

[BARRY]

- Good afternoon, everyone.
- My name is Barry Morishita, and I am the President of AUMA, as well as the Mayor of the City of Brooks.
- Welcome to our Spring 2021 Municipal Leaders' Caucus!
- I'd also like to wish you all a happy pandemic-versary.
- It was just over a year ago that we had to cancel last year's Spring Caucus when the pandemic hit.
- It's been a long, hard road since then, but the end is in sight.
- And as much as I miss seeing you all in person, especially at the hospitality suites, I'm grateful that we are still able to get together virtually to discuss important municipal issues.
- Before we get started, I'm going to give everyone a quick refresher on how to use Zoom for this event.
- I know most of you are old hands at this, but just in case there is anyone new on the line.



[BARRY]

- For today's sessions, only the presenters will be able to use their mics and cameras.
- But there are still ways for you to participate and engage with the presenters and other attendees.
- We will be taking questions throughout each session.
- You can post your questions by clicking on the Q&A symbol on the bottom of your screen.
- Just type in your question and we will make our best effort to respond to as many questions as we can.



[BARRY]

- You also have the option to use the chat box which is also found on the bottom of your screen.
- This is where you can post comments and chat with others in this session, but it's not for posting questions to the speakers.
- If you have a question for a speaker, it must be posted in the Q&A box, not the chat box.
- Also, when you are posting in the chat, make sure that you have selected "All panelists and attendees" in the drop-down list so that everyone can see your comments.
- This is especially important if you are trying to communicate with other attendees.

Gift Basket Draw



[BARRY]

- As a thank you for taking the time to join us today, all of the municipal representatives who registered for the session have been entered into a draw to win a gift basket full of local Alberta products.
- But there's a catch – to claim your prize, you have to be on the line and still awake at the end of the session when we do the draw.
- We will then arrange to have the gift basket delivered to the lucky winner.



[BARRY]

- Lastly, you will be able to find copies of the presentations that we have permission to post on the AUMA webpage.
- Go to www.auma.ca and click on Advocacy Services, then Document Library.
- We are also recording this session and we will post it on our YouTube channel.
- We'll send out links to the recording and presentations in the Digest.

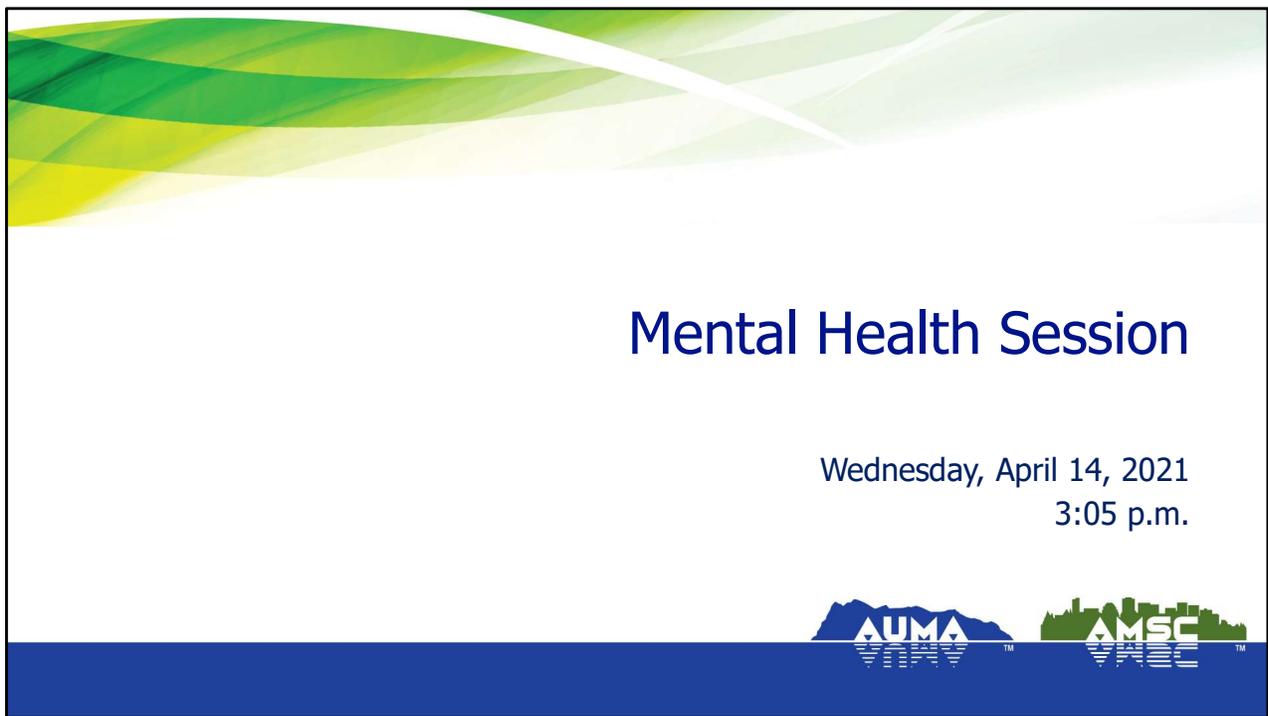
Agenda for Wednesday, April 14

3:05 p.m.	Mental Health Session
3:15 p.m.	Scissors built for two: municipalities and businesses working together to cut red tape
4:00 p.m.	Break
4:15 p.m.	Economic Resiliency and Recovery Task Force Final Report
5:00 p.m.	Break
5:15 p.m.	Municipal Finances and Reserves
6:00 p.m.	Closing Remarks



[BARRY]

- We have a great program for you over the next three days.
- We know that the pandemic has not only put our physical health at risk, but it's taken a toll on our mental health.
- As community leaders, it is essential to take time to maintain your mental fitness.
- So we're going to start every day of Caucus with a quick mental health session.
- We'll be following that today with sessions on red tape reduction, economic resiliency and recovery, and municipal finances and reserves.
- Please note that all of the sessions are open to media.



