery	Local	The Edmonton Metropolitan Region has begun to consider and study the impacts of providing multiple services to communities around the Edmonton area. Currently, potable water is supplied to 12 of the 13 EMRB municipalities by EPCOR Water Services. Due to the success of regionally provided potable water, the EMRB is identifying additional areas for regional service delivery, including Wastewater, Stormwater, Solid Waste, Transportation/Transit, and Emergency (Fire) Servicing. The sub-region may be a candidate for regionally provided services and may be pressured to delay current service collaboration tasks until the EMRB has decided.
Sustainable Infrastructure Design Policies	Local	Fort Saskatchewan has committed to sustainable design policies for all new or redeveloped civic facilities. The City will pursue a minimum LEED Silver, Green Globes or equivalent standard as well as explore opportunities to achieve LEED for Neighbourhood development standards. In addition, the City will work with the development community to incentivize green development and ensure remediation of any brownfield sites. There may be pressure within the sub-region to comply to differing standards of sustainable design for future facilities.
Culture, Arts, and Heritage	Local	Both members of the sub-region have committed to supporting Arts, Culture, and Heritage development in their communities. To support community culture, both municipalities have pledged to integrate culture and arts in public space design. Joint facilities or locations may face pressure to provide a greater degree of support for the culture of one member over the other. In addition, collaboration on opportunities closely linked to community culture and heritage may be limited such as a joint heritage museum.

Pressure	Layer	Description
Rural Service Provision	Local	Strathcona County is a specialized municipality that contains both an urban and rural communities. The sub-region may face pressure at a local level with harmonizing collaborative service provision between urban and rural residents. Collaboration opportunities may provide a greater benefit for urban residents and receive requests for expanded service delivery by rural residents.
Regional Planning	Local	Regional planning initiatives have been established to collaboratively develop future strategies and the action plans. The sub-region themselves is involved in multiple regional planning boards. They face pressures to comply with existing policies and strategies in place that may conflict with future collaboration plans. In addition, there are multiple regional planning initiatives adjacent to the sub-region that may compete with the region for economic development opportunities and funding.
Land Usage Planning	Local	The EMRB has identified objectives to regionally plan land usage. This includes land usage for future transportation initiatives, regional green space planning, agricultural preservation and environmental protection. The plans and strategies that come from these objectives will demarcate land corridors across the region to use for collaborative land planning ventures. These plans may restrict the ability for the region to plan land usage locally.

ANALYSIS

2. What are their impacts?

These potential pressures were presented to the IMRC at the September 16, 2019 meeting. Committee members participated in two exercises. The first asked them to add to and prioritize the list of sub-regional pressures. This resulted in a short-list of 11 topics for further exploration. (This Top 11 are indicated with boldface type in the table above.)

Secondly, members were asked to contribute their thoughts on the magnitudes and directions of these top 11 pressures using the following scale.

Anticipated Impact Scales

Negative			Positive		
-3	-2	-1	+1	+2	+3
Catastrophic reduction in service to residents or financial impact to the municipality, requiring fundamental strategic change	Substantial reduction to services or financial resources that requires policy or bylaw change but still allows for continuation of municipality's strategic direction	Marginal inconvenience in service to residents with limited financial impact, requiring minimal council policy consideration or administrative change	Marginal improvement in service to residents or minimal increment in financial position	Substantial increase to services or financial resources that requires policy or bylaw change but supports municipality's strategic direction	Generational boon for the municipality, new and expanded services to residents or significant new revenue sources that

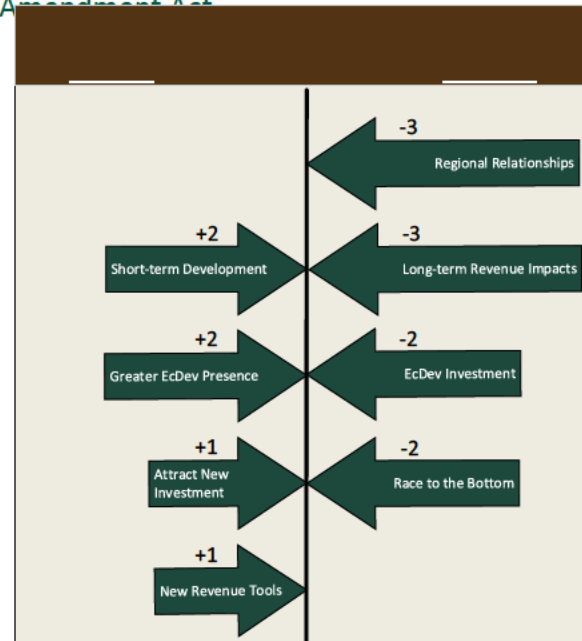
Force Field Analysis

These impacts were catalogued and enhanced by the consulting team using a technique called Force Field Analysis. The methodology is a system for listing and evaluating the positive and negative, related forces for a situation. It can be very effective in presenting a balance of the pros and cons in play given a specific issue. It was developed by Kurt Lewin (1951) and is widely used to inform decision making, particularly in planning and implementing change management programs in organizations. It is a powerful method of gaining a comprehensive overview of the different forces acting on a potential organisational change issue, and for assessing their source and strength.

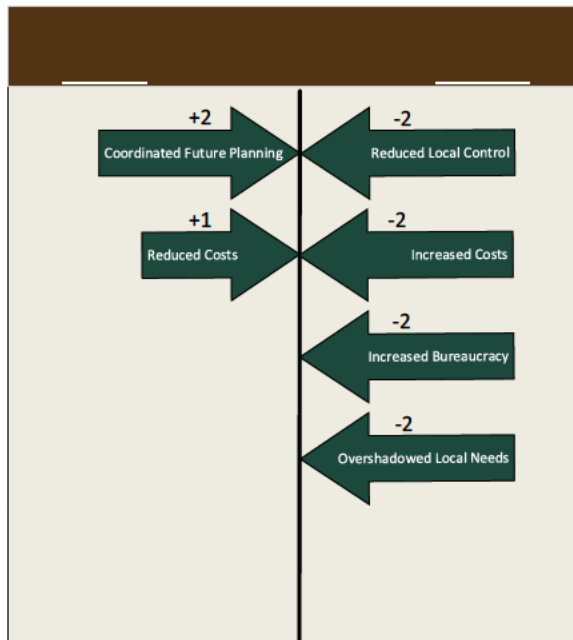
Bill 7 Municipal Government (Property Tax Incentive) Amendment Act

DESCRIPTION

The Bill 7 Municipal Government (Property Tax Incentive) Amendment Act is intended to provide additional methods for municipalities to incentivize infrastructure and industry development. However, the additional methods could introduce increased levels of competition among local governments to attract industry and development. This, in turn, could impact municipal relationships. Specifically, the methods will allow municipalities to provide tax discounts to developers and could incentivize a “race to the bottom” for tax discounts as has been seen in a number of jurisdictions with regard to other types of concessions. The increased competition among municipalities could strain relationships and may complicate future collaboration opportunities. The sub-region has historically been successful in acquiring new development, and Bill 7 presents risk by providing alternate regions with new tools to remain competitive.



The increased competition will require additional investment in local Economic Development functions to maintain competitiveness. Regardless of the tax incentives offered the municipalities will benefit from an increased Economic Development presence that may lead to additional development unrelated to the tax discounts. Ultimately, the new tools could promote short term development at the expense of future revenue potential.



Description

Both members of the sub-region are a part of the Edmonton Metropolitan Regional Board (EMRB). The EMRB has Regional Growth Plan to guide future areas of planning across the region. This plan sets objectives for multiple aspects of the region from Transportation Planning to Open Space Usage.

As members of the board, the municipalities are expected to comply with regional plans and objectives. In some cases, this may involve contributing to initiatives that don't fit perfectly with local needs or priorities. municipalities could be forced to balance regional commitments with resident expectations. municipalities could be expected to pay additional costs to plan, design, and implement regional initiatives that may not align with local priorities.

In addition, regional planning collaboration has the potential to add elements of complexity and bureaucracy to local planning and strategy. The municipalities will need to review existing regional planning documentation frequently to minimize redundancy and areas conflict.

Through regional collaboration, the municipalities may be able to leverage economies scale and economies of scope in planning and implementing future projects. By collaborating and sharing costs with all members of the EMRB, municipalities may be able to provide services and initiatives that would not otherwise be financially viable individually. In addition, collaborating on initiatives at a regional level can enable increased service capabilities or new service offerings for residents. These service offerings or improvements may not be financially or operationally viable individually but become feasible with collaboration. Finally, regional planning increases each municipalities sphere of influence to a regional level. Individually, each municipally would have little say in the development or planning of other regions. Collaborative planning will promote a utilitarian design for regional planning that enables the greatest benefit for group as a whole.

Federal Election Outcome

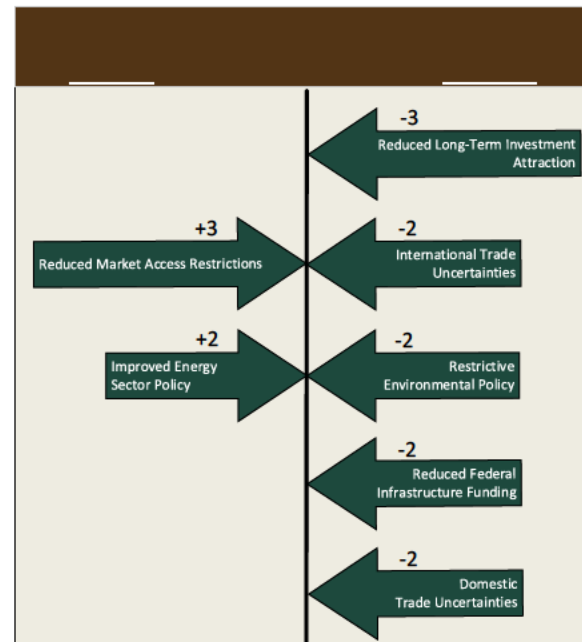
DESCRIPTION

The Canadian Federal election is taking place on October 21st, 2019. There multiple potential impacts on municipalities regardless of what party is elected. While some impacts may be unique to each party, overall the uncertainty of the election and party decisions remains.

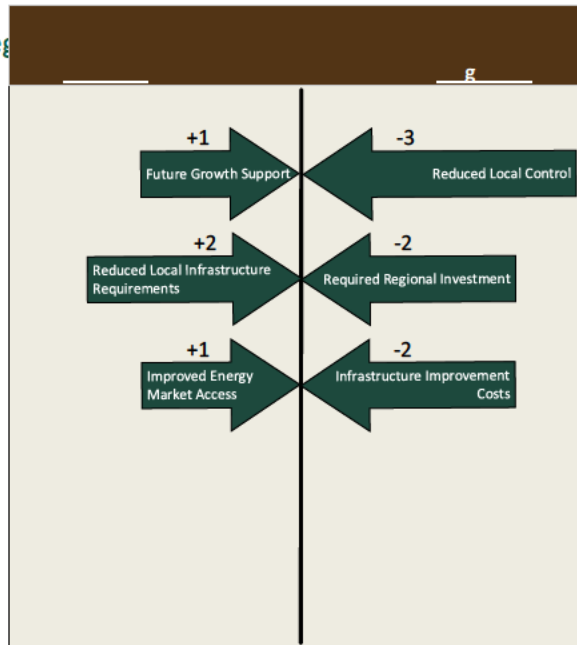
Trade tensions have been escalating both domestically and internationally. Current trade decisions or the impact of trade relationships remain uncertain. Both municipalities have large industrial tax bases that are sensitive to the trade of goods domestically and abroad. Should tensions escalate the domestic and international situations further, tax bases may reduce, and businesses may relocate to reduce trade restrictions. In addition, several political parties have proposed restrictive environmental policies that will have significant impacts on industrial businesses, impacting bottom lines and reducing the municipal tax base.

Currently, municipalities are eligible to receive infrastructure funding from the federal government. The platform and philosophies of federal parties vary considerably, and the election could introduce risk to the current levels of infrastructure funding available. This could include a reduced investment or application of other restrictive policies on to the industries that are a major source of revenue for the municipalities.

Some of the contesting parties have platform components that will support the viability of the Alberta Energy sector and may attract additional investment or promote business growth for industrial businesses across the Province. Specifically, changes to energy sector policy may reduce taxes on the industry and improve international and domestic energy trade competitiveness.



Reg



DESCRIPTION

Part of the EMRB's Regional Growth Plan includes articulating multiple regional infrastructure objectives. These objectives will guide the coordinated development of regional infrastructure and energy corridors. By collaborating, the region will reduce local planning efforts, provide greater consistency and leverage economies of scale to provide cost effective development opportunities. In addition, the coordinated planning should enable regional scalability and meet the needs of a growing region, providing new, cost-effective ways to increase access to the energy market.

However, member municipalities committing to these objectives will reduce the level of control and influence that they have over local infrastructure and energy corridor

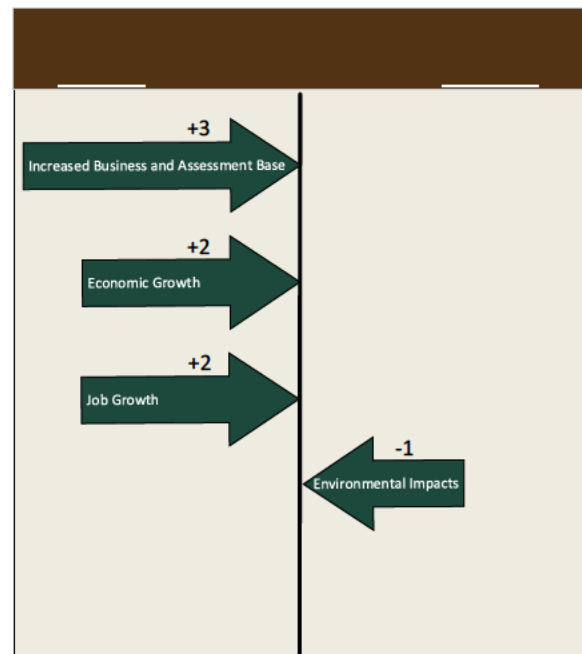
developments. The members of the sub-region will have to adhere to design and implementation methodologies defined by the EMRB and may have challenges fitting development with community need or existing municipal culture. In addition, the municipalities will be required to invest in other areas of the region that do not provide immediate local benefit while continuing to invest in local infrastructure that meets local, but not regional needs.

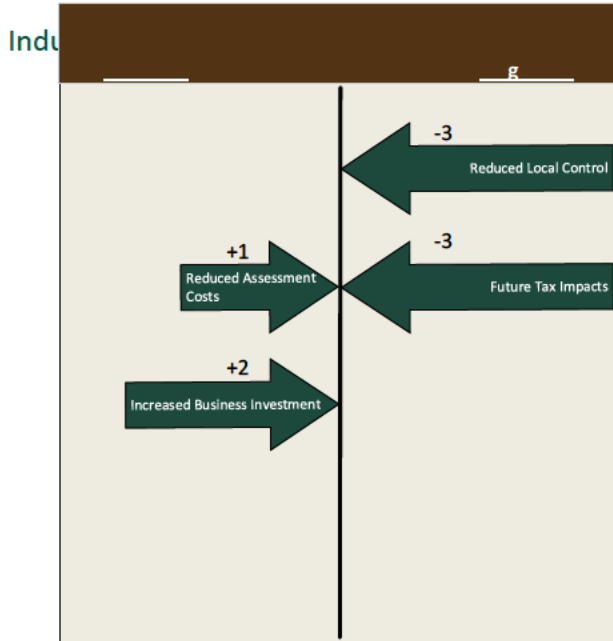
Pipeline/Market Access

DESCRIPTION

Improved access to pipelines or additional market access will have significant positive impacts for both municipalities. The region has a significant energy-sector industrial base and increased access to international and domestic markets will improve growth in investment and jobs for both communities, in turn generating a greater tax base for each municipality.

Increased access to markets will create economic benefits for residents and ultimately lead to community economic growth. However, major pipeline developments and increased market access may have significant environmental impacts. Agricultural land and animal habitats could be repurposed for industry and be consistently threatened should incidents occur.





DESCRIPTION

There is continued pressure from less industrialized municipalities for the Government of Alberta to review the process for industrial tax assessment and tax distribution across the province. The province has stated interest in reviewing the current process for industrial tax assessments and through this review could consider pooling assessment under the provincial government.

If centralized, the municipalities could benefit by no longer requiring the costs associated with its industrial tax assessment function. Additionally, they could benefit from increased business investment, incentivized by low costs for industrial business. However, the region is highly dependant on its industrial tax base and the pooling of industrial tax assessments may redistribute a significant

revenue stream from the sub-region.

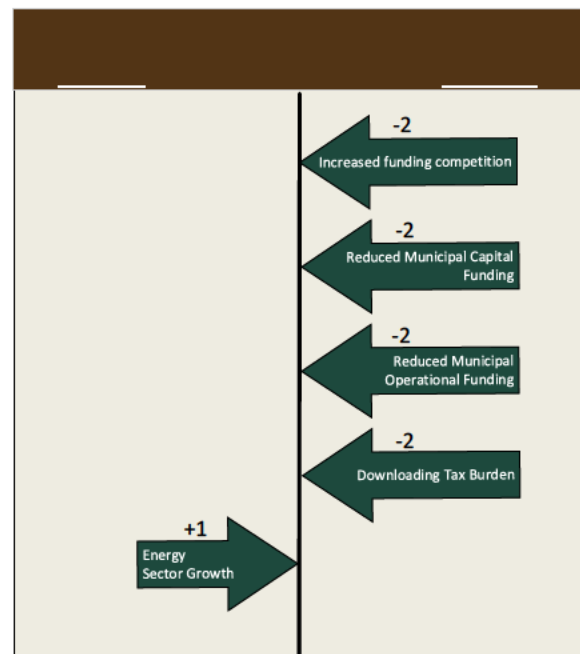
Provincial Budget Uncertainty

DESCRIPTION

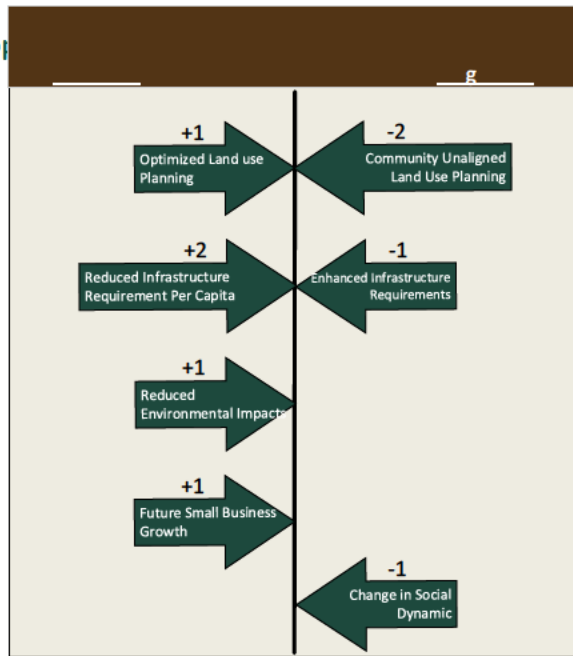
The upcoming provincial budget may have significant municipal impacts. There are indications that the plan, to be released on October 24, 2019, will include a strong emphasis on energy sector growth. As the energy sector grows both municipalities should benefit from an increased industrial tax base and economic growth. However, the budget may include cost saving measures, and in many cases reductions in municipal funding.

As funding opportunities decrease there could be added competition for municipalities to secure funding that were previously available. It has been signaled that operational and/or capital funding could be reduced as a means to address Alberta's deficit budget position.

Reduced funding options available to municipalities could also be accompanied with reductions in provincial government service levels or service offerings. Municipalities would need to prioritize existing services to ensure residents continue to receive acceptable service levels. In some cases, service provision responsibilities may be 'downloaded' to the municipal level to address residents' requests for discontinued service offerings or service levels. Municipalities could find themselves highly pressured to respond to resident frustrations or complaints.



Pop



DESCRIPTION

Part of the EMRB's Regional Growth Plan includes defining regional population density objectives. These objectives will guide coordinated regional density planning and seek to promote growth in existing regional economic centers. Both municipalities could be major targets for densification in the region. Currently these objectives are not binding and are not a firm commitment. If the sub-region does not experience the desired levels of densification, they may face pressures from alternate strategies to comply with the densification objectives.

One of the major components of population densification will be the optimized planning of land usage within the region. EMRB will be able to view the region holistically and develop land usage plans that optimize benefit for all

members. However, this may not align to local land usage plans; thus, not considering community needs or priorities.

By increasing population densification, current services and infrastructure may require enhancements to account for the increased usage in population centers. This would require a degree of municipal investment depending on the scalability of existing infrastructure. However, due to the increased density some services may benefit from economies of scale and have reduced variable costs as the quantity of service to residents increases. Densification is intended to limit urban sprawl within the region, reducing the regions environmental footprint and promoting small business growth. Development would be concentrated within existing urban centers, reducing environmental disruptions due to expansion, and foot traffic/business visibility could be improved for local businesses, ultimately leading to increased growth.

Altering the social dynamic of the community may cause hesitation and potential pushback by residents. Existing residents may perceive density objectives as "suffocating" or as unnecessary disruptions to current community culture. Density objectives could introduce change to municipal communities; however, the impacts could be addressed with effective change management and public communication.

For more information on the impact of population density objectives, please refer to the following report:

Job Growth and Economic Competitiveness

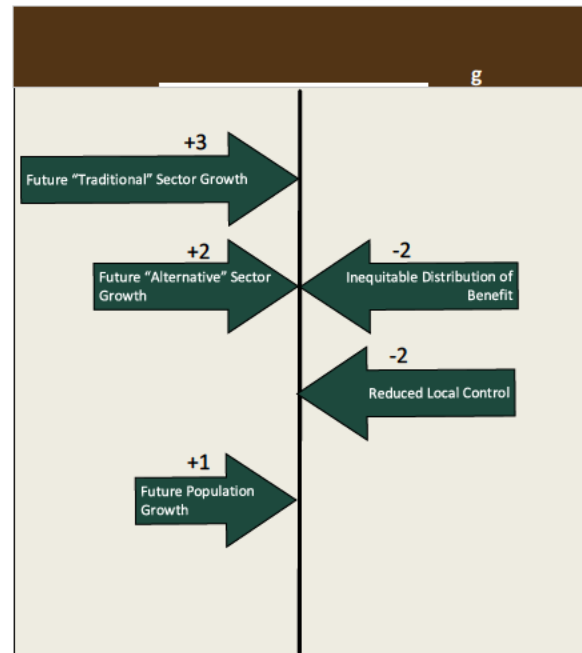
DESCRIPTION

Part of the EMRB's Regional Growth Plan includes defining Job Growth and Economic Competitiveness objectives. These objectives include a focus on both "traditional" and "alternative" sector growth throughout the region.

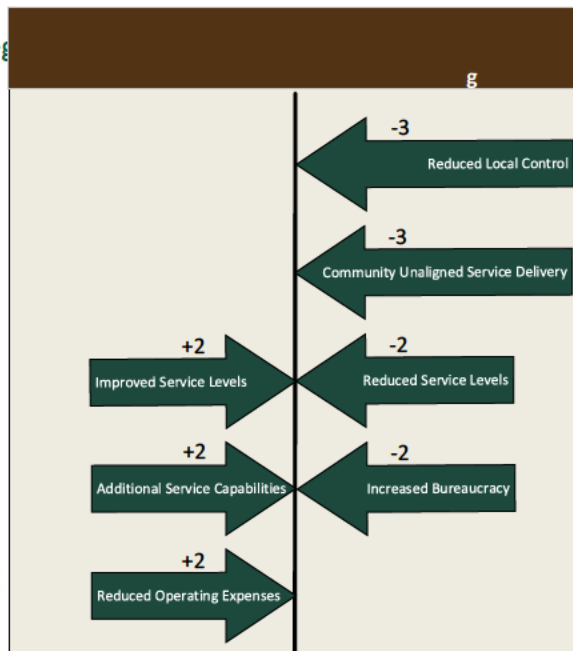
Traditional sectors include industries that make up a large component of both municipality's tax bases, such as the energy and oil and gas sectors. The region has committed to promote further growth in these existing industries.

Alternative sectors include innovative areas for the region, such as health and technology. Neither municipality currently has significant health or technology industries. However, by partnering with the region, the sub-region could diversify industrial investment and potentially create future economic growth in innovative new industries.

