

CITY COUNCIL ADDITIONAL AGENDA

Tuesday, February 16, 2016 – Council Chambers, City Hall

Call to Order: 2:30 PM
Recess: 5:00 PM to 6:00 PM

I. IN CAMERA MEETING

- I.1. Motion to In Camera - Human Resources Matter (FOIP 24(1))

- I.2. Motion to Revert to Open Meeting

2. REPORTS

- 2.1. 2016 Grant Applications - Alberta Community Partnership (ACP) -
Intermunicipal Collaboration
(Agenda Pages 1 – 3)

- 2.2. AUMA - Request for Decision regarding Carbon Tax
(Agenda Pages 4 – 7)

3. ADJOURNMENT



February 11, 2016

2016 Grant Applications – Alberta Community Partnership (ACP) – Intermunicipal Collaboration

Financial Services

Report Summary & Recommendation:

The City has submitted two grant applications under the Alberta Community Partnership (ACP) – Intermunicipal Collaboration program. One application is for system enhancements to revenue management software and the other application is to update orthophotography. The City has also agreed to partner on one additional project under the same grant program for a flood risk and hydraulic analysis study of Piper Creek. As part of the grant application process, Council resolutions supporting the projects are required from all partners.

It is recommended that Council ratify the grant applications for the Integrated Municipal Software, Regional GIS Orthophotography and Waskasoo/Piper Creek F.R.S. projects.

City Manager Comments:

The Alberta Community Partnership (ACP) grant is invaluable to municipalities that develop partnerships or specific projects.

Administration has worked hard to identify opportunities for funding which meet the criteria.

It is recommended that the City ratify the grants as submitted in partnership with a variety of municipal partners. The other five municipalities are in the process of obtaining similar approvals.

Craig Curtis
City Manager

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report from Financial Services dated February 11, 2016 re: 2016 Grant Applications – Alberta Community Partnership (ACP) – Intermunicipal Collaboration hereby ratifies the grant applications for the Integrated Municipal Software, Regional GIS Orthophotography and Waskasoo/Piper Creek F.R.S. projects.



Report Details

Background:

One of the administrative guidelines that is used in the preparation of budgets is that competitive grants are not included as funding sources. However, Administration actively explores opportunities for competitive grant programs to fund approved Council capital and operating projects. If competitive grants are applied for and received then the funding sources in the budgets are adjusted accordingly.

One of the competitive grant programs is the Alberta Community Partnership - Intermunicipal Collaboration component which provides funding to partnerships of 2 or more municipalities to develop or expand regional municipal service delivery. Projects are ranked based on a set of criteria established under the program. A municipality can be the managing partner on up to 2 projects but can be a partner in as many other projects as desired. The deadline for project submissions was February 5. The City of Red Deer has submitted two projects as managing partner and has partnered with Red Deer County as managing partner on one project.

Projects chosen by The City for the grant were approved by Council during the budget, had partner municipalities wanting to work collaboratively with The City, and were felt to best meet the criteria outlined above. One of the unique aspects in this grant is the requirement to partner which takes some additional time to find a suitable partner but also opens up additional opportunities for collaboration, knowledge sharing, relationship building and efficiencies in program and project delivery.

The first project is for \$250,000 to support system enhancements for the revenue management software suite. This suite covers taxation, utility billing, permits, licenses and cash receipting. Funding is \$200,000 from the grant program and \$50,000 municipal contribution. The City's portion would be funded from the additional Enterprise Business Applications (EBA) project funding approved in the 2016 Capital Budget. If this funding is not received then the projects will be prioritized and proceed within the limitations of the EBA budget. The City of Lethbridge is the partner for this application as they use the same revenue management software suite.

The second project is for \$265,000 to update orthophotography. Funding is \$238,500 from the grant program and \$26,500 from municipal contributions. The City's portion would be funded from the funds approved as part of the 2016 Operating Budget. If this funding is not received then the City of Red Deer will proceed with its own requirements with the funds approved as part of the 2016 Operating Budget. The partners for this application are Red Deer County, Kneehill County, the Town of Sylvan Lake and the Town of Blackfalds.