[BARRY]

- Ok, let's get started!
- First off, I'm pleased to introduce you all to Daena Douglas, Senior Advisor of Strategy and Learning with Howatt HR Consulting.
- Daena specializes in psychological health, safety, wellness, and resiliency, and she'll be opening each of our Caucus sessions by teaching us a new skill that we can use to support our own mental health.
- Daena, thanks so much for being here.



Scissors Built for Two: Municipalities and Businesses Working Together to Cut Red Tape

Wednesday, April 14, 2021
3:15 p.m.



[ANGELA]

- Thanks Daena.
- I'm sure I will be putting that skill into practice regularly.
- Hi everyone!
- My name is Angela Duncan and I am the Deputy Mayor of the Village of Alberta Beach, as well as Director of Villages West for AUMA.
- I'm happy to be here to host our session on red tape reduction.

Presenters & Panelists



JD Kliewer
Director, Policy & Strategy
Grants and Education Property Tax Branch
MUNICIPAL AFFAIRS



Ken Kobly
President and CEO
ALBERTA CHAMBERS OF COMMERCE



Jason Melhoff
Managing Director, Invest Medicine Hat
CITY OF MEDICINE HAT



[ANGELA]

- We have three guests here today.
- JD Kliewer, Director of Policy and Strategy in the Grants and Education Property Tax Branch with Municipal Affairs, will start the session by sharing some of the trends the province has observed in the Municipal Stimulus Program (MSP) red tape reports submitted by municipalities.
- In his work with the province, JD:
 - Leads the development and review of grant programs, including the Municipal Sustainability Initiative and Local Government Fiscal Framework;
 - Guides program evaluation and reporting; and
 - Ensures IT systems are in place to administer the branch's grant programs.
- JD has worked with Municipal Affairs for almost 15 years, and with the Government of Alberta for 18 years.
- Our next panelist is Ken Kobly, President and CEO of the Alberta Chambers of Commerce since February 2005.
- Ken has a background in accounting and has served as a member of the provincial board of the Certified General Accountants Association of Alberta for over 30 years.
- In recognition of this service, Ken was honoured as one of 100 CGAs who

- have made a difference.
- He was also recognized as Canadian Chamber of Commerce Executive of the Year in 2018.
 - Lastly, and certainly not least, Ken spent two decades on the municipal council of the Town of Beaumont and was mayor of the town for 12 years.
 - Our third panelist is Jason Melhoff, Managing Director of Invest Medicine Hat with the City of Medicine Hat.
 - Invest Medicine Hat is the City's enhanced version of an economic development program that focuses on expanding local businesses and connecting entrepreneurs and investors to opportunities in Medicine Hat.
 - Jason is also a local businessman himself, with expertise in land development and real estate, who twice led the Medicine Hat Chamber of Commerce.
 - After JD's presentation, we will have a panel discussion on the ways municipalities can work with local businesses to streamline processes and make their community a business-friendly environment.
 - We have some questions prepared for our panelists, but of course we are happy to also take questions from the members listening online.
 - Just make sure you enter the questions you would like to ask the panelists in the Q & A box.
 - I'll turn things over to JD now.

[JD PRESENTS.]

Panel Discussion



[ANGELA]

- Thank you, JD for sharing those insights about the Municipal Stimulus Program red tape reports.
- We'll get started now with our panel discussion.

[ANGELA TO MODERATE Q & A.]

Questions for Municipal Affairs:

- What is Municipal Affairs' plan for the MSP red tape reports? How is the Ministry going to use the data collected?
- Can you share one or two best practices from the MSP red tape reports that all municipalities should follow?
- How would Municipal Affairs like to see municipalities and local businesses working together to make Alberta communities an even more supportive environment for businesses?

Questions for Alberta Chambers of Commerce (ACC):

- ACC conducts member surveys throughout the year to identify current interests of Alberta businesses. What have you heard from your member

businesses in terms of municipalities?

- Can you share a few specific barriers identified in your survey that prevent business' from succeeding or growing? What were the issues? Have businesses and local governments been able to find solutions?
- From your survey, what are examples of municipal red tape that your members want to see reduced?
- Have your members identified any barriers to business success from the provincial government that municipalities can help address by advocating for change?
- Many local governments are interested in improving planning and development processes with the input of local businesses. What suggestions for achieving these improvements can you provide to the elected officials that are listening online right now?
- As the advocate for Alberta businesses, how would ACC describe a business-friendly environment?

Questions for Invest Medicine Hat:

- What challenges and barriers have you encountered in your municipality when delivering services to your businesses or residents? What is your approach to addressing these challenges and barriers?
- What is your municipality's approach to streamlining processes?
- Has your Council or administration identified provincial

legislation and regulations that could be streamlined to benefit municipalities? Please share an example.