With a lack of health or technology industries, Fort Saskatchewan and Strathcona County may receive an inequitable distribution of benefit for initial regional investments in these sectors. The regional approach to Job Growth and Economic Competitiveness would limit the control municipalities have on local job growth strategies and plans. The region may use different approaches, methodologies or investments to promote job growth that may not be aligned with local practices.



Reg



DESCRIPTION

The EMRB has completed an environmental scan on water, sewage and wastewater collaboration across the region, and is considering the expansion of regional services. By collaborating on service delivery both municipalities could be able to reduce operating expenses related to current service delivery. All members of the EMRB would share costs for service delivery potentially reducing what individual members spend on similar services.

In addition to leveraging economies of scope and scale to improve the cost effectiveness, collaborative service delivery could increase the quantity of service offerings. Economies of scope could potentially allow EMRB members to receive services that would not be operational or financially feasible individually. This might include upgrades

to existing services or entirely new service offerings for residents. Economies of scale promises to reduce the financial burden for individual members and minimize the financial impacts of service offerings.

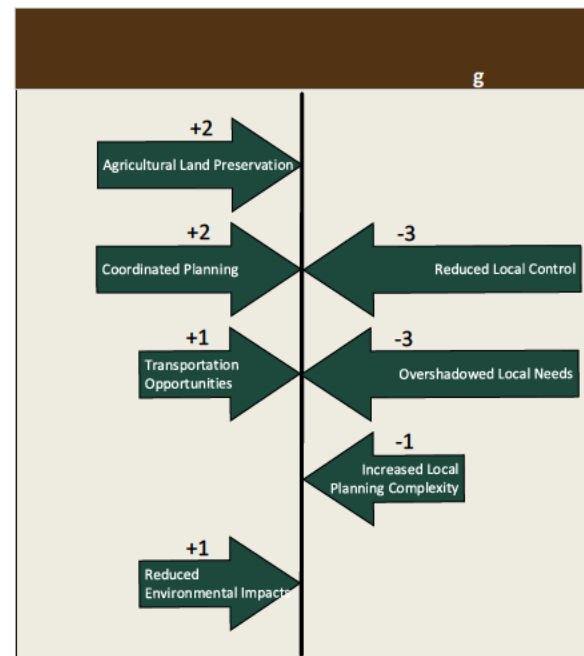
However, there is that potential that collaborative planning and management of service delivery could decrease some service levels and introduce additional layers of bureaucracy. Service levels within the municipalities have been described in some cases as being high relative to other jurisdictions. Combining services at a regional level may require the municipalities to sacrifice these high service levels to benefit from collaborative delivery. In addition, additional bureaucracy could complicate service processes or may create complications in local service design or planning.

Land Use Planning

DESCRIPTION

Part of the EMRB's Regional Growth Plan includes defining land usage objectives. By collaborating on land use policies, the region could optimize land usage, and improve planning capabilities. Collaboration promises to reduce environmental impacts and preserve agricultural land. The region will be able to take a holistic view of land and potentially have the ability to determine where development should occur and to minimize impacts to the environment. In addition, agricultural land could be preserved by planning development in areas that do not impact high quality agricultural land. Land use planning is a first step in many other areas of regional collaboration such as transportation and service delivery.

As noted in other pressures, collaboration could add another layer of complexity for local land planning. Each municipality will need to be familiar with regional land use plans before preparing any local plans or strategies. In addition, regional plans may not consider all local needs and may limit the ability for municipalities to govern their land usage.



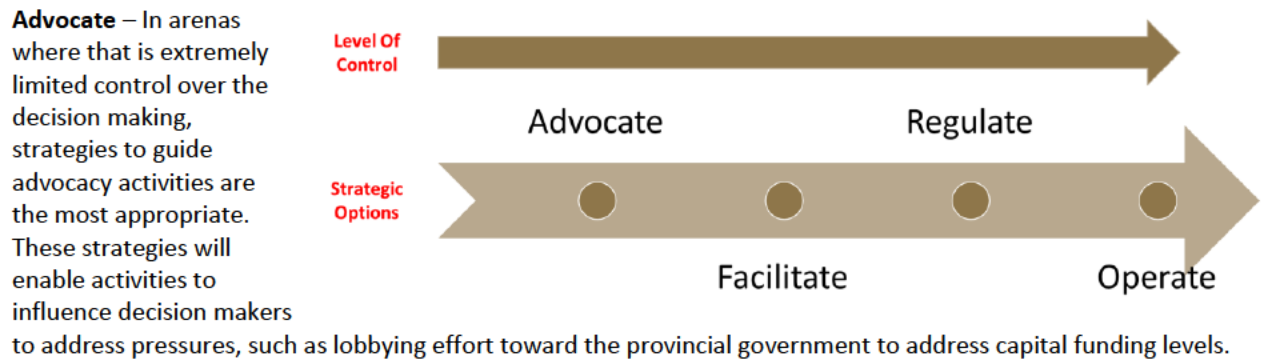
3. Will changes support the positions / positioning of the sub-region?

In this section we outline a number of potential strategic approaches that the City of Fort Saskatchewan and Strathcona County could deploy, jointly or individually to address the pressures outlined above. **It should be noted that it is not in the scope of this project to define a strategic mandate for the municipalities nor are we recommending any particular approach to tackle the pressures. The potential strategies are intended to provide substance to the analysis of governance model impact on the choice and effectiveness of strategic intervention.**

Control as a Driver of Strategy

The degree of control available to address pressures will greatly influence the strategic tact that you take. Take for instance, the ongoing debate and legal challenges regarding increasing pipeline capacity from Alberta to a seaport. The regulation of pipelines is not a municipal responsibility and as such, there are very limited elements, if any, of these issues that you have the authority to direct, but they can be a very important and passionate issue for some municipalities. Depending on the degree of control that you may have, there may be more appropriate strategies to employ.

The graphic below illustrates four generic approaches that may be employed given the degree of autonomy (control) that you may have (or want) on an issue.



For each of the 11 pressures explored under Question 2, we have provided example response options under each of the strategy approaches and used them as proxies to evaluate the effectiveness of each of the six governance options for those examples. Again, these are not intended to be recommended strategic approaches for either municipality and are provided merely to illustrate context in exploring the alignment between the response options and governance structure.

Alignment Scale

To assess the alignment of the illustrative response options, we have provided a subjective rating in relation to each of the six governance forms that we have explored throughout the project. The scale is based on a spectrum of relevance of response options to the above pressures along the governance model. Relevance is defined as a best “fit” with the governance model for each pressure. This would include feasibility of implementing a response option strategy and considers the alignment of the governance model characteristics of administration, operations, costs, strategic capabilities, and external relations.

Not Applicable	0	There is no provided response option that would illustrate alignment under this collaborative form.
Minimally Relevant	1	The strategy could be employed under this governance form, but it would be relatively more difficult or expensive to undertake with chances of producing a successful impact are extremely limited.
Moderately Relevant	2	The strategy would be appropriate under this governance form, but the inherent difficulty or expense would mitigate a significant amount of its potential success.
Highly Relevant	3	The strategy would be appropriate under this governance form, and the structure lends itself to potentially achieving success.

Bill 7 Municipal Government (Property Tax Incentive) Amendment Act

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby the EMRB to Consider Regional Competition Limitation Agreements
Lobby the GoA to Allow Other Non-competitive Revenue Tools
- **Facilitate** – Enhance Regional Economic Development Partnerships to Develop Competition Limitation Agreements
- **Regulate** – N/A
- **Operate** – Develop Policy to Determine the Appropriate Use of Tax Relaxation
Prepare Non-tax Local Benefit Marketing Strategy

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	2	1	1	1	2	3
Facilitate	3	2	2	2	3	3
Regulate	0	0	0	0	0	0
Operate	3	2	2	2	3	3

SUMMARY

Both municipalities, singly or combined, have very limited control over Bill 7 changes. Three of the four response options provide the municipalities with some way to potentially influence the effects of the changes to Bill 7.

An Advocacy based strategy could be most appropriate as single voices, either individually or combined.

The municipalities cannot regulate the implementation of Bill 7 changes and thus do not have viable Regulate response option.

Similar to Operate, the Facilitate strategy could become more effective as the municipalities collaborate. As the sub-region makes up a larger portion of the overall region there is greater likelihood that adjacent municipalities would be willing to negotiate resolutions to Bill 7 issues.

Finally, under the Operate response option a single entity could provide the municipalities will have additional tools to provide cost-effective ways to mitigate the financial impacts of changes Bill 7.

Document prepared for the
Municipalities of the
Greater Toronto Area
by
Tantus MNP LLP

Federal Election Outcome

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Develop Lobby Strategy to Support Provincial Efforts for Trans Mountain Pipeline Completion
- **Facilitate** – Lead Efforts to Implement Regional Investment Attraction Strategy
- **Regulate** – Consider Local Environmental Protection Regulation
- **Operate** – Review Local Service Levels/Tax Changes

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	2	1	1	1	3	2
Facilitate	1	1	1	1	3	2
Regulate	2	1	1	1	2	3
Operate	2	1	1	1	2	2

SUMMARY

The Federal Election is a national pressure that both municipalities have limited control over. Most impacts at this level cannot be significantly mitigated.

Advocacy efforts are best aligned with regional governance with strength in numbers, both number of local governments and in size. However, there are complexities with the crafting of advocacy messages in a larger group.

Facilitate response options are again most aligned at a regional level with the challenges of reliance on overall influence.

In the Regulate domain, implementing media friendly (and in themselves worthwhile) initiatives such as local environmental policy will help with advocacy effort and can occur under current governance. They would be equally aligned under more regional or consolidated forms.

Operate options align better through economies of scale, to mitigate potential reductions in services or tax increases due to limited funding.

Regional Infrastructure Policies

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby Alberta Government to Develop Provincial Infrastructure Standards
- **Facilitate** – Negotiate Local Infrastructure Improvement Funding
- **Regulate** – Prepare Negotiation Position Based on Local Needs
- **Operate** – Develop Local Interpretation Standards for Regional Policies

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	1	1	1	1	3	2
Facilitate	2	2	2	2	3	3
Regulate	2	2	2	2	1	1
Operate	3	1	1	3	1	3

SUMMARY

Regional Infrastructure Policies are one of several EMRB growth plan pressures. Both members of the sub-region are members of the EMRB and appear to have a moderate level of influence over EMRB actions. While the sub-region does not have a significant positional advantage to change or alter overall decision making of the region, the sub-region does have the ability to influence how future objectives and plans occur.

Advocacy efforts can be challenged in the regional sphere without a thorough understanding of other members' positions and interests. Larger administrative organizations may be better aligned to be able to understand this context, but the effectiveness of these efforts has more to do with relationships and personal influence.

The most aligned response option for this pressure is Facilitate. The sub-region is a major economic member of the EMRB and is a large center for development in the region. As the sub-region collaborates negotiating power will potentially improve and improve any associated facilitate response options.

In the Regulate domain, the City and County would develop formal positions to influence negotiations on topics and the Operate domain would align with limited collaboration with entities preparing their own formal positions, potentially at odds with the regional decision.

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Pipeline/Market Access

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Develop Lobby Strategy to Support Provincial Efforts for Trans Mountain Pipeline Completion
- **Facilitate** – Formulate Enhanced Pipeline/Market Access Marketing Strategy
- **Regulate** – Environmental Protection Regulation
- **Operate** – N/A

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	2	1	1	1	3	2
Facilitate	1	1	1	1	3	2
Regulate	2	1	1	1	2	3
Operate	2	1	1	1	2	2

SUMMARY

A number of these pressures are interwoven. Pipeline and Market access will have a similar alignment profile with the Federal Election pressure, as it is currently seen as a significant federal political issue. The response options presented for illustration have many similar characteristics and align similarly.

As with the Federal Election pressure, Advocacy efforts are best aligned with regional governance with similar strengths associated with scale and challenges based on complexity of crafting the messages.

Again, Facilitate response options are most aligned at a regional level with the challenges of reliance on overall influence.

The Regulate domain lends itself more to supporting advocacy efforts at a regional or consolidated level.

Operate options still align better through economies of scale, to mitigate potential reductions in services or tax increases due to limited funding.

Industrial Tax Assessment Uncertainty

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby for the Maintenance of Local Industrial Tax Collection
- **Facilitate** – Lead an Inter-municipal Lobby Effort to Maintain Local Industrial Tax Collection
- **Regulate** – Review Local Industrial Tax Definitions
- **Operate** – Explore Expanded Use of Restricted Reserve Funds

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	1	1	1	1	1	2
Facilitate	2	1	1	1	3	3
Regulate	2	2	1	1	1	1
Operate	2	2	2	2	3	3

SUMMARY

Industrial Tax Assessment Pooling is a provincial pressure and both municipalities will have limited control over the effects of any changes. The municipalities will have several response options to minimize the likelihood or impacts of assessment pooling.

Advocate response options are likely best aligned to take advantage of RMA's long-standing position of preserving current ownership of industrial tax revenues. Current Ad hoc governance would take advantage of Strathcona County's historically significant role in the rural association though greater degrees of collaboration may make funds more available to scale up advocacy efforts.

Facilitate response options provide a challenge to assessing alignment. Though a regional perspective would be powerful at influencing the provincial agenda, it may be very difficult to achieve regional support given the perceived financial benefit to large urbans under a pooling mechanism.

Regulate and Operate options would most likely focus on managing the fiscal impacts of the loss of revenue under a pooling mechanism.

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Provincial Budget Uncertainty

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby Provincial Government to Maintain Operating and Capital Grant Levels
- **Facilitate** – Continue to Lead Inter-municipal Efforts to Allow for Expanded Revenue Tools
- **Regulate** – Review Long Term Capital Plans and Debt Policies
- **Operate** – Review Local Service Levels/Tax Changes

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	1	1	1	1	2	2
Facilitate	2	1	1	1	3	3
Regulate	2	2	1	1	1	1
Operate	2	2	2	2	3	3

SUMMARY

The Provincial Budget has the potential to bring reductions in municipal grant revenue and may have both a direct and indirect impact on municipal services and capital programs across the Province.

Individual advocacy efforts may lead to some small improvements but will overall not improve the position of the sub-region. Through collaboration both municipalities will be in greater positions to mitigate the impacts of the Provincial Budget.

Facilitate response options alignment should improve through collaboration. The sub-region would have a stronger presence in the region and have an improved ability to lead other municipalities in Provincial lobbying efforts.

Similar to the Industrial Tax Assessment Uncertainty pressure, Regulate and Operate options would most likely focus on managing the fiscal impacts of the loss of grant revenue, aligning to greater collaboration supported by greater economies of scale.

Job Growth and Economic Competitiveness

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby National and International Markets to Buy Heartland Products and Services
- **Facilitate** – Provide a Means for Local Business ‘Matchmaking’
- **Regulate** – Adjust Business Licensing and Zoning Requirements to Enhance Competition
- **Operate** – Continue to Work with Local Business Community to Encourage ‘Alternative’ Business Sector Growth

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	2	1	1	1	3	2
Facilitate	2	2	2	2	2	2
Regulate	3	2	1	1	2	3
Operate	3	2	1	1	2	3

SUMMARY

Job Growth and Economic Competitiveness is, again, one of several EMRB growth plan initiatives that align well with current collaboration effort for advocacy responses and align better individually for regulate and operate options. The illustrative example response option provided portrays facilitation at the local level but could be scaled to a regional or single entity structure as well.

The specific Regulate and Operate options are local focussed on single municipality characteristics and thus, would align best at either end of the governance collaboration spectrum.

Regional Service Delivery

EXAMPLES OF STRATEGIC RESPONSE OPTIONS

- **Advocate** – Lobby EMRB for Local Service Opt-Out Provisions
- **Facilitate** – Lead Discussion of Regional Service Standards
- **Regulate** – Prepare Service Catalogue and Current Service Level Inventory
- **Operate** – Understand Current Levels and Cost of Service Delivery

	Ad-Hoc	Contractual	Partnered	3 rd Party	Regional	Single Entity
Advocate	3	1	1	1	2	3
Facilitate	2	2	2	2	3	3
Regulate	2	2	2	2	1	1
Operate	3	1	1	3	1	3

SUMMARY

Regional Service Delivery is also a pressure that is currently in discussion with the EMRB. Similar to infrastructure policy discussions it may result in the development of standards, this time regarding services provided and levels associated with those services. As with the infrastructure realm, the response options tend to move from regional in focus under Advocacy and Facilitation to more local with Regulate and Operate.

Advocacy is again a balance of local need and scale associated with collaboration. Because of the stage of discussion regarding some regional services, the illustrative example provided looks at preserving local interests in the regional plan. In this case, the inter-municipal collaboration would likely align less than either end of the spectrum.

The Facilitate option could be quite aligned at the regional level if consensus can be reached on standards.

Regulation would provide a means for the development of common standards definitions becoming less aligned with increase in complexity of governance with the exception of the 3rd party option. Here standards development would be required to function and therefore, would align quite well.

Operation options could again so greater alignment in less complex forms lending to the specific requirements needed to document service levels and assess costs.

PREPARED BY: TANTUS MNP LLP
DATE: 2018-01-11
PROJECT: REGIONAL SERVICE DELIVERY

KEY TAKEAWAYS

Though this analysis resulted in a largely hypothetical comparison of strategic options, a number of insights spring from the investigation:

1. There are Many Opportunities for Natural Partnership

The City of Fort Saskatchewan and Strathcona County have similar goals and priorities with regard to the solution of many of the current pressures. This is especially notable with issues that have a direct impact on the livelihood of the Alberta Industrial Heartland and those that relate to funding to municipalities. In many cases, a joint advocacy response option would be an effective tool for the municipalities to deal with pressures impacting the sub-region.

2. Pressures on the Sub-Region are Nuanced and Highly Complex

Many of the items on the initial research list and particularly those that IMRC members prioritized are not straightforward in terms of content of the issue, stakeholders involved and apparent solution. By definition, the most challenging issues, and therefore highest pressures on the municipalities, are the most difficult to analyze and formulate a response to. Collaborative efforts to address these pressures should be entered into with this understanding.

3. Understanding Degree of Control is Important in Addressing Sub-regional Pressures

Also common among these pressures is the limited control that either municipality (or the combined forces of them) have over resolution of the issue. It is not in the power of either to regulate or directly control the way to a clear solution. This understanding of control will benefit individual or combined efforts by focusing analysis and efforts on advocacy-based solutions that can take advantage of the partners' strengths in external political influence regardless of the governance structure employed.

4. Alignment to Governance Structures is Challenging

The relative strengths and limitations of various governance options is very difficult to assess across the diversity of sub-pressures acting on the municipalities. The relative effectiveness of any one governance model is challenging to determine and align to individual pressures as effectiveness is more of a function of the chosen strategic response option, than the governance model itself. Regardless of this challenge, the six-bucket model used to highlight different governance options, does help to inform which strategic response options may be more appropriate, depending on the degree of control that each municipality, or the sub-region collectively, has.



Phase 6: History and Identity

Final Phase Report

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PHASE 6: NOVEMBER 27TH IMRC MATERIALS

Final Phase Submission December 2, 2019.

This report details our findings related to Phase 6: History and Identity and strives to answer the question, *How are Identity and History Affected Under Each Form of Governance (lessons learned and considerations?)*?

In response to this question this report provides:

- An overview of research pertaining to history and identity
- Cases studies detailing the lessons learned about history and identity, and how they intersect under various forms of governance
- A comparison of history and identity in Fort Saskatchewan and Strathcona County.

Research on History and Identity

Defining “Identity”

There are several definitions of identity, as it pertains to the individual and as to how an individual identifies *with* or *in* a group:

- Fearon¹ (1999) describes identity as encompassing both “personal” and “social” categories:
 - The personal category of identity is defined as a “distinguishing characteristic” that an individual feels a source of self-respect, pride and dignity from belonging;
 - The social category is described as belonging to “a set of persons marked by a label [or] characteristic features or attributes.”
- In relation to municipal administration, the definition of identity can best be divided into two core components: “self-identity,” and a “social identity”²:
 - Self-identity is defined as the “core identity [that] reflects how various dimensions of self, make up a constellation of self-dimensions, e.g., self-confidence, self-image”³;
 - In contrast, the “social identity” is identified as belonging to the socially constructed “markers” or membership that an individual with certain attributes can associate with, e.g., culture, occupation, ethnicity.

Figure 1 on the following page shows how these two definitions correspond and interact with one another. The placement of one’s personal or self-identity is the core of one’s individuality. It includes how an individual understands their own unique qualities such as the values and beliefs they hold. Our social identity composes the outer layer of our identity and is developed by one’s interactions with external forces including culture, community, and membership within recreational, professional or spiritual associations.

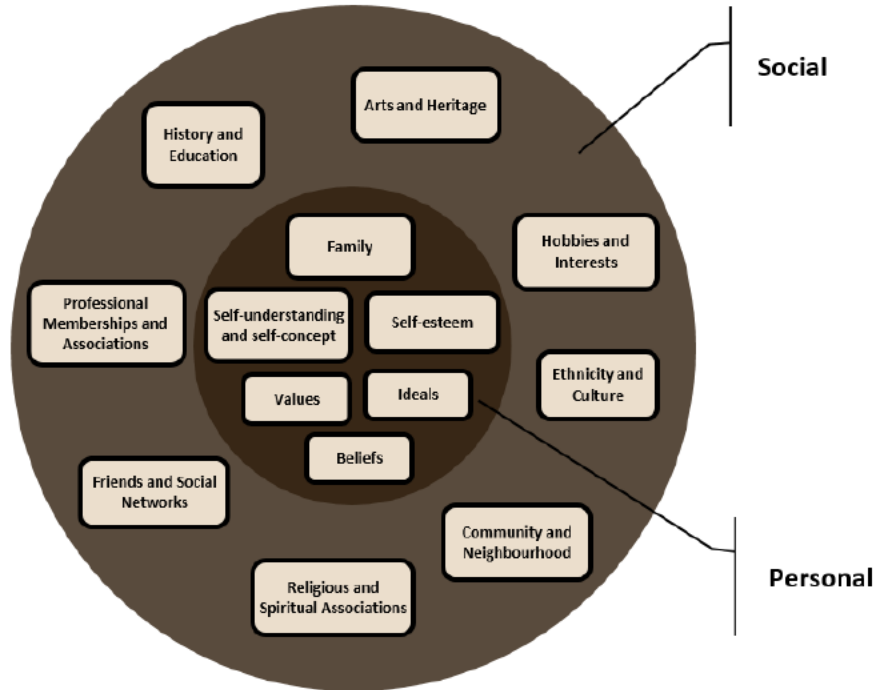
¹ Fearon, James D. “What Is Identity (As We Now Use the Word)?”

Fearon, J. D. “What Is Identity (As We Now Use the Word)?” California: Stanford University.
<http://www.stanford.edu/~jfearon/papers/iden1v2.pdf>

² Frideres, J. S. “Immigrants, Integration, and the Intersection of Identities.” Calgary: University of Calgary Press.
<http://canada.metropolis.net/events/Diversity/Immigration.pdf>

³ Frideres, J. S.

FIGURE 1 COMPONENT OF IDENTITY



Understandably, the municipality within which an individual lives has a significant effect on the development of identity as it is home to many of the core components of what makes up one's experience of social belonging. Conversely, the identity of individual residents within a municipality have a strong effect on the shared identity, culture, values and interests of a community or municipality; simply put, the identity of a municipality is made up of the various individuals comprising it. It is important to note that as the environment (physical, social, political, etc.) in which individuals exist changes and evolves, so too can a community's culture and associated identity.

When describing the impact that history has on the formation of identity it is important to understand how history is formed. History documents past events and describes how individuals and communities responded to social, economic or political changes within their environments. History is developed and remains associated with a site or location, over various points in time. History is therefore very much connected to one's sense of place and how we interact socially and personally in that space. It is by interacting with the cultural and community institutions, organizations, locations, (i.e., museums, archives, government buildings, etc.) and events that individuals define and strengthen their shared sense of identity and connection to their community⁴. Examples of shared histories developed at specific locations might include:

- Ethnic or cultural communities (China Town, Greek Town, etc.)
- Sports facilities (hockey, soccer, gymnastics or rugby clubs at arenas or sports fields)
- Theatre companies at arts venues
- Hobbyists at a local community centres
- Local producers at a Farmer's Market.