The third project is for \$310,000 to develop a flood risk and hydraulic analysis study to map the developed and undeveloped areas from the Piper Creek headwaters southeast of the City of Red Deer to the creek's confluence at Waskasoo Creek. Funding is \$260,000 from



the grant program and \$50,000 from municipal contributions. The City's portion would be funded from the replacement of the Piper Creek culvert crossing on 19 Street. If this funding is not received then the project would not proceed.

Discussion:

As part of the grant application process, Council resolutions supporting the grant application are necessary from each of the partners. The Council resolutions are to be submitted to Alberta Municipal Affairs by February 29. Each of the partner municipalities are currently in the process of complying with this requirement.

Analysis:

Partnering for the revenue management system enhancements allows for more items to be considered with the pooled resources. It also prevents a potential additional capital budget request of \$200,000. A limitation is that enhancements have to be jointly agreed to between the partners which may impact City of Red Deer priorities.

Partnering for the orthophotography allows for economies of scale to be realized as one flight can be done instead of multiple flights for each individual partner. This will save \$25,000 - \$35,000 in the 2016 Operating Budget depending on final cost sharing arrangements. A limitation is the partners have to agree on how much risk to take in scheduling the work prior to the first snow fall.

Partnering for the flood mapping results in accurate flood maps being available for appropriate land use planning, the identification of high and low risk areas, the study forming part of the Stormwater Master Plan required by all municipalities and support for the partners to responsibly manage creeks and subject adjacent lands. It prevents a potential additional capital budget request of \$260,000. Risks include being able to properly schedule the project considering adherence to all current standards and regulations, the availability of qualified consultants and ensuring proper data is collected.

Recommendation

It is recommended that Council approve resolutions ratifying the grant applications for the Integrated Municipal Software, Regional GIS Orthophotography and Waskasoo/Piper Creek F.R.S. projects.



Council Decision – February 16, 2016

DATE: February 19, 2016
TO: Dean Krejci, Chief Financial Officer
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: 2016 Grant Applications – Alberta Community Partnership (ACP) – Intermunicipal Collaboration

Reference Report:

Financial Services, dated February 11, 2016.

Resolution:

At the Tuesday, February 16, 2016 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered the report from Financial Services dated February 11, 2016 re: 2016 Grant Applications – Alberta Community Partnership (ACP) – Intermunicipal Collaboration hereby ratifies the grant applications for the Integrated Municipal Software, Regional GIS Orthophotography and Waskasoo/Piper Creek F.R.S. projects.

Report back to Council: No.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

for Frieda McDougall
Manager

c. Director of Corporate Services



February 12, 2016

AUMA RFD regarding carbon tax

City Manager's Office

Report Summary & Recommendation:

The City of Red Deer submit a Request for Decision (RFD) to the Alberta Urban Municipalities Association (AUMA) for an advocacy position on the carbon tax that would exempt municipalities from paying the tax but not from the environmental responsibilities such as reporting, planning and targets. This approach would enable municipalities to work towards their local community priorities without the added financial burden of an additional tax while still working within a provincial and federal framework of climate leadership and environmental sustainability.

City Manager Comments:

A December poll by Mainstreet Research/Postmedia showed 66% of Albertans were opposed to the announced carbon tax and 68% were opposed to the Provincial Climate Plan in general.

Much of the angst surrounding the proposed carbon tax relates to uncertainty as to how it will be applied, what exemptions will be granted and how the revenue will be used.

In British Columbia criticism of their tax has been muted by the fact that funds raised have been returned to individuals and businesses through tax reductions and the BC Provincial Government has indicated that none of the revenue is being used to fund government spending.

If the carbon tax is applied directly to municipalities the City's bill could be in the order of \$2.8 million in 2017 and \$4.2 million in 2018 based on the City's Green House Gas emissions per capita. This would result in a surcharge of 2.3% to 3.5% tax increase above current projections.

In British Columbia concern was expressed that taxation of local governments would result in people being double taxed. Consequently a policy was adopted by which local governments that commit to carbon neutrality can access the Climate Action Revenue Incentive, a grant that offsets 100% of the carbon tax local governments would have to pay.

Although we are uncertain how the new carbon tax in Alberta will be applied, it is important that the impact on local taxpayers be reduced or eliminated during this economic downturn. Administration is therefore proposing an advocacy position that would exempt municipalities from paying the tax but commit to some form of environmental targets which could be phased in an achievable and cost efficient way.