- How would you describe a business-friendly environment?
- What did you include in your MSP red tape report to Municipal Affairs this year?

[ANGELA]

- All right, that's all we have time for today.
- Thank you again to JD, Ken, and Jason for that great discussion, and to everyone for their questions.
- We'll take a short break before our next session and come back at 4:15 p.m.



Economic Resiliency and Recovery Task Force Final Report

Wednesday, April 14, 2021
4:15 p.m.



[CATHY]

- Ok everyone, we're going to get started again.
- My name is Cathy Heron and I'm the Mayor of the City of St. Albert, as well as a Director of Cities up to 500,000 for AUMA.
- I'm pleased to be here today to talk to all of you about AUMA's Economic Resiliency and Recovery Task Force and its final report.

Context and Overview

- AUMA's Economic Resiliency and Recovery Task Force was created to address economic impacts of COVID-19 and low price of oil
- Over four meetings, the task force identified a number of areas where AUMA or municipalities could support economic recovery
- Final Report submitted to the AUMA Board of Directors on March 25, 2021



[CATHY]

- I was the Chair of the Task Force on behalf of the AUMA Board of Directors.
- It was a great experience, and we had an awesome group around the table.
- As mandated by the AUMA Board, the Task Force was made up of representatives from AUMA standing committees, as well as external people with economic development expertise.
- I'd like to thank all of our Task Force members for their time and contributions:
 - Tammy Burke, Mayor of the Town of Rocky Mountain House
 - Kate Potter, Mayor of the Town of Sexsmith
 - Michael Muzychka, Councillor for the Town of Olds
 - Larry Tiedemann, Councillor for the Town of Tofield
 - Joanna McCallum, Councillor for the Town of Canmore
 - Andrew Knack, Councillor for the City of Edmonton
 - Ken Kobly, President and CEO of the Alberta Chambers of Commerce
 - Lloyd Steier, Professor of Strategic Management and Organization with the University of Alberta
 - Mary-Lee Prior, President of Economic Developers of Alberta
 - Leann Hackman-Carty, CEO of Economic Developers Alberta
 - And Justin Riemer with Western Economic Diversification

- I'd also like to thank the staff at the AUMA for their support as well.
- I'm joined today by Kate Potter, Justin Riemer, and Leann Hackman-Carty.
- The task force was given three deliverables to complete.
- For each deliverable, we'll share some of the recommendations we identified and then open up the floor for discussion with all of you.
- I'll turn things over now to Kate.

Deliverable 1:

Recommendations as to the role municipalities can play in building a more resilient Alberta economy



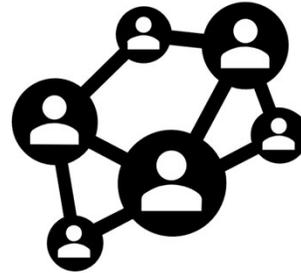
[KATE]

- Thank you, Cathy.
- The first deliverable speaks to the role that local governments have in supporting the broader Alberta economy.
- Some of the potential actions we identified were on items such as:
 - Lack of capacity for economic development
 - Collaboration at the Regional Level
 - Mitigation Planning
- Some of these items, like regional collaboration, fall right into AUMA's wheelhouse, and is something the association has been working on for many years.
- Other items, like mitigation planning, fall within the expertise of an organization like Economic Developers Alberta.
- When we established the task force, we wanted to make sure we were adding value by not duplicating any existing initiatives and focusing on issues that impact municipalities.
- The recommendations we identified in the report sometimes point to actions AUMA could take on behalf of municipalities, and others give direction to outside organizations that communities could leverage to address a potential shortfall they might be experiencing.

- I'll turn the presentation over to Justin to speak to the second deliverable.

Deliverable 2:

Develop a platform to share promising practices to support economic resiliency with a focus on small communities in particular



[JUSTIN]

- When the task force was working on this deliverable, there was a lot of discussion around ensuring that the work didn't end with the mandate of the task force or get forgotten on a bookshelf after the report was approved by the Board.
- There was a recognition that we were working through a very unique time, and that we should view that as an opportunity to bring some positive changes to our communities, and to share our best practices and lessons learned with our neighbors.
- That is why one of the most significant items identified under this deliverable was the creation of a new standing committee at AUMA. We don't have a name for it yet, but come Fall we will be recruiting interested volunteers to help keep the work of the task force moving forward.
- We also identified potential opportunities to partner with the provincial government, EDA and Alberta Chambers of Commerce to share best practices around resiliency, red tape reduction and the impact municipal decisions have on local businesses.
- Now I'll ask Leann to speak to deliverable 3.

Deliverable 3:

Develop recommendations on innovative solutions to support local businesses



[LEANN]

- For the third deliverable, we wanted to emphasize the partnership between municipalities and their local business community.
- This deliverable is a bit broad in its scope, and your mileage may vary on how applicable some of the recommendations are to your local community, but we wanted to ensure we were discussing areas where the municipality can support local businesses in innovative ways.
- Some of the recommendations that came out of our discussions on deliverable three are:
 - Encourage municipalities to engage with local businesses
 - Municipalities piloting new technologies
 - Open Data Portals for Economic Development Opportunities for Disruption
 - Procurement
- I'll turn it back to Cathy to conclude the presentation.