⁴ "Section 3: Place and Identity" The People, Place and Space Reader. Accessed October 18, 2019. <https://peopleplacespace.org/toc/section-3/>

A powerful example of the significance of municipal identity can be seen in the New York City, I ♥ NY rebranding initiative of 1977. Prior to the initiative New York was “a city on the brink”⁵. Recently the city had laid off 50,000



police and fire department workers, it was facing financial insolvency, homicide rates exploded, unions organized a media campaign titled “Welcome to Fear City” targeted at tourists, and the serial killer “Son of Sam” left residents in a state of fear. In a desperate move the Department of Commerce increased the state’s annual tourism budget from \$400,000 to \$4.3 million to launch a rebranding campaign.

The I ♥ NY campaign tripled state visitor spending and by 1978 was the most successful tourism program in the United States. In describing the effect the branding initiative had, the designer Milton Glasner had this to say:

“I think the most profound effect was inward, which is to say it reminded [New Yorkers themselves] of their own commitment to life in the city... when people felt ‘this is a horrible, desperate place to be,’ it was; and the day they felt ‘this is a marvelous place and I want to live here,’ it became that.”

There is an undisputable correlation and implied interaction between individual identity and municipal identity.

Rise of the City-Regionalist Identity

The burgeoning urban population within and around a given municipal centre has led to the rise of a city-regionalist identity. Increasingly, residents are identifying as city-regionalists, whereby residents can access and obtain services from one’s municipality of residence, as well as from an adjoining municipality, and enjoy a regional quality of life.

Lidstrom and Schaap⁶ describes “city-regions,” as “urban centres with functionally interrelated hinterlands⁷,” with an impact on citizens’ identity beyond the boundary of one’s municipality of residence. In a city-region, residents do not adhere to the geographic boundaries of their own municipalities and are often highly mobile, commuting for work and shopping or using leisure centres outside of their municipality of residence.

Within the context of the identity definition, a resident’s social identity in a city-region is more likely to align and be closely integrated within the city-region, rather than to their municipality. This is a result of residents developing interactions in both personal (such as values, beliefs) and public (such as work, professional associations, spiritual network) spheres outside of their municipality.

Regarding the typical characteristics of residents that favor city-regionalist identity have been described as:

“[T]hose with stronger individual resources—for example, the wealthy, the well-educated, and those with extensive social networks—are more [...] city-regional in their orientations...”⁸

⁵ “How Milton Glaser’s Iconic Logo Made the World Love New York Again.” <https://www.artsy.net/article/artsy-editorial-logo-made-love-new-york>

⁶ Lidstrom, Anders and Schaap, Linze. “The citizen in city-regions: Patterns and variations” *Journal of Urban Affairs* 40, no. 1 (2018): 1-12

⁷ Hinterlands are either rural or urban or both, that are closely linked economically with a nearby town or city.

⁸ Lidstrom, Anders and Schaap, Linze. *ibid.*

Within the context of Strathcona County and Fort Saskatchewan, as per 2016 Census of Population by Statistics Canada, both municipalities would be expected to hold a city-regionalist stance:

- Both populations have highly educated residents:
 - Approximately 70 per cent of the population⁹ in Strathcona County (between ages 25 to 64 years) has completed a postsecondary certificate, diploma or degree, while 65 per cent of residents in Fort Saskatchewan have obtained the same academic qualifications.
- The similarity of age-distribution in both municipalities, with at least 67 per cent¹⁰ the population in both municipalities of the working age range (between 15 to 64 years old), suggests high mobility, access to stronger individual resources and networks. Further to this, over half¹¹ of both populations commute to a different census subdivision (CSD)¹² beyond their municipality.
- A census household¹³ income distribution for both the Strathcona County and Fort Saskatchewan, suggests a similar, above-average household income in both communities:
 - The median total income in both communities was at least \$52,000 in 2015, which is about \$10,000 more than the provincial median household income¹⁴.
 - Over 59 per cent of households in Fort Saskatchewan reported an annual household income of over \$100,000 in 2015, while 63 per cent of households in Strathcona County reported meeting this income group in 2015.
- This suggests that residents within both municipalities enjoy a greater socioeconomic status, wealth and spending ability for goods and services.
- In the case of both the Strathcona County and Fort Saskatchewan, the Industrial Heartland provides a significant source of employment, economic strength, and municipal revenue. Beyond this, municipal services in both communities are diverse, high quality, and widely available.
- The Edmonton Metropolitan Region serves as the larger region, with membership from 13 municipalities including Strathcona County and Fort Saskatchewan, and a shared goal to make the best decisions for citizens of the region.¹⁵
 - The collaborative partnership and regional approach to fostering and planning for growth within the Edmonton Metropolitan Region, with member municipalities, extends to the public and citizens residing within this region.
 - Residents within member municipalities can feel engaged and represented towards the larger regional discussions, and enjoy the outcomes of regional infrastructure projects, for the entire region.

⁹ Statistics Canada. 2017. Fort Saskatchewan, CY [Census subdivision], Alberta and Strathcona County, SM [Census subdivision], Alberta (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed September 26, 2019).

¹⁰ Statistics Canada. 2017. *ibid*.

¹¹ Statistics Canada. 2017. *ibid*.

¹² According to Statistics Canada 2016, a census subdivision (CSD) is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes.

¹³ According to Statistics Canada 2017, census household income refers to receipts of total income from certain sources for all household members, before income taxes and deductions, during a specific reference period.

¹⁴ Statistics Canada. 2017. Fort Saskatchewan, CY [Census subdivision], Alberta and Alberta [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed October 8, 2019).

¹⁵ "About the EMRB," Edmonton Metropolitan Regional Board. Accessed 11 October 2019. <http://emrb.ca/about-us/>

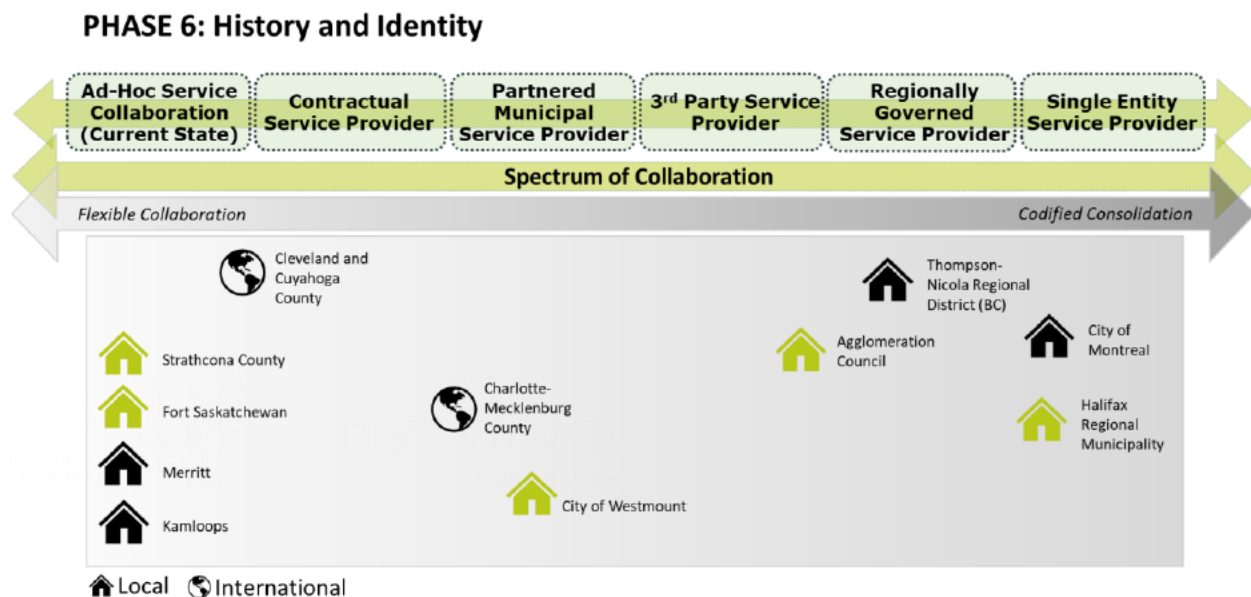
Key Takeaways

- The identity of individuals residing in a given geographic region is affected by a variety of factors, from our immediate family interactions to our greater social circle of interactions including where we work, how we spend our free time and the neighborhood or community within which we reside.
- History, particularly shared history, is a foundational component of social identity. Often the longer the historic record a group may identify with, the more entrenched that particular identity is.
- Municipalities have a central role in the development of identity for their residents. By supporting resilient neighborhoods, either established neighborhoods or new developments, they can impact a citizen's sense of belonging. Another example is by supporting amenities and activities where residents may choose to spend their time; examples include the provision of programs and services, cultural activities or events, and building or maintaining recreation facilities.
 - Providing access to services and activities that support in the development of strong individual identities, in turn generates a stronger community and municipal identity.
- The concept of a city-regionalist identity as an increasing component of social identity is relevant when exploring identities of residents within the municipalities of Strathcona County and Fort Saskatchewan.
 - Residents of both municipalities are similar in comparison on characteristics, such as age-distribution, education status, journey to work and having extensive social networks.

Case Studies Along the Collaboration Framework

The following case studies highlight the intersection of history and identity within a range of municipal comparators across the spectrum of collaboration. They include a description of the history of the municipality, as a formative aspect of the understanding of municipal identity, as well as lessons learned over time.

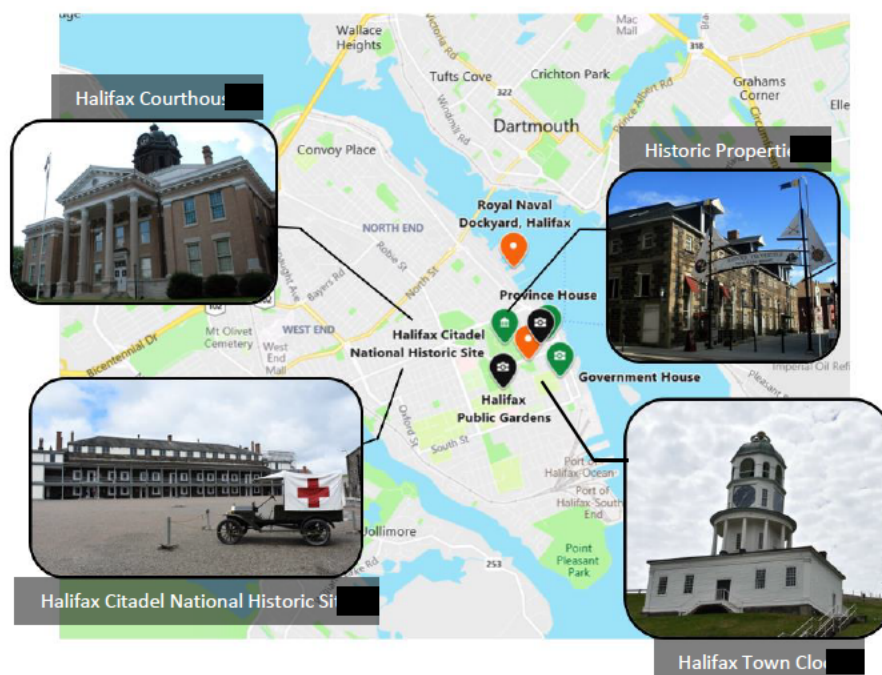
FIGURE 2 HISTORY AND IDENTITY CASE STUDIES



Halifax Regional Municipality (HRM)

- The history of the HRM can be represented by the wealth of its heritage legacies that have been conserved, interpreted and presented within its archives and many museums¹⁶.
 - Halifax was founded as a British naval base¹⁷ and played a key strategic role in sheltering fleets and shipping supplies to Europe during the World Wars.
 - Its many heritage institutions such as Citadel Hill, the Nova Scotia Natural History Museum and Museum of the Atlantic among others place HRM's military history and heritage within its urban landscape, and remind residents of the community's identity in the world.
 - As a cultural asset, Halifax's built heritage offer residents with a sense of pride and belonging and draws major tourism for the municipality.¹⁸

FIGURE 3 HALIFAX'S HISTORIC CORE



Urban Renewal Plans in Halifax Pre-Amalgamation

- The release of the 1945 Halifax Master Plan (the Plan) outlined the City's plan and goals to accommodate post-war growth and need for veteran housing.¹⁹
 - This was followed by a City commissioned report by Gordon Stephenson called *A Redevelopment Study of Halifax* (1957) which supported clearing neighbourhoods that did not fit the urban centre image and

¹⁶ "HRM Cultural Plan Draft #2" Halifax.ca Legacy Content. Revised February 7, 2006. HRM Cultural Plan approved by Committee of the Whole on February 28, 2006. <http://legacycontent.halifax.ca/council/agendasc/documents/CulturalPlanCACReport.pdf>

¹⁷ Prouse, Victoria et. al. "Neighbourhood Change in Halifax Regional Municipality, 1970 to 2010: Applying the "Three Cities" Model" Accessed 26 September 2019. <http://neighbourhoodchange.ca/homepage/neighbourhood-change-in-halifax-regional-municipality-1970-to-2010/>

¹⁸ "HRM Cultural Plan Draft #2" *ibid*.

¹⁹ Paterson, Marcus. "Slum Clearance in Halifax: the Role of Gordon Stephenson." Web. Accessed October 9, 2019.

https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/architecture-planning/school-of-planning/pdfs/MP-Independent_Project.pdf

identity. This led to a key moment in the reimagining of Halifax in a way that significantly disenfranchised a specific proportion of the community (Africville) based on race.

- In 1969, the Province of Nova Scotia produced the *Planning Act*, which sought to recognize the role of coordinated regional planning for Halifax and Dartmouth regions in the delivery of services effectively.
 - This led to service disparity and unequal service levels for the rest of the province.
 - As a result, Halifax and Dartmouth developed strong industrial and infrastructural urban centres, while the rural and suburban fringes, received inadequate servicing. This resulted in further division and separation of urban and rural identities.

Effect of 1996 Amalgamation on Communities and Social Identities

- On 1 April 1996, the province amalgamated the City of Halifax, City of Dartmouth, Town of Bedford, and the Municipality of the County of Halifax to form the HRM.
- According to a study by Prouse, V. et. al., “amalgamation realized an old idea” of a single entity governance model for administrative cost-savings and uniform service levels across the HRM.
- Over 70 per cent of the population of the newly amalgamated HRM resided in the urban core (which constitutes 5 per cent of the HRM land area), while the rural areas (of the County of Halifax) contained 3 per cent of the HRM population, and 50 per cent of the HRM land area.²⁰ See Figure 4²¹ for settlement areas in the HRM, with Halifax and Dartmouth regions as the ‘Urban Core’.
- The topographical variety within the newly amalgamated HRM can be highlighted here as well which housed individual unique settlement communities.
 - In 1996, there were known to be over 200 communities residing in the HRM region, including cities, towns, villages and rural areas, and communities from various backgrounds, including “fishing villages, farming communities, suburban districts, and urban centres.”²²
- The expansive landmass of the HRM made it difficult to achieve the uniform service levels and cost savings that were expected from amalgamation. There was continued fragmentation in service levels across the HRM and divide between rural and urban areas, regarding the priorities, vision and community needs become more apparent.
 - In a letter to the editor, a HRM resident questioned “[why] should someone in Sheet Harbour²³ have any input as to whether or not Halifax or Dartmouth get new sidewalks?”²⁴

FIGURE 4 SETTLEMENT AREAS IN THE HRM



Source: Halifax Regional Municipality, Final Report on Growth Scenarios

²⁰ Vojnovic, Igor. “Municipal Consolidation, Regional Planning and Fiscal Accountability: The Recent Experience in Two Maritime Provinces”

Canadian Journal of Regional Science XXIII, no. 1 (Spring 2000): 49 - 72

²¹ “Quantifying the Costs and Benefits of Alternate Growth Scenarios” *ibid.*

²² Prouse, Victoria et. al. *ibid.*

²³ Sheet Harbour is a rural community on the Eastern Shore of Nova Scotia, Canada. It is located in the eastern reaches of the HRM, approximately 117 km northeast of the central urban core of the municipality. Wikipedia.

²⁴ Jim Hoskins, letter to the editor, *The Coast* (Halifax, NS) February 4, 2010.

- The identity offered from belonging within the HRM as the Capital region, did not affect neighbourhoods and communities in the rural and suburban areas of the municipality favourably, as the HRM became “too big an area to govern under one roof”²⁵.
 - A petition organizer calling for the de-amalgamation of the HRM, stated that communities have suffered due to the “big-boxification of government,” which “took the heart out of a lot of those [former] communities.”²⁶
- In 2006, HRM released its first Cultural Plan²⁷ with a mandate to define and foster culture within communities, to ensure the health and sustainability of HRMs’ rural, urban and suburban communities.
 - The HRM Cultural Plan recognized that the HRM region is made up of a large tapestry of distinct communities and the need to celebrate and foster its cultural authenticity.
- The Cultural Plan also recognized the underutilization of its “the past, present and future [...] community identit[ies]”²⁸ towards informing an open and vibrant cultural community, for its residents and future communities.
 - Through the Cultural Plan, the HRM developed a policy framework to ensure ongoing public input is sought and forums are provided for dialogue / exchange on cultural perspectives. Additionally, policy objectives were developed to maximize and build a network of culture community resources and foster inter-community partnerships for a stronger HRM cultural identity.

Key Takeaways

- Under the single entity governance model utilized by the HRM, diverse communities and the geographically distinct land areas were amalgamated to provide uniform service and reduce costs, with a goal of ensuring similar service levels to the urban core.
 - The HRM failed to consider the disproportionate ratio of its population to HRM land area prior to amalgamation, where 70 per cent of the population resided in the urban core that covered only 3 per cent of the HRM land area. This led to continued service distinctions and disparity across the HRM as the HRM was unable to meet service levels expectations for its residents in the rural areas.
- Rather than resulting in a new, cohesive HRM identity the disparity of services experienced by rural residents further entrenched their distinct and divided identities in the short term.
 - As highlighted by a letter to the editor²⁹, the HRM was too large to govern and arrive at consensus, especially with rural and urban centres having different agendas, priorities and visions for their communities and regions.
 - Despite the strong focus on history, heritage and gentrification³⁰ within the urban core as highlighted by the historical context of the City, the HRM was unable to foster and represent the strong communal identities within villages, towns and rural areas surrounding the urban core.

²⁵ Jim Hoskins, letter to the editor. *ibid.*

²⁶ “Halifax man starts petition to reopen amalgamation debate” *CTV Atlantic* November 6, 2013.

²⁷ “HRM Cultural Plan Draft #2” *ibid.*

²⁸ “HRM Cultural Plan Draft #2” *ibid.*

²⁹ Jim Hoskins, letter to the editor. *ibid.*

³⁰ Prouse, Victoria et. al. *ibid.*

- The release of the municipality's first Cultural Plan³¹ in 2006, with a mandate to define and foster culture within its communities, HRM took a step towards redefining a shared and collective identity among residents.
 - The Cultural Plan outlines strategic goals and policy framework whereby HRM residents can experience culture, provide input, access knowledge and municipal archives on community roots, all towards the celebration and representation of vibrant, authentic and diverse cultural identities.
- In light of the shared history and geographical similarities between Strathcona County and Fort Saskatchewan (see section History and Identity in Fort Saskatchewan and Strathcona County), and the mix of urban and rural centres in both municipalities, this case study highlights that shared decision making and effective representation of the individual communities within the municipalities can take place.
- The importance of adequately addressing the needs of both urban and rural centres within the municipalities becomes apparent through the HRM case study. Strathcona County is already aware of this and continues to ensure that the needs of both its urban centres and hamlets are addressed.

De-Merged Boroughs of Montreal

HISTORY

- Shortly following the establishment of the Montreal Metropolitan Community (MMC) in 2002, 14 cities de-merged from the Agglomeration of Montreal (Greater Montreal). The primary driver of this de-mergence was related to the distinctly separate political and cultural groups that lived in the de-merged cities.
- The majority of residents within the de-merged cities, such as the City of Westmount, at the time and remaining today, are anglophones. This is not to say that the cultural, community, and historical identities of the francophone boroughs were homogenous amongst one another. In fact, each borough and de-merged city has unique traits and values and have political representation to advocate on behalf of these nuances.
 - However, on an island (and in a province) that is made up of predominantly French-speaking residents of Quebecois heritage, anglophones are an outlier from the "city-region" of French-speaking Montreal.
 - Remaining part of the Agglomeration meant losing municipal services in their language and shaping their communities around the values and identities of a francophone community to which they did not belong and could not participate in. As such, a key factor in the de-mergence for these cities was the of their resident's core anglophone identity.³²

ANALYSIS & APPLICATION

While belonging to a specific linguistic group does not always equate to a collective identity, it can be a core component in municipal identity (explored above as the "social identity"). According to sociological research conducted by the University of Laval surrounding amalgamation and de-mergence in Montreal, there are four key variables that affect how a resident perceives their participation and belonging to a certain group³³:

1. Revenue centre – where a resident pays taxes and holds property and their perspectives on wealth sharing and income distribution:

³¹ "HRM Cultural Plan Draft #2" Halifax.ca Legacy Content. Revised February 7, 2006. HRM Cultural Plan approved by Committee of the Whole on February 28, 2006. <http://legacycontent.halifax.ca/council/agendasc/documents/CulturalPlanCACReport.pdf>

³² Pierrevélcin, N. *Les défusions municipales sur l'île de Montréal comme stratégie d'affirmation culturelle* (2007). Université Laval.

³³ Pierrevélcin, N. *Les défusions municipales sur l'île de Montréal comme stratégie d'affirmation culturelle* (2007). Université Laval.

- In the case of Montreal, a large portion of taxes are paid into the Agglomeration and the MMC regardless of whether the municipality is a borough or a de-merged city. This is due to the numerous shared services provided to the region, such as public transportation, that require income sharing across the region. Where de-merged cities maintain control over some tax income is in the areas of town planning, culture and leisure, parks, social and community programs, and other local services, permitting remaining tax revenue to be spent on the local population.
 - How this impacts identity can be seen in the City of Westmount, which prides itself on its parks and green spaces. Given this, it is a priority to develop policy that allocates resources that maintain this core aspect of community identity. As such, the City of Westmount has dedicated a significant portion of its urban development plans and budget to preserve their greenspaces and enhance the quality of public spaces.³⁴
2. Cultural or linguistic group – what heritage, language, culture, etc. a resident identifies as belonging to:
 - Language and culture are one of the most apparent social identities seen in Montreal. The degree of impact this variable has on identity is exemplified in the de-mergence of Montreal’s anglophone communities.
 3. Municipality of residence – where the resident lives, the relationship this community has with those that surround it, the size of influence of the region:
 - For the boroughs of Montreal, geographic proximity has a significant impact on the taxation municipal services delivery model. However, beyond that, a resident may or may not identify with their borough if the relationship with the surrounding communities, in this case French communities, is strong, a resident may feel a stronger affinity toward that social identity.
 4. Political position – where a resident fits within the political context, what kind of representation they have / desire, and how their core concerns are being addressed within their municipality.
 - This criteria is highly pertinent to the context in Montreal at the time of agglomeration and de-mergence. However, the concept can be understood more generically when looking at a resident’s needs and concerns, and consequently how they are represented, in a single entity versus regional governance model. Depending on the resident, it may make sense that the values and experiences that define their identity are understood and represented at the regional or the local municipal level.

An important point of note surrounding the anglophones’ ability to advocate for the de-mergence of their cities was supported by their recognized status as a civil society³⁵. A civil society is defined as “space for collective action around shared interests, purposes and values, generally distinct from government and commercial for-profit actors”.³⁶ This recognition works closely with the de-merged governance model on continued advocacy efforts on behalf of anglophone interests, even in the face of increased control at the MMC and Agglomeration levels or regional decisions and tax revenue sharing.

³⁴ Beitel, D., Lance, J., Bornstein, L. *Westmount Baseline Study* (2010). McGill University School of Urban Planning.

³⁵ Pierrevé, N. *Les défusions municipales sur l’île de Montréal comme stratégie d’affirmation culturelle* (2007). Université Laval.