I recommend that Council support the proposed resolution as presented.

Craig Curtis
City Manager

Proposed Resolution

Resolved that Council of The City of Red Deer having considered the report from City Manager's Office dated February 12, 2016 re: AUMA RFD regarding carbon tax, hereby directs administration to prepare an RFD for AUMA consideration on climate change as outlined in the report.



Report Details

Background:

As part of the Climate Leadership Plan, the Provincial government announced its plan for a carbon tax. The Federal Government is also developing its climate strategy in consultation with the provinces and territories. At this time, it is not clear how these plans will impact municipalities financially and support climate action towards environmental sustainability at the local and community level.

Municipalities have a strong leadership role to play at the local level towards a sustainable future. The City of Red Deer has won awards for its sustainability initiatives from the Alberta Urban Municipalities Association (AUMA) for its Environmental Master Plan (EMP) amongst other initiatives that demonstrate the clear and meaningful role local governments play in addressing climate change. With the clear leadership from the federal and provincial governments, enhanced opportunities and financial investments will be available.

As climate change plans are developed at the federal and provincial level it is important they consider and respect the role of municipalities and local government. The upcoming AUMA Mayors caucus is an important opportunity to bring this forward on a provincial level and prior to the provincial budget in April.

Discussion:

Environmental sustainability has been a formal priority of City Council since the 2008 strategic plan and prior to this environmental objectives have been part of city planning and programs for decades. For example The City won an award for its environmental mosquito control in the 80s before The City had a formal strategic plan. With the adoption of the environment as a pillar and strategic objective, The City has and will continue to adopt plans such as the Environmental Master Plan (EMP), policy positions on pollinator parks, and successful advocacy efforts on important issues such as contaminants in water through AUMA. These are only a sample of what The City has accomplished and reflects the priority Red Deerians place on the environment and natural spaces.

The Government of Alberta has not released the complete details on the carbon tax making it challenging for municipalities to plan strategically. In order to leverage the opportunity and respond to the regulations. Various reports indicate that the tax will be revenue neutral and that there will be no exemptions. Without the details from the Province we have looked at British Columbia, which has a carbon tax, to understand how a carbon tax regime would or could apply to municipalities. In B.C. municipalities receive a conditional grant equivalent to their municipal payment of carbon tax if they meet the following conditions: sign onto a charter that includes being carbon neutral in their operations and reporting on GHG emissions, community planning, and reporting to the province and public.



Analysis:

Strong federal and provincial leadership on climate change including comprehensive goals and targets will be a catalyst for further strategic and changes at the municipal level. However past experience demonstrates that in most public policy areas, effective community change occurs at the community and local level. It is important that regulations, policy and funding models provide municipalities the tools, information and flexibility to provide local solutions reflecting community priorities, conditions and needs.

In B.C. the framework for a carbon tax allows municipalities to keep the proceeds from the carbon tax at the local level where effective and efficient community decisions can be made. It also encourages municipal accountability through planning and reporting on climate change objectives.

If the carbon tax is levied on municipalities the impact on city finances could be several million and could result in a tax increase to the public of several percent. For citizens that would result in paying carbon tax twice: once to the provincial government and then again through the municipality. The carbon tax could not be absorbed without limiting the city's ability to address growth and community priorities.

A system that minimizes the municipal financial impact while encouraging meaningful climate change action, efficient operations and reduced green house gases is preferred.



Council Decision – February 16, 2016

DATE: February 19, 2016
TO: Lisa Perkins, Director of Corporate Transformation
FROM: Frieda McDougall, Legislative Services Manager
SUBJECT: AUMA RFD regarding Carbon Tax

Reference Report:
City Manager's Office, dated February 12, 2016.

Resolution:
At the Tuesday, February 16, 2016 Regular Council Meeting, Council passed the following Resolution:

Resolved that Council of The City of Red Deer having considered the report from City Manager's Office dated February 12, 2016 re: AUMA RFD regarding carbon tax, hereby directs administration to prepare an RFD for AUMA consideration on climate change as outlined in the report, as revenue neutral impacts to municipalities.

Report back to Council: No.

A handwritten signature in blue ink that reads 'Frieda McDougall'.

for Frieda McDougall
Manager