Discussion

For more information on the report or to share feedback,
reach out to advocacy@auma.ca



[CATHY]

- Now that we've gone through the broad strokes of the report, we want to hear from local leaders.
- Maybe you have a practice that you've adopted you'd like to share with us, or maybe you tried something, and it went not so great, feel free to share that too.
- When we developed the report, we purposefully narrowed the scope to items that fall within the mandate of municipalities, or that the AUMA could reasonably take on as an association.
- With the establishment of a standing committee, we have an opportunity to expand the scope of items we work on as there is now a permanent place at AUMA for these issues.

[CATHY TO FACILITATE DISCUSSION]

Questions to ask attendees if discussion is slow:

1. Many municipalities have introduced support for businesses throughout the pandemic. What feedback have you received from your local business community on these supports?
2. Are there any practices that you've adopted through COVID-19 that you could see continuing once the pandemic is ended?
3. Have you noticed an increased reliance on any municipal services, in particular due to the pandemic? Do you foresee this increased uptake continuing once the pandemic has passed?
4. When the new standing committee gets started, what areas do you think should be focused on from an advocacy perspective?
5. What opportunities have presented themselves within your community that you never would have considered had there not been a pandemic?
6. If you could go back in time and tell yourself one thing before the start of the pandemic, what would it be?

- Ok, everyone.
- That was a great discussion and we've heard a lot of things to take back to

the Task Force for consideration.

- Thanks again to Kate, Leann, and Justin for joining me,
- And we'll take a short break now and come back at 5:15.

Municipal Finances and Reserves

Wednesday, April 14, 2021
5:15 p.m.



[TANYA]

- Welcome back everyone.
- My name is Tanya Thorn and I'm a Councillor for the Town of Okotoks, as well as Director of Towns South for AUMA.
- Our last session of the evening is on municipal finances and reserves.
- This has been a growing conversation over the past two years based on various government reports, op-eds in newspapers, and comments made by provincial ministers and MLAs.

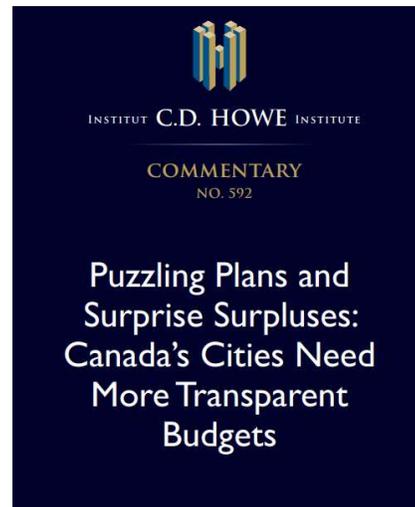
Agenda

How budgeting practices can lead to financial surpluses

C.D. Howe Institute

Exploring and storytelling the state of municipal finances

AUMA's plans and Q&A



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[TANYA]

- This will be a two-part session.
- We will start with a presentation by the C.D. Howe Institute about a recent report they published about municipal surpluses.
- You'll have a short window to ask questions and then we will jump into a presentation by AUMA on municipal financial health and the need for us to change the narrative.
- So let's get started.
- In February, the C.D. Howe Institute published a report called "Puzzling Plans and Surprise Surpluses: Canada's Cities Need More Transparent Budgets".
- One of report's key messages is that there is a disconnect between the budgeting process that municipality's use versus the actual financial reporting process and this is leading to situations where many of Canada's largest cities booked year-end surpluses in 2019.
- While the report focused on cities, we felt that its message can apply to any municipality.



Bill Robson
Chief Executive Officer
C.D. HOWE INSTITUTE



Miles Wu
Research Assistant
C.D. HOWE INSTITUTE



[TANYA]

- To learn more about this topic, I am now pleased to introduce Bill Robson, Chief Executive Officer of the C.D. Howe Institute.
- Bill has been with the C.D. Howe Institute for over 20 years, and has been the CEO since 2006.
- He has written over 240 monographs, articles, chapters, and books and has won awards from the Policy Research Secretariat and the Canadian Economics Association.
- Among his many accolades, Bill serves on a panel of advisors to the Auditor General of Ontario and the Ifo World Economic Survey and if you happen to watch BNN or Bloomberg you may recognize Bill as he is a regular commentator on those programs.
- Also joining us is Miles Wu.
- Miles is a Research Assistant with the C.D. Howe Institute and has a degree in Economics and a Masters in International Affairs.
- Prior to joining the Institute, Miles had experience working at the Information Technology Association of Canada and Toronto City Hall.
- Miles is a co-author of the report and is here to help answer any of your questions.
- Bill and Miles, thank you for joining us.