³⁶ World Economic Forum (2013). *The Future Role of Civil Society*. World Economic Forum in collaboration with KPMG International. Retrieved from http://www3.weforum.org/docs/WEF_FutureRoleCivilSociety_Report_2013.pdf

KEY TAKEAWAY

While the above criteria pertain most directly to the uniquely dichotomized situation of the Montreal boroughs and de-merged cities, these criteria speak to a high-level theme:

- In general, residents most closely identify in the municipal context with the geographic boundaries in which they reside or with the groups and communities with which they interact.³⁷
- In the case of the de-merged cities, in order to maintain the services and decision-making power that supported anglophone language and culture, the de-merged cities established a geographic boundary that reflected this identity.
- The residents of the de-merged cities continue to have a strong, protected local identity that ensures their voice is represented within a regional governance model due to their civil society status and their unique municipal landscape.

History and Identity in Fort Saskatchewan and Strathcona County

Strathcona County

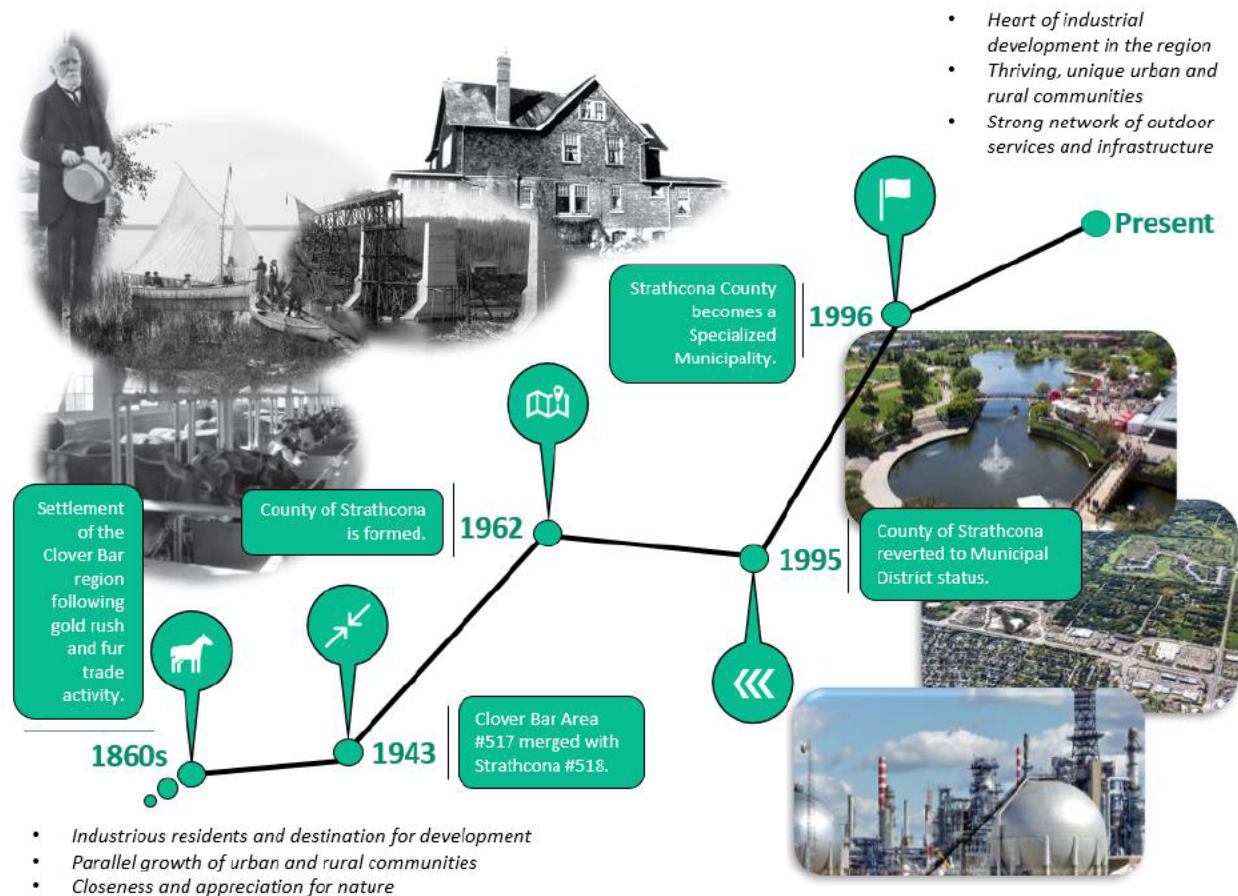
HISTORY

At present, Strathcona County is a community made up of a unique blend of urban and rural communities with a population that boasts high employment, high quality of life, and an economic landscape with a strong industry base. This uniqueness can be attributed to the long history of the region that begins with the fur trade, early farming settlements, and eventual industrial development of the area. Whether for farming, recreation, or employment in the oil and gas sector, the County's residents have always had a close connection to the land on which they reside.

The County's journey to becoming a specialized municipality, depicted below, also informs its urban-rural identity today:

³⁷ Pierrevelcin, N. *Les défusions municipales sur l'île de Montréal comme stratégie d'affirmation culturelle* (2007). Université Laval.

FIGURE 5 STRATHCONA COUNTY'S MUNICIPAL HISTORY³⁸



As discussed in the section “Defining Identity”, an individual’s self-identity is highly influenced by the social identity that surrounds them. While Strathcona County residents possess unique personal identities shaped from individual experiences, it can be inferred that the social identity of the community is influenced by the “coming together” of backgrounds and landscapes within the County’s borders and its residents’ shared value of a strong, welcoming, and diverse community. This “coming together” is best reflected by Strathcona County’s status as a Specialized Municipality.

Fort Saskatchewan

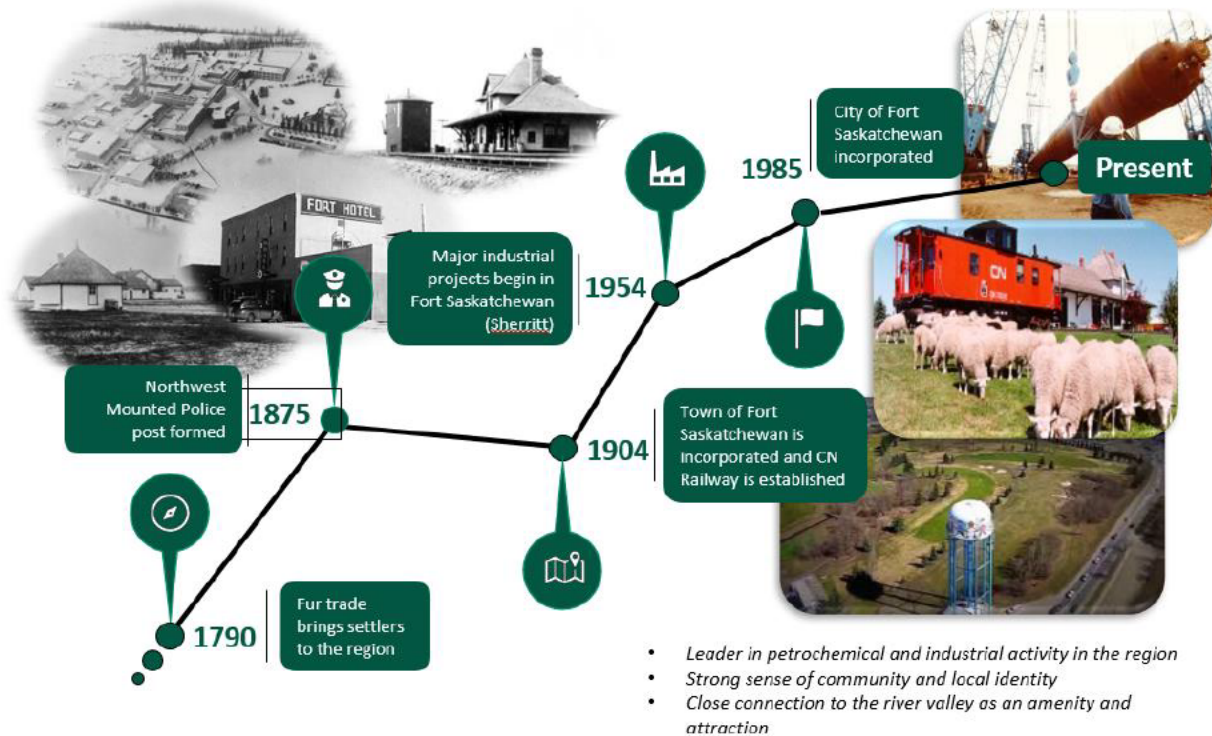
HISTORY

As a historic landmark with an engaging history, Fort Saskatchewan’s rich heritage continues to be an integral part of the community’s identity. From inception, Fort Saskatchewan’s roots lie in economic prosperity and a clear municipal identity. The preservation of several historic structures to this day, such as the original Northwest Mounted Police Fort (Heritage Precinct) and CN Station, reflects how the history of the community, depicted below in Figure 6, remains a core aspect of social identity in the City.

³⁸ “From time to time” Retrieved from: <https://www.strathcona.ca/files/files/at-comc-strathconacounty-timeline.pdf>

FIGURE 6 FORT SASKATCHEWAN'S MUNICIPAL HISTORY³⁹⁴⁰

- Historic landmark with an important role in developing the West
- Strong sense of community and local identity
- Close connection to the river valley as a resource and trade route



Having been a logistical hub for police, rail, and river transport for over a hundred years, proximity, access, and the welcoming of newcomers to the community are longstanding pillars that are likely to have an impact on the values held by Fort Saskatchewan today.

Key Takeaway

- At a high level, Strathcona County and Fort Saskatchewan share history in many ways; both settlement towns with important connections to the nature and powerful industrial centres within their borders, these municipalities are similar at first glance.
- A notable difference that shaped these communities is their different municipal statuses, both which shape the identities and values of the communities today:
 - Strathcona County was formed from farm communities, natural areas, and residential areas housing the early industrial workers. Though there were numerous shifts and influences that impacted the County's municipal status today, its status as a Specialized Municipality honours the mix of communities and regional history within its borders.

³⁹ The Canadian Encyclopedia, Fort Saskatchewan: <https://www.thecanadianencyclopedia.ca/en/article/fort-sa>

⁴⁰ Historical images: <http://www.prairie-towns.com/fortsaskatchewan-images.htmlsaskatchewan>

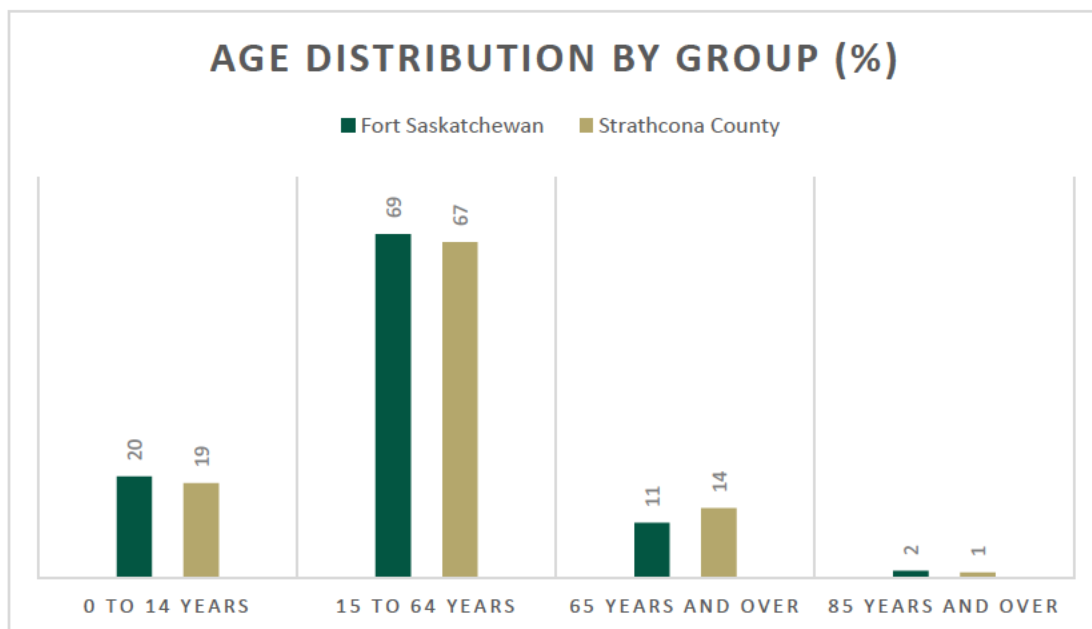
- Conversely, Fort Saskatchewan's roots are tied closely to its downtown, having remained true to its history over time. Its municipal status as a city aligns with its development around a city core and maintains its close knit, local sense of community through this municipal identity.

Influences and Characteristics of Identity in Strathcona County and Fort Saskatchewan

Census Data: Strathcona County and Fort Saskatchewan by the Numbers

- As presented earlier in this report, there are numerous commonalities in demographics between Strathcona County and Fort Saskatchewan from a census and demographics perspective:
 - The following figures compare similarities between the two municipalities, such as age distribution, highest level of education achieved, marital status, household income distribution, journey to work and mode of commute.
 - Notably, the Strathcona County and Fort Saskatchewan are closely aligned across demographic categories.

FIGURE 7: CENSUS AGE DISTRIBUTION DATA IN STRATHCONA COUNTY & FORT SASKATCHEWAN

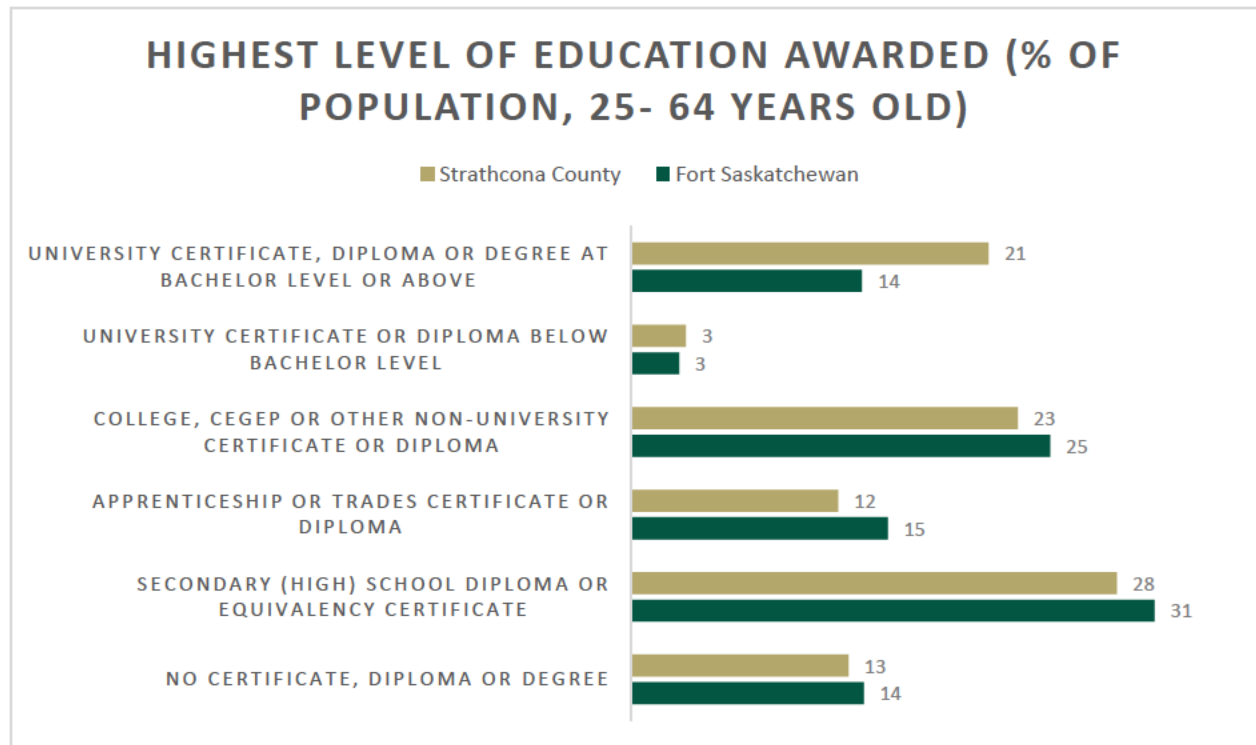


Source: Statistics Canada, 2016 Census of Population

- The age distribution observed from 100% of the sampled population in the 2016 Census, suggests very similar population profiles for both communities.
 - The working age population, aged 15 to 64 years old, makes up 69 per cent of Fort Saskatchewan population, while this age group makes up 67 per cent of Strathcona County population.
 - The youth population, aged under 15 years, makes up 20 per cent of Fort Saskatchewan population and 19 per cent of Strathcona County population.

- The elderly population, aged 65 years and over, makes 11 per cent of Fort Saskatchewan population and 14 per cent of Strathcona County population.

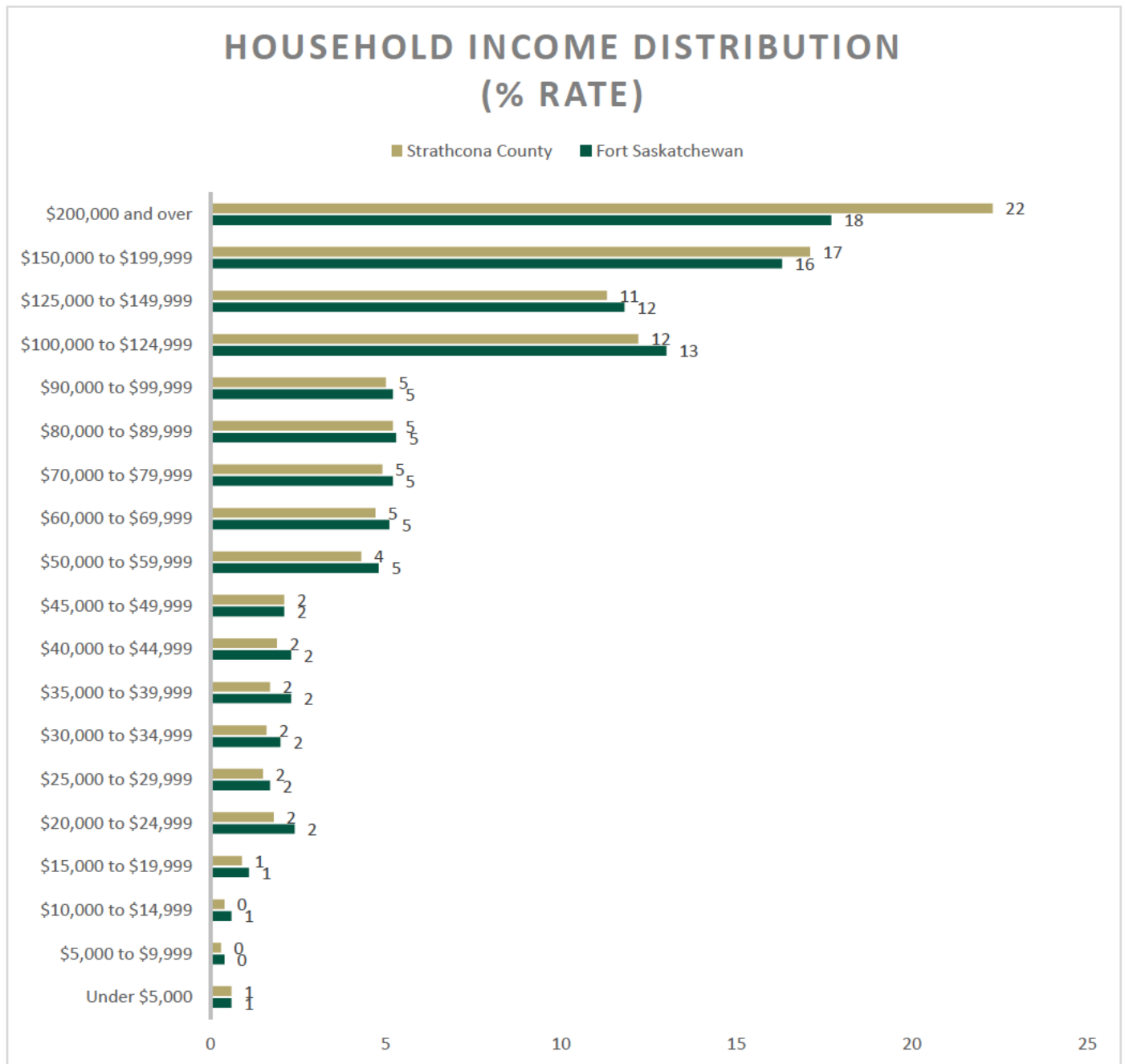
FIGURE 8: CENSUS EDUCATION DATA IN STRATHCONA COUNTY & FORT SASKATCHEWAN



Source: Statistics Canada, 2016 Census of Population

- The highest level of education awarded Census statistics are very similar in comparison for both communities with both having highly educated residents.
- Approximately 70 per cent of the population in Strathcona County (between ages 25 to 64 years) has completed a postsecondary certificate, diploma or degree, while 65 per cent of residents in Fort Saskatchewan have obtained the same academic qualifications:
 - Over 31 per cent of the population in Fort Saskatchewan holds a High School Diploma as the high level of completed education, while 28 per cent of the population in Strathcona County holds the High School Diploma.
 - In Fort Saskatchewan, 25 per cent of the population was awarded a college or non-university certificate or diploma, whereas 23 per cent of Strathcona County population was awarded this qualification.
 - 21 per cent of Strathcona County population has completed a university certificate, diploma, or degree at a bachelor level or above, while 14 per cent of Fort Saskatchewan population has obtained this qualification.

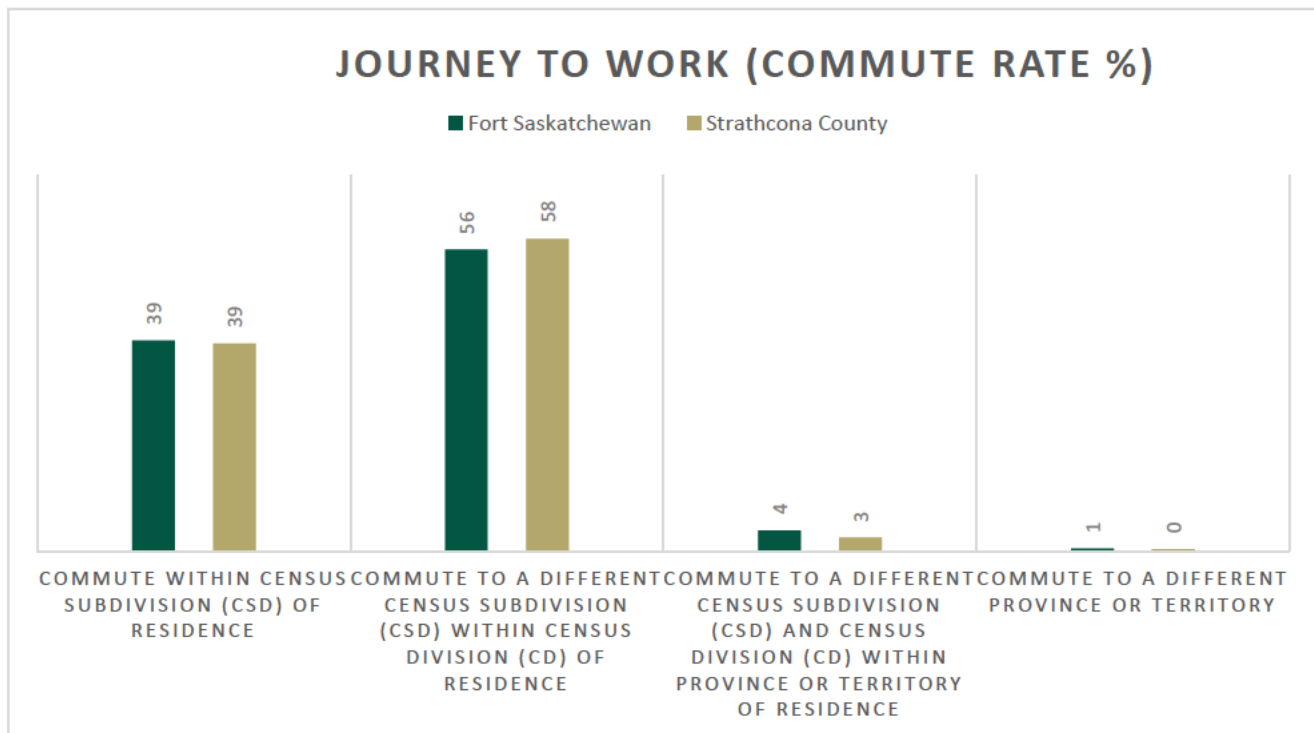
FIGURE 9: CENSUS EDUCATION DATA IN STRATHCONA COUNTY & FORT SASKATCHEWAN



Source: Statistics Canada, 2016 Census of Population

- A census household⁴¹ income distribution as a rate for both the Strathcona County and Fort Saskatchewan suggest many similarities:
 - Over 59 per cent of household total income in Fort Saskatchewan was over \$100,000 in 2015, while 63 per cent of households in Strathcona County reported meeting this income group in 2015.
 - The only income characteristic where some dissimilarity can be seen is within household income of over \$200,000 per year. 22 per cent of households in Strathcona County reported a household income of over \$200,000, while 18 per cent of households in Fort Saskatchewan reported this household income.
- The alikeness of demographic profiles as presented in the above census data for Strathcona County and Fort Saskatchewan residents suggests that there may be certain shared traits and influences on personal and social identity.
 - As discussed in the city-regionalist research, interactions outside of one's municipality, such as one's journey to work, academic studies, or attendance to leisure or community centres contributes to a city-regionalist identity of being mobile and developing extra-municipal interactions as a way of life (for all age groups considered).
 - The figure below shows that the majority of residents in the Strathcona County and Fort Saskatchewan are regionally mobile.

