

April 2nd, 2020

Residents and Businesses of Division 5,

As discussed, here is a summary of the Council meeting held virtually on April 1st, 2020. While we are currently doing meetings virtually as granted by the Province under the Municipal Government Act (MGA), it is not expected to be a long term solution. During times of self isolation and social distancing protocols and realizing that Council and administration must continue to tend to business in support of our residents, we will be holding meetings in this format for the duration until the Province provides guidance to resume 'normal' operations.

Disclaimers to these summary notes are:

1. They do not constitute Councils decisions. These summary notes are only meant to keep you informed and if there are any conflicts between these notes and the adopted council minutes, the adopted council minutes will prevail.
2. Direction to administration means exactly that. Council provides direction to administration to bring forward additional information which will be included in the future decision-making process. It is common for direction to be given, with the resulting decision being different based on more discussion at the Council table. All final motions of council and the decisions made will be part of the approved Council minutes.

Discussion on Public Hearings

With respect to public hearings, the Minister of Municipal Affairs has passed a meetings regulation document that will impact how public hearings are to be held, allowing us to move forward with subdivisions and development permit applications. **Council has provided direction to administration to update our public hearing policy to reflect this.** Development officers and the Administrative Subdivision & Development Approving Authority are continuing to review files, however, the Municipal Planning Commission (MPC) and Subdivision and Development Appeal Board have halted until the new public hearing bylaw has been adopted. Currently those development permit and subdivision applications that are in the queue waiting on MPC have been deferred along with timelines under the MGA. Time-line extension may have to be granted if a way for MVC to hold public hearings is not complete in time. The Municipal Development Plan (MDP) draft documents have been deferred as well until a public hearing process is ready. **We must ensure that everyone has their opportunity to speak and be heard at the public hearings.** We will be working with applicants to ensure they understand and accept the timelines.

Mountain pine beetle support letter to the Federal Government

A letter in support for the forest industry to request funding from the Federal Government to deal with Mountain Pine Beetle will be sent this week. At the Town Hall meeting with the Minister of Agriculture, the Minister confirmed the \$30million Provincial support to deal with the MPB will remain in place. The request is for \$60 million from the federal government.

March 25th Council meeting

Council cancelled its March 25th meeting as we were not able to hold the meeting due to social distancing protocols and there was not yet approval from the government to allow virtual meetings.

Property Tax

Background: It is important for residents and business to understand the property tax so I will first try and explain how this works. Only a portion of the property tax collected by the municipality remains in the municipality as revenue that we can use for operating. The County also collects property tax on behalf of the Provincial government and Mountain View Seniors Housing. Please see the table below that demonstrates how property taxes are broken down, based on the 2019 tax year and how this would apply assuming your total property tax bill was \$3,000 for residential and \$10,000 for businesses (numbers have been rounded).

Residential

Collector	End Receiver of the Revenue	Milrate (% of total tax bill)	Breakdown of a total \$3000 tax bill
The County	The County	2.9 (51%)	\$1530
The County	The Province (ASFF – Alberta School Foundation Fund)	2.54 (45%)	\$1350
The County	Mountain View Senior Housing	0.25 (4%)	\$120

Businesses

Collector	End Receiver of the Revenue	Milrate (% of total tax bill)	Breakdown of a total \$10000 tax bill
The County	The County	10.3 (72%)	\$7200
The County	The Province (ASFF – Alberta School Foundation Fund)	3.79 (26%)	\$2600
The County	Mountain View Senior Housing	0.25 (2%)	\$200

Therefore, you can see that for residential only 51% of your taxes paid contribute to County tax revenue and go towards providing municipal services and for businesses only 72% of tax revenue paid goes towards municipal services.

Also, it should be noted that the following table provides a breakdown of where the municipal property tax revenues come from, based on the 2019 tax year;

2019 tax revenue breakdown

Assessment category	Municipal property tax collected	% of total municipal property tax collected
Machine & Equipment and Linear (predominantly oil and gas related)	\$19,577,762	67%

Residential	\$6,733,238	23%
Farmland	\$1,311,839	4%
Non-residential (commercial and industrial businesses)	\$1,640,721	6%

Therefore, you can see that 67% of our property tax revenue is mainly associated with Oil and Gas through linear and Machinery and Equipment. Property tax is used to provide all of our municipal services, such as road grading, snow plowing, fire services, all administration support, agriculture services, etc.

Council consideration for tax purposes

Currently the County holds a line of credit with Mountain View Credit Union in the amount of \$5 million. This is to ensure that operational costs can always be covered. As of yet, the County has not utilized this line of credit.

- Administration recommended that the County increase its line of credit with Mountain View Credit Union from \$5 million to \$10 million. The County has \$12 million in a GIC with mountain view credit union, but pulling GICs early will be cost prohibitive and since the line of credit rate is so low and that GIC's pay more, it is better to increase the line of credit in case we need it. The province is requesting that we defer non-residential property tax, and therefore the line of credit may be required to cover operational costs prior to the collection of the taxes. The line of credit will not go against our County debt limit until we use it. Even if we were to use up to \$15 million we would be below our total allowable debt limit. Council directed administration to bring back to the next meeting a request for decision (RFD) regarding increasing the line of credit.
- Administration recommended Council wait for further direction from the Province before any final decisions on the 2020 operating budget and tax rate bylaw are made. Council can not pass a tax rate bylaw until the Province provides more information on what they are planning to do with the ASFF tax (Alberta School Foundation Fund). They have currently provided information that they will set the ASFF tax rate the same as for the 2019 tax year with no increase and defer collection on non-residential. However, the Province has given no direction on what they are planning to do yet with the ASFF on residential. As was provided above, 45% of the property tax for residential is collected for the Province and therefore their guidance and direction is imperative to give clarity to our residents on their property taxes for 2020. There is supposed to be more clarity coming this week. Council has accepted administrations recommendation to defer discussion on the tax rate bylaw and the 2020 budget until more information is received from the Province.
- Administration believes that a larger provision for non-collected taxes should be made in the 2020 budget as it is expected that oil and gas companies will be under much pressure. From a Town Hall meeting with the Premier, it appears their ability to pay will be based on a number of things; the financial support that will be provided to O&G companies at both Provincial and Federal levels, the current health of the O&G companies balance sheets; and