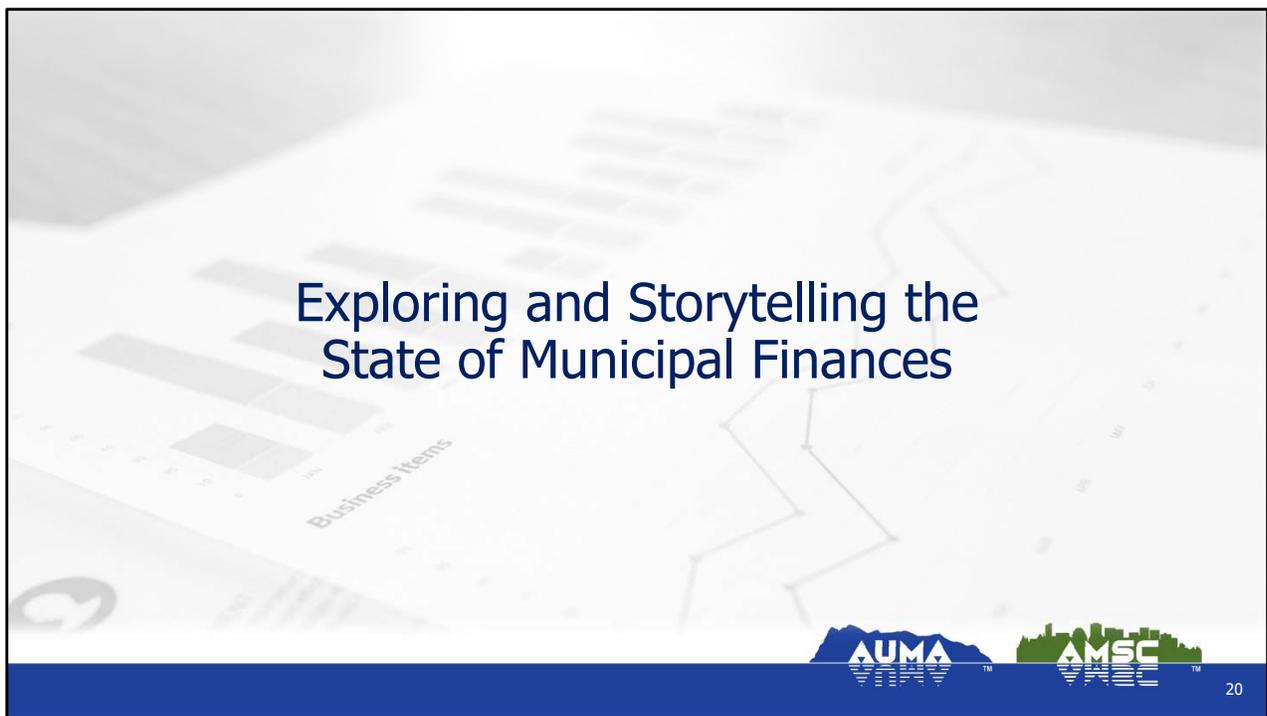
[ADMIN TO STOP SHARING THE SCREEN – BILL WILL NOT BE USING ANY VISUALS]

[BILL PRESENTS UNTIL 5:35PM]

- Thank you Bill.
- We are now going to take questions so please drop those in the Q&A box.

[MODERATE Q&A UNTIL 5:40PM]

- Alright, that is all the time we have for this part of the session.
- On behalf of AUMA, I want to thank Bill and Miles for your presentation and commentary this evening as I'm sure your presentation is going to lead to some interesting conversations going into this year's budget season.



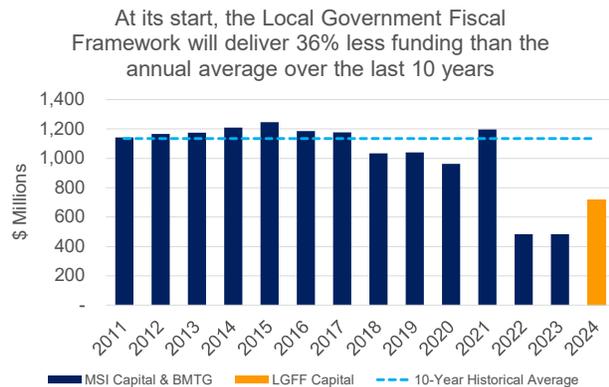
[ADMIN TO RESTART SCREEN SHARING OF PPT]

[TANYA]

- Moving onto the second part of this session.
- We are now going to talk about a topic that keeps getting brought up as of late and that is the suggestion that municipal governments are well off.
- In other words, municipalities are over-taxing, that we don't need as much funding from the province, and that we are flush with reserves.
- For the next few minutes we are going to talk about what we at AUMA are hearing and what we plan to do about it.

Budget 2021: Capital funding trending down

- MSI extended but 3-year average is 25% less than the 2020 level
- LGFF delayed to 2024 and baseline reduced from \$860 million to \$722 million
- Delay in improving the allocation of funding



[TANYA]

- As you are aware, Budget 2021 builds on this trend where the province continues to reduce capital funding to municipalities.
- While MSI gets a boost to \$1.2 billion this year, the MSI program will continue for two more years at historically low levels of only \$500 million per year.
- This means that the Local Government Fiscal Framework is delayed for two more years, and the baseline funding of LGFF is reduced from what was supposed to be \$860 million down to \$722 million.
- This means that over the next four years, municipalities are going to receive 36% less funding each year compared to the previous 10 year average.

Provincial government perspectives on municipal wealth

"Alberta flows roughly \$440 per capita in municipal capital grants which is over 20% higher than the national average."

~MacKinnon Report, 2019

"...huge reserve funds available in Calgary and Edmonton should make property tax hikes unnecessary."

~Jack Mintz, Chair of the Premier's Economic Recovery Council, 2021

The 2020 assessment model review focused on how proposed reductions in tax revenue compared to each municipality's reserve levels.

Grants in Place of Property Taxes was cut in half and sharing of traffic fine revenue reduced from 73% to 60% with no discussion with municipalities.

Source: Quote by Jack Mintz was published in a February 26, 2021 column in the Financial Post.