FIGURE 10: CENSUS JOURNEY TO WORK DATA IN STRATHCONA COUNTY & FORT SASKATCHEWAN

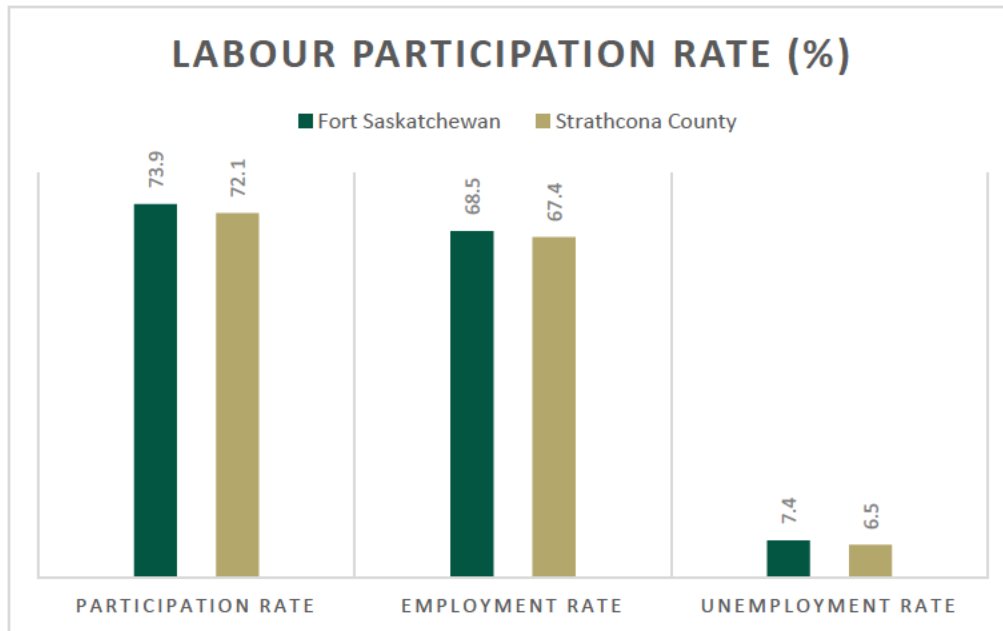


Source: Statistics Canada, 2016 Census of Population

⁴¹ According to Statistics Canada 2017, census household income refers to receipts of total income from certain sources for all household members, before income taxes and deductions, during a specific reference period.

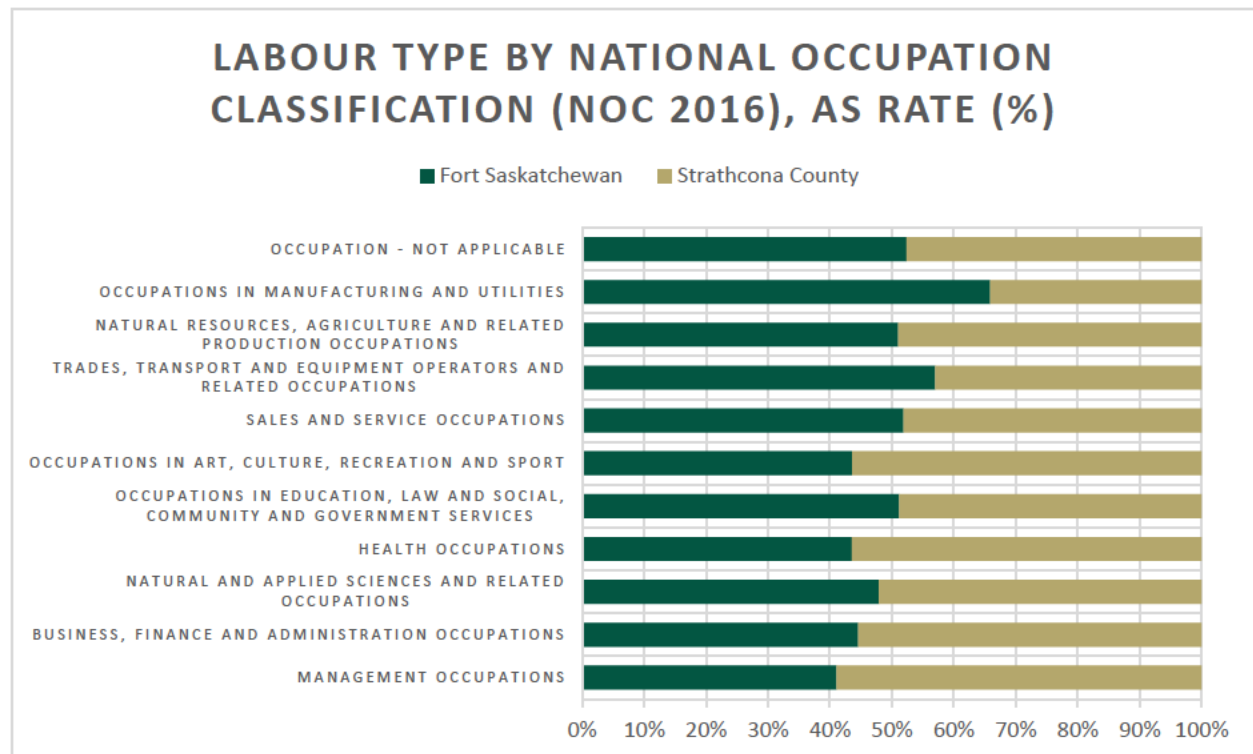
- Comparing at the community level, the statistics on workforce participation, such as labour participation rate and labour type by National Occupation Classification also show similarities between the municipalities.
 - The most common occupations in both municipalities (Figure 12) are trades, which is likely indicative of the heavy industrial presence in both communities. This statistic reflects the historical development of both regions.

FIGURE 11: CENSUS LABOUR PARTICIPATION RATE IN STRATHCONA COUNTY & FORT SASKATCHEWAN



Source: Statistics Canada, 2016 Census of Population

FIGURE 12: CENSUS LABOUR CLASSIFICATION IN STRATHCONA COUNTY & FORT SASKATCHEWAN



Source: Statistics Canada, 2016 Census of Population

Identity at the Municipal Level

Both Strathcona County and Fort Saskatchewan have a clear understanding of the unique identities that exist within their communities, and how these perspectives come together to form the social identities of their communities:

- Strathcona County describes its community as a “welcoming place to live [that attracts] people of all ages, cultures, and walks of life” and a “caring and safe community”.⁴²
- Fort Saskatchewan describes itself as “a big city’s convenience and a small town’s comfort... community spirit and friendly residents will... make you feel at home”.⁴³

However, within this social identity, there are various sub-cultures, community groups, and other associations that help to support local identity as places of gathering, celebrations of shared interest, and expression of viewpoints. The below figures (Figures 13 and 14) depict a sample of what these local organizations look like in the County and the City. It is important to note that these are limited snapshots that are not intended to encompass the numerous groups and identities that exist within the municipalities’ respective borders. Rather, they give reference and example to the types of sub-identities that exist within both regions and speak to the unique identities expressed within the greater social identity of both communities.

⁴² <https://www.strathcona.ca/council-county/facts-stats-and-forecasts/strathcona-county-highlights/about-strathcona-county/>

⁴³ <https://www.fortsask.ca/en/living-here/moving-to-fort-saskatchewan.aspx>

Strathcona County

In the case of the County, there are nine communities that exist within the urban and rural areas of its boundaries. As such, these areas all have histories, landscapes, and social identities that are unique to their respective communities. While all residents would likely recognize that they are “from Strathcona County”, they may also indicate that they are “from Ardrossan” or “from Josephburg”. This type of terminology is representative of the sub-identities that exist in the County, as depicted by the community gathering spaces and groups throughout the region in the figure below:

FIGURE 13: COMMUNITY SPACES AND ORGANIZATIONS IN STRATHCONA COUNTY⁴⁴



⁴⁴ Map of Strathcona County sourced via <https://www.strathcona.ca/council-county/facts-stats-and-forecasts/maps/#community>

Fort Saskatchewan

While Fort Saskatchewan does not have the rural community base that the Strathcona County does, akin to the County, the community groups, associations, and facilities that exist within the Fort Saskatchewan city are representative of the City's own sub-identities. As mentioned above, this figure does not represent all the diverse residents and sub-social identities within Fort Saskatchewan, but rather indicates how self and social identities can be represented within a single community:

FIGURE 14: COMMUNITY SPACES AND ORGANIZATIONS IN FORT SASKATCHEWAN⁴⁵



Key Takeaway

- In terms of demographics, Fort Saskatchewan and Strathcona County share considerably similar characteristics. So similar in fact, that to an outside observer the foundational elements of their identities may in fact be complimentary.
 - Both municipalities have unique social identities that are shaped by the numerous sub-identities that exist in different areas or between different groups of residents.
 - The municipal identity is strengthened and deepened by their sub-identities, shown through the development of community groups and gathering places in both the Strathcona County and Fort Saskatchewan.
- Unlike in earlier case studies Fort Saskatchewan and Strathcona County share a similar cultural and ethnic make ups. The potential for divisive identity-related issues are considerably smaller than the language

⁴⁵ Community Map of Fort Saskatchewan sourced via: <https://www.foortsask.ca/en/living-here/maps.aspx>

concerns experienced on the Island of Montreal or in the urban-rural divide experienced with the amalgamation of HRM.

- Strathcona County has significant experience dealing with the sensitivities related to an urban-rural divide and Fort Saskatchewan, as we learned in interviews throughout the development of this report, already services a number of rural Strathcona County residents who shop in their commercial sector.
- It appears that residents of both municipalities already adhere to a strong city-regional identity between one another as well as beyond into the greater Heartland and within Edmonton's metropolitan region.
- In answer to the question posed by IMRC we can detect no direct correlation between a form of governance and its effect on identity and history. Whether or not diverse identities exist under a singular entity or distinct municipalities, the policies put in place are what have the largest effect on citizens.
 - In the cases of Westmount and HRM both governments failed to anticipate the backlash of citizens who felt protective over a perceived loss of identity.



Phase 7: Political Context

Final Phase Report

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PHASE 7: NOVEMBER 27TH IMRC MATERIALS

Final Phase Submission December 2, 2019.

This report details findings related to Phase 7: Political Context and strives to answer the following questions, as determined by the IMRC:

- How would citizens provide their insights into a system that may have changed?
- How can we preserve the value of a citizen's role / opinion?
- How can we preserve the value of an Elected Official's influence and vote?

Methodology and Approach

In order to expand on MNP's preliminary results to the Phase 7 questions, a fourth, more prescriptive question was asked: *In what ways can the initial questions asked be answered with reliable data and with meaningful findings, as they pertain to different governance models?* Put simply, what sub-questions should be asked in order to obtain quantitative data and relevant case studies to form the answers to the Phase 7 questions.

In doing so, four key sub-questions were identified, depicted in Table 1, as starting points for data collection, research, and analysis. These sub-questions were used to explore scenarios along the Spectrum of Collaboration to examine the impacts and outcomes of different governance models on the political context explored in this phase.

Due to the integrated nature of the political representation and influence, these sub-questions inform one or more of the Phase 7 questions and at the same time help to focus research and analysis efforts. The intention of this approach is to maximize analysis and research effort for each question while taking into account the close relationship between the Phase 7 questions; essentially, producing findings that are cohesive and comprehensive for the phase as a whole. This relationship, and its rationale, is depicted in the matrix below:

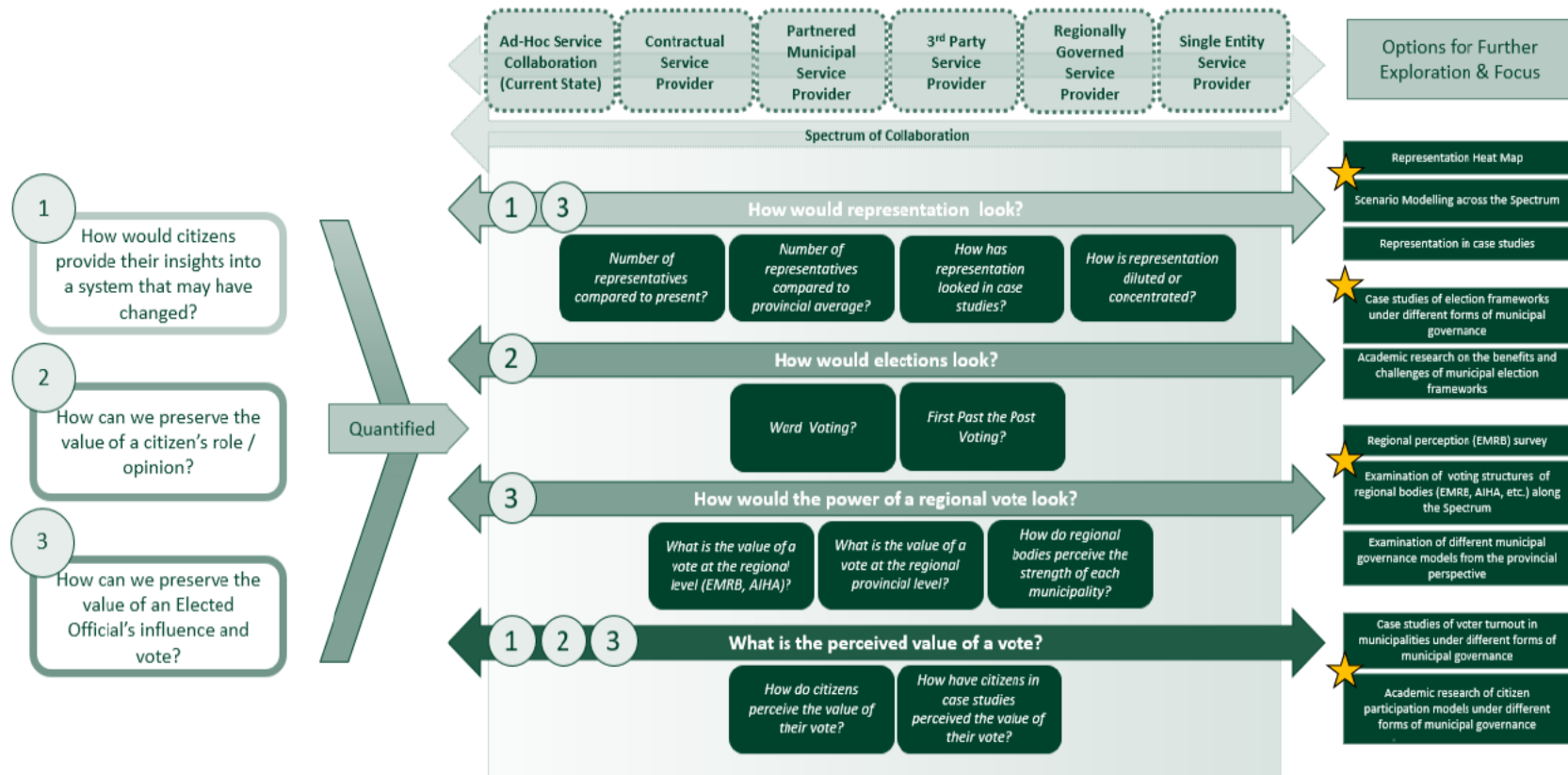
TABLE 1: SUB-QUESTIONS TO GUIDE DETAILED RESEARCH & ANALYSIS

Phase 7 Approach		Question 1	Question 2	Question 3
Sub-Question	Rationale	How will citizens provide their insights into a system that may have changed?	How can we preserve the value of a citizen's vote / opinion?	How can we preserve the value of an Elected Official's influence and vote?
How would representation look (along the Spectrum of Collaboration)?	<ul style="list-style-type: none"> • A resident's ability to provide insight into their system can be based on the per capita level of representation. 	✓		✓
How would elections look (along the Spectrum of Collaboration)?	<ul style="list-style-type: none"> • How representation is structured (wards, first past the post, etc.) impacts per capita representation and a resident's ability to be 		✓	

Phase 7 Approach		Question 1	Question 2	Question 3
Sub-Question	Rationale	How will citizens provide their insights into a system that may have changed?	How can we preserve the value of a citizen's vote / opinion?	How can we preserve the value of an Elected Official's influence and vote?
	<p>represented for sub-municipal issues.</p> <ul style="list-style-type: none"> How Elected Officials are selected impacts which residents and issues they represent and their ability to action those issues. 			
How would the power of a regional vote look (along the Spectrum of Collaboration)?	<ul style="list-style-type: none"> How an Elected Official's vote (and how many votes there are for the municipality in a regional context) influences regional decision-making and outcomes. 			✓
What is the perceived value of a vote (along the Spectrum of Collaboration)?	<ul style="list-style-type: none"> How much the resident believes that their insight will matter / be recognized is reflected in voter turnout and political participation. 	✓	✓	✓

These preliminary questions were discussed with members of the IMRC on October 25th to incorporate feedback and guide the direction of Phase 7 research and analysis efforts. The IMRC ultimately chose to pursue four key areas of interest, as indicated in the diagram below.

FIGURE 1: PHASE 7 IMRC AREAS OF FOCUS



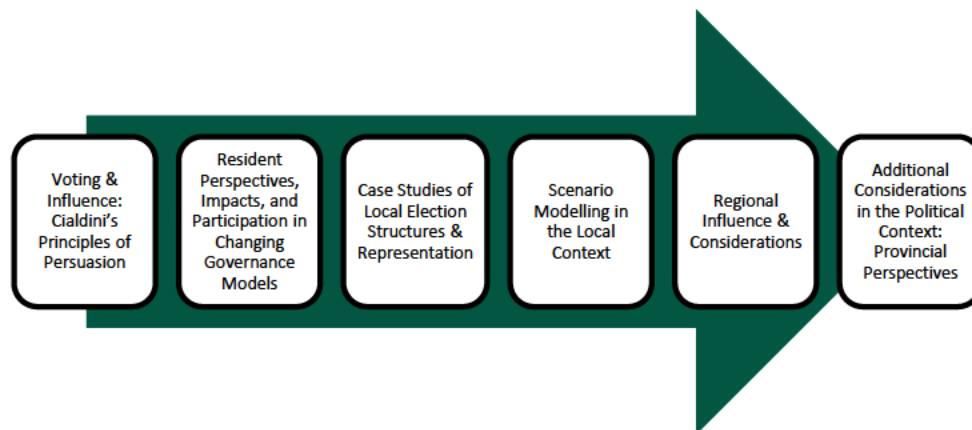
Due to the integrated nature of the agreed above areas of focus, findings for these topics were grouped into the following key areas, which include academic research, case studies, and modelling along the Spectrum of Collaboration:

1. Resident Perspectives, Impacts, and Participation in Changing Governance Models
2. Case Studies of Local Election Structures & Representation
3. Election Structures and Representation of Local and Regional Governance Bodies Along the Spectrum
4. Provincial Perspectives, Impacts, and Considerations in Changing Governance Models

Each of the above topics are detailed in the subsequent sections and approach the topics of Phase 7 from a variety of perspectives to provide insight into the complex nature of the Political Context.

The intention of this document's structure is to first familiarize the reader with the concepts of voting and influence as they pertain to the IMRC questions asked in Phase 7. From there, this report explores the potential impacts of a changed governance model on residents and elected officials and then enters into specific case studies of Canadian municipalities that have undergone change. Scenario modelling then applies these findings to the context of Strathcona County ("the County") and Fort Saskatchewan ("the City") as considerations for collaborative governance are discussed. This document then re-introduces the concept of influence in the regional context to better understand how collaborative governance may change the influence of both the County and the City. Finally, this report shifts the reader's perspective to consider influence from a provincial perspective, based on findings and discussion from throughout the document. This approach is summarized in Figure 2 below.

FIGURE 2: OVERVIEW OF CONTENTS



Voting & Influence: Cialdini's Principles of Persuasion

Whether speaking about a citizen or an elected official, vote and influence are not synonymous terms. A vote is *a formal indication of a choice between two or more options*; influence is *the capacity to have an effect on someone or something*. In the case of a citizen s/he has only one vote to cast that reflects this choice but via influence, has potentially many other options to shape outcomes. Examples of a citizen's influence include organizing with like-minded individuals in support of cause (e.g. business interests, community initiatives, etc.), joining a board or committee to weigh in on related issues or actively engaging with elected officials to ensure his/her interests are known.

Similarly, the influence of an elected official goes beyond his or her voting position. An individual's length of term in office, popularity with constituents, relationships with colleagues and stakeholders and even strength of personality have a notable impact on one's influence.

In the book, *Influence: The Psychology of Persuasion*, Dr. Robert B. Cialdini coined six universal principles applicable to influencing human behaviour. The inclusion of these principles is not meant to imply they are models of good governance practices, rather they are a reflection of how individuals behave and in turn, how they may influence or be influenced by others. These principles include:

1. Reciprocity	People tend to return favours and possess the inherent need to repay social debts.
2. Commitment & Consistency	People seek consistency in their values and actions and are likely to follow through with their verbal commitments.
3. Social Proof	People do as they observe in others.
4. Authority	People have the tendency to obey authority figures.
5. Liking	People are highly likely to be influenced by those they like.
6. Scarcity	People are more likely to want a product if there is perceived limited availability of supply.

The remainder of the report takes into consideration the role of both *a vote* and *influence* as they relate to a changing political context under varying forms of governance and beginning with the resident's perspective.

Resident Perspectives, Impacts, and Participation in Changing Governance Models

While representation can be calculated numerically based on a population base and its electoral system (i.e. the weight of a vote), it is equally important to understand how a change in governance can impact residents in terms of their participation in the changed system. This section presents research and modelling on representation and participation in, and accessibility to, municipal governance under different collaborative governance outcomes.

Academic Research & Findings

IMPACTS TO REPRESENTATION IN A CHANGED GOVERNANCE MODEL

- Academic research surrounding the impacts to residents and their representation at the municipal level following a shift in governance toward the right of the Spectrum presented the following key findings:
 - Regionalization of municipal governments generally resulted in a decrease in number of elected officials in the regionalized municipality.¹
 - Municipal mergers can result in a level of disproportionate geographic political representation when municipal offices and service provision become more centralized, rather than the local-

¹ Kushner, J., Siegel, D. *Effect of Municipal Amalgamations in Ontario on Political Representation and Accessibility* (2003). Brock University.

proximity structure a more remote or rural municipality may have enjoyed under a non-regionalized governance model.²

- For example, smaller communities in a regionalized model would have had local municipal offices and administration. In a regionalized model, municipal offices and administration are often partially or in full centralized, resulting in decreased proximity to political representatives and administrative offices.³
- The type and mechanisms of a regional governance model (size of wards, number of elected officials, voting model) have a significant impact on the distribution and level of regional representation for different stakeholder groups.⁴

ACCESSIBILITY IN A CHANGED GOVERNANCE MODEL

The topic of accessibility and representation in the municipal governance involves three key stakeholder groups: community leaders, elected officials, and residents. A study completed by Brock University⁵ follows the impacts and perspectives of regionalization in a selection of communities in Ontario. In this study, all three stakeholder groups were interviewed, sampling from all communities involved in the centralization of municipal government in their respective regions. This study discusses the detailed analysis that followed these interviews, presenting the following stakeholder-specific conclusions:

- Elected Officials:
 - In general, elected officials of all three single entity governance models studied reported an increase to the number of constituents they represented.
 - However, it was a widely held perception that while the workloads of elected officials may have increased in certain cases, there was little to no impact on their availability to their constituents.
- Residents:
 - The majority of resident perceptions surrounding their level of access to both elected officials and municipal offices were unchanged from their perceptions prior to regionalization.
 - However, a significant minority reported increased difficulty in accessing municipal offices, most often due to a closure of local offices or unfamiliarity with regional staff.
 - Most pointedly, the degree to which residents felt their access to municipal offices and to elected officials was positively or negatively impacted by regionalization was found to be directly correlated with their pre-regionalization perspectives.
 - If a resident opposed regionalization, findings indicated that they were most likely to report increased difficulties with access to administrative and governance bodies post-regionalization.
 - If a resident supported regionalization, findings indicated that they were most likely to report increased ease of access to administrative and governance bodies post-regionalization.

