



Mayor Alanna Hnatiw
ahnatiw@sturgeoncounty.ca

December 21, 2017

Mayor Hnatiw,

The Ministry of Municipal Affairs recently introduced regulatory changes to the Community Aggregate Payment Levy (CAPL) maximum, increasing it to \$0.40 per metric tonne.

This was done without notifying the ASGA or its members of the regulatory change. This was not discovered by our organization until December 6th, just weeks before the regulatory changes would take effect.

As you are aware, commerce in aggregates largely uses bids, constructed as much as six months ahead of the project. A sudden change in CAPL would render numerous projects across the province economically unviable and potentially endanger aggregate projects and businesses across the province, including in your members' communities.

To enable the aggregates industry to properly prepare for this cost increase, I would kindly ask you to recommend to your municipality to delay increases to the CAP Levy until July 1st, 2018. This would give aggregate producers the needed time to alter future bids.

As a generalization, it is worth noting that 2/3 of CAPL revenue is generated in the 3rd and 4th quarters of the calendar year in most municipalities. The loss of revenue would be minimal, but the economic stability and aggregate supply security would outweigh that loss in most cases. For clarity, we are only asking for the delay in collecting the increase in CAPL, not the existing \$0.25 per tonne levy.

Thank you for your consideration. Please inform us if your municipality requires further information.

Regards,

A handwritten signature in black ink, appearing to read 'Dale Soetaert', with a long horizontal flourish extending to the right.

Dale Soetaert,
President