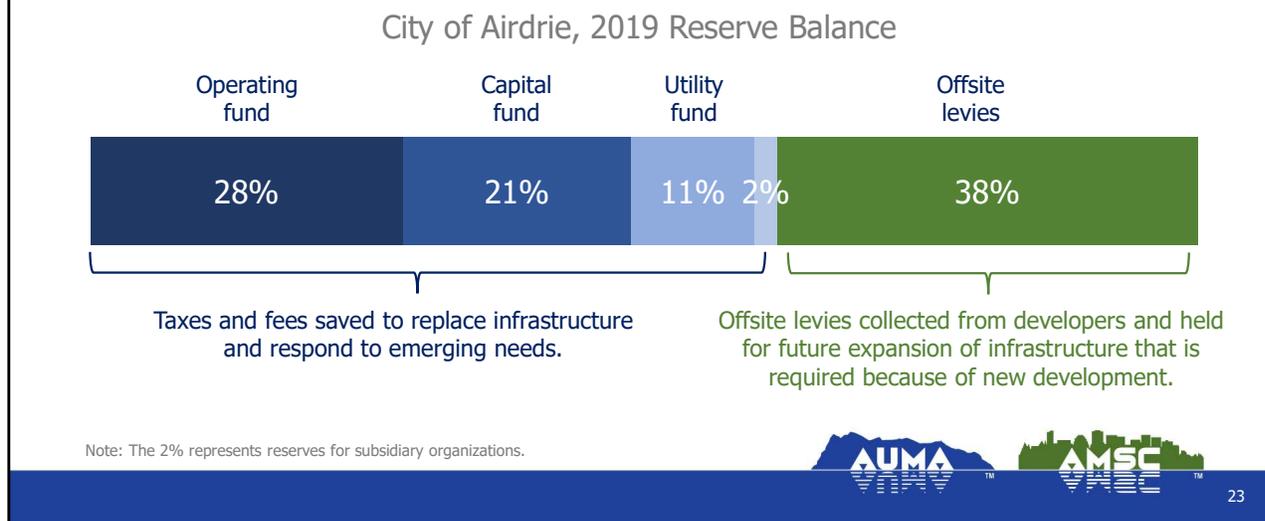
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[TANYA]

- While the changes to MSI and LGFF were unexpected, it's not surprising considering the messaging we have heard from the government, their appointed advisors, and those individuals that we know that have the ear of this provincial government.
- Since the UCP has taken office, we have seen numerous examples of the province downloading new costs onto municipalities.
- We've also heard messaging suggesting that municipalities are wealthy due to their state of reserves.
- The MacKinnon Report targeted municipalities for receiving higher funding and having higher capital assets per capita than other provinces.
- However, the report made no effort to understand how municipal infrastructure is different in Alberta.
- Anyone who has traveled this province knows full well that the vast majority of Alberta has been developed for its resources and so there are communities and infrastructure across most parts of the province that need to be maintained.
- We've also spent the last 20 years with the highest growth of population among any province and that means growth of new infrastructure.
- We have also seen municipal reserves come under the spotlight, where provincial leaders are suggesting that these reserves are a sign of wealth

- that they should be drained to avoid tax burdens on Albertans.
- What is missing from the conversation is why municipalities have reserves.
 - And while one municipality may be in good financial health, there are many others that aren't.

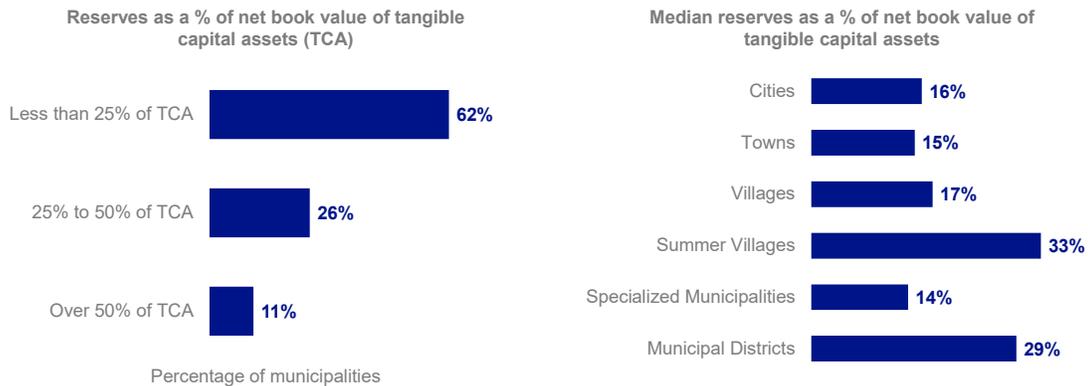
Developer levies are part of municipal reserves



[TANYA]

- It's common for the public to think that reserves are a slush fund of cash for municipal councils to play with as they please.
- The truth is reserves are a product of prudent long-term planning, taking into consideration savings for the future replacement of infrastructure.
- Many municipalities also use reserves as a tool to limit major swings in property tax by pulling from reserves in years when revenue is lower than expected.
- What the vast majority of people don't know is that reserves also include offsite levies collected from developers.
- High growth communities may have reserve balances that include tens or hundreds of millions of dollars of development levies, which are held for the future expansion of infrastructure, which is necessary when new neighbourhoods are added.
- As an example, 38 per cent of the City of Airdrie's reserves are offsite levies.
- That's \$44 million on the City's books that had nothing to do with any type of taxation on residents.
- Those dollars were collected from developers and must be held only for the expansion of items such as roads, water lines, or facilities related to new growth.