² Harjunen, O., Saarimaa, T., Tukiainen, J. *Political Representation and Effects of Municipal Mergers* (n.d.). Aalto University School of Business & City of Helsinki Research and Statistics.

³ Ibid.

⁴ Ibid.

⁵ Kushner, J., Siegel, D. *Effect of Municipal Amalgamations in Ontario on Political Representation and Accessibility* (2003). Brock University.

- Community Leaders:
 - Community leaders (e.g. CAOs) reported a relatively unchanged level of access to council.
 - Generally, community leaders reported certain gains and constraints in the political context under a single entity governance model:
 - Community leaders indicated that access to council was not a challenge, however, impact with councilors has been decreased and certainty of a council vote has been lessened due to increased geographic size and more diverse regional perspectives.
 - However, community leaders spoke to regional benefits that were realized through their regionalized governance model:
 - Coverage of a larger geographic area makes regional decision-making more streamlined, eliminating the need to consult with, and gain buy-in, from multiple councils.
 - Industry stakeholders, such as home builders, praised the consistent policy / bylaws and sophistication of the regionalized administration, making the area more attractive to pursue business.

For all of the above stakeholders, prior to undertaking any efforts towards municipal collaboration, whether via the creation of a Regional Service Commission (RSC) or the creation of a single entity, it is helpful to reflect on the necessary conditions for successful collaboration. The considerations listed in Table 2 below, originally discussed in Phase 2, remain relevant.

TABLE 2: CONDITIONS FOR SUCCESSFUL COLLABORATION

Willingness	Capacity
<i>Needs, Desires, Benefits, Incentives</i>	<i>Resources, Institutions, Leadership</i>
Is there a need to cooperate?	How constrained are leaders?
Are there political benefits?	How constrained are institutions?
Are there fiscal benefits?	How significant is the commitment?
Is there a history of cooperation?	What is the term of the commitment?
Is there consistent communication?	Are multi-level actors involved?
Are there high or low transaction costs?	Are multi-level actors exerting influence?
Is there community support?	Can partnership fulfil agreement terms?

The willingness and capacity of any one actor involved in municipal collaboration plays an important role in measuring the impacts and predicting the outcomes of collaborative efforts. The commentary and research surrounding the municipal collaboration discussed earlier speaks to the importance of understanding each of the aspects listed above.

VOTER PARTICIPATION IN A CHANGED GOVERNANCE MODEL

The impacts and implications of a changed municipal governance model vary based on the many nuances of a given municipality. Despite this, research consistently indicates that regionalization of municipal governments results in lower voter turnout than historically reported by previous-independent municipalities.⁶ This is a result of the following hypothesis:

- Increased size of the municipality decreases “the probability... that one single voter will make a difference”.⁷ This decrease in “expected utility from voting” – the impact and influence of the vote – decreases the likelihood that a resident would take to the polls.⁸
 - Conversely, it is argued that increased competition in the political landscape due to a reduced number of elected officials in a larger population may lead to improved service and efforts toward accessibility from elected officials, ultimately empowering voters to participate in local elections.⁹

However, the arguments presented above are affected by additional externalities that also influence democratic participation at the municipal level:

- How regionalization occurs or is decided upon can have a significant impact on its reception by voters. Why the decision was made and what the desired outcomes of regionalization are influence voter participation rates.
- Drivers of change toward inter-local cooperation typically fall into four key areas: fiscal incentives, filling service gaps, controlling externalities, or mandated legislation.

⁶ Rodrigues, M., Tavares, A. F. *The Effects of Sub-Municipal Amalgamations on Turnout: Testing the Rational Voter Hypothesis* (2018). University of Minho.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

TABLE 3: INCENTIVES FOR PURSUING INTER-LOCAL COOPERATION

Incentives and Motivations for Inter-Local Cooperation	
Fiscal Incentives	<p>Contract services from another municipality to avoid delivering the service internally (and avoid start up costs)</p> <p>Lower the contribution of capital projects (shared construction costs and subsequent operational budgets)</p> <p>Reduce cost for services through shared administration and/or delivery</p>
Fill Service Gaps	<p>Allow municipalities to deliver a service they would be unable to deliver alone</p> <p>Overcome geographic/environmental isolation</p>
Control Externalities	<p>Manage policy spillover</p> <p>Better direct growth and development</p> <p>Provide for transportation and continuity between jurisdictions</p> <p>Monitor shared resources</p>
Mandated Integration	<p>Provide a service mandated through central governments</p>

- For example, forced regionalization driven by poor economic conditions as a means to reduce municipal expenditure has consistently led to poor democratic outcomes and reduced voter turnout.¹⁰
- In addition, the data surrounding shifts toward single entity governance models, particularly in Canada, is relatively young. As a result, the contentious and personal nature of changing governance models influences the perspectives of residents, and consequently impacts the data that surrounds their democratic participation.
 - This can be seen in the data from the above sub-section, reporting the close correlation between a voter's opinion of a changed governance model and a voter's opinion of its success.
 - Longer periods of time are required to accurately report on the long-term impacts of a changed governance model on voter participation.

The table on the following page provides examples to highlight and better understand the real-data impacts of regionalization on Canadian municipalities. This data echoes academic research findings; municipalities have conventionally seen a decrease in voter turnout in the years following regionalization. This trend could be attributed to several factors:

- Voters' perception of the influence of their vote can change; there is overall less societal pressure on the duty to vote among a larger population.
- Political efficacy is a voter's internal measure of their impact on the political process¹¹. As municipal size increases through regionalization, voters may adopt the mentality that the impact of their vote is diluted among a higher number of votes per political candidate.

¹⁰ Ibid.

¹¹ Lapointe, S., Saarimaa, T., Tukiainen, J. *Effects of Municipal Mergers on Voter Turnout (2018)*. VATT Institute for Economic Research.

TABLE 4: REGIONALIZATION IMPACTS ON VOTER TURNOUT

MUNICIPALITY	NUMBER OF MUNICIPALITIES INVOLVED IN REGIONALIZATION	DRIVER OF REGIONALIZATION	YEAR OF REGIONALIZATION	PRE-REGIONALIZATION VOTER TURNOUT (DATE)	POST-REGIONALIZATION VOTER TURNOUT (DATE)	TREND (↑/↓)
HALIFAX REGIONAL MUNICIPALITY	4	Forced - Reduction in available municipal funding	1996	39.9% (1995) ¹²	36.9% (2012)	↓
BOROUGHES OF MONTREAL	19	Forced (legislated) - Cost savings	2002	49.2% (2001)	43.3% (2013)	↓
DE-MERGED CITIES OF MONTREAL (CITY OF WESTMOUNT)	14	Forced (legislated) – De-merged due to political and culture differences	2006 ¹³	52.9% (2003)	49.6% (2007)	↓
LAC LA BICHE COUNTY	2	Voluntary – Shared service agreements and economic efficiency	2007	57.9% (2004)	49.5% (2010)	↓

The above aligns with the voter appetite in Alberta, where we see an average turnout of approximately 40 percent between 2007 and 2013.¹⁴

- This relatively stable rate in Alberta is contrary to the decrease we saw in all periods of cases studied but is, with the exception of the HRM, lower than turnout seen in the case examples.
- Because of this, there is a need to better understand the provincial context within Alberta.
 - When municipal data¹⁵ was examined, voter turnout was highly varied across municipalities.
 - However, when separated based on population, the data indicated the following findings:
 - Of the largest municipalities in Alberta, including the County and the City, only 14 percent of elections during the three elections in that period reported a turnout higher than the provincial average (40 percent).

¹² Note that this is an average of the voter turnout across 23 districts of Halifax pre-amalgamation

¹³ In this case, date of de-mergence from the region.

¹⁴ Alberta Municipal Affairs Elections data available at-large up until 2013.

¹⁵ Note that municipal elections data is collected by the Ministry of Municipal Affairs, but self-reported by municipalities. As such, certain municipalities were excluded from this analysis due to incomplete data.

- A sample of smaller municipalities in the data set, by comparison, reported 57 percent of elections during the three election periods with voter turnout above the provincial average.
- These findings, combined with case study results, indicate two corresponding, but not necessarily correlated, conclusions:
 - Larger municipalities, on the whole, saw lower voter turnout than smaller municipalities.
 - A change toward a collaborative governance model is a possible contributing factor to lower voter turnout.

Spotlight: Lac La Biche County

In 2007, the Town of Lac La Biche and Lakeland County were amalgamated to form Lac La Biche County. The amalgamation resulted in a large, geographically diverse area. Lac La Biche previously adopted a standing committee style of governance, with the various internal standing committees each holding a different mandate. Prior to the amalgamation, the town had two senior positions within their organizational structure (excluding the mayor) – the CAO and the Superintendent of Public Works.

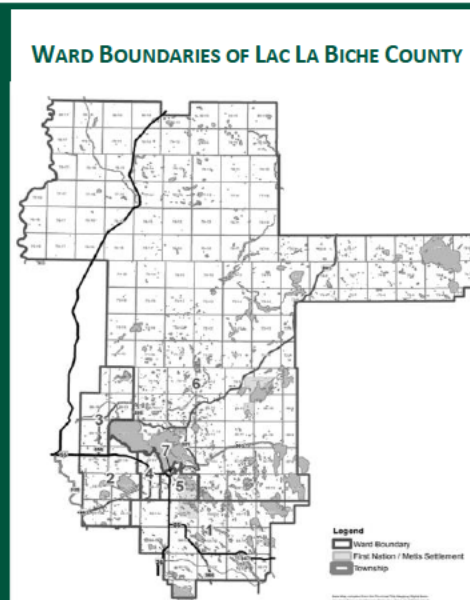
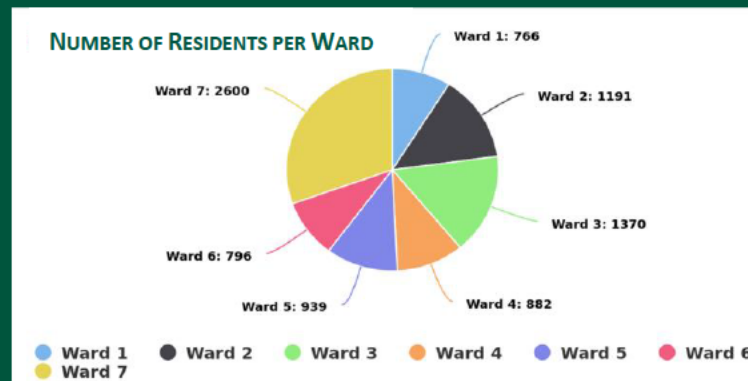
According to an inspection report on the town of Lac La Biche in 2005, there was notable concern over the ineffective separation of functions within the town's organizational structure. Due to the town's lack of senior positions, a wide scope of functions, including Finance, fell under the responsibility of the CAO. It was argued that Finance could have been more efficiently served by an elected official with senior accounting experience, which would have in turn allowed flexibility for the CAO to focus on policy advisory duties to Council.

Discussions between the Town and County pertained to the feasibility of shared service agreements, given the shared resources and common boundaries between the two regions. These on-going discussions continued over a period before the Town and County eventually amalgamated in 2007.

Spotlight: Lac La Biche County - continued

Lac La Biche County is now governed by a nine-person council: one Mayor, elected by an at-large, majority vote, and eight Councilors representative of the seven municipal wards. Ward 7, the largest of the wards, has two councilors. These wards, as shown on the map below in, cover a large geographic area consisting of a significant urban-rural mix.

In the 2011 Census, the dissolved Town of Lac La Biche recorded a population of 2,682 - an 8.6% decrease from its pre-amalgamation population of 2,758 in 2006. Similarly, Lakeland County also saw a 7.6% decrease from its pre-amalgamation population, from 6,365 to 5,882. In the 2016 Municipal Census, the amalgamated Lac La Biche County recorded a population of 8,544, which also accounts for 987 temporary residents in the municipality.



Spotlight: Lac La Biche County - continued

Having analyzed data from four municipal elections prior to and after the amalgamation over the span of 12 years, there has evidently been a decrease in voter turnout following the amalgamation. In the municipal election of 2001, records are unclear as to what the Town of Lac La Biche's voter turnout was, while Lakeland County saw voter turnout of 55.7%. In the following election in 2004, data availability is reversed, with no clear data on the County while the Town recorded voter turnout of 57.9%. These percentages of 55-58% decreased to voter turnout of 42.2% in the year of amalgamation in 2007. In the following election of 2010, Lac La Biche County saw a 7.5% increase in turnout to 49.5%, before this percentage significantly decreased by 12.3% to a voter turnout of 37.2% in the 2013 election. Between Lakeland County's turnout of 55.7% in 2001 and Lac La Biche County's at 37.2% in 2013, there was a collective decrease of 18.5% in voter turnout before and after amalgamation. This trend can be attributed to factors such as voters' perception of the influence of their vote, and overall less societal pressure on the duty to vote among a larger population. This collective 18.5% decrease in voter turnout within a 12-year span over five municipal elections is summarized in the table below.

Lac La Biche County's Voter Turnout Before & After Amalgamation

MUNICIPALITY	YEAR OF ELECTION	VOTER TURNOUT	TREND (↓/↑ IN % FROM PREVIOUS ELECTION)
TOWN OF LAC LA BICHE	2001	N/A	N/A
LAKELAND COUNTY		55.7%	
TOWN OF LAC LA BICHE	2004	57.9%	N/A
LAKELAND COUNTY		N/A	
LAC LA BICHE COUNTY	2007*	42.2%	↓ OF 15.7%
LAC LA BICHE COUNTY	2010	49.5%	↑ OF 7.3%
LAC LA BICHE COUNTY	2013	37.2%	↓ OF 12.3%

* Year of Amalgamation

COLLECTIVE ↓ OF 18.5%
BETWEEN 2001-2013
(21% POST-AMALGAMATION)

Within smaller localities, a more prominent sense of community can make it easier for elected officials to be informed about their residents' needs, which could in turn encourage higher electoral participation. This correlation can be tied to the notion of political efficacy – a voter's internal measure of their impact on the political process. As municipal size increases through amalgamation, voters may adopt the mentality that their voter impact is diluted among a higher number of votes per political candidate. On the other hand, amalgamation can allow for a larger set of candidates for voters to choose from in determining who can best meet their needs as citizens.

KEY TAKEAWAYS

- The impact of a shift to a collaborative governance model on residents can be as varied as the residents themselves. Perspectives as to whether the impact of a collaborative governance model was positive or negative were most clearly correlated to residents' opinion prior to integrating with another municipality and to the intent of said integration, rather than the impacts of the collaborative governance model itself.
- Voter turnout is a method to measure how voters perceive the value of their vote in the face of a changed governance model. In the case of collaborative governance models, research surrounding voter turnout has reported a general decrease in voter turnout due to a feeling of vote "dilution" as part of the larger region.
 - However, regionalization of municipal governance also reported more efficient council proceedings and decision-making and improved levels of service from elected officials due to increased competition for limited council seats.
- Regionalization of municipalities are commonly driven by the reduction of municipal funding, as well as political and cultural differences between geographic regions. In general, collaborative governance models that were driven in an effort to create shared benefit or value were better received by residents than those implemented as a result of a legislative mandate or other forced effort.

Case Studies of Local Election Structures & Representation

The following case studies explore different models of municipal governance across the Spectrum. They include a description of their current, and if relevant, past election structures, examining the impacts of changes to governance on the way municipal government is organized and on the citizens that reside within the municipality.

FIGURE 3: PHASE 7 CASE STUDIES

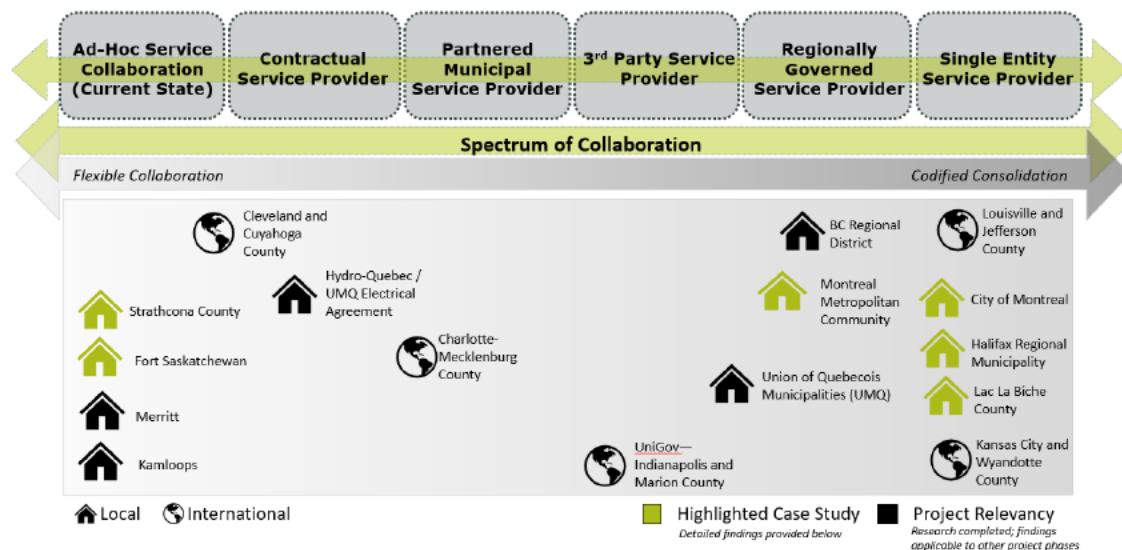


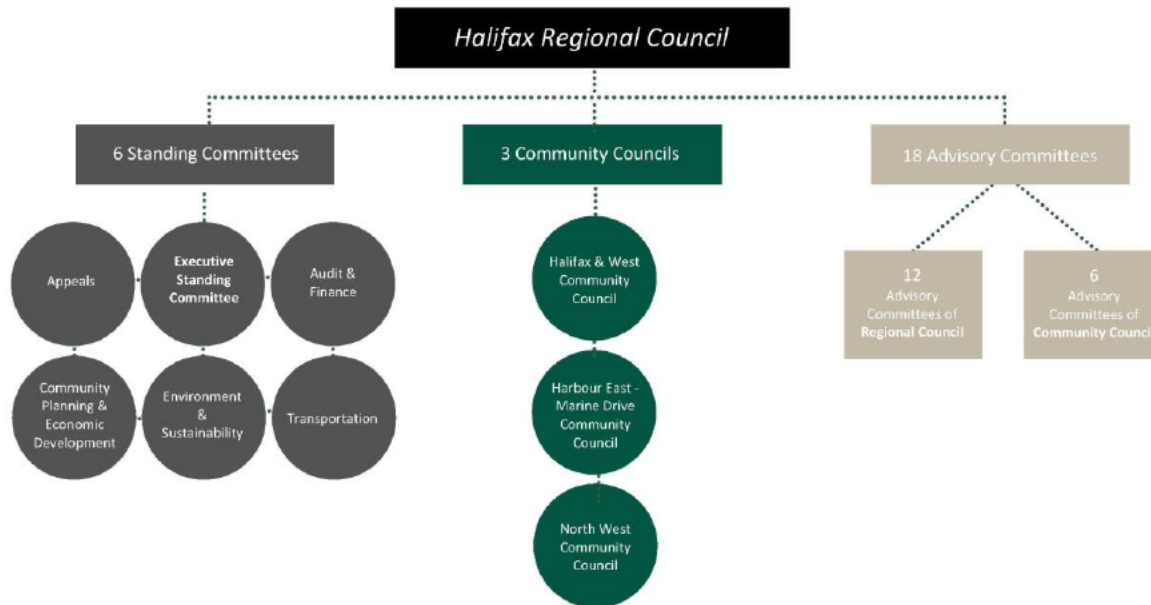
TABLE 5: SUMMARY OF STUDIED ELECTION STRUCTURES & REPRESENTATION

MUNICIPALITY	MUNICIPAL VOTING MODEL	NUMBER OF ELECTED OFFICIALS (EXCLUDING MAYOR)	POPULATION ¹⁶	NUMBER OF RESIDENTS PER ELECTED OFFICIAL
STRATHCONA COUNTY	Ward System	8	98,381	12,256
FORT SASKATCHEWAN	At-Large	6	26,942	4,025
HALIFAX REGIONAL MUNICIPALITY	Ward System	16	431,479	26,967
DE-MERGED CITIES OF MONTREAL (SAMPLE: CITY OF WESTMOUNT)	Ward System	8	20,938	2,617
BOROUGHES OF MONTREAL (SAMPLE: VILLE-MARIE)	At-Large	5	89,170	17,834
CITY OF RED DEER	At-Large	8	101,002	12,625
LAC LA BICHE COUNTY	Ward System	8	8,452	1,057

¹⁶ Populations have been updated to reflect 2019 or most recent population data, as available.

HALIFAX REGIONAL MUNICIPALITY

FIGURE 4: BREAKDOWN OF HRM'S GOVERNING BODIES



- Halifax Regional Municipality (HRM) is governed by a mayor-council system, with the mayor elected based on majority vote and 16 councillors elected through a ward system consisting of sixteen districts, each with one elected councillor¹⁷.
- The Halifax Regional Council, the main decision-making body for HRM, has a three-pronged structure composed of six Standing Committees, three Community Councils, and 18 Advisory Committees.
- There are 6 Standing Committees consisting of six members each, including the Executive Committee and five other standing committees.
 - Each committee provides recommendations to the Regional Council on specific matters, including but not limited to Environment and Sustainability, Audit and Finance, Transportation, and Community Planning and Economic Development.
 - Representatives of the Community Council are appointed to account for proportional representation across the region.
- At the local district level, Community Councils represent five to six municipal districts and are made up of councillors from the Halifax Regional Council.
 - In terms of urban-rural proportional representation, Halifax and West Community Council has 2/3 urban and 1/3 rural districts, Harbour East-Marine Drive Community Council has 1/5 urban

¹⁷ Current Polling District Boundaries (2016). Halifax Regional Municipality. <https://www.halifax.ca/city-hall/elections/district-boundaries> (Accessed November 15, 2019).

and 4/5 rural districts, and Northwest Community Council is composed of an entirely rural representation. This breakdown of proportional representation is reflected in Figure 4 below.

- The HRM governance structure offers opportunities for public participation and provide recommendations to the Regional Council. Public input is presented to either community councils or advisory committees through formal presentations or participation periods following each meeting.