how successful Canada and the United States are in creating a North American energy policy to ensure a 'survival price' for oil and gas. All of these levers are out of the control of municipal governments and, as happened with the reassessment of shallow gas assets in 2019 when the County lost \$500,000 of property tax revenue, some of the decisions the Province makes are more industry focused with little regard for the impact to municipal revenues. Council directed administration to prepare an alternative budget based on an assumed 25% reduction in property tax revenue to determine the impact on services for Council discussion. This is simply risk management and preparation for decision making.

- Administration made some recommendations on property tax payments for the 2020 tax season. Property taxes are due Sept 15th and there is no recommended change to that date however the following additions / changes were proposed for Council consideration. Council has directed administration to consider all of these recommendations when bringing forward the 2020 operating budget and tax rate bylaw.
 - Reduce the current tax penalties for payments received after Sept 15th from 2% per month to 0.5% month. Penalties would be waived for payment received prior to Dec 1st. If payment is received after Dec 1st the full 1.5% penalty (0.5% for September, October and November) would be imposed and increased at 0.5% per month thereafter. Therefore, to be clear, no penalties would be added to your tax bill if payment was received prior to Dec 1st.
 - The County could offer discounts for pre-payments of property tax prior to Sept 15th. If full payment of your property taxes was received by July 15th you could received a 1% reduction on your bill, if you paid by August 15th you could received a 0.5% reduction on your bill
 - There is still an option for residents to go on the monthly program. The deadline to register for monthly payments has been August 8th however the recommendation is to extend that until Sept 15th.
 - The County (and all municipalities that do not currently pay into Provincial policing) are now mandated to pay for Provincial policing. For Mountain View County the cost is approximately \$500k for 2020 increasing to \$1.1 million in 2023. It is recommended that this be shown as another mil rate collection on the tax notices, similar to ASFF and MVSH as the municipality has no control over the amount collected as it is set by the Province.

Creation of an emergency pandemic fund

As part of the intermunicipal collaboration discussions with our urban neighbors, Council proactively set up a capital recreation fund that was to be used by our urban partners to build and repair culture and recreation facilities that demonstrated mutual benefit to both county and town/village residents. This fund has been utilized by the County contributing \$1million to the new Olds Rotary Park and some \$250K to the proposed village of Cremona Skate park. The fund currently has approximately \$850K remaining in it. Council has directed administration to bring forward some information regarding using a portion of the capital recreation fund as an emergency pandemic response fund.

Capital Projects

The largest capital project the County has in the 2020 construction year is the Bergen Road (Twp Rd 320) upgrade. This project was approved in December 2019 by Council. In Town Hall meetings with the Premier, he is requesting that municipalities continue with their capital projects as a boost to the economy. The following options and discussion were had on the project:

- Administration is recommending the County take out a loan through Alberta Capital Finance to pay for the project if we go ahead. By getting a loan we know what we will be getting for financing for the long term. We would borrow instead of using reserves for this project in order to mitigate risk. Reserves are based on forecasted revenues at the time. There is always unknowns with any financial plan, but those unknowns have significantly changed. We may have to use reserves for other things and the loan gives us more flexibility. Next loan date is June 15th, so we have a lot of flexibility. Council directed administration to bring back a borrowing bylaw for first reading on the April 8th. This puts the process in motion but still allows Council to defeat the motion at second or third reading if the project does not move forward.
- Administration recommended to go ahead with the tender of the Bergen road project which is set to go out on April 9th with the tender closing on April 23rd. The tender results do not commit the County to the project until a contract is entered into. Council directed administration that prior to entering into any contract it must come back to Council for discussion, at which time the project can still be halted and deferred.

Shovel ready projects

In Town Hall meetings with both the Premier and Agriculture and Forestry Minister Devin Dreesen, they have communicated that municipalities should make the Province aware of any shovel ready projects that could be used in the economic stimulus plan that the province will be putting forward in the coming months. Council has directed administration to send in a list of our shovel ready projects to both the Federal and Provincial levels.

Additional \$30 million funding for FCSS put forward by the Province.

Council asked administration what the process was for accessing the additional FCSS funds released by the Province.

- The Province announced additional FCSS funding of \$30M to go towards COVID19 specific programs. \$14 million is being managed by AFSSAA with \$16 million going to support Calgary and Edmonton. These additional funds do not require contribution from municipalities. Our Community Services Coordinator is working with all associations connected to FCSS. The County's role is to funnel applications from our local organizations to AFSSAA. We are the communicators of the process and help our organizations to work through the process. Eligible recipients must address the social wellbeing those impacted by COVID19. Organizations will then work directly with AFSSAA