Reserve levels differ between every municipality



Source: AUMA calculations using the 2019 Financial Information Returns, Alberta Municipal Affairs



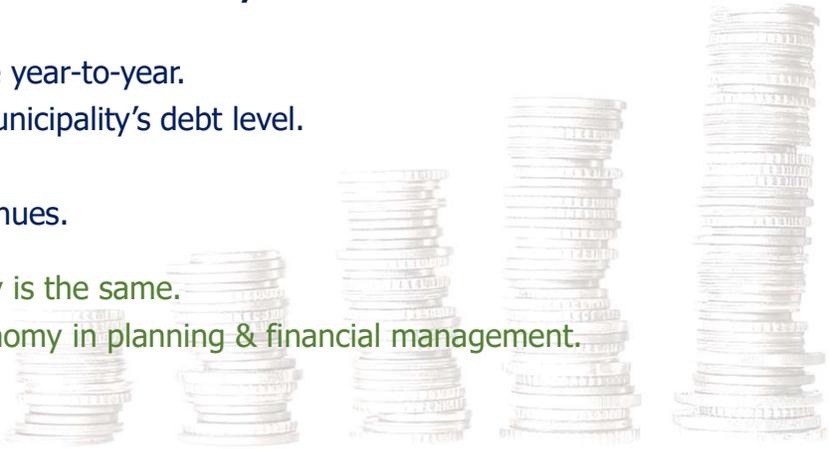
[TANYA]

- Now when we talk about reserves, we need to be honest that some municipalities have more financial resources than others.
- When we look at the 2019 financial information reports, the majority of municipalities, over 200 of them, have restricted reserves of less than 25 per cent of their Tangible Capital Assets or TCA.
- There are some, close to 40 municipalities with significantly more reserves on the books compared to their TCA, but these are outliers.
- The graph on the right may encourage stereotyping about the wealth of different types of municipal governments, but these are just averages.
- For example, while the median for municipal districts is 29%, the scope of reserves differs dramatically between each county.
- Some have reserves as low as 2% of their TCA, while one has 119%.
- While it may sound like that county is rich with reserves, if you dig a little further, you'll learn that their assets are almost fully depreciated, which suggests that their infrastructure is quite old.
- So its quite possible that they have been saving up their reserves to replace a major asset and once those dollars are spent, their financial picture will look a little different.
- The graph also shows that summer villages tend to have higher levels of reserves compared to their TCA.

- In some cases there are summer villages that are saving up to add a water system in their community and in other cases, some have very little assets left on the books.
- My point is that when we talk about financial health, some municipalities certainly have more financial capacity than others, but we can't limit the conversation to only look at reserves.

Reserves are not the only indicator of 'wealth'

- Reserve levels change year-to-year.
- Need to consider a municipality's debt level.
- Age of infrastructure.
- Capacity to raise revenues.
- Not every municipality is the same.
Need to respect autonomy in planning & financial management.



[TANYA]

- We need to remember that reserve levels can change year-to-year based on major purchases.
- We also need to consider how much debt a municipality is carrying.
- For instance, some municipalities prefer to replace capital assets with debt instead of saving up funds in reserves.
- And of course, a municipality's wealth can also be measured based on its capacity to raise revenues compared to other jurisdictions.
- This certainly adds some complexity to the discussion and to top it off, we need to respect that each municipality is an independent government.
- No municipality is the same, and each should have the autonomy to make financial choices as they see fit for their community.

Municipalities need to change the narrative

- Need to inform leaders about municipal finances
 - Purpose of reserves
 - Debt limits
 - Asset management practices
 - Balanced budgets
 - Long-term planning
 - Impact of loss in funding



[BARRY]

- It is clear that we need to change the narrative.
- We need to acknowledge that very few MLAs have experience in municipal government.
- Municipal finance is very different from other levels of government and so we need to do a better job of informing provincial leaders and the public about how municipal finance works.
- We need to get out and talk about why municipalities have reserves, how we have legislative restrictions on debt use, and how we are actually required to balance our budget each year.
- We need to talk about the facts about asset management practices and how decisions about reserves, debt, and annual tax revenue roll into asset management plans.
- And we need to talk about the concept of 'current users' paying for services and infrastructure, rather than the practise of the other two levels of government whereby future generations will be paying for the debt accumulated for the services used by the current population.
- Building reserves for future infrastructure maintenance and replacement, translates to current users paying for their use of services and infrastructure.

Understanding municipal financial health will inform the design of LGFF allocation

- AUMA's principles for LGFF allocation
 - Transparent and simple.
 - Balance predictability and stability in funding with responsiveness to changing needs in municipalities.
 - ***Equitable funding for all municipalities.***
 - Neutral to local decisions.

Linkage to financial health and capacity.



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[BARRY]

- So why does this issue matter?
- Well as I mentioned, collectively, we need to work together to change the narrative that the provincial government is creating.
- We also need to think about how this relates to the future allocation of the Local Government Fiscal Framework.
- You have told us that AUMA should rely on these four principles when designing the LGFF allocation formula.
- One of those principles is that funding should be distributed equitably.
- And measuring the financial health of municipalities is one way to look at how LGFF funding is allocated.