FIGURE 5: URBAN RURAL GEOGRAPHY IN HRM

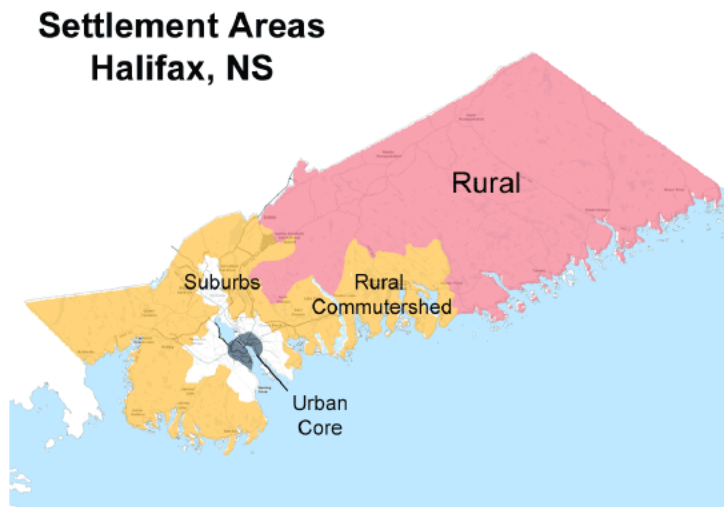
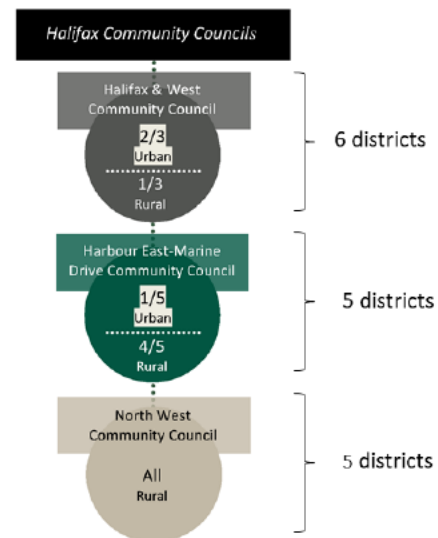


FIGURE 6: URBAN RURAL REPRESENTATION IN HRM



GREATER MONTREAL (MERGED MONTREAL BOROUGHS)

- Montreal's municipal government is made up of a city council, a borough council, and an agglomeration council. The city council is Montreal's primary decision-making body and is composed of 65 elected officials: the mayor, 46 city councillors, and 19 other borough mayors. Each of the 19 boroughs gets one seat on the city council, represented by the mayor of the respective borough.
- Each of Montreal's 19 boroughs has a council and its own mayor, elected by citizens. While the composition of each borough council can differ from one to another, the city's Charter states that each will comprise a borough mayor, city councillors elected within the borough, as well as borough councillors as needed.
- Greater Montreal is also a participating member in the Montreal Metropolitan Community, whose council agendas are designed with allocated time for both representation from each participating regional body and from the general public. This governance model allows for residents of Greater Montreal to be heard through "traditional" representation in their local and regional governance as well as through formalized public engagement.

BOROUGHS OF MONTREAL: VILLE-MARIE

- Ville-Marie is a borough of Greater Montreal composed of three electoral districts: Peter-McGill, Saint-Jacques, and Sainte-Marie. Ville-Marie's borough council is made up of six members: the borough mayor, who in this case is also the Mayor of Greater Montreal, a city councillor from each district, and two councillors selected by the mayor from among city council members.
- Residents of Ville-Marie vote for two elective offices: the city mayor and the city councillor of their electoral district.
- This governance structure is depicted below in Figure 7.

FIGURE 7: BREAKDOWN OF ELECTED OFFICIALS WITHIN CITY COUNCIL AND BOROUGH COUNCILS

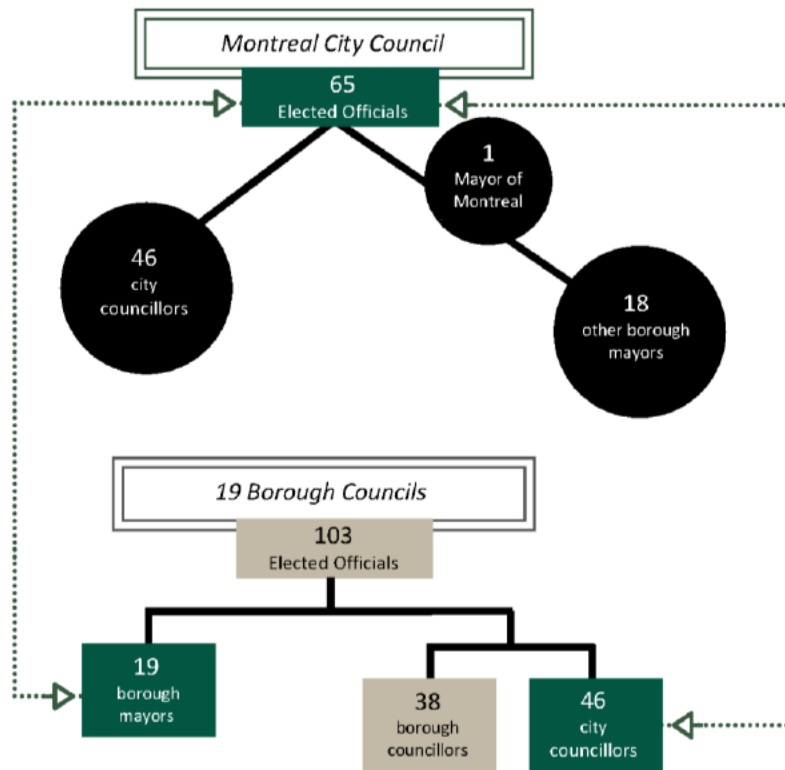
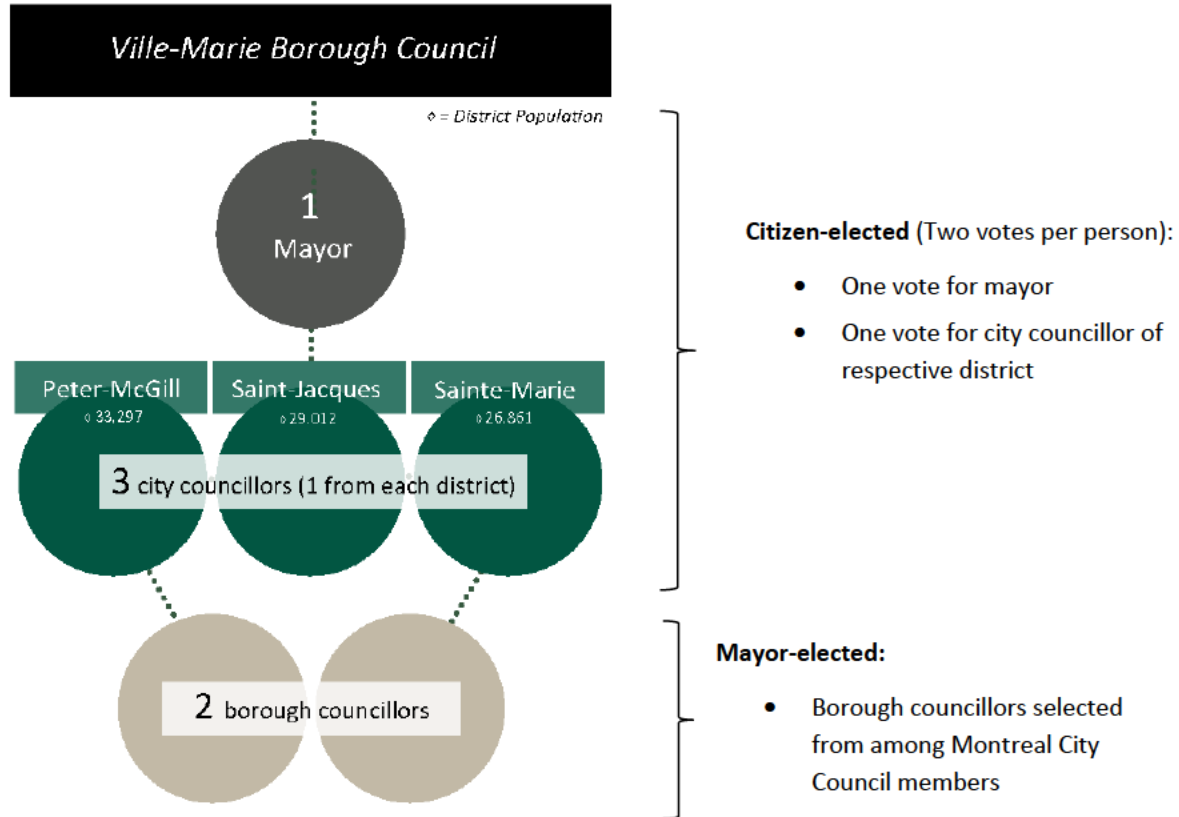


FIGURE 8: BREAKDOWN OF VILLE-MARIE BOROUGH'S ELECTED OFFICIALS



DE-MERGED CITIES: CITY OF WESTMOUNT

- Following in the forced amalgamation of Montreal region communities 2002, 13% of the population, consisting of the 14 de-merged boroughs, voted to separate in 2004. The demerger took place two years later, and while de-merged, these municipalities remain part of the Agglomeration of Montreal and fall under the jurisdiction of the Agglomeration Council.
- The City of Westmount was re-constituted as an independent city in 2006 and is governed by a city council composed of a mayor and eight district councillors. Residents of Westmount hold two votes – one for the mayor and one for the councilor of their respective district.
- Like Greater Montreal, the de-merged cities are participating members in the Montreal Metropolitan Community (MMC), meaning they too benefit from the formalized public participation of the MMC.

Spotlight: City of Red Deer

The City of Red Deer's election model is an at-large vote for both mayor and councillors. The City elects eight councillors that collectively represent a population of 101,002 residents. This equates to approximately 12,625 residents per elected official. However, inherently, the at-large election system implies that no one councillor is representative of a given group of residents, rather, all eight councillors represent the total population as a whole.

This model, particularly in a community the size of Red Deer, becomes an interesting case for discussion surrounding resident representation and governance, particularly when compared to a ward system:

- At-large voting is a logical model for cohesive, unified decision-making and municipal strategy.
 - For municipalities with aligned issues or stakeholder groups, the at-large model is a way to streamline implementation and ensure meaningful outcomes for residents.
 - For regions more divided, whether geographically or otherwise, at-large voting can help to elevate municipal governance objectives, operating in an integrated, non-siloed manner.
- At-large voting can also present challenges in decision-making and proportional representation, particularly for residents or issues that may not be of the majority.
 - Unlike a ward system, at-large voting does not guarantee that all geographic areas within a municipality have equal representation. This means that certain areas may receive less attention when it comes to public safety concerns, resident issues, development and planning, and other areas of importance.
 - In the case of the City of Red Deer, as mentioned, residents in an at-large system are simultaneously represented by all councillors, but do not have a dedicated elected official to specifically address and represent local issues within municipal government. This can be frustrating for residents looking to be heard and understood by their elected officials.
 - At-large voting also typically involves many candidates for councillor. A large number of candidates make campaigning challenging and make it difficult for residents to make informed voting decisions. Further, this means that the select number of councillors that win the election each represent a very small portion of the popular vote.
 - In the City of Red Deer's most recent election, eight city councillors collectively made up just over half (55%) of the cast votes resulting in a required five to 10 percent of the popular vote to sit on Council (City of Red Deer Election Results 2017).
 - In the previous election, one out of eight (13%) councillors was a resident of the north side of the Red Deer, representing one-third (67%) of Red Deer's population (TodayVille Red Deer).

The City of Red Deer is an interesting example of a municipality that uses a voting system atypical to a municipality of its size.

- From a collaborative governance perspective, at-large voting is a method to elevate the strategic direction and operations of a municipality, focusing on regional benefits and utility-based decisions that do the most good for the most amount of people.
- Under this same perspective, in practice, an at-large voting system can dilute the power of a resident's vote and have local issues outweighed by popular demand, impacting the equity of resident representation in governance.

KEY TAKEAWAYS

- There are many forms of election structures among regionalized municipalities, however, there are certain key elements in each of the cases studied:
 - A single governing body (council) acts as the decision-making authority for the region focusing council initiatives and strategic outcomes on the needs of the region as a whole.
 - Additional committees and sub-councils address the diverse needs of their residents and ensure representation for various stakeholder and interest groups despite the large geographic and population size of the regionalized municipality.
 - In many cases, public participation is built into the governance structure, with engagement outcomes regularly communicated to the Regional governing body as formal recommendations.
 - A significantly imbalanced ratio of geographic areas, such urban to rural areas, can translate into disproportionate mix of councillor representation on community councils.
 - This can result in misrepresentation of minority groups that occupy a smaller proportion of a municipality. Conversely, it can also result in representation by “popular demand” leaving minority voices without equitable influence.
 - This could also cause biases in recommendations that are formed and presented by community councils to the municipality’s governing body.

Regional Influences and Considerations

To understand influence at the regional level, the regional relationships within which both the City and the County operate, it is helpful to remind ourselves of Cialdini’s Principles of Persuasion:

1. Reciprocity	People tend to return <u>favours</u> and possess the inherent need to repay social debts.
2. Commitment & Consistency	People seek consistency in their values and actions and are likely to follow through with their verbal commitments.
3. Social Proof	People do as they observe in others.
4. Authority	People have the tendency to obey authority figures.
5. Liking	People are highly likely to be influenced by those they like.
6. Scarcity	People are more likely to want a product if there is perceived limited availability of supply.

- Firstly, there is opportunity to extend influence beyond the scope of a municipality’s jurisdiction by leveraging the practicality and efficiencies that neighbouring geographic boundaries and shared resources can entail.
- However, the tendency to capture this partnership opportunity must consider the influence a single municipal actor has both with the intended partner, and as a partnered municipality within a greater region:
 - Collaboration inherently establishes reciprocity and can foster interaction such that the social, economic, and political interests of each respective party are met and collectively agreed upon.

- The discussion and generation of shared objectives, including but not limited to social, economic, and political development plans, can develop a sense of commitment among participants.
 - As municipal actors innately seek alignment and consistency in their values and actions through joint initiatives, there is opportunity for these shared objectives to be held accountable and followed through with.
- Establishing collaboration beyond the scope of one municipality can allow for the leveraging of pre-existing relationships and networks from all parties involved, extending the reach and social capital of all participating municipalities – factors that can play a significant role in influencing support and the decision-making process.

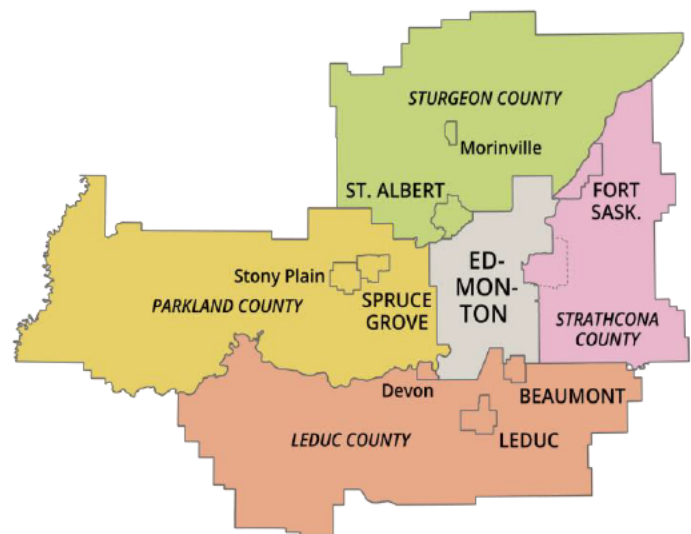
The following section summarizes the major regional entities that the City and the County belong to taking into account both the role of a vote and the role of influence.

EDMONTON METROPOLITAN REGION BOARD (EMRB)

Regulations & Voting:

- The Edmonton Metropolitan Region Board (EMRB) was established in 2017 under the Modernized Municipal Government Act¹⁸.
- The EMRB is composed of 15 members – 13 voting members and two non-voting members including the Board Chair and a Provincial Representative. Non-voting members are elected by the Government of Alberta to facilitate communication and cooperation between the Board and the province.
- Each participating municipality may appoint one representative to serve as a member; each member has one vote. Two-thirds of the representatives' votes are required for a decision to be passed, which must make up two-thirds of the population in the Edmonton Metropolitan Region.¹⁹

FIGURE 9: PARTICIPATING MEMBERS OF THE EMRB



Members & Influence:

- The 13 voting members of the Board include representatives from municipalities with populations of over 5,000, including but not limited to mayors from the municipalities of Edmonton, Beaumont, Devon, Fort Saskatchewan, Strathcona County, and Sturgeon County.

¹⁸ https://www.edmonton.ca/city_government/city_organization/metropolitan-region-board.aspx

¹⁹ Edmonton Metropolitan Region Board Regulation Section 5(2) (2017).

- Participating municipalities would be motivated to ensure their influence holds weight in the development of policies and strategies regarding EMRB's Growth Plan, such that the physical, social, and economic needs of their respective municipality are met.²⁰

ALBERTA INDUSTRIAL HEARTLAND ASSOCIATION (AIHA OR "THE ASSOCIATION")

Regulations & Voting:

- Each of the municipal partners within the Heartland's geographic boundaries hold the right to one vote within the Association. They represent their respective municipality through their seat on the AIHA's Board of Directors – the governing body of the association.
- The Board of Directors provides strategic priorities and general direction for the Association's Executive Director and staff members, while working with a variety of stakeholders in both the public and private sector to ensure cooperation and responsible development within the region.²¹

Members & Influence:

- The AIHA is Canada's largest hydrocarbon processing region and its five municipal partners include: Fort Saskatchewan, Strathcona County, Lamont County, Sturgeon County, and Edmonton.
 - Associate membership is held by the Towns of Bruderheim, Gibbons, and Redwater.
- The AIHA works to attract petrochemical industry to the Industrial Heartland – the strategies set forward by this association decide the focus of petrochemical attraction activities. As such, participating municipalities would be motivated to ensure they have adequate influence over these strategies such that they are able to best align Association strategies and objectives with the attributes and infrastructure of their land holdings as well as their overall economic development plans.

In Addition: Edmonton Global

- Edmonton Global was created to enhance economic development collaboration in the Edmonton Metropolitan Region.²² Their vision is to make the Edmonton Metropolitan Region the ideal location for global investment, doing so by supporting growth and innovation through collaboration with the region's 15 municipalities.
- Edmonton Global also works alongside AIHA among other economic development agencies in the region.
- As new and still developing organization, it is expected that Edmonton Global will become an important regional body. As such, relationships with its members and sufficient influence over its plans and decision making will be important to the economic strategy of both the County and the City.

CONSIDERATIONS FOR REGIONAL INFLUENCE AND COLLABORATION

Understanding the voting structure and scope of the regional bodies of which the County and the City are members, along with the importance of influence on economic and strategic outcomes within the Edmonton Metropolitan Region, AIHA and others, there are certain considerations to be made when examining potential collaborative governance models from a regional perspective:

²⁰ http://www.qp.alberta.ca/documents/Regs/2017_189.pdf

²¹ <https://industrialheartland.com/association/>

²² <https://edmontonglobal.ca/about/>

- Voting: “Are two votes better than one?”
 - As voting members of regional bodies like the EMRB and the AIHA, holding sole autonomy over that vote is evidently important to all participating municipalities.
 - When considering collaborative governance models, holding a vote per municipality is a way to ensure that the municipality and its elected officials are unwavering in their representation and responsiveness to local needs.
 - A “block voting” structure would commit a municipality to strategies and outcomes that may or may not suit the evolving needs of their residents.
 - Perhaps most obviously, from the mathematical perspective of voting, two votes have more voting power than that on a stand alone vote.
- Voting: “Is one vote better than two?”
 - When looking from a collaborative perspective, it could be argued that two votes toward the same outcome wield greater power than just one. However, this is only applicable when both vote holders vote for the same outcome.
 - Without the guarantee of “block voting”, two votes can equally as likely wield no power at all – that is to say, casting votes against one another nullifies both votes, subsequently removing all power and influence of either vote.
 - Therefore, all other influences constant, one guaranteed vote toward a desired objective will more reliably exert influence over a regional outcome than that of two separate votes cast.
- Influence: Application of Cialdini’s Principles of Persuasion
 - Applying Cialdini’s Principles of Persuasion to the specific bodies that the County and the City are members of, the potential influence of collaboration between municipalities is apparent. For each regional body, these principle-based positions serve to debate the impact of collaboration between the County and the City and their subsequent influence over the Edmonton Metropolitan Region if they were to establish a unified voice:
 - AIHA
 - As the largest combined land holders within the Industrial Heartland, both the County and the City are well-positioned to leverage their high proportion of industrial land base to influence strategic objectives of the Association.
 - Establishing Association strategies and objectives that align with both municipalities’ economic development and growth plans will also help to increase the influence of the County and the City within the Industrial Heartland.
 - Edmonton Metropolitan Region Board
 - Controlling a large portion of the Edmonton Metropolitan Region, including residential development space, energy corridors, and other development opportunities, strengthens the combined influence of both municipalities.
 - Advocating from a single position on development, policy, and other regional initiatives lends greater influence, and consequently likelihood of success outcomes, for both municipalities.

- Due to the EMRB voting structure, any initiative must be passed with two-thirds of the member population. As a larger population base, this means that other members are more likely to seek buy-in, make compromises, and work collectively to achieve outcomes desirable for a large population base that may be needed to pass an EMRB decision.
- Cost: Reduced Cost for Greater Outcomes
 - Membership to regional bodies comes at a high cost to participating municipalities. As discussed, unifying under one vote potentially increases the probability of “moving the needle” in the direction of the municipalities’ desired outcome. In addition, one vote may garner cost savings not only through influence over regional decision making, but also in future revenue sharing formulas at the regional level.

Election Structures and Representation of Local and Regional Governance Bodies Along the Spectrum

In the previous report we modelled different scenarios of voting power redistribution in the case of the City and the County entering into a single form of governance (the far right of the spectrum). This section builds upon this earlier modelling to include the addition of scenarios in the middle of the spectrum utilizing a hypothetical Regional Service Commission (RSC) to serve as an example.

Scenario Modelling Along the Spectrum

PRELIMINARY MODELLING UNDER COLLABORATIVE LEADERSHIP

Fort Saskatchewan’s Council is composed of one Mayor and six elected Councillors, all of which are elected by popular vote. Strathcona County’s Council is composed of one Mayor and eight elected Councillors; the Mayor is elected by popular vote while the Councillors are elected using a ward system. Should the two municipalities see opportunity for collaborative leadership via a shared Council then there will be a need to establish consensus on an electoral model.

Table 6²³ shows the current voting power²⁴ of Fort Saskatchewan and Strathcona County residents and Council members under their current electoral systems. This is to be contrasted with Table 7, where the voting power of residents and Council members are calculated under various scenarios that include a collaborative leadership model (shared Council and Mayor).

²³ Further discussion of the calculations, assumptions and scenarios applied in Tables 6 and 7 is included in Appendix A of this report.

²⁴ Voting power refers to the relative impact one vote has on the outcome of a given vote, assuming all eligible votes are casted. For example, if there are only 10 members on a Council then 1 vote would have a 10% impact on the outcome of that total vote (the decision).