What is the right way to measure a municipality's financial health?

- 1 **Accumulated amortization**
Gross cost of capital assets • Measures the estimated useful life remaining in a municipality's capital assets.
- 2 **Restricted reserves**
Operating expenses including depreciation • Measures the ability of a municipality to fund asset replacement or targeted needs.
- 3 **Debt servicing costs**
Total revenues • Measures a municipality's ability to afford additional debt if required.
- 4 **Average residential tax and fees per household**
Average household income • Measures whether taxes and fees are affordable and how it compares to other municipalities.



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[BARRY]

- So, what is the right way to measure a municipality's financial health?
- We have done some preliminary work looking at various metrics that could be used.
- Here are four examples.
- One is to measure the estimated useful life of a municipality's capital assets. Are their assets older or newer.
- Two is to look at a municipality's restricted reserves in comparison to their annual expenses. This can indicate a municipality's ability to fund asset replacement and respond to fluctuations in revenue.
- Three is to look at debt servicing costs and the municipality's ability to afford additional debt if needed.
- And four is to look at the capacity to generate new revenue based on affordability. This metric looks at the average taxes and fees per household compared to the average household income in the municipality and how does that compare to other municipalities.
- Now these are just a few examples.
- There are many other metrics that could be used so if you have some other ideas, we'd love to hear what those are if you want to type them in the chat, send us an email, or give us a call.

Next steps for AUMA

- Launch a technical working group to inform AUMA's approach to the design of the LGFF allocation formula
 - Build on the information you have shared at past events
 - Determine best metrics to measure municipal financial health
- Support members to educate MLAs, local media, and the public about municipal finances



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[BARRY]

- In terms of AUMA's next steps, we have a couple of plans.
- Over the past two years, we have asked for your input about LGFF at our municipal leaders caucus events.
- You have given us numerous ideas about what types of data factors should be incorporated into the new LGFF allocation formula.
- Each offers various advantages and disadvantages.
- Our next step is to create a working group of members that can help us look at formula design in more detail.
- We expect this will include people that have an intimate knowledge of municipal finances that can highlight the risks of using certain types of data.
- This work will position us well to advocate for a formula that better meets the needs of all municipalities.
- The second component of our plan comes back to how we deal with the current narrative being created by the province.
- While we will be doing our best to talk with provincial ministers, you also can be a key player in changing the current dialogue.
- We are looking for ways to support you talk with your MLA, local media, and residents about the state of your finances.
- Beyond giving you key messages, stories are often best at changing people's perspectives.

- So what is your story and how can we help you share it?

Poll Question

Which of the following initiatives would you like AUMA to invest time in? (select all that apply)

- a. Creating a system to measure municipal financial health
- b. Launching a working group to help design LGFF
- c. Supporting members to educate MLAs about municipal finances
- d. I have other ideas – tell us at advocacy@auma.ca



[BARRY]

- At this point we are going to launch a short poll.
- We want to hear your opinion on whether we are on the right track.
- Out of the initiatives that we just mentioned, which ones would you like us to invest time in?
- You can select as many as you like.

[ADMIN TO LAUNCH POLL]

Poll:

Which of the following initiatives would you like AUMA to invest time into?
Please select all that apply.

- a) Create a system to measure municipal financial health
- b) Launch a working group to help design LGFF
- c) Support members to educate MLAs about municipal finances
- d) I have other ideas – tell us at advocacy@auma.ca.

- While that poll is up, we want to start taking your questions.
- If you have a question, please type that in the Q&A box.

[RESPOND TO FIRST QUESTION. ONCE COMPLETE, ADMIN WILL SHARE THE

RESULTS ON THE SCREEN AND YOU CAN SPEAK TO THE POLL RESULTS]



[BARRY AND TANYA TO MODERATE QUESTIONS UNTIL 5:55 PM]

- Alright, that's all the time we have for this session evening.
- If you have more input or questions on this or any other topic, please feel free to contact our advocacy team at advocacy@auma.ca.
- I'll turn things over now to my colleague Mohinder for the gift basket draw and closing remarks.

See you tomorrow morning!

Thursday, April 15

9:00 a.m. Sessions begin

9:15 a.m. Remarks from Rachel Notley, Opposition Leader

9:30 a.m. 2021 Municipal Elections

10:45 a.m. Province-Wide Vote of Electors

11:15 a.m. President's Report

11:30 a.m. Member Requests for Decision



[MOHINDER]

- Thank you, Barry and Tanya.
- And now, the moment you've all been waiting for – the gift basket draw.

[THE WINNER'S NAME AND MUNICIPALITY WILL COME UP ON THE SCREEN.]

- Congratulations to [WINNER]!
- We'll be doing another gift basket draw tomorrow and on Friday, so we hope you can join us for those sessions as well.
- Caucus starts tomorrow at 9 a.m.
- We'll be hearing from Rachel Notley, Leader of the Official Opposition.
- Then we have education and engagement sessions on the upcoming municipal election and the ability to put important public questions on the ballots.
- Our president will update you on all the latest AUMA news and activities.
- And then we'll be asking you to vote on three Requests for Decision that have been brought forward by our members.
- The RFDs are available through Chime if you would like to get a head start on reading them.
- Thanks again to our speakers and to all of you for joining us.
- Have a good night and stay safe!