TABLE 6: VOTING POWER OF RESIDENTS AND COUNCIL MEMBERS UNDER THE CURRENT ELECTORAL SYSTEMS

		Fort Saskatchewan: Current Electoral System	Strathcona County: Current Electoral System
Resident Voting Power	Mayor (Percent)	0.00371%	0.00102%
	<i>Mayor (Fraction)</i>	<i>1/26,942</i>	<i>1/98,381</i>
	Council (Percent)	0.02227%	0.00915%
	<i>Council (Fraction)</i>	<i>6/26,942</i>	<i>1/10,931</i>
Council Member Voting Power	Per Member (Percent)	14.29%	11.11%
	<i>Per Member (Fraction)</i>	<i>1/7</i>	<i>1/9</i>

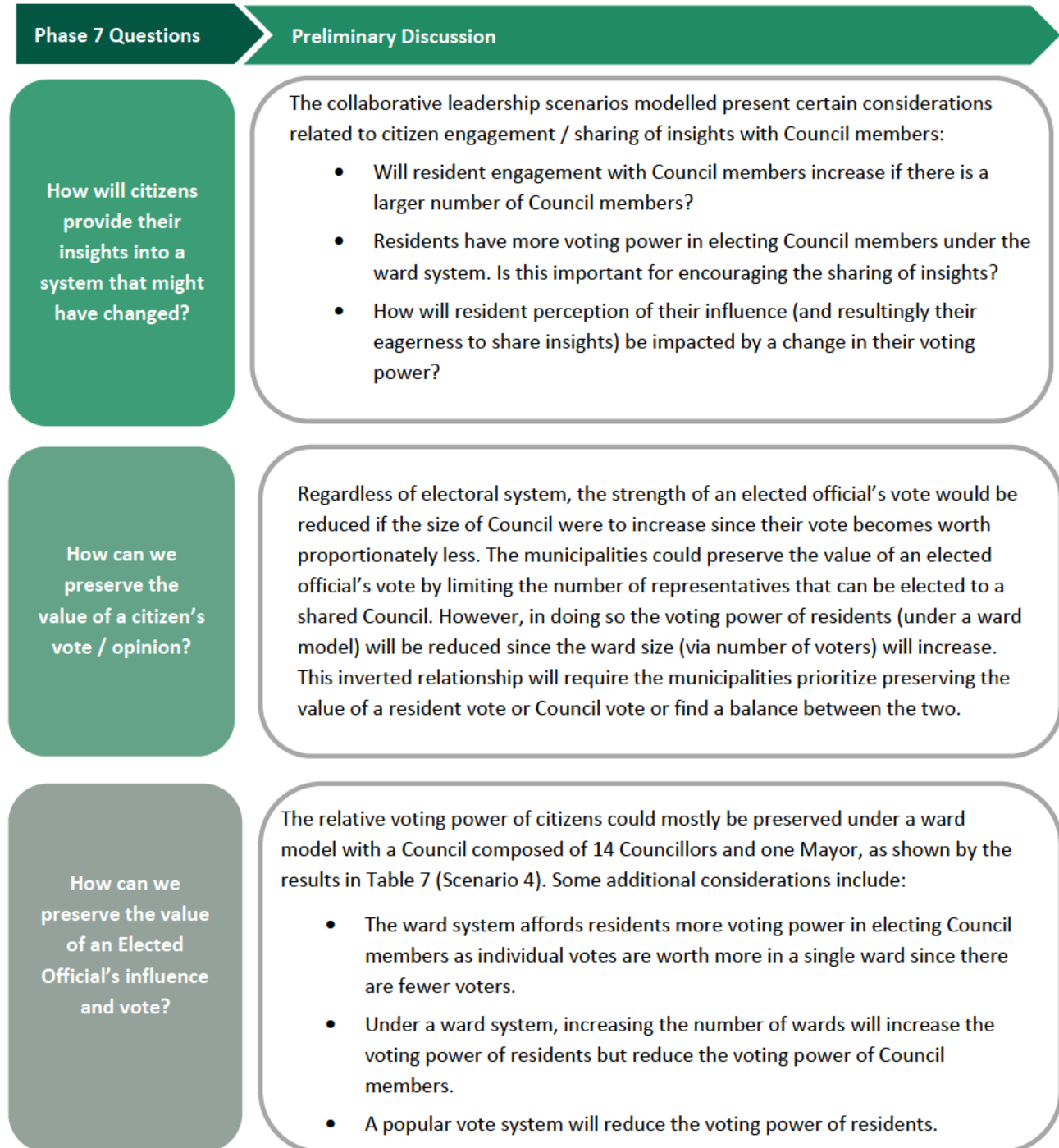
TABLE 7: SCENARIO TESTING OF COLLABORATIVE LEADERSHIP

		Scenario 1: Popular Vote (1 Mayor and 14 Councillors)	Scenario 2: 1 Mayor (Pop. Vote) and 8 Councillors (Wards)	Scenario 3: 1 Mayor (Pop. Vote) and 10 Councillors (Wards)	Scenario 4: 1 Mayor (Pop. Vote) and 14 Councillors (Wards)
Resident Voting Power	Mayor (Percent)	0.00080%	0.00080%	0.00080%	0.00080%
	<i>Mayor (Fraction)</i>	<i>1/125,323</i>	<i>1/125,323</i>	<i>1/125,323</i>	<i>1/125,323</i>
	Council (Percent)	0.00080%	0.00638%	0.00798%	0.01117%
	<i>Council (Fraction)</i>	<i>1/125,323</i>	<i>1/15,665</i>	<i>1/12,532</i>	<i>1/8,952</i>
Council Member Voting Power	Per Member (Percent)	6.67%	11.11%	9.09%	7.14%
	<i>Per Member (Fraction)</i>	<i>1/15</i>	<i>1/9</i>	<i>1/11</i>	<i>1/14</i>

Key Takeaways and Preliminary Considerations

Figure 9 below connects the results of the preliminary analysis on voting power under different collaborative leadership models:

FIGURE 10: DISCUSSION ON THE INITIAL MODELLING

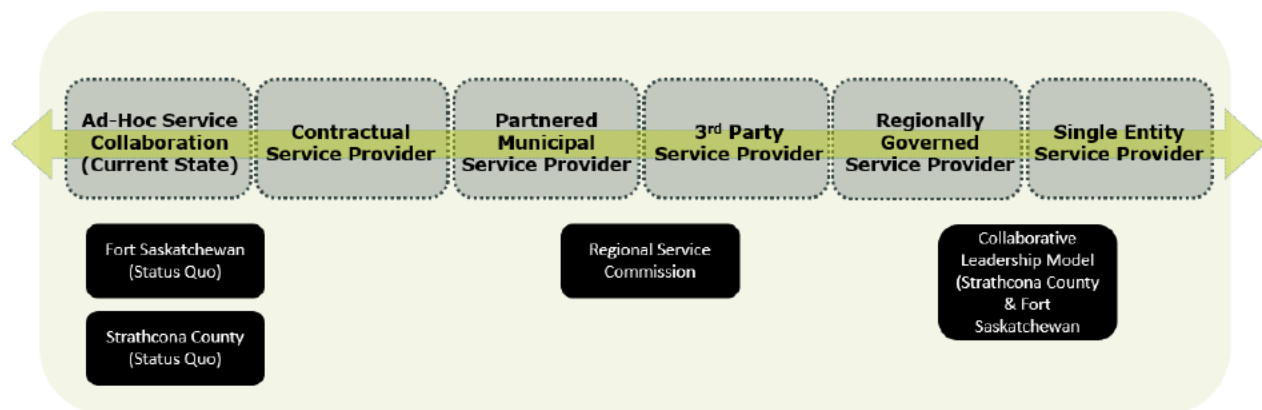


SCENARIO MODELLING: ALTERNATIVE COLLABORATIVE MODELS

The sub-section above discusses how municipal representation may look under a number of different scenarios, examining in detail how collaborative governance would be structured on the far right of the Spectrum against that of the existing County and City governance models, which exist on the far left of the Spectrum.

Additional scenario modelling was then completed to examine what a collaborative governance model may look like on the midline of the Spectrum. The governance body modelled in this section, as a means of example of middle-Spectrum governance, is a Regional Service Commission. The figure below compares scenario models discussed in Phase 7 across the spectrum.

FIGURE 11: SCENARIOS MODELLED ACROSS THE SPECTRUM



Typically, Regional Service Commissions (RSCs) are used by municipalities to collaborate on the delivery of key services or administrative functions, such as:

- Administrative and assessment services,
- Emergency and family and community support services,
- Economic development and housing services,
- Recreation and parks management services,
- Planning, transit, and airport services, and,
- Water, wastewater, and solid waste management services.²⁵

RSCs are distinct legal entities that have the ability to “hire staff, administer their own payrolls, own property, and raise capital.”²⁶ The governance of the RSC is overseen by a board of directors, with board members comprising elected officials from participating municipalities.²⁷ RSCs, by nature, have the objective of delivering low-cost services to residents and as such, are not able to generate and distribute dividends – RSCs operate at-cost. This means that bylaws, administration, and governance of the RSC is not complicated by allocation of funds back to municipalities.

²⁵ Regional service delivery (n.d.). Government of Alberta. <https://www.alberta.ca/regional-service-delivery.aspx> (Accessed November 17, 2019).

²⁶ Ibid.

²⁷ Ibid.

For the sake of this example, all models in this scenario will consider a RSC developed for the collection of solid waste and recyclables being established between the County and the City. While a RSC has numerous considerations related to service delivery, this scenario will focus on the political context of creating and operating a RSC, looking at potential frameworks for the governance structure, understanding the impacts as to how residents are represented and as to how elected officials maintain influence over operations and decision-making of the RSC.

Note that in each scenario, “Number of Wards” varies and is chosen based on a proportion that reflects the desired representation of each model, rather than a desired or specified number of seats.

SCENARIO 1: EQUAL MUNICIPAL DISTRIBUTION

In Scenario 1, the RSC’s Board of Directors is equally divided between the County and the City, each with three seats on the RSC Board. While this structure maintains equal influence over RSC decisions between both municipalities, it leaves a significant discrepancy in the population represented by each municipality, and their subsequent voting power.

TABLE 8: SCENARIO 1 - EQUAL MUNICIPAL REPRESENTATION

REGION	NUMBER OF WARDS	TOTAL REGION POPULATION	TOTAL SUB-REGION POPULATION	WARD POPULATION	PERCENT OF TOTAL POPULATION PER WARD	VOTING POWER PER RESIDENT	PERCENT OF TOTAL SEATS (VOTES)
STRATHCONA COUNTY	3	125,323	98,381	32,794	26%	0.009%	50%
FORT SASKATCHEWAN	3	125,323	26,942	8,981	7%	0.033%	50%

Looking at service delivery itself, this model is inherently problematic. Under-representation of a large, and in the case of the County, diverse population area would likely result in one of two cases:

- It is the intention of each elected official on the Board of the RSC to advocate for their residents. As such, it is likely, given an equal proportion of elected officials from each municipality despite vastly different population bases, that RSC strategies and service delivery would disproportionately cater to that of the smaller population.
- Further to this, elected officials of the under-represented population, in this case Strathcona County, would not have the ability to influence RSC decision-making in a way that would allow the addressing of issues potentially affecting the majority of the region the RSC governs.
 - From an urban-rural perspective, this model would most significantly impact rural residents of Strathcona County, who in the case of solid waste collection as well as many other services, would have unique needs based on their geography alone.

SCENARIO 2: PROPORTIONAL REPRESENTATION BY POPULATION

Given the concerns of Scenario 1, Scenario 2 modelled the governance of the RSC based on proportional representation by population. Because of the large population base of the County, this results in a Board of Directors that is made up of almost entirely representatives from the County.

TABLE 9: SCENARIO 2 - PROPORTIONAL REPRESENTATION BY POPULATION

REGION	NUMBER OF WARDS	TOTAL REGION POPULATION	TOTAL SUB-REGION POPULATION	WARD POPULATION	PERCENT OF TOTAL POPULATION PER WARD	VOTING POWER PER RESIDENT	PERCENT OF TOTAL SEATS (VOTES)
STRATHCONA COUNTY	4	125,323	98,381	24,595	20%	0.016%	80%
FORT SASKATCHEWAN	1	125,323	26,942	26,942	21%	0.004%	20%

This model, despite fairly representing the residents it serves, lends majority vote to the County for any decision-making of the RSC.

- Because of this, Scenario 2 is also problematic as it moots the influence of elected members from the City and is an extremely limited representation of its residents.
- However, it could be argued that the waste collection needs of the urban County would be similar to the needs of the City, and as such, City residents may still experience adequate representation.

SCENARIO 3: PROPORTIONAL REPRESENTATION BY SUB-REGION

Understanding that the needs of residents within the County and the City vary depending on geographic location, and in the case of a service such as solid waste collection, would require tailored service delivery based on residents in a number of urban and rural settings. As such, Scenario 3 examines a potential governance structure that allocates Board seats, and consequently votes, equally by sub-region.

TABLE 10: SCENARIO 3 - REPRESENTATION BY SUB-REGION

REGION	NUMBER OF WARDS	TOTAL REGION POPULATION	TOTAL SUB-REGION POPULATION	WARD POPULATION	PERCENT OF TOTAL POPULATION PER WARD	VOTING POWER PER RESIDENT	PERCENT OF TOTAL SEATS (VOTES)
SHERWOOD PARK	4	125,323	71,332	17,833	14.2%	0.006%	33%
FORT SASKATCHEWAN	4	125,323	26,942	6,736	5.4%	0.015%	33%
RURAL STRATHCONA COUNTY	4	125,323	27,049	6,762	5.4%	0.015%	33%
COMBINED COUNTY VOTE	8	125,323	98,381	24,595	20%	0.020%	67%
COMBINED URBAN VOTE	8	125,323	98,274	24,569	20%	0.020%	67%

While this model, like Scenario 2, lends the majority vote to the County as a whole, it ensures that voting power is distributed equally between geographic areas / population centres that are grouped based on similar service delivery needs. In this model:

- Elected officials from each sub-region maintain equal influence over decision making. Because of this, each elected official can advocate equally for the needs and objectives of their population base.
- However, the voting power of individual residents remains disproportional; while residents from rural Strathcona County and the City share voting power, residents from Sherwood Park see less than half of that representation in governance due to the size of Sherwood Park's population.

- It should be noted that in this scenario, while the County has a majority vote (assuming Sherwood Park and rural wards vote together), so do the urban centres of Sherwood Park and Fort Saskatchewan. This second layer of proportional representation reflects equitable distribution to the urban centres that make up the greatest proportion of population and, in the case of solid waste collection and most other services, would have the most homogenous service needs and operational delivery.
 - However, with this same logic, it is not equitable for the City to have a greater voting share than that of Sherwood Park.

SCENARIO 4: PROPORTIONAL REPRESENTATION BY POPULATION AND SUB-REGION

Considering the outcomes of Scenarios 1 through 3, Scenario 4 models a governance situation in which representation on the RSC Board is determined by sub-region, proportional to population.

TABLE 11: SCENARIO 4 - PROPORTIONAL REPRESENTATION BY SUB-REGION

REGION	NUMBER OF WARDS	TOTAL REGION POPULATION	TOTAL SUB-REGION POPULATION	WARD POPULATION	PERCENT OF TOTAL POPULATION PER WARD	VOTING POWER PER RESIDENT	PERCENT OF TOTAL SEATS (VOTES)
SHERWOOD PARK	8	125,323	71,332	8,917	7.1%	0.011%	57%
FORT SASKATCHEWAN	3	125,323	26,942	8,981	7.2%	0.011%	21%
RURAL STRATHCONA COUNTY	3	125,323	27,049	9,016	7.2%	0.011%	21%
COMBINED COUNTY VOTE	11	125,323	98,381	17,933	14.4%	0.022%	79%
COMBINED URBAN VOTE	11	125,323	98,274	17,897	14.3%	0.022%	79%

In this scenario, residents share equal voting power across all sub-regions. Consequently, this results in the number of Board votes being skewed toward Sherwood Park, given the size of the population. In addition, this scenario lends the greatest voting power to urban sub-regions out of all four scenarios.

SUMMARY OF FINDINGS

Each of the scenarios discussed above help to frame thinking around how representation should look on a RSC. As a model for collaborative governance, particularly as a vessel for service delivery, it is important to weigh the impacts of regional governance models against both the ability of an elected official to influence decision making on a RSC as well as the value of a resident's vote and opinion. The table below presents a summary of all scenarios for comparison.

TABLE 12: REGIONAL SERVICE COMMISSION MODELLING IMPACTS & CONSIDERATIONS

SCENARIO	REGION	RESIDENT REPRESENTATION (VOTING POWER PER RESIDENT)	INFLUENCE OF ELECTED OFFICIALS (VOTING POWER PER ELECTED OFFICIAL)	IMPACT TO AUTONOMY OF LOCAL GOVERNANCE	CONSIDERATIONS
SCENARIO 1: EQUAL MUNICIPAL REPRESENTATION URBAN/RURAL: 89/11 COUNTY/CITY: 50/50	Strathcona County	0.009%	50%	<ul style="list-style-type: none"> Elected officials of the under-represented (County) population would not have the ability to influence RSC decision-making in a way that would allow the addressing of issues potentially affecting the majority of the region. 	<ul style="list-style-type: none"> Equal proportion of elected officials from each municipality despite different population bases would disproportionately cater to that of the smaller population.
	Fort Saskatchewan	0.033%	50%		
SCENARIO 2: PROPORTIONAL REPRESENTATION, POPULATION URBAN/RURAL: 86/14 COUNTY/CITY: 80/20	Strathcona County	0.016%	67%	<ul style="list-style-type: none"> Majority vote to the County for any decision-making of the RSC. Problematic as it moots the influence of elected officials from the City. 	<ul style="list-style-type: none"> Extremely limited representation of residents from the City. It could be argued that the needs of the urban County would be similar to the needs of the City, and as such, City residents may experience greater representation than that of their elected official's votes.
	Fort Saskatchewan	0.004%	17%		
SCENARIO 3: PROPORTIONAL REPRESENTATION, SUB-REGION	Sherwood Park	0.006%	33%	<ul style="list-style-type: none"> Elected officials from each sub-region maintain equal influence over decision making. Each elected official can advocate equally for the needs and 	<ul style="list-style-type: none"> Residents from Sherwood Park are poorly represented in this model. The County has a majority vote, as do the urban centres of Sherwood Park and

SCENARIO	REGION	RESIDENT REPRESENTATION (VOTING POWER PER RESIDENT)	INFLUENCE OF ELECTED OFFICIALS (VOTING POWER PER ELECTED OFFICIAL)	IMPACT TO AUTONOMY OF LOCAL GOVERNANCE	CONSIDERATIONS
URBAN/RURAL: 67/33 COUNTY/CITY: 67/33	Fort Saskatchewan	0.015%	33%	objectives of their population base.	Fort Saskatchewan, which theoretically share similar service needs. <ul style="list-style-type: none"> Both urban centres, it is not logical for the City to have a greater voting share than that of Sherwood Park.
	Rural Strathcona County	0.015%	33%		
SCENARIO 4: PROPORTIONAL REPRESENTATION, SUB-REGION & POPULATION URBAN/RURAL: 79/21 COUNTY/CITY: 79/21	Sherwood Park	0.011%	57%	<ul style="list-style-type: none"> Residents share equal voting power across all sub-regions. The number of Board votes is skewed toward Sherwood Park, given the size of the population. 	<ul style="list-style-type: none"> This distribution of votes lends the greatest voting power to urban centres out of all four scenarios.
	Fort Saskatchewan	0.011%	21%		
	Rural Strathcona County	0.011%	21%		

KEY TAKEAWAYS

- Establishing an RSC is an effective way for municipalities to collaborate on the delivery of low-cost, high-quality services. The RSC model affords a municipality with the benefits of collaboration without significant loss of autonomy, protecting the interests of residents and, by extension, their elected officials.
- Collaboration along the Spectrum can look vastly different to residents and elected officials based on the type of governance structure in place. Because of this, the impacts to residents, how their input is represented, and how their elected officials are able to influence decision making should be carefully considered in collaborative governance models, even for bodies with specified scope, such as an RSC.
- Considerations for representation on an RSC may include representation classifications beyond that of municipal boundaries. In fact, for functions such as service delivery, it may make sense to consider regional needs and populations as a means to identify key stakeholder groups and their corresponding service needs and formulate a governance structure that represents them.

Additional Considerations in the Political Context: Provincial Perspectives

Beyond the scope of the municipality itself, or even the regions that surround it, there is a relationship between the municipality and the Province that may be considered within the political context of collaborative governance. First, there are legislated requirements that mandate the expectations and guide the actions of the municipality. However, in addition to this, there is an element of strategic positioning and provincial preference that occurs when it comes to any given form of collaborative governance. These considerations are discussed in detail throughout the section.

Legislative Considerations

In general, the legislation surrounding municipal governance is non-specific. Because of this, municipalities have the legal freedom to alter local governance models, within the bounds of baseline expectations, at their own discretion. The two main pieces of legislation that govern municipal elections, elected officials, and council activities are the *Municipal Government Act* and the *Local Authorities Elections Act*.

MUNICIPAL GOVERNMENT ACT & SUBSEQUENT LEGISLATION

- The *Municipal Government Act* (MGA) specifies certain criteria for the representation and governance of a municipal council. The number of suggested representatives for a municipality are stated in the MGA, consequently, this allows for flexibility and decision-making to the municipality's discretion:
 - 143(2): The council of a city or town consists of 7 councillors unless the council passes a bylaw specifying a higher or lower odd number.²⁸
 - 143(4): The council of a municipal district or specialized municipality consists of the number of councillors specified in the order forming it unless the council passes a bylaw specifying a higher or lower odd number.
- The *Local Authorities Elections Act* (LAEA) goes on to further detail how municipal elections must be structured and executed. However, this act, like the MGA, does not prescribe procedure or requirements as they relate to the composition and representation of a council.²⁹

²⁸ *Municipal Government Act Revised Statutes of Alberta 2000 Chapter M-26* (2019). Alberta Queen's Printer.

²⁹ *Local Authorities Elections Act, Revised Statues of Alberta 2000 Chapter L-21* (2000). Alberta Queen's Printer.

Provincial Considerations

While the evolution of local government in Canada has its pre-confederation roots steeped in British tradition, as has been typical throughout Canadian history, each province has ventured to tackle the question of how best to approach local governments in a variety of different ways. This has led to tremendous differences in approaches, a discrepancy attributable to the section 92(8) of the Constitution Act (1867), whereby provincial legislatures are granted the specific power to make laws governing “Municipal Institutions in the Province”. These differences can be seen in the way that municipalities look across the country:

- The unique, multi-tier governance model in Ontario;
- Saskatchewan’s 774 municipalities with an average population of 1,517 people compared to Alberta’s 348, representing an average of 12,560 people;
- British Columbia’s 162 municipal governments that represent an average of 31,302 people and the existence of Regional Districts impacting each of these municipalities.

Municipal governments exist by provincial statute. Because of this, municipalities in Canada generally must conform to the policy directions of the provincial government, no different than School Boards or (formerly in Alberta) health region boards.

Despite this, the relationship between provincial legislatures and municipalities is complex; there is often a special relationship as a recognized order of government that other statutory organizations may not typically hold especially given the provinces reliance on municipalities to deliver key services to citizens. When this relationship is strained, however, the province holds legal authority over municipalities.

- This is perhaps best exemplified in the Ontario, 2018 example when Doug Ford’s government cut the number of wards in Toronto from 47 to 25, mid-municipal election.
- Additionally, in 1995/96 over a dozen municipalities were amalgamated through legislation in Nova Scotia to form the Halifax Regional Municipality and the Cape Breton Regional Municipality.
- Recently, and in Alberta, a number of fiscal and structural changes were imposed on Municipalities, including the changes to the municipal funding included in the Fiscal Measures and Taxation Act, 2019.

All of these examples illustrate the need for municipalities to adapt to evolving provincial public policy goals. Most recent public policy goals in Alberta have been topics such as:

- Focusing addressing increasing public sector costs and reducing provincial expenditures and,
- The efficiency and effectiveness of Municipal Governments.

While topical, this focus is not new. The Government of Alberta has had a long trend of encouraging and ensuring increased intermunicipal collaboration as a means of fostering efficient and effective service delivery. This has been recently demonstrated through mandatory Intermunicipal Development Plans, Intermunicipal Collaboration Frameworks and legislated Growth Management Boards.

Like any relationship, the relationship between municipalities and the province is symbiotic. While a municipality has limited tools to influence the province, perhaps the most effective tool is their influencing power with orders of government, amplified through public opinion:

- Generally speaking, larger municipalities (either in population and / or economic contribution) are able to wield magnified influence on other orders of government.

- While statutorily equal, there is an unequal distribution of public influence. Popular support from a large population centre, or key segments (like priority industries) all serve to further empower a mayor and council.

Intergovernmental relations are made difficult when 348 municipalities, in the case of Alberta, are all competing for just one Premier, key Ministers, and senior government officials.

- For municipalities, as with any organization, this means that their ability to thrive in their ecosystem is dependent on their ability to evolve in ways that demonstrate and increase their unique value in the system.
- Municipalities that position themselves to either align with the provincial agenda or maximize their influence through economic strength, a large representative population and other similar factors are best equipped to have influential conversations with provincial policy makers and strengthen the impact of their initiatives.
 - In the case of the County and the City, for example, this may look like leveraging a strong industrial base that rivals that of regions such as the Regional Municipality of Wood Buffalo.
 - Based on population base, both municipalities have a combined population of over 120,000 residents, making them together the combined third-largest in the province behind Edmonton and Calgary. This status would be a method of exerting considerable influence in the provincial context.

Given this, municipalities can be effective in shaping public policy despite the lack of policy levers to do so. Strong local governments are a keystone of healthy economies, investment attraction, and ultimately citizen satisfaction.

KEY TAKEAWAYS

- Municipalities have a unique relationship with the political and legislative environment of the province. As two of 348 municipalities in Alberta, the County and the City face substantial competition in vying for increasingly limited funding, opportunities, and influence with the provincial government.
- From a legislative perspective, municipalities have considerable flexibility when it comes to choosing an electoral structure and representation model. How municipalities leverage this flexibility plays a significant role in the ability of a municipality to be influential at the provincial level.
- Leveraging key components of regional power, such as a large industrial base, large resident base, and / or alignment with provincial strategies is potentially the most effective way to influence provincial political actors. Both municipalities, particularly when considered together, are well-positioned to capture this opportunity for influence.



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